

# Halifax County Board of Commissioners

Vernon J. Bryant, Chairman  
J. Rives Manning, Jr., Vice-Chairman  
Carolyn C. Johnson  
Linda A. Brewer  
Marcelle O. Smith  
T. Patrick W. Qualls



Tony N. Brown  
County Manager  
Andrea H. Wiggins  
Clerk to the Board  
M. Glynn Rollins, Jr.  
County Attorney

**Tuesday July 23, 2019 Special Meeting 5:30 PM**

Halifax County Historic Courthouse  
10 North King Street, Post Office Box 38, Halifax, North Carolina 27839  
252-583-1131/Fax: 252-583-9921  
[www.halifaxnc.com](http://www.halifaxnc.com)

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**The mission of the Halifax County Board of Commissioners is to provide leadership and support for an effective county government that seeks to enhance the quality of life for the people of Halifax County.**

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## Call to Order

**Chairman Vernon J. Bryant**

## Invocation and Pledge of Allegiance

## Adoption of the Agenda

## Conflict of Interest

**Chairman Vernon J. Bryant**

*In accordance with the Halifax County Board of Commissioners Rules of Procedures and N. C. G. S. Sec.153A-44, it is the duty of every member present to vote on all matters coming before the Board, unless there is a conflict of interest as determined by the Board or by law. Does any Board member have any known conflict of interest with respect to any matters coming before the Board today? If so, please identify the conflict and the remaining Board members will vote to consider the requested excuse.*

- 1. This Special Meeting is called pursuant to N. C. G. S. 153A-40(b). For the record, have each of the Commissioners received a copy of the Notice of Special Meeting at least 48 hours prior to the time of this meeting?**

**County Commissioners**

- 2. Public Hearing**

- A. Public Hearing on Proposal for Sale of Home Health and Hospice of Halifax

**M. Glynn Rollins, Jr., County Attorney**

- 3. Agenda Item**

- A. Appointment to Fill Vacancy on Grievance Committee

**M. Glynn Rollins, Jr., County Attorney**

- 4. Adjourn Until the August 12, 2019 Regular Meeting**

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*Accommodations for individuals with disabilities may be arranged by contacting the County Manager's office at 252-583-1131 at least 48 hours prior to the meeting.*

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**AGENDA**  
**Halifax County Board of Commissioners**  
**Special Meeting**

**TO:** Halifax County Board of Commissioners

**FROM:** M. Glynn Rollins, Jr., County Attorney

**PRESENTER:** M. Glynn Rollins, Jr., County Attorney

**SUBJECT:** Public Hearing on Proposals for the Sale of Home Health and Hospice

**DATE:** July 23, 2019 Special Meeting

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**SUPPORTING INFORMATION:**

You must conduct a public hearing pursuant to N.C.G.S. §131E-13(d)(5) regarding the proposals to purchase the assets of Halifax County's home health and hospice agency, Home Health and Hospice of Halifax (the "Proposals"). Pursuant to G.S. 131E-13(d)(6), copies of the Proposals have been available for public inspection for at least ten days prior to this public hearing. The public hearing is an opportunity for the public to comment on the Proposals and the entities making the Proposals. Copies of the Proposals are attached. A copy of G.S. 131E-13(d)(5) and (6) is also attached.

**ATTACHMENTS:**

Description

- ▢ Public Hearing - Opening Statement
- ▢ Notice of Public Hearing
- ▢ LOI\_Carolina RehabWorks
- ▢ LOI\_HealthView Capital Partners
- ▢ LOI\_Home Care Management Services (Liberty)
- ▢ GS 131E-13(d)(5) and (6)

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**TOTAL COST:**n/a

**COUNTY COST:**n/a

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**REQUEST:** Conduct the required public hearing. No action is required following the public hearing.



## **OPENING STATEMENT PUBLIC HEARING**

**Public hearings are held for the purpose of receiving comments from the public regarding a specific subject. Those persons desiring to speak will give their name, their physical address, their phone number and the name of the organization they are speaking for, if applicable. We request that each speaker limit their comments solely to the issue at hand and not direct comments toward specific individuals. In the interest of time, please do not repeat facts or issues covered by previous speakers.**

**If you wish to comment, you should express your opinion on the subject matter and give the Board an understanding of whether you favor, or oppose, the issue being discussed.**

**The Board of Commissioners values and appreciates the opportunity to listen to the citizens of Halifax County and respectfully requests that the above guidelines be followed.**

## **NOTICE OF PUBLIC HEARING**

Pursuant to N.C. Gen. Stat. § 131E-13(d)(5), the Board of Commissioners of Halifax County (the “Board”), is providing notice that it will conduct a public hearing at 5:30 p.m. on Tuesday, July 23, 2019, in the Commissioners Board Room at the Historic Courthouse, 10 N. King Street, Halifax, North Carolina. The purpose of the public meeting is to hear comments related to the proposals to purchase the assets of Halifax County’s home health and hospice agency, Home Health and Hospice of Halifax (the “Proposals”). As of Friday, July 12, 2019, the Proposals will be made available for public inspection on weekdays, during normal business hours, in the County Manager’s Office located at 10 N. King Street, Halifax, North Carolina. All interested parties will be heard at the public hearing.

Halifax County will provide reasonable accommodation and service for any qualified disabled person attending the public hearing. To request such accommodations please contact Andrea H. Wiggins, Clerk to the Board, at (252) 583-1131 at least three (3) days prior to the public hearing.

Andrea H. Wiggins, MMC  
Clerk to the Board  
Halifax County Commissioners



Carolina RehabWorks

## LETTER OF INTENT

Board of Commissioners Halifax County

PO Box 10

Halifax, NC 27839

Effective Date: May 21, 2019

Carolina RehabWorks, Inc.

PO Box 54

Zebulon, NC 27597

### **RE: Purchase of a Home Health and Hospice of Halifax**

This business purchase letter of intent (the "Letter of Intent") represents basic terms agreed upon by the Buyer and Seller. After this Letter of Intent has been made a formal agreement may be constructed to the benefit of the Parties involved.

**I. The Buyer:** Carolina RehabWorks, Inc. (the "Buyer")

**II. The Seller:** Board of Commissioners Halifax County (the "Seller").

**III. The Business:** Home Health and Hospice of Halifax (the "Business").

Post Office Box 54 Zebulon, NC 27597

Office: (919) 404-1448 Fax: (919) 375-2309



## Carolina RehabWorks

**IV. Purchase Price:** The Buyer will enter into an agreement with the Seller for Two Hundred and Fifty Thousand Dollars (\$250,000).

**V. Real Estate:** This Letter of Intent ☐ includes ☒ does not include real estate.

- a. Description: The real estate is located at \_\_\_\_\_
- b. Legal Description (if any): \_\_\_\_\_
- c. Purchase Price: \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)

**VI. Payment:** The Purchase Price shall be paid in the following manner:

☒ - One (1) Payment at Closing.

**VII. Financing:** The Buyer has made it known that this Letter of Intent is ☐ conditional ☐ not conditional on their ability to obtain financing.

If this letter is conditional on financing, it shall be under the following terms: The final purchase price to be paid by Buyer is subject to findings during due diligence and the execution of a definitive purchase agreement. The purchase price, however, shall not be renegotiated for minor discrepancies, but only in the event a critically differing factor is found during the due diligence period.

**VIII. Binding Effect:** This Letter of intent that shall be considered:

Initial and Check (✓)

\_\_\_\_\_ - ☐ **Binding** – Therefore, the parties acknowledge that remedies at law will be inadequate for any breach of this Agreement and consequently agree that this Agreement shall be enforceable by



## Carolina RehabWorks

specific performance. The remedy of specific performance shall be cumulative of all of the rights at law or in equity of the parties under this Agreement.

☒ **Non-Binding** – Therefore, the parties acknowledge that this Letter of Intent is not enforceable by any Party. The terms outlined herein are solely for the purposes of reaching a later agreement in the future, of which, Buyer and Seller are not bound.

**IX. Bank Accounts:** In order to keep necessary bank accounts in operation, the Seller agrees to leave \_\_\_\_\_ Dollars (\$) collectively across their financial accounts. (N/A)

**X. Formal Agreement:** Choose One (1)

☒ Pending the satisfaction of all materials by the Seller within 30 days a formal agreement (the "Formal Agreement") shall be created between the parties.

☐ - There shall be no formal agreement (the "Formal Agreement") created.

**XI. Seller's Conduct.** The Seller agrees that during the purchase process to hold a fiduciary duty in the best interests of the Business. The Seller shall in no way conduct any action that would disrupt the on-going status of the Business's day-to-day operations. This obligation shall continue until the closing date.

**XII. Closing:** The closing (the "Closing") is the act of closing the transaction where the Seller exchanges the Business for the Purchase Price. The Closing shall be agreed upon between the Buyer and Seller following a formal agreement, later to be signed, or after the terms are met in this Letter of Intent.



## Carolina RehabWorks

**XIII. Closing Costs:** All costs associated with the Closing shall be the responsibility of ☐ Buyer ☐ Seller ☒ Both parties bearing their own expenses.

**XIV. Termination:** This Letter of Intent will terminate if there has not been a formal agreement signed or a closing within 60 days from the Effective Date.

**XV. Access to Information:** After the execution of this Letter of Intent the Buyer, and its advisors, shall have full access to any and all information about the Business. The Buyer shall maintain a fiduciary duty to keep the information that it obtains confidential and agrees to not share with any third (3<sup>rd</sup>) party unless the Seller gives their written consent.

**XVI. Return of Materials:** Any information that is obtained by the Buyer through the Seller shall be returned if a Formal Agreement or Closing cannot be completed.

**XVII. Conditions:** It shall be the obligation of the Buyer to review all materials provided and, subject to the satisfaction of the Buyer, enter into a formal agreement within the specified time-period as outlined in Section XI.

The conditions of this Letter of Intent include:

- a. The review and approval of all materials in the possession and control of the Seller;
- b. The Buyer and its advisors having had a reasonable opportunity to perform any searches and due diligence to their satisfaction;
- c. The Buyer being able to communicate with necessary clients, employees, customers, vendors, tenants, or other third (3<sup>rd</sup>) party necessary; and
- d. \_\_\_\_\_.

**XVIII. Confidentiality:** All negotiations regarding the Business between the Buyer and Seller shall be confidential and not to be disclosed with anyone other than respective advisors and internal staff of the parties and necessary third (3<sup>rd</sup>) parties. No press or other public releases will be issued to the general public concerning the Business without the mutual consent or as required by law, and then only upon prior written notice to the other party unless otherwise not allowed.



## Carolina RehabWorks

**XIX. Good Faith Negotiations:** The Buyer and the Seller agree to act honestly and diligently to enter into "good faith" negotiations to execute a formal agreement and/or enter into a Closing.

**XX. Exclusive Opportunity:** Following the execution of this Letter of Intent, the parties agree to not negotiate or enter into discussions with any other party unless there are any existing agreements in place (e.g. option to purchase, first right of refusal, etc.). (N/A)

**XXI. Standstill Agreement:** Following the execution of this Letter of Intent, and until the Closing, the Seller, agrees not to sell any portion of the Business.

**XXII. Currency:** All mentions of money or the usage of the "\$" icon shall be known as referring to the US Dollar.

**XXIII. Governing Law:** This Letter of Intent shall be governed under the laws by the State of North Carolina.

**XXIV. Severability.** In case any provision or wording in this Letter of Intent shall be held invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**XXV. Counterparts and Electronic Means:** This Letter of Intent may be executed in several counterparts, each of which will be deemed to be an original and all of which will together constitute one and the same instrument. Delivery to us of an executed copy of this Letter of Intent by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery to us of this Letter of Intent as of the date of successful transmission to us.



## Carolina RehabWorks

### SELLER

Seller's Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

### BUYER

Buyer's Signature *Derrick Briddell* Date 5-21-19

Print Name Derrick Briddell

Buyer's Signature *April Briddell* Date 5-21-19

Print Name April Briddell

HealthView Capital Partners LLC  
PO Box 8427  
Rocky Mount, NC 27804

May 20, 2019

PERSONAL AND CONFIDENTIAL

Mr. Tony Brown  
County Manager  
Halifax County  
10 North King St.  
Halifax, NC 27839

Dear Mr. Brown:

The purpose of this letter (the "Letter of Intent") is to outline a non-binding proposal by HealthView Capital Partners LLC or one of its affiliates ("Buyer") to purchase substantially all of the assets and none of the liabilities of the home health and hospice agency doing business under the name Home Health and Hospice of Halifax licensed by the State of North Carolina under license number HC0765 and facility number 953847 and possessing Medicare Provider Numbers 347004 and 341583 and Medicaid Provider Numbers 3407004 and 3401583 (the "Business"). The Business is currently owned and operated by Halifax County ("Seller"). The assets to be acquired include, but are not limited to, inventory, supplies, personal property, contracts, workforce, leaseholds, licenses, provider numbers and agreements, intangible property, intellectual property and all other assets owned or used by Seller in connection with the operation of the Business in the geographic area of Halifax, Warren and Northhampton Counties located in North Carolina (collectively, the "Assets"). Notwithstanding the foregoing, the Assets will not include office and clinical equipment, office furniture, computer hardware, cash and cash equivalents, investments, bank accounts, accounts receivable and the name Home Health and Hospice of Halifax (the "Seller Retained Assets").

1. Purchase Price. The aggregate purchase price for the Assets would be Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) (the "Purchase Price"). Within five (5) working days of written notification of acceptance of this Letter of Intent, Buyer will wire to the Seller ten percent (10%) of the Purchase Price as an earnest money deposit (the "Deposit"). The Purchase Price, less the Deposit, will be paid in cash at Closing (as defined below). To the extent applicable, the Purchase Price will be decreased to adjust for any debt, consent fees or other contingent liabilities of Seller related to the operation of the Business that are not paid, resolved or otherwise extinguished on or before the Closing. Seller will indemnify and hold Buyer harmless from and against any and all claims resulting from a breach of the Seller's representations and warranties, the operation of the Business prior to Closing, and the Seller's failure to comply with all regulations and laws applicable to the operation of the Business (including federal health care laws). Seller will set aside in the Seller's restricted fund account an amount equal to ten percent (10%) of the Purchase Price (such amount, the "Restricted Fund Amount"), for the purpose of securing the indemnification obligations of the Seller that may arise after Closing. The Restricted Fund Amount will be released as mutually agreed upon by Seller and Buyer in the Definitive Agreement (as defined below).
2. Expenses. Each party will pay its own fees, costs and expenses incurred in connection with this contemplated transaction, including, without limitation, all legal expenses incident to the negotiation, preparation and performance of a Definitive Agreement and the other

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documents contemplated thereby. Seller will pay the cost of any and all transfer taxes, sales taxes and income taxes due and payable in connection with the sale of the Assets to Buyer.

3. Proration of Taxes. Seller will pay all ad valorem, real property and personal property taxes due or accruing for time periods prior to the date of Closing. In addition, Seller will pay and be responsible for any outstanding payroll taxes, provider taxes and other taxes and any penalties related thereto for time periods prior to the date of Closing. Any ad valorem and personal property taxes for the year in which the proposed transaction is closed will be prorated as of the Closing, based on the actual number of days in the year. Buyer will pay all ad valorem and personal property taxes due or accruing for time periods after the Closing.
4. Due Diligence. Buyer will have until thirty (30) days from the time Buyer receives all requested due diligence materials to complete a due diligence review of the Assets and the Business.
5. Access to Information. Seller will give Buyer access, at all reasonable times, to the books, records, financial information, contracts, and the key personnel of Seller utilized in the operation of the Business. Seller also will provide clinical, regulatory and operational documentation, as Buyer may reasonably request, in order for Buyer to sufficiently: (i) conduct its review of the Assets and the operation of the Business; (ii) assess how Buyer will operate the Business post-Closing (including access to clinical documentation for patients who may be transitioned to Buyer at the Closing); and (iii) evaluate how the Business will be transitioned from Seller to Buyer at Closing.
6. Definitive Agreement. Any legal obligations of the parties with respect to the purchase of the Assets will be contained in a definitive purchase agreement containing the basic terms and conditions outlined in this Letter of Intent and all other material terms, representations, warranties, covenants, closing conditions, escrows and indemnities usual and customary for a home health transaction (the "Definitive Agreement"). Seller expressly acknowledges that standard representations and warranties regarding its operation of the Business prior to Closing, and Seller's compliance with all regulations and laws applicable to the operation of the Business (including federal health care laws) will be incorporated into the Definitive Agreement.
7. Closing Date. The parties will utilize their best efforts to execute a Definitive Agreement within sixty (60) days from the time of acceptance of this Letter of Intent, and to close the transaction on a month end date as soon as reasonably possible thereafter (the "Closing") with the intent that the Closing occur on or before July 31, 2019.
8. Other Provisions and Conditions Precedent to Closing. Buyer's obligation to purchase the Assets also would be subject to certain conditions, including without limitation:
  - (a) Due Diligence. Buyer will have completed its due diligence examination. During the course of such investigation, nothing will come to Buyer's attention that, in Buyer's absolute discretion, would (i) interfere with Buyer's operation of the Assets and the Business, (ii) constitute or create adverse financial, legal, clinical or regulatory issues or (iii) otherwise alter Buyer's valuation of the Assets.
  - (b) Definitive Agreement. Buyer and Seller will have executed the Definitive Agreement.

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- (c) Internal Approvals. Buyer will have obtained all necessary or desired internal corporate and other approvals for Buyer's consummation of the proposed transactions.
- (d) Licensure and Regulatory Approvals. Buyer and Seller shall work together to obtain approval of all appropriate regulatory authorities, and to satisfy all requirements of North Carolina law, which are necessary to enable Buyer to properly operate, and receive reimbursement for the operation of the Assets and the Business.
- (e) Regulatory Compliance. Seller and the Assets being in compliance with the usual and customary laws and government regulations pertaining to the operation of the Business.
- (f) No Assumption of Contracts. Although it intends to assume substantially all of the contracts utilized exclusively in the operation of the Business, Buyer is under no obligation to assume all or any of such contracts. Accordingly, Buyer will have the option to assume, at its discretion, any operating contracts, leases and agreements that affect the operation of the Business. Seller will obtain any necessary consents to assign such operating contracts, leases and agreements to Buyer.
- (g) No Assumption of Liabilities. Buyer will not assume any of Seller's liabilities, including, without limitation, Seller's non-interest bearing current liabilities or any of Seller's debt. However, Buyer will have the option, at its sole discretion, to assume specific liabilities to be identified during Buyer's due diligence review of the Assets, provided the liabilities are assumable. On or before the Closing, Seller will pay and discharge all of its outstanding indebtedness and all payables of the Business relating to the period prior to the Closing.
- (h) Employees/Management. Buyer intends to interview and offer employment to Seller's current employees who are involved exclusively in the operation of the Business, subject to Buyer's established hiring policies and requirements, and in compliance with the Medicare and Medicaid conditions of participation for home health and hospice agencies (such as clean background checks, re-hire status, etc.). Buyer intends to hire such employees as determined by Buyer in its discretion to operate the Business and service the demand of the Business at Closing. Buyer will provide health insurance coverage to employees who Buyer decides to hire in connection with the Closing. Seller will be responsible for, and Buyer will not assume, the earned, accrued, used or unused personal leave, personal time off, sick or vacation leave, employment contracts, bonuses, retirement or other payouts for the employees of the Business for periods prior to the Closing. Seller and Buyer will negotiate in good faith the allocation of financial responsibility for any COBRA obligations related to current and former employees of the Business. To the extent permitted by law, Seller will transfer to Buyer the employee records of any and all employees hired by Buyer.
- (i) Lease. Buyer intends to lease the existing home health office space of 5,624 square feet located at 220 Smith Church Road, Building C, Roanoke Rapids, North Carolina on a monthly basis at a rate to be mutually agreed upon by Buyer and

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Seller. Buyer may lease the existing office furnishings and equipment as mutually agreed upon by Buyer and Seller.

- (j) Consents. Seller will deliver all consents, and pay any consent or related fees or costs, on or prior to the Closing including, without limitation, consents and estoppel certificates necessary or appropriate for any contracts, leases and/or licenses assumed in connection with a proposed transaction. Such consents and estoppel certificates will be in a form reasonably acceptable to Buyer and will, among other things, confirm that all renewal options under the contracts and/or leases remain in full force and that Buyer will not be subject to any financial covenant requirements.
  - (k) Title. Seller has, or at the Closing will have, good and marketable title to the Assets free and clear of all covenants, conditions, restrictions, liens, charges, or other encumbrances of any kind.
  - (l) Litigation. There being no pending or threatened litigation regarding Seller as it relates to the operation of the Business, the Assets, the proposed transaction, or a Definitive Agreement.
  - (m) Material Adverse Change. There being no material adverse change in the financial condition, clinical operations, physical condition, or structure of the Assets or the Business prior to the Closing that are within the control of Seller. Buyer expressly acknowledges that a reduction in the census of the Business (even if material in nature) does not qualify as a material adverse change for purposes of this Section 8(m). Notwithstanding the foregoing, Seller shall continue to operate the Business in the ordinary course prior to Closing.
9. Indemnification. Seller, to the extent permitted by law, and Buyer will each indemnify, defend and hold the other respective party, its directors, employees, agents, and representatives harmless from any and all claims, losses, liabilities, demands, costs, expenses, including reasonable attorneys' fees, judgments, awards and causes of action (collectively, "Claims"), arising from any breach or default in performance of any binding obligation of this Letter of Intent caused by or resulting from the indemnifying party, its directors, employees, suppliers, contractors, agents, representatives, licensees, guests or invitees; except to the extent that such Claims arise from the negligence or willful misconduct of the indemnified party.
10. Non-Negotiation Period. The Seller hereby agrees that for a period commencing on the date it signs this Letter of Intent, and continuing through July 31, 2019, unless otherwise earlier terminated as provided in Section 12 of this Letter of Intent (the "Non-Negotiation Period"), the Seller and its representatives will not:
- (a) negotiate, discuss or otherwise communicate with any other potential purchaser or lessee of the Assets or the Business;
  - (b) solicit or encourage submission of any proposal or offer to acquire or lease all or any portion of the Assets or the Business;
  - (c) participate in any discussion or negotiation regarding any proposal or offer to sell or lease all or any portion of the Assets or the Business;

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- (d) furnish to any person other than Buyer and its representatives any information regarding the Assets or the Business except as required by law or to continue the operation of the Business; or
- (e) cooperate in any way with, or assist or participate in any proposal or offer from any person other than Buyer to acquire or lease all or any portion of the Assets or the Business.

If, during the Non-Negotiation Period, Seller, or its representatives receive any unsolicited offer or proposal from any person other than Buyer to acquire or lease all or any portion of the Assets or the Business, Seller will promptly notify Buyer of its receipt of such offer or proposal. In recognition of this Non-Negotiation Period, Buyer hereby agrees to utilize its best efforts to execute a Definitive Agreement with the Seller no later than July 31, 2019.

- 11. Announcements. Except for disclosures made in accordance with N.C. Gen. Stat. 131E-13(d), no party will announce the proposed transaction without the prior consent of the other, except Buyer may announce such proposed transaction upon execution of a Definitive Agreement or if appropriate or required under applicable laws; provided that Buyer will notify Seller in advance of any such disclosure.
- 12. Termination. This Letter of Intent may be terminated by either party in the event a Definitive Agreement is not executed by July 31, 2019. Either Party may terminate this Letter of Intent at any time whereupon the obligations of the Parties hereunder shall cease; however, the binding provisions shall survive any termination of this Letter of Intent. Should the Seller terminate this Letter of Intent prior to the execution of the Definitive Agreement as described herein, or should Buyer terminate this Letter of Intent prior to the execution of the Definitive Agreement due to (i) its due diligence review revealing material regulatory compliance issues that cannot reasonably be explained or cured to the satisfaction of Buyer, (ii) the Seller's failure to provide Buyer access to the Seller's information as set forth in Section 5 of this Letter of Intent or (iii) the Seller's failure to operate the Business in the ordinary course prior to Closing, the Deposit shall be immediately returned to Buyer by the Seller. In the event Buyer terminates this Letter of Intent for any other reason, the Deposit shall be retained by the Seller, as liquidated damages.

This non-binding proposal expresses the interest of Buyer in purchasing the Assets and the Business and supersedes all previous written or oral negotiations, commitments, and writings, between the parties. Except for the provisions of this paragraph and Sections 2, 9, 10, 11 and 12 hereof, this Letter of Intent does not constitute a binding agreement between the parties. The legal obligations of the parties with respect to any purchase of the Assets would be contained solely in a Definitive Agreement.

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If the terms and conditions outlined in this Letter of Intent are acceptable to the Seller, please sign one copy of this Letter of Intent and return it to my attention. Upon the Seller's acceptance of this Letter of Intent. Buyer understands that the Seller's counsel will commence preparation of a Definitive Agreement.

Sincerely,

HealthView Capital Partners LLC

DocuSigned by:

By: C. Saunders Roberson, Jr.

Name: C. Saunders Roberson, Jr.

Title: Managing Partner

Date: May 20, 2019

Accepted and Approved:

Halifax County

By: \_\_\_\_\_

Name: Tony Brown

Title: County Manager

Date: \_\_\_\_\_

July 3, 2019

Mr. Tony Brown  
County Manager  
Halifax County  
10 N. King Street  
Halifax, NC 27839

Re: Initial Letter of Intent — Home Health and Hospice of Halifax

Dear Mr. Brown,

Home Care Management Services, LLC (“Liberty”), a North Carolina limited liability company, on behalf of the Liberty Home Care VI, LLC (“LHC VI”), hereby offers to purchase the Assets (as defined below) utilized in the operation of the Medicare-certified home health and hospice agency doing business as “Home Health and Hospice of Halifax” (the “Business”) that is owned and operated by Halifax County, a North Carolina body corporate and politic (hereinafter referred to as “Seller”). The Assets include, but are not limited to, (i) one home health and hospice office licensed by the State of North Carolina (State License Number HC 0765; State Facility #953847) (the home health and hospice operations of Seller pre-dated the North Carolina Certificate of Need requirement for home health care and hospice and have been “grandfathered” for CON coverage) and located in Halifax County; and (ii) “Seller’s Provider Numbers” which include Home Health Medicare Provider Number 34-7004, Home Health NPI Number 1720080518, Hospice Medicare Provider Number 34-1583, and Hospice NPI Number 1275750598. The Assets will not include: office furnishings and equipment (such as computers and phones), and automobiles owned by Seller and utilized in the operation of the Business. This Letter of Intent (the “LOI”) sets forth the proposed terms for an agreement in principle between Seller and LHC VI regarding purchase of the Assets of the Business, which is headquartered in Roanoke Rapids, Halifax County, North Carolina and is licensed to provide services in the counties of Halifax, Warren and Northampton in the State of North Carolina (the “Territory”). To the extent that the following terms reflect incomplete statements of LHC VI and Seller (each a “Party” and collectively, the “Parties”), the Parties agree to negotiate in good faith to complete such terms, subject to the conditions set forth in this LOI.

1. Type of Transaction

The purchase of the Business (the “Acquisition”) will be structured as an asset sale by and between Seller and LHC VI, and will include the transfer and assignment to LHC VI of Seller’s home health care and hospice operations, including, without limitation, its operating permits and licenses, and Seller’s Provider Numbers, pursuant to a definitive agreement or agreements (the “Definitive Agreement”) acceptable to LHC VI and Seller.

2. Encumbrances

At the closing of the Acquisition (the “Closing”), Seller will convey to LHC VI good and marketable title to the Assets of the Business, free and clear of all liens, liabilities, encumbrances

(including, without limitation, state, federal and local tax liens) and defects in title except as specifically assumed by LHC VI in its discretion pursuant to the Definitive Agreement.

### 3. Purchase Price

The purchase price for the Assets will be in the amount of Three Hundred and Fifty Thousand Dollars (\$350,000.00) (the "Purchase Price"). The Purchase Price is offered without any financing contingency. The Purchase Price is to be paid at Closing subject to the terms and conditions of this LOI and the Definitive Agreement, and subject to Liberty's satisfaction with its due diligence review of the Business and Assets. In addition, Fifty Thousand Dollars (\$50,000.00) of the Purchase Price (the "Reserved Funds") shall be held in a restricted fund account of Seller for two (2) years after the Closing as a reserve for contingent liabilities, either known or not-yet-known, arising from the ownership and/or operations of the Business and/or Assets prior to Closing; provided, however, on the first anniversary of the Closing, Seller shall be entitled to release funds from such restricted fund account so that the balance is Twenty-Five Thousand Dollars (\$25,000.00).

### 4. Earnest Money

- (a) LHC VI shall pay Seller an amount equal to ten percent (10%) of the Purchase Price, by wire transfer or certified check, as earnest money (the "Earnest Money") within five (5) business days of Seller's execution of this LOI. The Earnest Money shall be applicable to the Purchase Price at Closing.
- (b) The Earnest Money shall be forfeited in its entirety by Liberty in the event that:
  - (i) LHC VI fails to proceed to Closing with all reasonable due diligence;
  - (ii) LHC VI fails to complete and submit any required documents that are LHC VI's responsibility; or
  - (iii) Seller fails to be able to close due to any misrepresentations of LHC VI in connection with this offer.
- (c) The Earnest Money shall be returned to LHC VI in its entirety within five (5) business days pursuant to the provisions of Section 10(b)(c)(d) and (e) of this LOI or if Seller provides written notification to LHC VI that Seller shall not be proceeding with the final Closing in the event that:
  - (i) There is a failure to close that is neither the fault of nor the result of a lack of good faith by LHC VI; or
  - (ii) The Seller, for any reason, should decide not to proceed with the final Closing, solely based on Seller's own determination and not related to any fault or lack of good faith of LHC VI.

### 5. Additional Terms and Conditions

- (a) Employees. It is LHC VI's intention to review current personnel of Seller utilized exclusively in the operation of the Business and to offer at-will employment to such

employees pursuant to Liberty's employment policies, terms and conditions, including benefits, that are generally consistent with those offered by Liberty; provided, however, Liberty shall grant credit to each employee who transfers employment to Liberty (each a "Transferred Employee") for his/her years of service and commitment to the Business when determining each Transferred Employee's eligibility for personal leave time. To the extent permitted under Liberty's medical benefit plan(s), Liberty shall also ensure there is no lapse in medical benefits coverage for eligible Transferred Employees (those Transferred Employees who work at least thirty (30) hours a week) receiving medical benefits coverage under Seller's benefits plans. If such coverage is not permissible, Liberty shall assume Seller's share of current insurance under COBRA. Notwithstanding the foregoing, Liberty shall have no obligation to assume any of Seller's retirement plans or other employee benefits and shall not assume any of Seller's COBRA or ERISA liabilities or obligations.

- (b) Allocation of Purchase Price. The Purchase Price will be allocated among the Assets as mutually agreed upon by the Parties.
- (c) Accounts Payable/Receivable. Seller will retain all cash in the Business at Closing of the Acquisition. Seller will retain all accounts receivable and accounts payable accrued or incurred prior to the date of Closing of the Acquisition; all accounts receivable and accounts payable accrued or incurred on and after the date of Closing will belong to LHC VI, subject to LHC VI's right not to assume liabilities of Seller and the Business (discussed below). LHC VI shall be entitled to all pre-payments for services to be provided on or after the Closing date. With respect to the Business' patients whose service episode period began prior to, and is scheduled to end on or after the Closing date of the Acquisition, including those for whom Seller has received advance or pre-payments, Seller and LHC VI shall allocate the fees therefor (including any such advance or pre-payments) as of the Closing date. The Definitive Agreement will include a procedure for remittance of each Party's receivables and payables to the proper Party following the Closing.
- (d) Liabilities. Seller will retain and be responsible for all liabilities and obligations of the Business and of Seller and its employees, agents and affiliates arising from or related to events, acts and omissions occurring or originating prior to the Closing, including, without limitation, all liabilities and obligations with respect to any and all Medicare and/or Medicaid fraud, abuse, audits, reconciliations, overpayments, liabilities and claims, Civil Monetary Penalties and False Claim Act claims, and federal, state or local taxes, penalties, fines and interest, and LHC VI will not assume or be liable for any such liabilities or obligations, except as may otherwise be expressly agreed in the Definitive Agreement. Seller will indemnify LHC VI from any such liabilities or obligations. Without limiting the foregoing, LHC VI shall have no obligations with respect to Medicare and/or Medicaid cost reporting, audit or other payor program obligations or responsibilities of Seller and/or the Business for any period ending on or prior to the Closing, including any closing, partial year cost reports and other payor program obligations in connection with the Acquisition. LHC VI will have no collection or

payment obligations for or on behalf of Seller or the Business unless expressly agreed by the Parties in the Definitive Agreement.

- (e) Licenses. All licenses, permits, Certificates of Need (if applicable) and the like required for the Business and Assets shall be current, active and valid, and, to the extent assignable by their nature, assigned to LHC VI at the Closing, and the Parties shall have received all necessary or reasonable consents or acknowledgments from the appropriate government agencies with respect thereto.
- (f) Medicare Matters. All Medicare Provider Agreements and Numbers for Medicare-reimbursed services with respect to Seller and the Business shall be current, active and valid, and shall be assignable to LHC VI subject to LHC VI's qualification therefor and approval by Medicare and other regulatory agencies having authority thereof as of the Closing. Seller's employees and agents will diligently prepare and timely submit and cooperate with LHC VI in preparing and timely submitting, all closing, partial year cost reports and other payor program obligations in connection with the Closing of the Acquisition.
- (g) Provider Agreements. Seller and LHC VI will cooperate in good faith using best efforts to secure LHC VI the right to utilize Seller's Medicare and Medicaid Provider Agreements to continue to bill for Medicare-and Medicaid-reimbursed services provided by LHC VI on and after the Closing date. Seller will cooperate with LHC VI's use of Seller's Medicare and Medicaid Provider Agreements and support LHC VI's efforts to obtain the assignment of Seller's Medicare and Medicaid Provider Agreements to LHC VI following the Closing and will not terminate its Medicare or Medicaid Provider Agreements so long as LHC VI is using best efforts in good faith to effect such assignments and any delay is on account of governmental and quasi-governmental agencies outside LHC VI's control or issues arising on account of Seller or the Business as conducted prior to Closing.
- (h) Leases. In connection with the Closing of the Acquisition, LHC VI desires to relocate the office utilized in the operation of the Business to another location in Halifax County; provided, however, such move is subject to the approval of the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Acute and Home Care Licensure and Certification Section (the "Licensure Section"). To the extent the Licensure Section does not approve such relocation, LHC VI shall execute a lease agreement for a portion of the office space (the parties shall negotiate the exact amount of space prior to the Closing of the Acquisition), currently used in the operation of the Business, located at 220 Smith Church Road, Building C, Roanoke Rapids, NC 27870, at a lease rate of Thirteen Dollars (\$13.00) per square foot (the "Office"). The lease agreement for the Office shall be effective as of the date of the Closing of the Acquisition through, at a minimum, the month end of the date of the final tie-in approval letter from Centers for Medicare and Medicaid Services ("CMS") Region IV during the Change-of-Ownership ("CHOW") process.
- (i) Non-competition. As a condition to the Acquisition, Seller will agree not to compete or participate in any business that competes with the Business within the Territory for a

period of three (3) years following the Closing of the Acquisition, and Seller will not solicit or entice any employee of Seller or the Business hired by LHC VI to leave LHC VI's employ; provided, however, nothing shall preclude Seller from posting open positions and from hiring Transferred Employees who apply for same. In addition, Seller will agree not to disclose any proprietary information of LHC VI or of the Business except to LHC VI.

- (j) Closing. It is our intention that the Acquisition will be effective on or before September 3, 2019.

## 6. Due Diligence

The Parties acknowledge that the terms of this LOI are based on limited information available to Liberty regarding Seller and the Business. The terms and conditions set forth herein are expressly conditioned on Liberty's satisfaction with its due diligence review of the Business and the Assets and on the negotiation and execution of a mutually agreeable Definitive Agreement.

Commencing on the date of Seller's execution of this LOI, Seller's employees and agents will provide Liberty with due diligence information reasonably requested by Liberty. Liberty acknowledges that there will be few patients or go forward revenue as of closing, and for this reason shall limit its due diligence primarily related to the legal authorities to operate the Business. Once Liberty is provided with such full access to information, it will proceed in a timely fashion with a goal of closing the Acquisition on or before the date set forth above. Assuming Seller provides all requested due diligence-related information in a timely manner, Liberty is able to complete its due diligence within thirty (30) days of Seller's acceptance of this LOI.

## 7. No Violation

By executing this LOI, Seller is representing and warranting that Seller is not currently bound under any contract or agreement with any third party, or any other document, instrument, judgment or decree, North Carolina statutory requirements excepted, which would restrict, prohibit or interfere with the transactions contemplated hereby, or which this LOI, or the transactions contemplated hereby, would conflict with or violate.

## 8. Confidentiality: Expenses: Stand-Still

- (a) Except as otherwise required by law, Liberty and Seller agree to keep all information provided by the other Party pursuant to this LOI and its contents, confidential, and not to disclose the same to any third party without written consent of the other Party, except to each Party's respective attorneys and/or accountants with a need to know such information for purposes of effecting the Acquisition, and except to applicable governmental agencies in connection with any required notification or application for approval or exemption therefrom.
- (b) Except as otherwise required by law, any release to the public of information with respect to the matters set forth herein will be made only in the form and manner mutually approved by the Parties and their respective legal counsel.
- (c) Each Party shall bear its own expenses in connection with the Acquisition and the implementation of this LOI, regardless of whether the Definitive Agreement is executed.

- (d) By executing this LOI, Seller and the employees and agents of Seller and the Business (including any third party brokers or consultants on Seller's behalf), agree not to solicit, accept or entertain any offer, or negotiate (or continue to negotiate) with any third party, for the purchase, sale, merger, acquisition or financing of Seller or the Business or the Assets until after September 3, 2019 (unless this date is modified by mutual consent of Seller and Liberty) or this LOI is terminated, whichever first occurs.

9. Definitive Agreement.

This LOI is intended to memorialize the Parties' understanding as to the general terms of the proposed Acquisition of the Assets and Business of Seller by LHC VI, subject to negotiation of the Definitive Agreement, which shall contain the general provisions outlined herein and representations, warranties, indemnifications and other terms and conditions customary in this type of transaction, to be mutually agreed upon by both Parties, and subject to necessary regulatory approvals.

10. Termination.

Neither Party may terminate this LOI except as follows:

- (a) By Seller if any of the events outlined in Section 4(b) of this LOI occur;
- (b) By Liberty if Liberty is not satisfied with its due diligence review of the Business and the Assets in Liberty's sole discretion;
- (c) By Liberty if Liberty discovers, or Seller has made any material misrepresentation that could adversely affect Liberty;
- (d) By Liberty if the Parties are unable to obtain the consent and cooperation, if required, of any government entity or agency, including, without limitation, with respect to assignment of the Medicare Provider Numbers; or
- (e) By either Party if the Definitive Agreement has not been executed by September 3, 2019 (unless otherwise mutually agreed by the Parties) through no fault of either Party.

In any such event, this LOI may be terminated by such Party's written notice to the other Party, except with respect to the provisions of Paragraph 8(a)-(c) hereof, which shall survive termination of this LOI. In the event that this LOI is terminated by LHC VI pursuant to Section 10(b), 10(c), 10(d) or 10(e) above, LHC VI shall be entitled to the return of the full amount of the Earnest Money within five (5) business days of LHC VI's notification to Seller of the termination of this LOI.

11. Continuation of Operation.

Without Liberty's prior written consent, neither Seller nor Business' employees or agents shall remove, transfer, assign or sell any of the Assets or enter into any significant contract, commitment or transaction with respect to the Business.

12. Services to Halifax.

LHC VI is committed to providing home health and hospice services to the residents of the Territory.

Please indicate Seller's approval of the terms and conditions of this LOI and Seller's agreement to proceed in good faith and intention to enter into these negotiations to effect the Acquisition as described herein by executing a copy of this LOI in the space provided below and returning the original executed copy to Liberty, whereupon we shall proceed promptly with the preparation and negotiation of the Acquisition and Definitive Agreement.

We hope Seller will accept our offer and work with us to effectuate the transactions proposed above in a successful and mutually rewarding manner.

Sincerely,

Home Care Management Services, LLC

By: Jeffrey S. Wilson  
Jeffrey S. Wilson  
Chief Operating Officer

Date: \_\_\_\_\_

Approved and agreed:

Halifax County

By: \_\_\_\_\_  
Tony Brown, County Manager

Date: \_\_\_\_\_

**G.S. 131E-13(d):**

(5) Not less than 45 days after adopting a resolution of intent and not less than 30 days after conducting a public hearing on the resolution of intent, the municipality or hospital authority shall conduct a public hearing on proposals for lease or purchase that have been made. Notice of the public hearings shall be given by publication at least 10 days before the hearing. The notice shall state that copies of proposals for lease or purchase are available to the public.

(6) The municipality or hospital authority shall make copies of the proposals to lease or purchase available to the public at least 10 days before the public hearing on the proposals.



**AGENDA**  
**Halifax County Board of Commissioners**  
**Special Meeting**

**TO:** Halifax County Board of Commissioners

**FROM:** M. Glynn Rollins, Jr., County Attorney

**PRESENTER:** M. Glynn Rollins, Jr., County Attorney

**SUBJECT:** Appointment to Fill Vacancy on Grievance Committee

**DATE:** July 23, 2019 Special Meeting

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**SUPPORTING INFORMATION:**

Ginny Orvedahl retired effective June 30, 2019. She was a member of the Grievance Committee, appointed by the Board pursuant to Sec. 1-1.5 of the Halifax County Personnel Policy, as revised on Feb. 2, 2000. It is requested that you fill the vacancy with an appropriate appointment. Application for appointment to the Grievance Committee is not required.

**ATTACHMENTS:**

Description

- ▢ Sec. 1-1.5 Of Personnel Policy\_ Grievance Committee
- ▢ Membership of Grievance Committee

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**TOTAL COST:**n/a

**COUNTY COST:**n/a

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**REQUEST:** Make an appropriate appointment to the Grievance Committee to fill the vacancy created by the retirement of Ginny Orvedahl.

**RECOMMENDED POLICY:****1-1.5 Organization; grievance committee**

It is the policy of Halifax County to provide a system to address grievances employees may have. In order to maintain harmonious and cooperative relationships between Halifax County and its employees, this process has been created to provide for the settlement of complaints through an orderly complaint procedure free from interference, discrimination or reprisal. Employees can only request a grievance hearing for the following major personnel actions: (1) demotion; (2) suspension, with or without pay; and/or (3) dismissal. Employee shall request a grievance hearing through the Halifax County Manager or the Clerk to the Board of Halifax County Commissioners. The request must be made within five working days following the presentation of one of the personnel actions listed above. *Grievances which are not received within the time allowed as prescribed in this section; or which are not filed with the County Manager or the Clerk to the Board as prescribed in this section, shall be dismissed.*

Each January the Halifax County Board of Commissioners will appoint a grievance committee who will be responsible for conducting hearings on employees' complaint(s). The grievance committee will make determinations on employee grievances and forward its recommendations to the Board of Commissioners, who will make the final determinations. Grievance committee determinations in the Sheriff's department and Register of Deeds' office will be forwarded to the Sheriff and Register of Deeds, respective, who will make final determination in their respective departments.

The grievance committee will be chaired by the Halifax County Manager and consist of at least five department heads. The panel should contain an odd number of members (including the County Manager) with a diverse representation to ensure a fair and consistent review. At the request of the employee with a grievance, two additional county (non-department head) employees can be added to the panel; these members will be selected and appointed by the County Manager. A department or agency head will not sit as a member of the grievance committee when the employee with a grievance is employed in that department head's department or agency.

Furthermore, in the event the grievance originates with a department or agency head, that department or agency head will not serve on the grievance committee during those proceedings.

The chairman will be responsible for calling and presiding at all meetings. All members of the grievance committee must be present at all meetings to constitute a quorum, with the exception of a department or agency head as mentioned in the preceding paragraphs. If a committee member is excused for one of the above listed (conflict of interest) reasons, the committee will consist of the remaining members, no alternate will be appointed. The Human Resources Director will be present in all proceedings to provide support to the committee chair and the grievance committee.

## Grievance Committee

<b>2</b>	<b>Tony</b> <i>Halifax</i>	<b>Brown</b>	Member <i>Black Male</i>	2/1/2019 through 1/31/2021 <i>Term Number: 6</i>	Appointed by: Halifax County Commissioners <i>Eligible for reappointment?</i>	<b>Yes</b>
<b>1</b>	<b>Frederick</b> <i>Halifax</i>	<b>Bunch</b>	Member <i>Black Male</i>	2/1/2019 through 1/31/2021 <i>Term Number: 2</i>	Appointed by: Halifax County Commissioners <i>Eligible for reappointment?</i>	<b>Yes</b>
<b>3</b>	<b>Ed</b> <i>Halifax</i>	<b>Johnson</b>	Member <i>White Male</i>	2/1/2019 through 1/31/2021 <i>Term Number: 11</i>	Appointed by: Halifax County Commissioners <i>Eligible for reappointment?</i>	<b>No</b>
<b>4</b>	<b>Ginny</b> <i>Halifax</i>	<b>Orvedahl</b>	Member <i>White Female</i>	2/1/2019 through 1/31/2021 <i>Term Number: 11</i>	Appointed by: Halifax County Commissioners <i>Eligible for reappointment?</i>	<b>No</b>
<b>5</b>	<b>Kristen</b> <i>Halifax</i>	<b>Scott</b>	Member <i>Black Female</i>	2/1/2019 through 1/31/2021 <i>Term Number: 5</i>	Appointed by: Halifax County Commissioners <i>Eligible for reappointment?</i>	<b>Yes</b>