

**MEMORANDUM OF AGREEMENT**  
**FOR THE PROVISION OF SERVICES TO PROCESS PAYMENT OF EXCLUDED**  
**LIABILITIES OF ORANGE PERSON CHATHAM MENTAL HEALTH, DEVELOPMENTAL**  
**DISABILITIES AND SUBSTANCE ABUSE AUTHORITY PURSUANT TO THAT CERTAIN**  
**PLAN OF MERGER AND ADDENDUM THERETO DATED EFFECTIVE JUNE 30, 2012**

WHEREAS, effective July 1, 2012, Orange, Person and Chatham Counties merged with the counties comprising PBH; and

WHEREAS, prior to the merger, Orange, Person and Chatham Counties were the three counties that comprised Orange Person Chatham Mental Health, Developmental Disabilities and Substance Abuse Authority d/b/a OPC Area Program ("OPC"); and

WHEREAS, after the merger, OPC will be dissolved and will not be an ongoing entity; and

WHEREAS, OPC and PBH entered into that certain Plan of Merger and Agreement and Addendum thereto dated June 29, 2012 (collectively referenced as the "Plan"); and

WHEREAS, pursuant to the Plan, funds were identified and segregated to pay the Excluded Liabilities as defined in the Plan; and

WHEREAS, Exhibit A hereto is a list of the Excluded Liabilities identified and the funds estimated to cover them; and

WHEREAS, Orange County has agreed to hold the funds segregated on behalf of OPC and provide the management functions necessary (including but not limited to taking possession of the funds, holding the funds in a segregated account for the purpose of paying OPC's Excluded Liabilities as and when billed, paying the Excluded Liabilities as and when billed from the segregated funds, retaining records on behalf of OPC for such periods of time required by law, and responding to records request on behalf of OPC as necessary); and

WHEREAS, N.C.G.S. Section 126-24(5) creates an exception to confidentiality for officials of Orange County as a political subdivision of the State of North Carolina to inspect the records of former employees of OPC in that prior to dissolution, its Area Director deemed inspection of the former personnel records of OPC necessary and essential to the pursuance of one of OPC's proper functions, to wit: preservation of such records as required by law and review of them as necessary to meet OPC's legal requirements in the case of legitimate records requests not for the purpose of assisting a criminal investigation or assisting a tax investigation; and

WHEREAS, Orange County is willing to do so for no compensation but also has no individual liability to provide management functions

or pay the Excluded Liabilities in the event the funds set aside for this purpose are exhausted; and

WHEREAS, Orange County will provide a financial report to each of the county managers of Orange, Person and Chatham Counties no later than July 31<sup>st</sup> each year which will include at a minimum the beginning balance of the fund, charges to the fund and the ending balance of the fund; and

WHEREAS, in the event funds remain after all Excluded Liabilities are paid, the excess funds shall remain with Orange County for its use and purposes but in the event the funds are exhausted prior to the time all Excluded Liabilities are paid, the obligations of Orange County under this agreement shall end.

NOW, THEREFORE BE IT RESOLVED that each of the counties named below evidenced by the signature of the Chairman of the Board of Commissioners hereby agrees to the recitals above regarding the provision of the services under this agreement.

BE IT FURTHER RESOLVED, that no individual liability shall accrue to Orange County based on its acts or any failure to act in the performance of its responsibilities pursuant to this Memorandum of Agreement and that in the event any group, individual, entity, or qualified former OPC employee brings any suit, complaint, claim, or legal action regarding Orange County's acts or failures to act in the performance of its responsibilities, such suit, complaint, claim or legal action shall be defended jointly by each party to this Memorandum of Agreement.

ORANGE COUNTY

DATE

10/11/12

Bernette Pélissier  
CHAIR

Warwick Duke  
CLERK TO THE BOARD

This instrument has been pre-audited in the manner required by the local government Budget and Fiscal Control Act.

Clarence D. Dine (SEAL)  
Finance Officer for Orange County

PERSON COUNTY

DATE 10/1/2012

Jimmy B. Clayton  
CHAIR

Brenda B. Reaves  
CLERK TO THE BOARD

This instrument has been pre-audited in the manner required by the local government Budget and Fiscal Control Act.

Amy Wehring (SEAL)  
Finance Officer for Person County

CHATHAM COUNTY

DATE \_\_\_\_\_

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
CLERK TO THE BOARD

This instrument has been pre-audited in the manner required by the local government Budget and Fiscal Control Act.

\_\_\_\_\_  
Finance Officer for Chatham County (SEAL)

PERSON COUNTY

DATE \_\_\_\_\_

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
CLERK TO THE BOARD

This instrument has been pre-audited in the manner required by the local government Budget and Fiscal Control Act.

\_\_\_\_\_  
Finance Officer for Person County (SEAL)

CHATHAM COUNTY

DATE 10-15-2012

*B. J. Beck*  
CHAIR

*Sandra B. Sublett*  
CLERK TO THE BOARD

This instrument has been pre-audited in the manner required by the local government Budget and Fiscal Control Act.

*Mike McConnell* (SEAL)  
Finance Officer for Chatham County

Exhibit A

Excluded Liability Set-Aside

- a. Unemployment costs and expenses related to former employees of OPC at any time prior to the earlier of the June 30, 2012 or the date the employee was hired by PBH and the employees of OPC who are not hired by PBH prior to July 1, 2012 - \$150,000.00
  - b. Workers' compensation costs and expenses related to former employees; - none anticipated
  - c. OPC's liabilities, expenses, costs and judgments related to litigation prior to July 1, 2012; - none anticipated
  - d. OPC's liabilities, expenses, costs and judgments related to disputes with providers or consumers arising from occurrences prior to July 1, 2012; and - none anticipated
  - e. completion of final audits, - \$60,000
  - f. closure of final accounts - \$2,000
  - g. preparations of legally required tax documents and other similar activities - \$2,000
  - h. expenses of contract employees and counsel as necessary to conclude the wind down and complete final activities - \$50,000.00
  - i. disposal of server and computers, \$8,000
  - j. bank service charges - \$2,800
  - k. preparation of W-2s by ADP - \$1,000
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- l. cancellation charges for copiers, postage meter -  
\$10,000.00
- m. storage of personnel and payroll records - \$117,000
- n. Estes Drive rent - \$5157
- o. all other liabilities or expenses of OPC arising from  
occurrences prior to July 1, 2012. - \$92,043.00