



Carolinus HealthCare System

James E.S. Hynes
Chairman

July 14, 2011

Michael C. Tarwater, FACHE
Chief Executive Officer

Joseph G. Piemont
President & COO

Harry L. Jones, Sr.
Mecklenburg County
Office of the County Manager
600 East Fourth Street
Charlotte, NC 28202-2835

Re: Notice of Termination of the Restated Consolidated Shared Programs Joint Undertaking Agreement between Mecklenburg County and The Charlotte-Mecklenburg Hospital Authority, dated November 2, 2000 (the "Agreement")

Dear Harry:

I am in receipt of your letter dated July 13, 2011, providing notice of termination of the above-referenced Agreement effective June 30, 2013. Until the date of termination, The Charlotte Mecklenburg Hospital Authority will continue to perform its obligations under the Agreement and will expect that the County will do the same.

We are willing to engage in mediation, but in light of our recent experience in trying to work with the County, we believe that it will be best for the mediation process to take place in the context of the declaratory judgment action that we have filed today in the Mecklenburg County Superior Court. The structure provided by the court will better assure an impartial and productive approach to resolving all of the disputes that the parties may have under the Agreement and allow us to proceed with litigation should the mediation not resolve our differences.

Sincerely,

A handwritten signature in black ink, appearing to read "J.G. Piemont".

Joseph G. Piemont
President and Chief Operating Officer

JGP/wrp