

REQUEST FOR BOARD ACTION

HENDERSON COUNTY
BOARD OF COMMISSIONERS

**PUBLIC HEARING
TO CONSIDER
FINAL APPROVAL OF A FINANCING CONTRACT
FOR UNC HEALTH PARDEE MEDICAL OFFICE BUILDING – MILLS
RIVER PROJECT
September 8, at 5:30 p.m.**

ATTACHMENT(S): Draft Extract from Minutes of Public Hearing
Draft Extract from Minutes of Proposed Financing Resolution Approval

SUMMARY: A public hearing has been scheduled on September 8, at 5:30 p.m. in the above matter. Notice was published in the *Hendersonville Lightning* on August 26, 2026.

The Board gave notice that this hearing would be conducted concerning the approval of the execution and delivery of the Financing Contract and the County's acquisition, construction and equipping of the Project. Under the proposal, the County would pay the capital costs of acquisition, construction, and equipping of a new medical office building and related site improvements to expand UNC Health Pardee's outpatient and primary care services within the County including but not limited to, a medical office building to be constructed on UNC Health Pardee's Mills River campus and (2) refinance the acquisition, construction and equipping of the Innovative High School in the County. This would be done pursuant to an installment financing contract (the "Contract"), in a principal amount not to exceed \$75,000,000 under which the County will make certain installment payments.

This public hearing is being held to satisfy two legal requirements:

1. **State law (G.S. 160A-20)** requires a public hearing before it enters into the First Amendment to the Installment Financing Contract, which is part of the overall legal structure that allows the execution and delivery of limited obligation bonds to finance these projects.
2. **Federal tax law (Section 147(f) of the Internal Revenue Code)** requires a public hearing, commonly referred to as a "TEFRA hearing," before tax-exempt bonds may be issued for projects being used by certain nonprofit entities, such as UNC Health Pardee.

At the conclusion of the public hearing, the Board may choose to take action, delay action to a subsequent meeting, or take no action.

EXHIBIT A
NOTICE OF PUBLIC HEARING

The County of Henderson, North Carolina (the “*County*”) previously entered into an Installment Financing Contract dated as of October 1, 2025 (as amended, the “*2025 Contract*”) with the Henderson County Governmental Financing Corporation (the “*Corporation*”), to finance and refinance the projects described therein. To secure its obligations under the 2025 Contract, the County previously executed and delivered a Deed of Trust, Security Agreement and Fixture Filing dated as of October 1, 2025 (the “*Deed of Trust*”) pursuant to which the County granted a lien on the site of its existing detention facility, together with the real estate improvements thereon and appurtenances thereto (collectively, the “*Mortgaged Property*”).

At its August 19, 2026 meeting, the Board of Commissioners of the County adopted a resolution which authorized the County to enter into Amendment Number Three to the 2025 Contract (the “*Third Amendment*” and together with the 2025 Contract, as previously amended, the “*Contract*”), the aggregate principal amount of which is currently expected not to exceed \$75,000,000, under which the County will make certain installment payments to finance the acquisition, construction, and equipping of a new medical office building and related site improvements to expand UNC Health Pardee’s outpatient and primary care services within the County, including, but not limited to, a medical office building to be constructed on UNC Health Pardee’s Mills River campus (the “*New Money Project*”) and to refinance the acquisition, construction and equipping of the Innovative High School in the County (the “*Refunded Project*”).

The maximum stated principal amount of the Contract to be used to finance the New Money Project is \$65,000,000. The New Money Project will be located at 3817 Boylston Hwy, Mills River, NC 28759, and will be owned and operated by the Henderson County Hospital Corporation, a nonprofit corporation organized and existing under the laws of the State of North Carolina.

The Contract and the Deed of Trust permit the County to enter into amendments to finance or refinance additional projects using the Mortgaged Property as collateral and the County may or may not grant additional collateral in connection with such amendments. On the County’s payment of all installment payments due under the Contract, including any future amendments to finance or refinance projects, any lien the Deed of Trust created will terminate and the County’s title to the Mortgaged Property will be unencumbered.

NOTICE IS HEREBY GIVEN, pursuant to Section 160A-20 of the General Statutes of North Carolina and Section 147(f) of the Internal Revenue Code of 1986, that on September 8, 2026 at 5:30 p.m. in the Commissioners’ Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina, a public hearing will be conducted concerning the approval of the execution and delivery of the Third Amendment and the New Money Project financed thereby and the Refunded Project refinanced thereby. All interested parties are invited to present comments thereon at the public hearing.

/s/ DENISA A. LAUFFER

Clerk to the Board of Commissioners
County of Henderson, North Carolina

Published: August 26, 2026

EXTRACTS FROM MINUTES OF THE BOARD OF COMMISSIONERS

A regular meeting of the Board of Commissioners of the County of Henderson, North Carolina, was duly held on September 8, 2026 at 5:30 p.m. in the Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina. Bill Lapsley presiding.

The following members were present:

The following members were absent:

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Commissioner _____ moved that the following resolution, copies of which have been made available to the Board of Commissioners, be adopted, by reading the title thereof (further reading waived without objection):

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, APPROVING AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF; AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the County of Henderson, North Carolina (the "*County*") is a validly existing political subdivision, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the "*State*");

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the money advanced therefor;

WHEREAS, the County has previously executed and delivered:

(1) an Installment Financing Contract dated as of October 1, 2025 (the “*2025 Contract*”) with the Henderson County Governmental Financing Corporation (the “*Corporation*”), a portion of the proceeds of which were used to finance the renovation and expansion of the County’s existing detention facility (the “*Detention Facility*”) as part of the County’s judicial center complex, as amended by Amendment Number One to the Installment Financing Contract, dated as of January 1, 2026 (the “*First Amendment*”), and Amendment Number Two to the 2025 Contract, dated as of May 1, 2026 (the “*Second Amendment*”), between the County and the Corporation; and

(2) a Deed of Trust, Security Agreement and Fixture Filing dated as of October 1, 2025 (the “*Deed of Trust*”), pursuant to which the County granted a lien on the site of the Detention Facility, together with the real estate improvements thereon and appurtenances thereto;

WHEREAS, the County also previously entered into an Installment Financing Contract dated as of December 1, 2016 with the Corporation, the proceeds of which were used to finance the acquisition, construction and equipping of the Innovative High School in the County (the “*Refunded Project*”);

WHEREAS, the Board of Commissioners of the County (the “*Board*”) previously determined that it is in the County’s best interest to enter into Amendment Number Three to the Installment Financing Contract (the “*Third Amendment*” and together with the First Amendment, the Second Amendment, and the 2025 Contract, the “*Contract*”) in an amount not to exceed \$75,000,000 with the Corporation to (1) finance the acquisition, construction, and equipping of a new medical office building and related site improvements to expand UNC Health Pardee’s outpatient and primary care services within the County, including, but not limited to, a medical office building to be constructed on UNC Health Pardee’s Mills River campus (the “*New Money Project*”) and (2) refinance the Refunded Project;

WHEREAS, in furtherance of the above plan, the Corporation will execute and deliver its Limited Obligation Bonds (County of Henderson, North Carolina), Series 2026D (the “*Bonds*”) to finance the New Money Project and refinance the Refunded Project in an aggregate principal amount not to exceed \$75,000,000, evidencing proportionate undivided interests in rights to receive certain Revenues (as defined in the 2025 Contract), under the terms of an Indenture of Trust (the “*2025 Indenture*”), as supplemented by Supplemental Indenture, Number 3 (the “*Third Supplement*” and together with the 2025 Indenture, as previously supplemented, the “*Indenture*”), each between the Corporation and U.S. Bank Trust Company, National Association, as trustee;

WHEREAS, in connection with the sale of the Bonds by the Corporation to PNC Capital Markets LLC (the “*Underwriter*”), the Corporation will enter into a Contract of Purchase between the Corporation and the Underwriter, and the County will execute a Letter of Representation to the Underwriter with respect to the Bonds (the “*Letter of Representation*”);

WHEREAS, there have been described to the Board the forms of the following documents (collectively, the “*Instruments*”), copies of which have been made available to the Board, which the Board proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing:

- (1) the Third Amendment;
- (2) the Third Supplement, including the form of the Bonds; and
- (3) the Letter of Representation;

WHEREAS, to make an offering and sale of the Bonds, there will be prepared a Preliminary Official Statement with respect to the Bonds (the “*Preliminary Official Statement*”), a draft thereof having been presented to the Board, and a final Official Statement relating to the Preliminary Official Statement (together with the Preliminary Official Statement, the “*Official Statement*”), which Official Statement will contain certain information regarding the County;

WHEREAS, it appears that each of the Instruments and the Preliminary Official Statement is in an appropriate form and is an appropriate instrument for the purposes intended;

WHEREAS, a public hearing on the Third Amendment and the New Money Project to be financed thereby and the Refunded Project to be refinanced thereby, after publication of a notice with respect to such public hearing, must be held and the Board conducted such public hearing at this meeting;

WHEREAS, the County will file an application to the North Carolina Local Government Commission (the “*LGC*”) for approval of the Third Amendment;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, AS FOLLOWS:

Section 1. *Ratification of Instruments.* All actions of the County, the Chairman of the Board (the “*Chair*”), the Clerk to the Board (the “*Clerk*”), the County Manager, the Financial Services Director, the Finance Director, the County Attorney, and their respective designees, whether previously or hereinafter taken, in effectuating the proposed financing, including the making of application to the LGC, are approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. *Authorization of the Official Statement.* The form, terms and content of the Preliminary Official Statement are authorized, approved, and confirmed, and the Underwriter’s use of the Preliminary Official Statement and the final Official Statement in connection with the sale of the Bonds is authorized, approved and confirmed. The Chair, the County Manager, the Financial Services Director, the Finance Director, and the Clerk (collectively, the “*Authorized Officers*”) are authorized and directed, individually and collectively, to deliver, on behalf of the County, the Official Statement in substantially such form, with such changes, insertions and omissions as he or she may approve.

Section 3. *Authorization to Execute the Instruments.* The Board authorizes and approves the financing of the New Money Project and the refinancing of the Refunded Project in an amount not to exceed \$75,000,000 and in accordance with the terms of the Instruments, which will be valid, legal, and binding obligations of the County in accordance with their terms. The form and content of the Instruments are authorized, approved, and confirmed, and the Authorized Officers and their respective designees are authorized, empowered, and directed, individually and collectively, to execute and deliver the Instruments, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the County’s approval of any and all changes, modifications, additions or deletions therein from the form and content of the Instruments presented to the Board. From and after the execution and delivery of the Instruments, the Authorized Officers are authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Instruments as executed.

Section 4. *County Representative.* The Authorized Officers are designated as the County’s representatives to act on behalf of the County in connection with the transactions contemplated by the Instruments and the Preliminary Official Statement, and are authorized to proceed with financing the New

Money Project and refinancing the Refunded Project in accordance with the Instruments and the Preliminary Official Statement and to seek opinions as a matter of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. The County Manager, the Financial Services Director, and the Finance Director are authorized, individually and collectively, to select any co-managing underwriters for the Bonds if they determine such selection to be in the best interest of the County. The Authorized Officers and their respective designees are authorized, empowered and directed, individually and collectively, to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by the Instruments and the Preliminary Official Statement or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution and to administer the transactions contemplated by this Resolution after the execution and delivery of the Bonds.

Section 5. Severability. If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 6. Repealer. All motions, orders, resolutions and parts thereof in conflict herewith are repealed.

Section 7. Effective Date. This Resolution is effective on the date of its adoption.

On motion of Commissioner _____, the foregoing resolution entitled “**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, APPROVING AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF; AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**” was duly adopted by the following vote:

AYES:

NAYS:

STATE OF NORTH CAROLINA)
)
COUNTY OF HENDERSON) SS:

I, DENISA A. LAUFFER, Clerk to the Board of Commissioners of the County of Henderson, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution titled **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, APPROVING AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF; AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS”** adopted by the Board of Commissioners of the County of Henderson, North Carolina in regular session convened on September 8, 2026, as recorded in the minutes of the Board of Commissioners of the County of Henderson, North Carolina.

WITNESS, my hand and the seal of the County of Henderson, North Carolina, this the _____ day of September, 2026.

(SEAL)

Denisa A. Lauffer
Clerk to the Board of Commissioners
County of Henderson, North Carolina