

**REQUEST FOR BOARD ACTION**  
**HENDERSON COUNTY**  
**BOARD OF COMMISSIONERS**

**MEETING DATE:** 5 October 2015  
**SUBJECT:** Hospital Corporation reimbursement resolution  
**PRESENTER:** Charles Russell Burrell/Carey McLelland  
**ATTACHMENT(S):** Proposed Resolution

**SUMMARY OF REQUEST:**

Attached is a proposed reimbursement resolution from bond counsel for your consideration. It tracks and essentially parrots one adopted by the Hospital Corporation allowing for Hospital Corporation reimbursement of certain expenses incurred from the proceeds of a borrowing, as detailed in the resolution. The purpose of a reimbursement resolution is to allow project costs incurred prior to the closing of the (tax-free) financing to be reimbursed from the financing proceeds. The projects involved are (1) facility improvements for the Comprehensive Cancer Center, (2) acquisition of a 30% ownership interest in the ownership entity for Phase 3 of the Mission-Pardee Health Campus, and (3) various improvements to the Hospital's ambulatory services. The County's adoption of this resolution is related to the County's ownership of the real estate used (leased) by the Hospital Corporation, and does not provide for any future indebtedness on the part of the County.

County and Hospital Corporation staff will be available if desired to present further information on this matter.

**BOARD ACTION REQUESTED:**

Adoption of the resolutions.

If the Board is so inclined, the following motion is suggested:

***I move that the Board approve the reimbursement resolution attached to this agenda item for the Henderson County Hospital Corporation.***

**RESOLUTION OF THE BOARD OF DIRECTORS OF MARGARET R. PARDEE HOSPITAL  
DECLARING ITS INTENT TO BE REIMBURSED FOR CAPITAL EXPENDITURES INCURRED  
IN CONNECTION WITH THE PARDEE CANCER CENTER FACILITY PROJECT, THE  
ACQUISITION OF AN EQUITY INTEREST IN THE OWNER OF THE PHASE 3 FACILITY ON  
THE MISSION PARDEE HEALTH CAMPUS AND IMPROVEMENTS TO THE HOSPITAL'S  
AMBULATORY SERVICES FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT  
OBLIGATIONS TO BE EXECUTED AND DELIVERED IN FISCAL YEAR 2016**

*WHEREAS*, the Board of Directors (the "*Board*") of Margaret R. Pardee Hospital (the "*Hospital*") has determined that it is in the best interests of the Hospital to incur capital expenditures in connection with (1) various facility and parking improvements for the Hospital's Comprehensive Cancer Center, (2) the acquisition of a 30% ownership interest in the limited liability company that owns the Phase 3 Facility located on the Mission Pardee Health Campus and (3) various improvements to the Hospital's ambulatory services, all for the Hospital's use (collectively, the "*Projects*");

*WHEREAS*, the Hospital presently intends, at one time or from time to time, to finance all or a portion of the costs of the Projects with proceeds of tax-exempt obligations to be executed and delivered by the County of Henderson, North Carolina (the "*County*") on the Hospital's behalf (the "*Obligations*"), and the Hospital reasonably expects the County to execute and deliver the Obligations to finance, or to reimburse itself or the Hospital for, all or a portion of the costs of the Projects; and

*WHEREAS*, the Hospital desires to proceed with the Projects, and the Hospital or the County will incur and pay certain expenditures in connection with the Projects prior to the date of execution and delivery of the Obligations (the "*Original Expenditures*"), such Original Expenditures to be paid for originally from a source other than the proceeds of the Obligations, and the Hospital intends, and reasonably expects, to be reimbursed or to have the County reimburse itself for such Original Expenditures from a portion of the proceeds of the Obligations to be executed and delivered at a date occurring after the dates of such Original Expenditures;

*NOW, THEREFORE, BE IT RESOLVED* by the Board of Directors of Margaret R. Pardee Hospital as follows:

Section 1. *Official Declaration of Intent.* The Hospital presently intends, and reasonably expects, to be reimbursed or to have the County reimburse itself for the Original Expenditures incurred and paid by the Hospital or the County on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the Obligations. The Hospital reasonably expects the County to execute and deliver the Obligations to finance all or a portion of the costs of the Projects, and the maximum principal amount of Obligations expected to be executed and delivered by the County to pay for all or a portion of the costs of the Project is \$12,000,000.

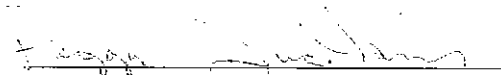
Section 2. *Compliance with Regulations.* The Board adopts this Resolution as a declaration of the Hospital's official intent under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the Hospital's intent to be reimbursed or to have the County reimburse itself for the Original Expenditures from proceeds of the Obligations.

Section 3. *Itemization of Capital Expenditures.* The Hospital's Chief Financial Officer, with advice from special counsel and in consultation with the County's Finance Officer, is hereby authorized, directed and designated to act on behalf of the Hospital in determining and itemizing all of the Original Expenditures incurred and paid by the County or the Hospital in connection with the Projects during the

period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of execution and delivery of the Obligations.

Section 4. *Effective Date.* This Resolution is effective immediately on the date of its adoption.

Adopted and approved this 26<sup>th</sup> day of August, 2015.



Peggy Judkins  
Secretary of the Board of Directors  
Margaret R. Pardee Hospital