

RESOLUTION NO. R 17 25

APPROVING, IN ACCORDANCE WITH SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE ISSUANCE OF BONDS TO FINANCE PROJECTS FOR TIDALHEALTH NANTICOKE, INC. AND CERTAIN OF ITS AFFILIATES

WHEREAS, TidalHealth Nanticoke, Inc., a nonprofit Delaware corporation ("Nanticoke"), and certain of its affiliates (together with its affiliates, the "Borrower"), has requested Maryland Health and Higher Educational Facilities Authority (the "Authority"), a body politic and corporate of the State of Maryland, constituting an instrumentality organized and existing under and by virtue of the Maryland Health and Higher Educational Facilities Authority Act to issue its revenue notes, bonds or other obligations in one or more series from time to time pursuant to a plan of financing (the "Bonds") to provide financing and refinancing for eligible costs of a project consisting of the acquisition, construction, reconstruction, installation and equipping of certain health care facilities (including the reallocation of proceeds of bonds previously issued by the Authority for the benefit of the Borrower) (the "Project"), a portion of which facilities are or will be located in Sussex County (the "Delaware Project"), at the sites as described in the notice of public hearing attached hereto as Exhibit A; and

WHEREAS, the Bonds will be special limited obligations of the Authority payable solely from the loan repayments to be made by the Borrower to the Authority and certain funds and accounts established by the bond resolution for the Bonds; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that the applicable elected representative of the governmental unit on behalf of which bonds are issued and of each governmental unit having jurisdiction over the area in which any facilities with respect to which financing is to be provided from the net proceeds of such bonds is located, approve bonds after a public hearing in order for a private activity bond to be a qualified bond under the Code; and

WHEREAS, the Sussex County Council is the applicable elected representative of the governmental unit having jurisdiction over the area in which the Delaware Project is located; and

WHEREAS, in accordance with Section 147(f) of the Code, a public hearing was held in connection with the issuance of the Bonds by this Council on July 29, 2025 in Sussex County Council Chamber, County Administration Building, 2 The Circle, Georgetown, Delaware, following the posting of a notice of such hearing on this County's website not less than seven

days prior to the date of the public hearing and no comments were received from the general public at such hearing; and

WHEREAS, the Borrower has requested that the Sussex County Council approve the issuance of the Bonds and the financing of the Delaware Project in order to satisfy the requirements of Section 147(f) of the Code.

NOW, THEREFORE, BE IT RESOLVED BY THE SUSSEX COUNTY COUNCIL:

SECTION 1. The issuance of the Bonds for the purpose of financing the Delaware Project, which is located in Sussex County, is hereby approved for purposes of Section 147(f) of the Code.

SECTION 2. The Sussex County Council hereby approves the issuance of the Bonds by the Authority for the purpose of financing the Delaware Project. It is the purpose and intent of the Sussex County Council that this Resolution constitutes approval of the issuance of the Bonds by Sussex County, which is one of the governmental units having jurisdiction over the area in which a portion of the Project is located.

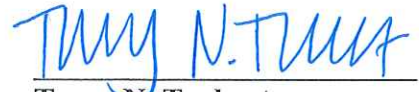
SECTION 3. The Bonds are not a debt of Sussex County, the State of Delaware, or any political subdivision thereof and do not, directly, indirectly or contingently, obligate, in any manner, Sussex County, the State of Delaware, or any political subdivision or agency thereof or any political subdivision approving the issuance of the Bonds to levy any tax or to make any appropriation for payment of the Bonds or any costs incidental thereto. Neither the faith and credit nor the taxing power of Sussex County, the State of Delaware or any political subdivision or agency thereof or any political subdivision approving the issuance of the Bonds, shall be pledged to the payment of the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto.

SECTION 4. The foregoing approval is for the purposes of the applicable provisions of the Code, as aforesaid, and does not constitute approval for any permit, license or zoning required for the construction or occupancy of any facilities to be financed or refinanced as part of the Delaware Project.

SECTION 5. The President of the County Council and the County Administrator, and other personnel, at the direction of such officers, of Sussex County are hereby authorized and empowered to take all such further action and execute additional documents as they may deem appropriate to carry out the purpose of this Resolution.

SECTION 6. Any resolution or part of any resolution conflicting with the provisions of this Resolution is hereby repealed insofar as the same affects this Resolution. This Resolution shall take effect immediately.

**I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY
OF RESOLUTION NO R. 017 25 ADOPTED BY THE SUSSEX COUNTY COUNCIL ON
JULY 29, 2025.**



**Tracy N. Torbert
Clerk of the Council**

NOTICE OF PUBLIC HEARING BEING HELD BY SUSSEX COUNTY, DELAWARE WITH RESPECT TO AN AMOUNT NOT TO EXCEED \$84,000,000 OF BONDS TO BE ISSUED BY MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY FOR A PROJECT LOCATED IN SUSSEX COUNTY, DELAWARE.

NOTICE IS HEREBY GIVEN that on July 29, 2025, at 12:45 p.m., or as soon thereafter as the matter can be heard, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), will be held by Sussex County, Delaware (the "County") or by a designee appointed to conduct the hearing, at Council Chambers, Sussex County Administration Building, 2 The Circle, Georgetown, DE 19947, regarding the proposed issuance by Maryland Health and Higher Educational Facilities Authority (the "Authority") of its revenue notes, bonds or other obligations in one or more series from time to time pursuant to a plan of financing, in an amount not to exceed \$140,000,000 (the "Bonds"), a portion of which in an amount not to exceed \$84,000,000 will be allocated to and used in the County (the "Sussex County Portion").

The Bonds are expected to be issued by the Authority, a body politic and corporate of the State of Maryland, constituting an instrumentality organized and existing under and by virtue of the Maryland Health and Higher Educational Facilities Authority Act. The Bonds are anticipated to be qualified 501(c)(3) bonds as defined in Section 145 of the Code for healthcare facilities and other expenditures described herein. The Sussex County Portion will be lent to TidalHealth Nanticoke, Inc., a nonprofit Delaware corporation ("Nanticoke"), and certain of its affiliates (together with its affiliates, the "Borrower"), and used to pay all or a portion of the costs of (i) financing or refinancing the acquisition, construction, improvement, and or equipping of healthcare facilities and other related property located at various locations within Sussex County, Delaware, as described on Exhibit A attached hereto (the "Bond-Financed Facilities"), (ii) refinancing bonds previously issued for the benefit of the Borrower, (iii) paying capitalized interest on the Bonds, if any, and (iv) paying certain issuance expenses related to the Bonds (collectively, the "Delaware Project"). The initial legal owners and principal users of the Delaware Project are as set forth on Exhibit A attached hereto.

The Bonds are payable solely from loan repayments to be made by the Borrower and will not be debt obligations of the Authority, the State of Maryland, the County, the State of Delaware or any political subdivision or other governmental entity of either state.

The public is invited to attend the meeting at the location, date and time set forth above and all persons in attendance will be given the opportunity to be heard. The County requests that interested parties submit any comments in writing. All attendance inquiries should be directed to the County, c/o Gina Jennings, Finance Director at gjennings@sussexcountyde.gov.

This notice is published in accordance with the requirements of the Code and the regulations promulgated thereunder.

DATE OF NOTICE:

ISSUED BY: SUSSEX COUNTY, DELAWARE

Exhibit A

Bond-Financed Facilities Located in Sussex County, Delaware

The proceeds of the Bonds, including proceeds from previously issued bonds of the Authority, will be or have been lent by the Authority in order to finance or refinance the acquisition, construction, renovation and equipping of healthcare facilities, including (without limitation) to:

(1) finance or refinance (i) the acquisition of land and (ii) the construction thereon and equipping of a three-story, approximately 90,000 square foot medical office building, a parking lot with approximately 770 spaces and site improvements, including, but not limited to, access roads and stormwater management (collectively, the “2025 Project”). The 2025 Project is and will be located at 26870 Dupont Boulevard, Millsboro, Delaware 19966. Nanticoke is the initial legal owner and principal user of the 2025 Project; and

(2) reallocate the use of proceeds of the Authority’s Revenue Bonds, Peninsula Regional Health System Issue, Series 2020A (the “2020A Bonds”) to finance or refinance:

(i) the renovation of existing facilities located at 30265 Commerce Drive, Millsboro, Delaware 19966; TidalHealth Peninsula Regional, Inc. is the initial legal owner and principal user of the project described in this paragraph 2(i);

(ii) (A) the renovation of existing facilities located at 100 Health Services Drive, Seaford, Delaware 19973 and (B) the construction of a new one-story, 6,200 square foot building located on the other side of the street directly opposite the parking lot for 201 Health Services Drive, Seaford, Delaware 19973 with Health Services Drive to the east, Rawlins Drive to the north and Bridgeville Highway to the west; TidalHealth Medical Partners, LLC is the initial legal owner and principal user of the project described in this paragraph 2(ii); and

(iii) the renovation of existing facilities located at 1033 W. Stein Highway, Seaford, Delaware 19973 and 801 Middleford Road, Seaford, Delaware 19973; Nanticoke is the initial legal owner and principal user of the project described in this paragraph 2(iii).

The items listed in subparagraphs (i), (ii) and (iii) are collectively referred to as the “DE 2020A Project”.

The Delaware Project may also include other capital expenditures and the costs of issuing the Bonds and includes land or interests in land, buildings, structures, machinery, equipment, furnishings or other real or personal property located on the same sites as the Delaware Project.

The initial legal owners and principal users and addresses of each portion of the Delaware Project are set forth above. The maximum aggregate principal amount of the Bonds issued with respect to the Sussex County Portion (including reallocated proceeds of the 2020A Bonds) will not exceed \$84,000,000. The maximum aggregate principal amount of the Bonds issued with respect to the 2025 Project will not exceed \$55,000,000. The maximum aggregate principal amount of the

Bonds (including reallocated proceeds of the 2020A Bonds) issued with respect to the DE 2020A Project will not exceed \$30,250,000 (which includes \$6,000,000, \$2,250,000, \$11,500,000 and \$5,500,000, respectively, for the facilities located at (i) 30265 Commerce Drive, Millsboro, Delaware 19966, (ii) 100-201 Health Services Drive, Seaford, Delaware 19973, (iii) 1033 W. Stein Highway, Seaford, Delaware 19973 and (iv) 801 Middleford Road, Seaford, Delaware 19973). The Bonds will be issued pursuant to a plan of financing for the Delaware Project that may entail the financing or refinancing from time to time by the Bonds including the financing and refinancing of the Bonds. Because of the possible inclusion of original issue discount bonds (some of which may be capital appreciation bonds) the total amount of Bonds payable at maturity may exceed the initial stated principal amount of the Bonds.