

## **MEMORANDUM OF UNDERSTANDING**

**Between**  
**NORTH CAROLINA CHILDREN'S**  
**HEALTH, INC.**  
**And**  
**TOWN OF APEX**

This Memorandum of Understanding (“MOU”) is made between North Carolina Children’s Health, Inc., a 501(c)(3) nonprofit corporation with its principal office located at 5221 Paramount Parkway, Suite 3q, Morrisville, NC 27560 (“NCCH”), and the Town of Apex, a North Carolina municipal corporation (“Apex”). NCCH and Apex may collectively be referred to as “Parties.” Except as otherwise set forth below, this MOU is a non-binding statement of intent and understanding. In the spirit of collaboration and cooperation, NCCH and Apex enter into this MOU to promote a mutual interest in the establishment and support of healthcare programs and the provision of healthcare services, facilities, and capabilities as more particularly described below as the NCCH project.

WHEREAS, pursuant to N.C.G.S. §160A-20.1, a municipality is authorized to contract with and appropriate money to any person, association, or corporation, in order to carry out any public purpose that the municipality is authorized by law to engage in; and

WHEREAS, pursuant to N.C.G.S. §160A-209, a local government may levy property taxes for the purpose of establishing, supporting, and maintaining public hospitals and clinics, and other related health programs and facilities, and

WHEREAS, pursuant to N.C.G.S. §131E-7, a municipality may construct, equip, operate, and maintain hospital facilities; and

WHEREAS, the University of North Carolina Health Care System and the Duke University Health System partnered for the purpose of creating NCCH and have formed a project team to provide joint campus master planning, finalization of a location, and confirmation of financing for the construction of a children’s health campus to include but not limited to, a main hospital, behavioral health hospital, ambulatory surgery center, research, hotels, and any other structures and buildings required to support the campus use and development to ultimately provide health services (“Project”); and

WHEREAS, NCCH considered multiple sites throughout the Triangle area for the Project, taking into account factors such as transportation, accessibility, site suitability, and proximity to areas of anticipated growth; and

WHEREAS, the NCCH project team and Apex engaged in conversations regarding the potential location of the future hospital in Apex, NC and the benefits of the same; and

WHEREAS, following those conversations and potential considerations that may be

provided by Apex, NCCH has selected an approximately 230-acre site located at the intersection of US-1 and NC-540 (“Site”) and part of a development commonly known as “Veridea” for the Project; and

WHEREAS, the intent of this MOU is to promote the timely development and establishment of the Project to include the provision of healthcare services and healthcare programs; and

WHEREAS, for the mutual benefit of the Parties and in the spirit of collaboration, the Parties wish to memorialize their understanding of the intentions and roles of each Party.

NOW THEREFORE, the Parties hereby state their intent and understanding as follows:

### **ARTICLE I. EXPECTATIONS OF PARTICIPATING PARTIES**

1. Expectations of Apex:

- a) Upon all infrastructure being installed and in operation, Apex will have water and sewer capacity to serve the Site and needs of NCCH as follows: Water – 1.7 million gallons per day; Sewer – 0.7 million gallons per day, with the infrastructure scheduled to be in place by the end of calendar year 2028. Apex and NCCH recognize that the date of completion for the infrastructure could be partially subject to the progress of the developers of Veridea.
- b) In the event additional infrastructure is needed for the Project, leadership staff from Apex will engage in good faith discussions with NCCH regarding said needs prior to requests for financial support being made by or to either Party, or to a North Carolina state agency.
- c) Designate two Apex staff members to support the Project during the design and building phase, for up to a period of ten years, in addition to providing development support and inspection services already provided by Apex to the community. Designated staff will report directly to Apex senior leadership. Apex will determine if the designated staff will be current or new employees and will communicate any needed changes to the designees to NCCH.
- d) To the full extent permitted by law, provide NCCH funding in the amount of thirteen million dollars (\$13,000,000.00) to be paid in equal yearly installments over a twenty-year period to assist in the provision of health services, including but not limited to, operational planning, strategic needs assessment, and equipment and clinical services planning. The timing of the first payment and future payments, the purpose and use of the funds, and reporting and audit requirements will be established in the terms and

conditions of a separately executed grant or service agreement. The Parties understand and recognize that no funds are being obligated pursuant to this MOU. Rather, this MOU is intended to set out the Parties' basic understanding for a grant or services agreement that will be negotiated in the future.

- e) Ensure that necessary Apex staff and leadership are aware of and understand their respective roles related to the expectations established by this MOU.

2. Expectations of NCCH:

- a) NCCH will construct and operate a freestanding, independent children's hospital at the Site as part of the development commonly known as Veridea. The Site has been purchased by the University of North Carolina Health Care System.
- b) When completed, the hospital is expected to include, among other services and features, a large acute care children's hospital, a children's outpatient care center along with a children and adolescent behavioral health facility, and a research and education enterprise backed by the UNC and Duke schools of medicine. The Project is anticipated to create over 5,000 permanent jobs as well as bring other jobs to the area.
- c) NCCH will designate staff member(s) or Project team member(s) that are authorized by NCCH to cooperatively plan, exercise, and coordinate the provisions of this MOU with Apex.
- d) Engage cooperatively with Apex staff and management to keep Apex informed of the Project progress and timelines.
- e) NCCH understands and warrants that any financial support provided by Apex pursuant to a grant or services agreement will be used exclusively toward the provision of health care services, including but not limited to, operational planning, strategic needs assessment, and equipment and clinical services planning and NCCH will document the receipt and use of any funds provided by Apex as set forth in a future grant or services agreement. NCCH agrees that its financial management is subject to an independent audit/review at the completion of the year for which funds are received and will provide Apex a yearly accounting of how funds were utilized.
- f) Before receiving any funds from Apex, NCCH will submit an IRS tax-exempt letter or other documentation confirming 501 non-profit status.

## **ARTICLE II. TERM OF MOU**

This MOU, once executed, is valid for ten years from the date of execution by the last party to sign. This MOU may be terminated by either party upon 30 days' written notice.

## **ARTICLE III. LEGAL AUTHORITY**

This MOU, any future grant or services agreement, and any funding that may be disbursed by Apex, is subject to the North Carolina Constitution and North Carolina General Statutes. The Parties recognize and agree that this MOU is intended only to set out a financial framework for the development of the Project to include the provision of health care services and is not confirmation of a funding mechanism, which will be set forth in a future grant or services agreement. The Parties further agree that if either Party reasonably determines that the provision of funds by Apex for the purposes set forth in this MOU would not comply with any federal or state law, the Parties agree to work in good faith to amend the MOU such that it complies with any such law and is agreeable to both Parties. If, after reasonable good faith efforts by both Parties, the Parties are unable to reach an agreement on such amendment to achieve compliance, this MOU may be terminated by either Party without further obligation from either Party.

## **ARTICLE IV. MISCELLANEOUS**

1. **Governing Law.** All matters relating to this MOU shall be governed by the laws of the State of North Carolina, without regard to its choice of law provisions. The Parties further agree that any dispute arising from this MOU shall be litigated in the courts of the State of North Carolina and any and all suits or actions related to this MOU shall be brought exclusively in Wake County, North Carolina.
2. **Modification.** This MOU contains the full understanding of the parties. Any modifications or addendums to this MOU must be in writing and executed with the same formality as this MOU.
3. **Assignment.** No party may transfer or assign its rights under this MOU without written approval from the duly authorized agents of Apex and NCCH.
4. **E-Verify.** NCCH shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes (E-Verify) and shall require all of its contractors and subcontractors to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.
5. **Anti-Human Trafficking.** NCCH understands and agrees that no labor supplied by NCCH, its contractors, or subcontractors in the performance of this MOU or the Project shall be obtained by means of deception, coercion, intimidation or force, or otherwise in violation of North Carolina law, specifically Article 10A, Subchapter 3 of Chapter 14 of the North Carolina General Statutes, Human Trafficking.

6. Non-appropriation. While this MOU is not obligating funds, it is understood by the Parties that any future payments from Apex, subject to a grant or services agreement, are from appropriations and monies from the Town of Apex Town Council and any other governmental entities.

**ARTICLE V. VALIDITY**

In witness whereof, the Parties to this MOU through their duly authorized representatives have executed this MOU on the days and dates set out below, and certify that they have read, understood, and agreed to the provisions of this MOU as set forth herein.

The effective date of this MOU is the date of the signature last affixed to this page.

**NORTH CAROLINA  
CHILDREN’S HOSPITAL, INC.**

**TOWN OF APEX**

By: \_\_\_\_\_  
(print)

\_\_\_\_\_  
Randal E. Vosburg, Town Manager

\_\_\_\_\_  
(sign)

Date: \_\_\_\_\_, 2026

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Date: \_\_\_\_\_, 2026