

PUBLIC HOSPITAL DISTRICT NO. 1
PEND OREILLE COUNTY, WASHINGTON

ASSISTED LIVING FACILITY EXPANSION BONDS

RESOLUTION NO. 2016-01

A RESOLUTION of the Commission of Public Hospital District No. 1, Pend Oreille County, Washington, specifying and adopting a plan to construct a 54 unit assisted living facility, including an 18 bed memory care unit advisable by the Commission of the District; declaring the estimated costs of such plan; providing for the submission to the voters of the District at a special election to be held therein on April 26, 2016, of a proposition authorizing the District to issue its general obligation bonds in the principal amount of no more than \$10,000,000 (or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness), for the purpose of paying costs of the foregoing plan, the principal of and interest on such bonds to be payable from annual property tax levies to be made in excess of regular property tax levies; designating the Superintendent of the District to receive notice of the ballot title from the Auditor of Pend Oreille County, Washington.

ADOPTED: January 28, 2016

PUBLIC HOSPITAL DISTRICT NO. 1
PEND OREILLE COUNTY, WASHINGTON

RESOLUTION NO. 2016-01

A RESOLUTION of the Commissioners (the "Commission") of Public Hospital District No. 1, Pend Oreille County, Washington, (the "District") specifying and adopting a plan to expand District residential care facilities as deemed necessary or advisable by the Commission of the District; declaring the estimated costs of such plan; providing for the submission to the voters of the District at a special election to be held therein on April 26, 2016, of a proposition authorizing the District to issue general obligation bonds in the principal amount of no more than \$10,000,000 (or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness), for the purpose of paying costs of the foregoing plan, the principal of and interest on such bonds to be payable from annual property tax levies to be made in excess of regular property tax levies; designating the Superintendent of the District to receive notice of the ballot title from the Auditor of Pend Oreille County, Washington.

BE IT RESOLVED BY THE COMMISSION OF PUBLIC HOSPITAL DISTRICT NO. 1, PEND OREILLE COUNTY, WASHINGTON, as follows:

Section 1. The Commission of Public Hospital District No. 1, Pend Oreille County, Washington, hereby makes the following findings and determinations:

- (a) The District is a duly incorporated public hospital district operating under and by virtue of the Constitution and the laws of the State of Washington (the "State").
- (b) The existing condition of health care facilities of the District requires that the District expand and renovate District residential care facilities as more particularly defined and described in Section 3 herein (the "Plan").
- (c) The District lacks sufficient money with which to pay costs of the Plan, which is required to correct the existing conditions.
- (d) To pay costs of the Plan, the Commission hereby deems it necessary and advisable that the District issue and sell its unlimited tax general obligation bonds in the principal amount of no more than \$10,000,000 (or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness) (the "Bonds").
- (e) The District is authorized pursuant to Article VII, Section 2(b) of the Washington Constitution and laws of the State (including RCW 70.44.060(5)(b) and RCW 84.52.056 to submit to the District's voters at a special election, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Plan and levy annual excess property taxes to repay the Bonds.

Section 2. The Commission hereby finds and declares that the public interest, health, welfare, safety and convenience require that the District specify, adopt, accomplish and carry out the Plan as hereinafter provided.

Section 3. The Commission hereby finds and declares that the Plan to be paid for with proceeds of the Bonds is more particularly defined and described as follows:

(a) Expand and renovate District Facilities, including, but not limited to: construction of a 54-unit assisted living facility, including an 18-bed memory care unit as more fully described in specifications developed by consultants to the District and to be filed with the Superintendent of the District.

(b) Carry out other capital improvements, all as deemed necessary or advisable by the Commission. The Commission may modify details of the Plan where necessary or advisable in the judgment of the Commission and where not substantially altering the purposes herein specified.

(c) Acquire, construct and install all necessary furniture, equipment, apparatus, fixtures and appurtenances in the foregoing, all as deemed necessary or advisable by the Commission.

(d) Pay incidental costs incurred in connection with carrying out and accomplishing the foregoing pursuant to RCW 39.46.070. Such costs shall be deemed part of the Plan and shall include, but are not limited to: costs related to the issuance, sale and delivery of the Bonds; payments for fiscal and legal expenses; obtaining ratings and bond insurance; printing, advertising, establishing and funding accounts; payment of interest on the Bonds for up to six months after completion of construction; necessary and related engineering, architectural, planning, consulting, inspection and testing costs; administrative and relocation expenses; site improvement; demolition; on and off-site utilities and road improvements; and other similar activities or purposes, all as deemed necessary or advisable by the Commission.

The Commission hereby specifies and adopts the Plan. The Commission may modify details of the Plan where deemed necessary or advisable by the Commission and make additional capital improvements as it may find necessary or advisable. The Plan, or any portion or portions thereof; shall be made insofar as is practicable with available money and in such order of time as shall be deemed necessary or advisable by the Commission. The Commission shall determine the application of available money between the various parts of the Plan so as to accomplish, as near as may be, all of the Plan. The Commission shall determine the exact order, extent and specifications for the Plan. The Plan is to be more fully described in the specifications to be prepared by the District's architects and engineers and to be filed with the District. The estimated cost of carrying out the Plan specified and adopted in this Section 3 herein is declared to be, as nearly as may be, the amount of \$10,000,000.

Section 4. The Bonds, if approved and issued, shall be sold in such amounts and at such time or times as deemed necessary or advisable by the Commission and as permitted by law, shall bear interest at such rate or rates (not to exceed the maximum provided by law at the time the Bonds are sold) and in such manner as the Commission shall determine at the time the Bonds are sold, and shall mature in such amounts as

determined by the Commission within a maximum term of not to exceed 25 years from the date of issue, but may mature at an earlier date or dates as authorized by the Commission and as provided by law. The Bonds may be issued as a single issue, as a part of a combined issue with other authorized bonds, or in more than one series. The Bonds shall be unlimited tax general obligation bonds of the District and, unless paid from other sources, both principal thereof and interest thereon shall be payable out of annual tax levies to be made in excess of regular property tax levies upon all the taxable property within the District without limitation as to the rate or amount, but only in amounts sufficient to meet the payment of principal and interest on the Bonds as they come due. The designation of the Bonds may be changed to reflect the actual date of issuance. The exact date, form, term and maturity of the Bonds shall be hereafter fixed by resolution of the Commission. Pending the issuance of the Bonds, the District may issue short-term obligations pursuant to Chapter 39.50 RCW or such other obligations as are permitted by law to pay for the costs of the Plan. Such obligations may be paid or refunded with the proceeds of the Bonds.

Section 5. The Commission declares that to the extent, prior to the date the Bonds or other obligations are issued to finance the Plan, the District shall make capital expenditures for the Plan from money that is not reserved, allocated on a long-term basis or otherwise set aside by the District under its existing and reasonably foreseeable budgetary and financial circumstances to finance the Plan, those capital expenditures are intended to be reimbursed out of proceeds of the Bonds or other obligations issued in an amount not to exceed the principal amount of the Bonds provided by this Resolution.

Section 6. The cost of the Plan shall be paid from the proceeds of the issuance, sale and delivery of the Bonds, if the proposition specified in Section 8 below is approved by the voters of the District as required by the Washington Constitution and the laws of the State. In the event the District has other legally available money or there are Bond proceeds (or interest earnings thereon) remaining after the Plan has been completed or duly provided for, the Commission retains the right to make such additional capital improvements to other District health care facilities as are deemed necessary or advisable by the Commission. If in the opinion of the Commission, the needs of the District change in a manner that results in a circumstance wherein any portion of the Plan is not required or feasible, the Commission retains the right not to acquire, construct and install such capital improvements and to reallocate the money originally contemplated therefore to other capital improvements deemed more necessary or advisable by the Commission, to pay principal of or interest on the Bonds, or to otherwise modify details of the Plan where deemed necessary or advisable by the Commission. In the event the proceeds of the sale of the Bonds and other legally available money are insufficient to make all the capital improvements herein provided for, the District shall use the available money for paying the costs of those improvements for which Bonds were approved and deemed necessary or advisable by the Commission.

Section 7. The Auditor of Pend Oreille County, Washington, as *ex officio* Supervisor of Elections (the "Auditor"), is requested to call and conduct a special election in the District, in the manner provided by law, to be held therein on April 26, 2016, for the purpose of submitting to the District's voters, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Plan and levy annual excess property taxes to repay the Bonds.

If such proposition is approved by the requisite number of voters, the District will be authorized to issue and sell the Bonds in the manner described in this Resolution, spend the proceeds thereof to pay costs of the Plan, and levy annual excess property taxes to repay the Bonds. The money derived from the sale of the Bonds shall be used, either with or without additional money now available or hereafter available to the District, for capital purposes only, which shall not include the replacement of equipment.

Section 8. Pursuant to RCW 29A.36.071, the Pend Oreille County Prosecuting Attorney is requested to prepare the concise description of the aforesaid proposition for the ballot title in substantially the following form:

PROPOSITION 1
PUBLIC HOSPITAL DISTRICT NO. 1
PEND OREILLE COUNTY, WASHINGTON
(Newport Hospital & Health Services)

ASSISTED LIVING FACILITY EXPANSION BONDS

The Commission of Public Hospital District No. 1, Pend Oreille County, Washington adopted Resolution No. 2016-01 concerning a proposition to finance a 54-unit assisted living care facility. This proposition would authorize the District to expand District residential care facilities; issue no more than \$10,000,000 of general obligation bonds maturing within 25 years; and levy annual excess property taxes to repay the bonds, all as provided in Resolution No. 2016-01. Should this proposition be:

Approved []
Rejected []

Section 9. The Secretary of the Commission or his designee is directed to (a) present a certified copy of this resolution to the Auditor at least 60 days prior to the date of such special election, and (b) perform such other duties as are necessary or required by law to submit to the District's voters at the aforesaid special election, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Plan and levy annual excess property taxes to repay the Bonds.

Section 10. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Commission hereby designates the Superintendent of the District as the individual to whom the Auditor shall provide such notice. The Superintendent of the District and President of the Commission are each authorized individually to approve changes to the ballot title, if any, deemed necessary by the Auditor or Pend Oreille County Prosecuting Attorney.

Section 11. If any provision of this resolution shall be declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution, of the Bonds, or of the levy or collection of the taxes pledged to repay the Bonds.

Section 12. This resolution shall become effective immediately upon its adoption. ADOPTED AND APPROVED by the Commission of Public Hospital District No. 1, Pend Oreille County, Washington, at a regular open public meeting thereof, of which due notice was given as required by law, held this 28th day of January, 2016, the following Commissioners being present and voting in favor of the resolution.

PUBLIC HOSPITAL DISTRICT NO. 1
PEND OREILLE COUNTY,
WASHINGTON




President and Commissioner



Secretary and Commissioner



Commjssioner



Commissioner

Commissioner

CERTIFICATION

I, *Terry Zakar*, Secretary of the Commission of Public Hospital District No. 1, Pend Oreille County, Washington (the "District"), hereby certify as follows:

1. The foregoing Resolution No. 2016-01 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Commission of the District (the "Commission") held at the regular meeting place thereof on January 28, 2016 as that Resolution appears on the minute book of the District; and the Resolution is now in full force and effect;
2. Written notice specifying the time and place of the meeting and noting the business to be transacted was given to all members of the Board by mail, fax, electronic mail or by personal delivery at least 24 hours prior to the meeting (the "Notice"), a true and complete copy of the Notice is attached hereto as Appendix 1;
3. The Notice was also given by mail, fax, electronic mail or by personal delivery at least 24 hours prior to the regular meeting to each local radio or television station and to each newspaper of general circulation that has on file with the District a written request to be notified of special meetings and to any others to which such notices are customarily given by the District; and
4. A quorum of the members of the Commission was present throughout the meeting and a sufficient number of members of the Commission present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of January, 2016.

PUBLIC HOSPITAL DISTRICT NO. 1
PEND OREILLE COUNTY, WASHINGTON

Terry Zakar
Secretary of the Commission