

**KING COUNTY PUBLIC HOSPITAL DISTRICT NO. 2  
KING COUNTY, WASHINGTON**

**RESOLUTION NO. 895-19**

A RESOLUTION ("**Resolution**") of the Board of Commissioners of King County Public Hospital District No. 2, King County, Washington (the "**District**"), specifying and adopting a plan for constructing and equipping new health care facilities and renovating and equipping existing health care facilities; 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 23, 2019, of a proposition authorizing the incurring of general indebtedness in the sum of not to exceed \$345,000,000 for capital purposes only, which shall not include the replacement of equipment, and authorizing the issuance of general obligation bonds evidencing such indebtedness, the principal of and interest thereon to be payable from annual property tax levies to be made in excess of regular property tax levies.

**Recitals**

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.

B. The applicable laws of the State of Washington require that a special election be called for the submission of a proposition to the qualified electors within the District for their approval or rejection prior to incurring the indebtedness.

C. The District will notify the Director of Records and Elections of King County, Washington, as *ex officio* Supervisor of Elections, in compliance with applicable laws of the State of Washington, of its intention to hold a special election on April 23, 2019, to submit a proposition authorizing the District to issue its unlimited tax general obligation bonds in the principal amount of no more than \$345,000,000.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS ("**Board**") OF KING COUNTY PUBLIC HOSPITAL DISTRICT NO. 2, KING COUNTY, WASHINGTON, as follows:

1. The public interest, welfare and convenience require constructing and equipping new health care facilities and renovating and equipping existing health care facilities according to the Plan set forth in Section 2.

2. The District hereby specifies and adopts a plan to construct and equip new health care facilities and renovate and equip existing health care facilities including, but not necessarily limited to the following improvements (the "**Plan**");

- a. Seismic and Infrastructure upgrades and renovations;
- b. A new and expanded Critical Care Unit;
- c. An expanded and refurbished Family Maternity Center;
- d. Campus-wide Infrastructure Improvements;
- e. New Medical Office Buildings for Specialty Care Expansion; and
- f. Biomedical and Information Technology Systems Improvements

The Plan is to be more fully described in the specifications to be prepared by the District's architects and engineers. The Board may modify details of the foregoing plan where necessary or advisable in the judgment of the Board and make additional capital improvements as it may find necessary or advisable. The estimated cost of carrying out the Plan specified and adopted herein is declared to be, as nearly as may be, \$395,000,000.

3. The cost of all necessary architectural, engineering, legal and other consulting services, inspection and testing, administrative expenses, site acquisition or improvement, demolition, on and off-site utilities, related improvements and other costs incurred in connection with the making of the capital improvements constituting the Plan shall be deemed a part of the costs of such improvements. The Plan shall include all necessary furniture, equipment and appurtenances. The proceeds of the bonds may be used to pay costs related to the sale, issuance and delivery of the bonds.

4. If, in the opinion of the Board, 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 Board 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 by the Board, to pay principal of or interest on the bonds authorized by this resolution, or to otherwise modify details of the Plan where necessary or advisable in the judgment of the Board.

5. The cost of the Plan shall be paid from the proceeds of the sale, issuance and delivery of unlimited tax general obligation bonds in the principal amount of not to exceed \$345,000,000, if the proposition specified in Section 11 below is approved by the qualified electors of the District as required by the Constitution and the laws of the State of Washington. 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 Board retains the right to make such additional capital improvements to the hospital or other District facilities as are deemed necessary and desirable by the Board.

6. The bonds provided for in Section 5 hereof, if approved and issued, shall be sold in such amounts and at such time or times as deemed necessary and advisable by the Board and as permitted by law, shall bear interest at such rate or rates (not to exceed the maximum provided by law at the time such bonds are sold) and in such manner as the Board shall determine at the time the bonds are sold, and shall mature in such amounts as determined by the Board within a maximum term of not to exceed thirty

(30) years from the date of issue, but may mature at an earlier date or dates as authorized by the Board 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 Board. 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.

7. The Board declares that to the extent, prior to the date bonds or other obligations are issued to finance the Plan, the District shall make capital expenditures for the Plan from funds that are not (and are not reasonably expected to be) 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.

8. 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 most necessary and to be in the best interest of the District by the Board.

9. The Director of Records and Elections of King County, Washington, as *ex officio* Supervisor of Elections (the "**Elections Supervisor**"), is requested to call and conduct a special election in the District, in the manner provided by law, to be held therein on April 23, 2019, for the purpose of submitting to the voters of the District, for their approval or rejection, the question of whether or not general obligation bonds of the District shall be issued in the amount of not to exceed \$345,000,000 or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness, and the proceeds of the bond issue expended to pay part of the costs of carrying out the 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.

10. The funds derived from the sale of the bonds shall be used, either with or without additional funds now available or hereafter available to the District, for capital purposes only, which shall not include the replacement of equipment.

11. Pursuant to RCW 29A.36.071, as amended, the King County Prosecuting

Attorney is requested to prepare the concise description of the proposition for the ballot title in substantially the following form:

PROPOSITION NO. 1

KING COUNTY PUBLIC HOSPITAL DISTRICT NO. 2  
KING COUNTY, WASHINGTON  
(EVERGREENHEALTH)

BONDS FOR HOSPITAL AND OTHER HEALTH CARE FACILITIES

The Board of Commissioners of King County Public Hospital District No. 2 adopted Resolution No. 895-19 concerning a proposition to finance improvements to its health care facilities. The improvements include Seismic and Infrastructure upgrades; a new Critical Care Unit; updating the Family Maternity Center; new Medical Office Buildings for Specialty Care Expansion; Technology Systems Improvements; and other improvements. Approval of the ballot proposition would authorize issuance of up to \$345,000,000 of general obligation bonds maturing within thirty years to pay for such improvements and the levy of annual excess property taxes to pay the bonds, all as provided in Resolution No. 895-19. Should this proposition be:

APPROVED .....   
REJECTED .....

12. The Secretary of the Board is directed (a) to certify to the Elections Supervisor a copy of this resolution showing its adoption by this Board no later than February 22, 2019, and (b) to perform such other duties as are necessary or required by law to the end that the question of whether or not bonds shall be issued and excess taxes necessary to pay and retire the bonds be levied as herein provided shall be submitted to the voters of the District at the aforesaid special election.

13. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Commission hereby designates: (a) the Chief Executive Officer (Amy E. Beiter, MD); telephone: (425) 899-2610; email: abeiter@evergreenhealth.com; and (b) Legal Counsel (Kevin B. Hansen), telephone: (425) 822-9281; email: hansen@livengoodlaw.com, as the individuals to whom the Elections Supervisor shall provide such notice. The Chief Executive Officer and Legal Counsel are each authorized individually to approve changes to the ballot title, if any, deemed necessary by the Elections Supervisor or the King County Prosecuting Attorney.

14. 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 pay and retire the Bonds.

15. This resolution shall become effective immediately upon its adoption.

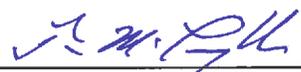
ADOPTED and APPROVED at a regular open public meeting of the Board of Commissioners, held in compliance with the requirements of the Open Public Meetings Act, on the 15<sup>th</sup> day of January, 2019, the following Commissioners being present and voting in favor of this resolution:

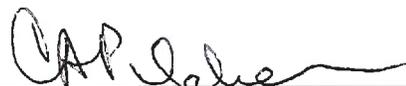
  
Al DeYoung, Chair/Commissioner

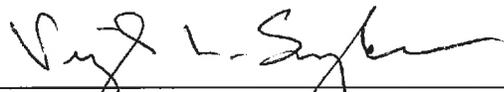
  
Minerva Butler, Secretary/Commissioner

  
Todd Banks, Commissioner

  
Rebecca Hirt, Commissioner

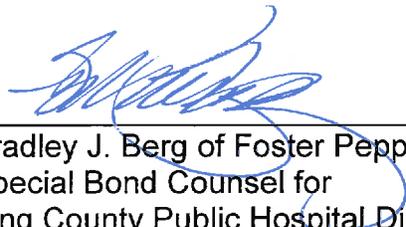
  
Tim McLaughlin, Commissioner

  
Charles Pilcher, MD, Commissioner

  
Virgil Snyder, Commissioner

Approved as to content and form:

  
James S. Fitzgerald, Vice President,  
Chief Legal Officer and General Counsel for  
King County Public Hospital District No. 2

  
Bradley J. Berg of Foster Pepper PLLC,  
Special Bond Counsel for  
King County Public Hospital District No. 2

CERTIFICATION

King County Public Hospital District No. 2

I, Minerva Butler, the duly chosen, qualified and acting Secretary of the Board of Commissioners of King County Public Hospital District No. 2, King County, Washington (the "**District**"), and keeper of the records of the District, hereby certify as follows, to wit:

1. That the attached copy of Resolution No. 895-19 (the "**Resolution**") is a full, true and correct copy of the original resolution of the Board of Commissioners of the District, as adopted at a regular meeting of the District held on the 15<sup>th</sup> day of January, 2019, as that Resolution appears in the Minute Book of the District, and which Resolution is now in full force and effect.

2. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the District present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

Dated this 15<sup>th</sup> day of January, 2019.

  
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Minerva Butler, Secretary