

PUBLIC HOSPITAL DISTRICT NO. 5
KING COUNTY, WASHINGTON

RESOLUTION NO. 2020-11

A RESOLUTION of the Commission of Public Hospital District No. 5, King County, Washington, authorizing the issuance of a single interest-bearing Tax Warrant in the form of a line of credit, in an aggregate principal amount of not to exceed \$1,500,000 to provide funds with which to pay operating costs of the District; fixing the date, interest rate, form, maturity, terms and covenants of the warrant; creating certain funds; and providing for the delivery of the Tax Warrant to King County, Washington, to evidence the District's obligation to repay amounts drawn on the line of credit.

WHEREAS, Public Hospital District No. 5, King County, Washington (the "District"), has been duly established for the purpose of providing health care services for the residents of the District and other persons pursuant to the provisions of Chapter 70.44 RCW; and

WHEREAS, the District was established by a vote of the residents of the District in November 2019 and will not begin receiving property taxes until May 2021; and

WHEREAS, the Commission of the District (the "Commission") adopted Resolution No. 2020-1, dated January 2, 2020, requesting an interfund loan from King County in an amount not to exceed \$1,000,000, which loan was approved by the King County Executive Finance Committee on January 16, 2020 (the "Interfund Loan"); and

WHEREAS, the District and King County entered into a loan agreement dated January 30, 2020, which provides for interest to be paid at a variable rate equal to the rate payable on the King County investment pool and a maturity date of January 31, 2025 (the "Loan Agreement"); and

WHEREAS, the Interfund Loan is currently outstanding in the amount of approximately \$800,000;

WHEREAS, the District and King County have agreed to increase the amount that can be drawn under the Loan Agreement to an amount not to exceed \$1,500,000 and to extend the maturity date of the Interfund Loan to January 31, 2027; and

WHEREAS, RCW 70.44.060(5) authorizes the District to issue interest-bearing warrants payable at the time stated therein to evidence the obligation to repay money borrowed or any other obligation incurred by the District and provides that warrants so issued may draw interest at a rate fixed by the Commission and may be payable in such manner and upon such terms and conditions as the Commission may deem to be in the best interest of the District; and

WHEREAS, the District wishes to evidence the District's obligation to repay the Interfund Loan with a Tax Warrant issued by the District pursuant to the terms of this resolution; and

WHEREAS, King County, Washington, has agreed to accept a single interest-bearing Tax Warrant issued by the District as evidence of the District's obligation to repay the Interfund Loan under the terms and conditions hereinafter set forth; NOW, THEREFORE,

BE IT RESOLVED BY THE COMMISSION OF THE PUBLIC HOSPITAL DISTRICT NO. 5, as follows:

Section 1. Definitions. As used in this resolution, the following words shall have the meanings hereinafter set forth:

"Authorized Officer" means the Superintendent or the President of the District Commission.

"Commission" means the legislative authority of the District.

"District" means Public Hospital District No. 5, King County, Washington, a municipal corporation of the State of Washington, duly organized pursuant to the provisions of Chapter 70.44 RCW.

"Draw" means an incremental draw upon Interfund Loan, the repayment of which is evidenced by the Tax Warrant issued by the District in accordance with this resolution.

"Holder" means King County, Washington, the holder of the Tax Warrant.

"Interest Payment Dates" means those [monthly] payments of interest, commencing May 1, 2020, to and including the Maturity Date or upon early prepayment.

"Investment Pool Rate" means a variable rate equal to the rate payable on the King County investment pool as determined and calculated from time to time by the Finance Director of King County.

"Interfund Loan" means the interfund loan made by King County to the District pursuant to the terms of the Loan Agreement.

"Loan Agreement" means the loan agreement between the District and King County, dated January 30, 2020, as amended from time to time.

"Maturity Date" means January 31, 2027.

"Registrar" means the Treasurer.

"Tax Warrant" means the not to exceed \$1,500,000 par value interest-bearing Tax Warrant, 2021, of the District issued pursuant to and for the purposes provided in this resolution.

“Tax Warrant Fund” means the Hospital Tax Warrant Fund, created pursuant to this resolution for the purpose of paying the principal of and interest on the Tax Warrant.

“Tax Warrant Register” means the books or records maintained by the Registrar containing the name and mailing address of the owner of the Tax Warrant and the principal amount held by the owner.

“Treasurer” means the Office of the Treasury Manager, Finance and Business Operations Division, Department of Executive Services of King County, Washington *ex officio* treasurer of the District, and any successor Treasurer of the District designated in accordance with applicable law.

Section 2. Authorization and Description of the Tax Warrant. The District shall issue and deliver the Tax Warrant in the aggregate principal amount of not to exceed \$1,500,000 for the purpose of paying operating expenses of the District and costs of issuing and delivering the Tax Warrant. The Tax Warrant shall be designated the Interest-Bearing Tax Warrant, 2021; shall be in fully registered form; shall be numbered R-1; shall be dated its date of issuance; shall mature on the Maturity Date; and shall bear interest the Investment Pool Rate, payable [monthly] commencing May 1, 2020, to the Maturity Date or upon early repayment. Principal shall be payable at maturity. Interest shall be calculated pursuant to the methodology used to calculate the Investment Pool Rate on the principal amount of the Draw outstanding.

The District may make Draws on the Interfund Loan evidenced by the Tax Warrant on any business day beginning on the date of issuance and ending on the business day preceding the Maturity Date. The Draws shall be shall be made by written request to the Holder and the Treasurer, which request may be submitted by facsimile. Draws shall be recorded on the Draw Record attached to the Tax Warrant. No Draw may exceed the total amount of the operating expenses to be paid from such draw, and the proceeds of each Draw shall be used immediately to pay those costs. Draws are not subject to approval by the Holder, but the aggregate principal amount of Draws outstanding at any time shall be limited to \$1,500,000.

Section 3. Designation of Officer to Make Draws and Extensions of Tax Warrant. The Commission has determined it to be in the best interest of the District that the Authorized Officers be authorized to make Draws on the Interfund Loan evidenced by the Tax Warrant in the amounts and at the times as they may determine hereafter; those Draws to be made in accordance with the terms and provisions of this resolution.

Section 4. Registration and Transfer of Tax Warrant. The Tax Warrant shall be issued only in registered form as to both principal and interest and shall be recorded on the Tax Warrant Register maintained by the Treasurer of the District that is hereby appointed to serve as the Registrar.

The Registrar shall keep, or cause to be kept, at its office, sufficient books for the registration of the Tax Warrant. The Registrar shall serve as the District’s authenticating trustee, transfer agent, registrar and paying agent for the Tax Warrant and shall comply fully with all applicable federal and state laws and regulations respecting the carrying out of those duties. The

Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Tax Warrant, which shall be open to inspection by the District at all times. The Registrar is authorized, on behalf of the District, to authenticate and deliver the Tax Warrant in accordance with the provisions of the Tax Warrant and this resolution, to serve as the District's paying agent for the Tax Warrant and to carry out all of the Registrar's powers and duties under this resolution.

The Tax Warrant may not be assigned or transferred. When the Tax Warrant has been paid in full, both principal and interest, it shall be surrendered to the Registrar, who shall cancel the Tax Warrant.

The Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Tax Warrant.

Section 5. Payment of the Tax Warrant. Both principal of and interest on the Tax Warrant shall be payable in lawful money of the United States of America. The Holder shall present to the District and the Treasurer of the District a [monthly] statement of interest due on the Tax Warrant and of the total amount of Draws outstanding. Interest payments shall be made on Interest Payment Dates and at maturity (i) by check, draft or warrant of the District mailed at least five days prior to the payment date to the Holder, or (ii) by electronic funds transfer to the Holder on or before the payment date, at the option of the District. Tax Warrant payments shall be recorded on a Loan Payment Record attached to the Tax Warrant or in such other form as the District and the Holder may agree. The aggregate principal amount due and payable on the maturity date or upon prior prepayment of the Tax Warrant shall be paid to the Holder at the office of the Treasurer, who is appointed Registrar for the Tax Warrant, in Seattle, Washington, upon presentation and surrender of the Tax Warrant.

Payments shall be applied, first, to the payment of accrued interest and, second, to the reduction of principal of the Tax Warrant.

Section 6. Redemption Provisions. The District reserves the right and option to prepay and redeem at any time prior to its stated Maturity Date any or all of the principal amount of the Tax Warrant outstanding at par plus accrued interest to the date of redemption. Interest on the Tax Warrant or the portion thereof so prepaid shall cease to accrue on the date of such prepayment.

If the Tax Warrant is not redeemed upon proper presentment at its maturity or redemption date, the District shall be obligated to pay interest at the same rate for the Tax Warrant from and after its maturity or redemption date until the Tax Warrant, both principal and interest, shall have been paid in full or until sufficient money for such payment in full is on deposit in the redemption fund for the Tax Warrant and such Tax Warrant has been called for payment in the manner hereinafter set forth.

Section 7. Pledge of Taxes. The District irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors of the District on all of the taxable property within the District in an amount sufficient, together with other money legally available and to be used therefor, to pay when due all amounts due under the Tax Warrant including principal of and interest on the Tax

Warrant and all fees, charges and expenses payable under the Tax Warrant, and the full faith, credit and resources of the District are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of those amounts.

Section 8. Form and Execution of Tax Warrant. The Tax Warrant shall be printed or lithographed on good bond paper in a form consistent with the provisions of this resolution and state law and shall be signed by the President and Secretary of the Commission, either or both of whose signatures may be manual or in facsimile. The Tax Warrant shall bear thereon a Certificate of Authentication in the following form, manually signed by the Registrar, and only if so executed shall the Tax Warrant be valid or obligatory for any purpose or entitled to the benefits of this resolution:

CERTIFICATE OF AUTHENTICATION

This Tax Warrant is the fully registered Public Hospital District No. 5 Interest-Bearing Tax Warrant, 2021, described in the Resolution.

By _____
Registrar

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Tax Warrant so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose facsimile signature appears on the Tax Warrant ceases to be an officer of the District authorized to sign warrants before the Tax Warrant bearing his or her facsimile signature as authenticated or delivered by the Registrar or issued by the District, that Tax Warrant nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the District as though that person had continued to be an officer of the District authorized to sign warrants. The Tax Warrant also may be signed on behalf of the District by any person who, on the actual date of signing of the Tax Warrant, is an officer of the District authorized to sign warrants, although he or she did not hold the required office on the date of issuance of the Tax Warrant.

Section 9. Tax Warrant Fund and Deposit of Tax Warrant Proceeds. The Treasurer is directed to establish a special fund of the District designated as the Tax Warrant Fund. All money allocated by the District to the payment of the principal of and interest on the Tax Warrant shall be deposited in the Tax Warrant Fund. The principal of and interest on the Tax Warrant shall be paid from the Tax Warrant Fund.

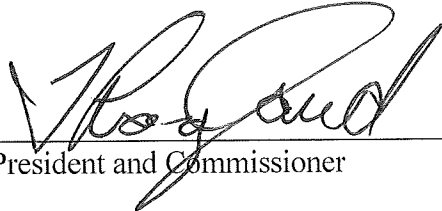
Proceeds of Draws shall be deposited in the District's General Fund and used to pay operating expenses and costs of issuing and delivering the Tax Warrant. Until needed for such purposes, the District may invest principal proceeds temporarily in any legal investment, and the investment earnings may be retained in the Proceeds Fund and be spent for the purposes of that fund except that earnings subject to a federal tax or rebate requirement may be withdrawn from the Proceeds Fund and used for those tax or rebate purposes.

Section 10. Approval of Offer. King County, Washington, has presented an offer to the District to extend the Interfund Loan in the form of the Loan Agreement and a Tax Warrant issued by the District to repay the Interfund Loan under the terms and conditions provided herein and under the Loan Agreement. The Commission finds that entering into the Interfund Loan is in the District's best interest and therefore accepts the offer contained Loan Agreement.

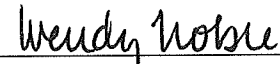
The President and Secretary of the Commission, the Authorized Officers and other District officials are authorized and directed to do everything necessary for the prompt delivery of the Tax Warrant to the Holder and for the proper application and use of the Draw proceeds of the Tax Warrant.

Section 11. Effective Date. This resolution shall take effect immediately.

ADOPTED by the Commission of Public Hospital District No. 5, King County, Washington, at an open public meeting thereof, of which due notice was given as provided by law, this 16th day of December, 2021.



President and Commissioner



Commissioner



Commissioner



Commissioner



Secretary and Commissioner

CERTIFICATION


I, the undersigned, Secretary of the Commission of Public Hospital District No. 5, King County, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No. 2020-11 (the "Resolution") is a full, true and correct copy of a resolution duly adopted at a meeting of the Commission held on December 16, 2021, as that resolution appears on the minute book of the District; and the Resolution is now in full force and effect; and

2. A quorum of the members of the Commission was present throughout the meeting and a majority of those members present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of December, 2021.

PUBLIC HOSPITAL DISTRICT NO. 5,
KING COUNTY, WASHINGTON


Secretary of the Commission