

NOTICE OF PUBLIC HEARING

Public Hospital District No. 4, King County, Washington (the “District”), doing business as Snoqualmie Valley Hospital (the “Hospital”) will hold a public hearing on October 8, 2020, at 6:30 p.m., or as soon afterwards as is practicable, in the North/South Conference Rooms, Lower Level of the Hospital located at 9801 Frontier Avenue SE, Snoqualmie, Washington, on the proposed issuance by the District of its Limited Tax General Obligation Refunding Bond, 2021A, to refund the District’s Limited Tax General Obligation Improvement and Refunding Bonds, 2011, a portion of the proceeds of which were used to finance a hospital facility described below (the “Project”), the interest on which will be excluded from gross income for federal income tax purposes as interest on a “qualified 501(c)(3) bond” pursuant to Sections 103 and 145 of the Internal Revenue Code of 1986, as amended (the “Code”).

Project Description: Refunding prior obligations of the District whose proceeds were used to finance capital costs of the District, including expenditures for preliminary expenses of designing, developing, constructing and equipping a new hospital facility (now known as the Snoqualmie Valley Hospital).

Maximum Amount of Obligations: \$6,000,000

Project Owner and Operator: Public Hospital District No. 4, King County, Washington

Project Location: 9801 Frontier Avenue SE
Snoqualmie, Washington 98065

In recognition of the need to curtail the spread of the COVID-19 pandemic, and as required by Proclamations of the Governor of the State of Washington and in accordance with Internal Revenue Service Revenue Procedure 2020-21, the public hearing will not be conducted in person.

Members of the public are invited to attend the public hearing by telephone.

Please see below for telephone dial-in instructions. Please call the District at (425) 831-2362 if you have any questions regarding attending the hearing remotely.

Telephone Dial-In Instructions:

TOLL-FREE CALL-IN NUMBER: 1-800-434-5932

ACCESS CODE: 98477739

The public is invited to attend the hearing by telephone, as described above, and to present oral or written testimony regarding the proposed refunding of the debt used to finance a portion of the Project, or to submit written comments to the District at the above address to be received no later than the time of the hearing. Oral testimony will be limited to 3 minutes per speaker. The hearing will constitute the public hearing required by Section 147(f) of the Code.

The District is committed to providing equal access to individuals with disabilities, consistent with the Americans with Disabilities Act and other state and federal laws prohibiting discrimination against individuals with disabilities. Anyone requiring an accommodation to participate in this hearing or to obtain information subject to this notice should contact the District, at least 24 hours prior to the time of the hearing, at (425) 831-2362.

Dated: September 30, 2020.

Dr. Kimberly Witkop
Interim Chief Executive Officer/
Chief Medical Officer

**Public Hospital District No. 4, King County
Board of Commissioners
Regular Meeting AGENDA
Thursday, October 8, 2020 - 6:30pm
Dial-In: 1.800.434.5932 / Participant Code: 98477739#**

CALL TO ORDER / ROLL CALL / APPROVAL OF AGENDA

COMMUNICATIONS

Emma Herron, President
Kim Witkop, M.D., Superintendent Report
Skip Houser, General Counsel

CONSENT AGENDA

1. Approval of Minutes:
 - a. Affiliation Work Study – September 10, 2020
 - b. Regular Meeting – September 10, 2020
 - c. Education Work Study – September 23, 2020
2. Physician Credentialing

AUTHORIZATION – Action: Verbal authorization from President Herron and Secretary Hauglie for CEO to sign minutes and Physician Credentialing on their behalf.

COMMITTEE REPORTS – Action Requested as noted

1. Finance Committee
 - a. Approval of warrants, payroll and payroll taxes – August 2020 – **Action**
 - b. **Authorization - Action:** Verbal authorization from Secretary Hauglie for Treasurer to sign on their behalf.
2. Medical Committee
3. Facilities Committee
4. Ad Hoc Bylaws Committee (pending to November)

OLD BUSINESS – LTGO Refinance

NEW BUSINESS – CEO Contract and Salary

PUBLIC COMMENT – (Please limit comments to 3 minutes)

ACTION ITEMS – VOTE

GOOD OF THE ORDER/COMMISSIONER COMMENT (Limited to 3 minutes)

NEXT SCHEDULED MEETINGS (location TBD):

Work Study - Wednesday, October 28, 2020, 6:30pm-8:00pm
Special 2021 Budget Meeting – Friday, November 6, 2020, 4:30pm-6:00pm
Affiliation Work Study – Thursday, November 12, 2020, 4:30-6:00 pm
Monthly Business Meeting – Thursday, November 12, 2020, 6:30 pm

ADJOURNMENT



PUBLIC HOSPITAL DISTRICT NO. 4, KING COUNTY
Board of Commissioners
September 10, 2020
MINUTES
AFFILIATION WORK/STUDY
4:30 p.m.
VIA Teleconference

COMMISSIONERS PRESENT:

Emma Herron, President
Dariel Norris, Vice President
Kevin Hauglie, Secretary
David Speikers, Commissioner
Jen Carter, Commissioner

ALSO PRESENT:

Kim Witkop, M.D., Interim Superintendent/CEO/CMO
Karyn Denton, COO/CNO
Patrick Ritter, Chief Financial Officer
Skip Houser, General Counsel
Sandra Stanger, Clerk

This meeting was held via teleconference pursuant to Proclamation 20-28 issued by Governor Inslee regarding the Open Public Meeting Act and Public Records Act. The dial-in information was provided on a Public Meeting Notice posted prior to the meeting.

The purpose of this meeting was to provide an update on affiliation.

CALL TO ORDER: The meeting was called to order by President Herron at 4:30pm followed by roll call.

TOPICS OF DISCUSSION: Dr. Witkop presented an update on the affiliation with OHMC.

1. PSP Agreement has been fully executed. Anticipated contract start date is December 1st.
2. ED MSA Agreement.
 - a. EPIC Line of Credit Funds Flow
 - b. ED Management Agreement
 - i. Concepts
 - ii. Contributions and Benefits of Involved Parties
 - iii. Metrics of Success
 - iv. Next Steps

- Commissioner Hauglie inquired about OHMC's intention to capture and market to SVH patients. Dr. Witkop will follow-up with OHMC on how they will utilize patient information from SVH.
- Metrics of success and quality measures were discussed. Dr. Witkop suggested a metric of success could be that patient satisfaction scores are maintained.
- Commissioner Carter asked if SVH ED would have some degree of autonomy with OHMC. Dr. Witkop pointed out that any new policies or procedures that OHMC puts into place would need to go through SVH internal approvals.
- Commissioner Carter asked if SVH can expect support from Overlake IT for Epic. Dr. Witkop said Overlake IT will support Epic 100%.

PUBLIC COMMENT: None.

Minutes of this meeting, once approved, will be available on the District's website at www.snoqualmiehospital.org under the Governance page. Copies of any presentations and/or documents that are not work product are available upon request by contacting Administration at 425.831.2362.

UPCOMING MEETINGS:

Work Study: Wednesday, September 23, 2020, 6:30pm-8:00pm (via teleconference)

Affiliation Work Study: Thursday, October 8, 2020, 4:30pm-6:00pm (location TBD)

Regular Meeting: Thursday, October 8, 2020, 6:30pm (location TBD)

The meeting adjourned at 6:00pm.

Emma Herron, President

Dariel Norris, Vice President



PUBLIC HOSPITAL DISTRICT NO. 4, KING COUNTY
Board of Commissioners
September 10, 2020, 6:30 pm
MINUTES
Snoqualmie Valley Hospital
VIA Teleconference

PRESENT:

Emma Herron, President
Dariel Norris, Vice President
Kevin Hauglie, Secretary
David Speikers, Commissioner
Jen Carter, Commissioner

ALSO PRESENT:

Kim Witkop, M.D., Interim Superintendent/CEO, CMO
Karyn Denton, COO/CNO
Patrick Ritter, CFO
Charles (Skip) Houser, General Counsel
Sandra Stanger, Clerk

CALL TO ORDER: The meeting was called to order by Pres. Herron at 6:30pm, followed by roll call. This meeting was held via teleconference pursuant to Proclamation 20-28.88 issued by Washington State Governor Inslee. The information to attend the meeting virtually was provided on a Public Meeting Notice posted prior to the meeting.

APPROVAL OF AGENDA

A motion was made and seconded to approve the agenda as written. M/Carter S/Norris

The motion passed by unanimous vote.

COMMUNICATIONS:

Pres. Herron read a short poem on leadership. Kim Witkop, M.D., Interim Superintendent/CEO/CMO verbally gave her report. Topics included:

- On track for Phase 1 Affiliation.
 - We are being attentive to patients and staff with respiratory issues due to air quality.
 - Continuing to watch federal funding plans closely. No additional funding any time soon.
- Thanked the team for being good stewards with all of the added expenses.

- Positive COVID cases are still being seen in our community.
- Entering budget season.
- First phase of construction project for three negative airflow rooms has been accomplished. Project will be under the FEMA grant.
- Our Certificate of Occupancy project is finally approaching a close.

Skip Houser, General Counsel, stated that King County remains in Phase 2 which means we will continue to have meetings remotely. Governor's Proclamation 20-28.9 extends 20.28.8 through Oct. 1, 2020. PRA exemptions and exceptions were also continued. Proclamation 20-64.1 pertains to requests for contact information gathered for COVID-19 will be denied. Congratulated Karyn on her work to secure the Certificate of Occupancy.

CONSENT AGENDA

A motion was made and seconded to approve the consent agenda as proposed, which includes approval of minutes and physician credentialing. M/Carter S/Norris

There was no further discussion and the motion unanimously passed.

AUTHORIZATION – Action: Verbal authorization from President Herron and Secretary Hauglie for Dr. Kim Witkop to sign minutes and Physician Credentialing on their behalf.

COMMITTEE REPORTS

1. Finance Committee Report - Approval of warrants, payroll and payroll taxes – July 1 thru July 31, 2020. Commissioner Speikers, Finance Committee Chair, reported on the July 2020 finances that were reviewed at the Finance Committee meeting held on September 9, 2020 via teleconference.

Written minutes were also provided. The committee will next meet on September 29, 2020 to review August 2020 finances.

- President Herron gave permission for executive team to allow Piper Sandler to move forward on bond refinancing.

1(a). Approval of Warrants, Payroll and Payroll taxes – July 2020.

A motion was made and seconded to approve total disbursements that includes payroll warrants, hospital and clinic payroll, auto deposits, hospital and clinic payroll taxes, retirement and matching plans, as well as all accounts payable warrants in the total amount of \$3,912,510.39 for July 1 thru July 31, 2020, as recommended by the Finance Committee. M/Speikers S/Herron

The motion carried by unanimous vote.

1(b). Authorization – Action: Verbal authorization from Secretary for Treasurer to sign on their behalf.

2. **Medical Committee Report.** Written minutes from the September 1, 2020 meeting were provided as part of the board packet and reported by Commissioner Norris, Committee Chair. Both Commissioners Norris and Herron attended the meeting via teleconference. The committee is scheduled to next meet on October 6, 2020.

3. **Facilities Committee Report.** Written minutes from the August 24, 2020 meeting were provided as part of the board packet and reported by Commissioner Hauglie, Committee Chair. Commissioner Hauglie attended the meeting via teleconference. The committee is scheduled to next meet on September 21, 2020.

4. **Ad Hoc Bylaws Committee Report.** No report at this time as there has been no activity.

NOTE: Any documents presented at this meeting are available upon request. Minutes are posted on the District Website at www.snoqualmiehospital.org under the Governance Page. For questions or further information, please contact Administration at 425.831.2362 or email sandras@snoqualmiehospital.org.

OLD BUSINESS: None.

NEW BUSINESS: EXECUTIVE SESSION – Pursuant to RCW 42.30.110(g) to evaluate the qualifications of an applicant for public employment. (Dial-in for Commissioners only)

1. CEO Interviews (interview order based on previous random selection: 1) Renee Jensen; 2) Eric Jensen; 3) Emmett Schuster)

ADJOURN TO EXECUTIVE SESSION at 7:35pm

RECONVENED at 10:42pm

ACTION ITEMS – VOTE

1. Offer of employment for CEO interim position. Commissioner Carter moved to make an offer of employment to Renee Jensen. Discussion ensued. **M/Carter S/Hauglie**

The motion carried 3-2. (Secretary Hauglie, Commissioners Speikers and Carter voted yes. President Herron and Vice President Norris voted no.)

GOOD OF THE ORDER/COMMISSIONER COMMENT: Comments made by commissioners can be heard on the audio of this meeting posted on the District website.

UPCOMING PUBLIC MEETINGS:

Education Work / Study – Wednesday, September 23, 2020, 6:30pm-8pm (via teleconference)

Affiliation Work / Study – Thursday, October 8, 2020, 4:30pm-6:00pm (location TBD)

Monthly Business Meeting – Thursday, October 8, 2020, 6:30pm (location TBD)

There being no further business the meeting was adjourned at 10:57pm.

Emma Herron, President

Dariel Norris, Vice President



DRAFT

PUBLIC HOSPITAL DISTRICT NO. 4, KING COUNTY
Board of Commissioners
September 23, 2020
MINUTES
WORK/STUDY
6:30pm-8:00pm
Via Teleconference

PRESENT:

Emma Herron, President
Dariel Norris, Vice President
Kevin Hauglie, Secretary
David Speikers, Commissioner
Jen Carter, Commissioner

ALSO PRESENT:

Kim Witkop, M.D., Interim Superintendent/CEO, CMO
Karyn Denton, COO/CNO
Patrick Ritter, CFO
Charles (Skip) Houser, General Counsel
Sandra Stanger, Clerk

CALL TO ORDER: The meeting was called to order by Pres. Herron at 6:00pm followed by roll call. This meeting was held via conference call only pursuant to Proclamation 20-28 issued by Washington State Governor Inslee. All parties listed above were on the call. For public attendance the call-in number was provided on a posted Public Meeting Notice.

APPROVAL OF AGENDA:

A motion was made and seconded to approve the agenda as written. M/Speikers S/Carter

The motion unanimously passed.

TOPIC OF DISCUSSION:

1. LTGO Bond Refinance – Keith Klevin from Piper Sandler presented the Overview of Series 2020 Financing.
2. CEO Contract – Edits to the contract were discussed.
3. Budget Calendar Overview – tabled.

PUBLIC COMMENT: None.

Minutes of this meeting, once approved, are available on the District's website at www.snoqualmiehospital.org under the Governance page. Copies of any presentations and/or documents are available upon request by contacting Administration at 425.831.2362.

UPCOMING PUBLIC MEETINGS: Locations TBD

Affiliation Work/Study: Thursday, October 8, 2020, 4:30pm-6:00pm

Regular Business Meeting: Thursday, October 8, 6:30pm

Work/Study: Wednesday, October 28, 2020, 6:30pm-8:00pm

The meeting adjourned at 8:07pm.

Emma Herron, President

Kevin Hauglie, Secretary



**Public Hospital District No. 4, King County
Finance Committee Minutes
September 29, 2020
Snoqualmie Valley Hospital
Via Teleconference**

Present:

David Speikers, Commissioner, Chair
Emma Herron, Commissioner
Patrick Ritter, CFO
Kim Witkop, MD, Interim CEO/CMO
Karyn Denton, COO/CNO
Jim Baldauf, Director of Finance

- **2011 LTGO Bond Refunding Draft Resolution:** Perimeters will be added. Commissioner Speikers will meet with Patrick separately to review his questions.

August 2020 Finances:

Stats:

- Average Daily Census is up 3% for August; 23% ?? YTD
- ER down 18%
- Lab up 114%
- Imaging down 8%
- Clinics down 10%
- Outpatient Rehab down 24%
- Total patient days above budget at 727; admissions for August total 22
- Outpatient increases are gradually increasing; Increases over July include:
 - 42 more ER Visits
 - 112 more Rehab procedures
 - 11 more Ridge Clinic Visits
 - 18 more CTs, 52 more Xrays

Income Statement:**Revenue:**

- Net Position in August Gain of \$141,540, YTD \$305,841
 - Inpatient/Swing Revenue of 2.6 million
 - ER revenues up \$200,000 over July
- Deferred COVID Stimulus funds for later use.

Expenses:

- Offsets
 - Salaries 4% under budget for August, 4% under YTD
 - Continue furlough departments Endo,
 - Repairs and maintenance down for June
- Additions
 - Pro Fees are above budget COVID and Agency Related
 - Purchased Services
 - Lab Revenues
 - COVID related expenses

Balance Sheet:

- Assets
 - Cash increase by \$700,000
 - AR decrease
 - Positive Bottom Line
- Liabilities
 - Short Term Liabilities Increase
 - Current portion of Bond Interest
 - Accrued Payables
 - Accrued Payroll

Cash Flow:

- Cash increase by \$700,000
 - AR decrease
 - Net income
 - Accrued Payables

AR Days:

- Aug AR days down 1 day.
 - Increased inpatient revenue in August
 - Payor Mix
 - Holding release of Bad Debt Accounts

Bond Covenants: (Snapshot forecast)

- Debt Coverage 1.89 requirement 1.20
- Reserve Requirement is at \$3,675,188 as required
- Days cash is 153 bond requirement is 60

PAYOR Mix:

	August	YTD 2020	Budget
Medicare	77%	69%	73%
Medicare HMO	19%	17%	14%
TriWest / L&I	0%	1%	1%
Commercial	0%	6%	6%
Medicaid	4%	6%	5%
Self-Pay	0%	1%	1%

Payer mix is 96% Medicare and Med HMO in August. A very favorable payer mix reduces the amount of contractual adjustments and leads to higher net revenues.

- Question about the positive non-operating Net revenues.
 - Typically, this is a negative number because of bond interest expense. Non-operating revenues in 2020 are positive because of the 2.7 million of stimulus funding we have recognized as non-operating revenue.
- Question about operating income
 - YTD operating income is ~1million loss. Budget projection for 2020 YTD were 1.6 million gain. Operating income is about 2.6 million dollars under budget. Stimulus funds have covered that loss.
- Question about long-term debt: \$103 million.
 - James will research principal payments in last 5 years.
- Question regarding Professional Fees line item.
 - Patrick explained that one portion of the increase is due to hiring agency staff because of employee reassignments during COVID. Another portion is due to open staff positions and the agency cost replacement is 2020 is 20-25% higher than 2019.

- Question regarding how much in Purchased Services line item.
 - Increase in purchase services due to COVID, as well as increases in revenue the lab. The shared portion of lab net revenues is a purchased service.
- Question regarding total amount attributed in August to Covid Expense.
 - The amount allocated to COVID expenses for the month of August was \$192,000.
- 2021 Budget Preliminary Conversations with Managers: Preliminary service line increases in 2021 for ED and Clinics. Admin team is working to make sure that expenses have revenues to match for any increases. Admin will not rely on stimulus funds to make up operating shortfalls.
- Stimulus Funds Usage Update: \$2.7 million stimulus applied to revenue YTD. We did not recognize any stimulus money this month. Still 6.6 million available. That amount can be applied to COVID expenses until 7/31/2021. Applying for PPP forgiveness this week. Expect 100% forgiveness of 3.96mm in about 90 days.
 - FEMA application process is still in progress have not submitted costs until Med Surge and new drive through services structures are complete.

NEXT MEETING: Tuesday, October 27, 2020 – 11:00am-2:00pm – Location TBD

Approved: September 29, 2020

PUBLIC HOSPITAL DISTRICT NO. 4, KING COUNTY

Snoqualmie Valley Hospital

9801 Frontier Ave. S.E. Snoqualmie, WA 98065

Phone: 425-831-2300, FAX: 425-831-1994

Cash Disbursements for the period August 1 to August 31, 2020

Northwest Bank Accounts Payable Warrants

\$1,228,428.63	Accounts Payable Warrants
	Warrants #73465 to #73680
<u>\$1,228,428.63</u>	

Northwest Bank Payroll Warrants & EFT

\$2,259.86	Payroll Warrants #14032 to #14036
1,047,347.42	Hospital & Clinic Payroll Auto Deposits
356,112.87	Hospital & Clinic Payroll Tax
80,688.47	Hospital & Clinic Retirement 457, 403B, & 403B Match Plans
<u>\$1,486,408.62</u>	

GRAND TOTAL

<u>\$2,714,837.25</u>

I hereby certify that the described supplies have been received or services rendered in behalf of Public Hospital District No. 4 of King County.

Kim Witkop, M.D., Interim District Superintendent

Kevin Hauglie, Commissioner, Secretary

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claim is a just, due and paid obligation against Public Hospital District #4, King County and that I am authorized to authenticate and certify to said claim.



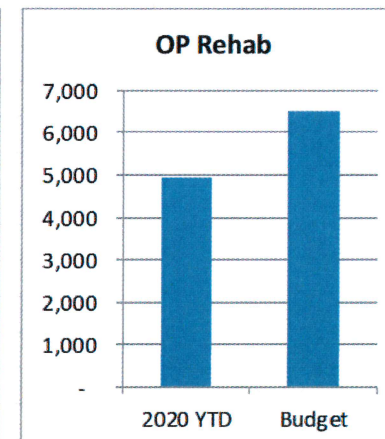
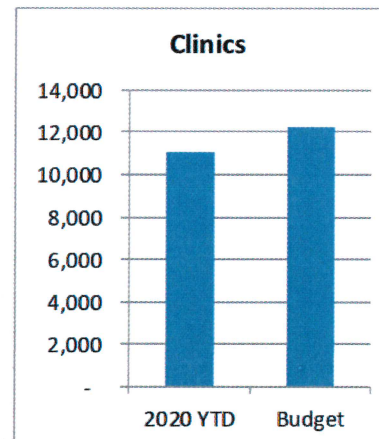
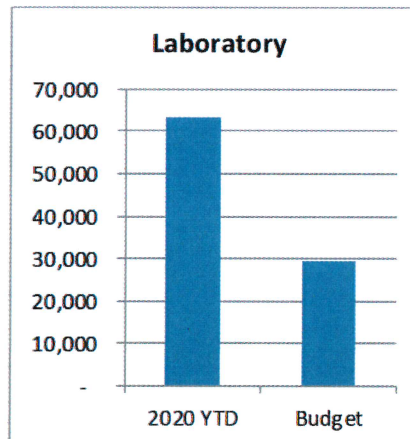
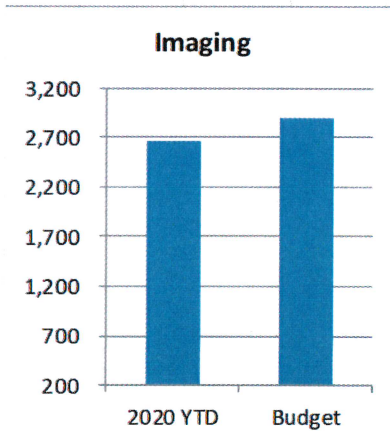
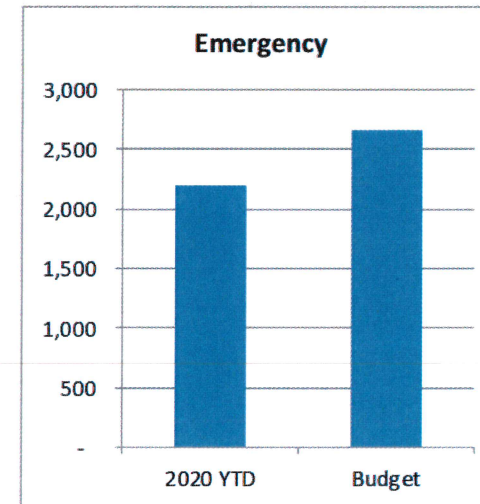
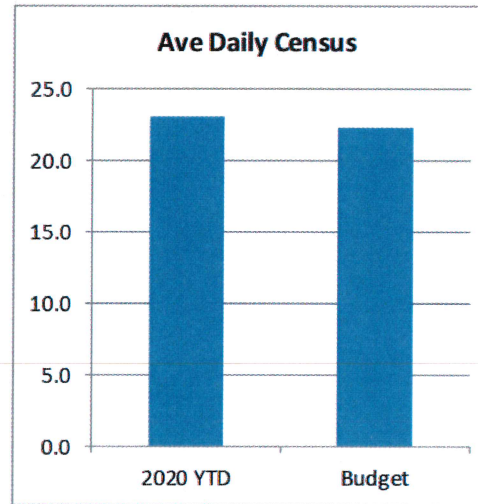
Carolyn Marks, Assistant Director Finance

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Snoqualmie Valley Hospital Statistics Summary Display



August YTD Statistics Summary				
	2020 YTD	Budget	Var	%Var
Ave Daily Census	23.0	22.3	0.7	3.1%
Emergency	2,189	2,665	(476)	-17.9%
Laboratory	63,468	29,670	33,798	113.9%
Imaging	2,668	2,891	(223)	-7.7%
Clinics	11,023	12,248	(1,225)	-10.0%
OP Rehab	4,952	6,485	(1,533)	-23.6%



KING COUNTY HOSPITAL DISTRICT # 4
HOSPITAL & CLINICS COMBINED
STATEMENT OF OPERATIONS
ACTUAL vs BUDGET
AUGUST 2020

CURRENT MONTH					YEAR TO DATE			
ACTUAL	BUDGET	VARIANCE	% VARIANCE		ACTUAL	BUDGET	VARIANCE	% VARIANCE
\$ 3,292,943	\$ 3,186,939	\$ 106,004	3%	NET PATIENT SERVICE REVENUE	\$ 23,233,930	\$ 25,075,759	\$ (1,841,829)	-7%
49,272	52,461	(3,189)	-6%	TAXATION FOR OPERATIONS	408,193	411,230	(3,037)	-1%
147,783	33,414	114,369	342%	OTHER	446,352	267,658	178,694	67%
3,489,997	3,272,814	217,183	7%	TOTAL OPERATING REVENUE	24,088,476	25,754,647	(1,666,171)	-6%
				OPERATING EXPENSES				
1,566,695	1,623,577	56,882	4%	SALARIES	12,461,580	12,989,054	527,474	4%
278,720	362,571	83,851	23%	EMPLOYEE BENEFITS	2,861,852	2,900,653	38,801	1%
237,126	57,199	(179,927)	-315%	PROFESSIONAL FEES	1,242,919	456,224	(786,695)	-172%
261,162	241,714	(19,448)	-8%	SUPPLIES	1,986,416	1,933,712	(52,704)	-3%
13,905	15,618	1,713	11%	REPAIRS AND MAINTENANCE	162,279	124,944	(37,335)	-30%
27,805	36,220	8,415	23%	UTILITIES	308,762	289,760	(19,002)	-7%
357,425	209,692	(147,733)	-70%	PURCHASED SERVICES	2,451,067	1,672,736	(778,331)	-47%
14,359	10,431	(3,928)	-38%	INSURANCE	116,621	83,448	(33,173)	-40%
78,827	62,898	(15,929)	-25%	LEASE AND RENTALS	523,370	503,184	(20,186)	-4%
324,030	356,990	32,960	9%	DEPRECIATION	2,675,815	2,855,920	180,105	6%
42,092	44,117	2,025	5%	OTHER	349,416	355,853	6,437	2%
3,202,146	3,021,027	(181,119)	-6%	TOTAL OPERATING EXPENSES	25,140,097	24,165,488	(974,609)	-4%
287,851	251,787	36,064	14%	OPERATING INCOME	(1,051,621)	1,589,159	(2,640,780)	-166%
9,353	14,040	(4,687)	-33%	INVESTMENT INCOME, NET OF AMOUNT CAPITALIZED	87,994	110,055	(22,061)	-20%
295,320	285,719	9,601	3%	TAXATION FOR BOND PRINCIPAL & INTEREST	2,260,854	2,239,668	21,186	1%
(465,749)	(465,138)	(611)	0%	INTEREST EXPENSE, NET OF AMOUNT CAPITALIZED	(3,752,502)	(3,719,271)	(33,231)	-1%
(9,096)	-	(9,096)	#VALUE!	BOND ISSUANCE AND FINANCING COSTS	(72,771)	(72,768)	(3)	0%
-	(9,096)			NON OPERATING REV - STIMULUS	2,763,814	-		
23,861	10,590	13,271	125%	OTHER NET	70,073	83,014	(12,941)	-16%
(146,311)	(163,885)	8,478	5%	NON OPERATING, NET	1,357,462	(1,359,302)	(47,050)	-3%
141,540	87,902	53,638	-61%	CHANGE IN NET POSITION	305,841	229,857	75,984	33%
-	-			NET POSITION BEGINNING OF YEAR	-	-	-	

09/29/20

BALANCE SHEET

Page:1

15:58

Snoqualmie Valley Hospital

Application Code : GL

User Login Name:carolynm

Consolidated Balance Sheet

AUGUST 2020

DESCRIPTION	Current Year	Prior Year
	Actual	Actual
ASSETS		
CURRENT ASSETS		
UNRESTRICTED CASH	13,945,975.25	4,956,698.46
RESERVE FUND LTGO 2011	3,156,215.03	2,455,204.00
RESERVE FUND LTGO	2,502,506.97	2,456,013.83
RESERVE FUND 2015 REVENUE BOND	3,675,187.50	3,675,187.50
CMS ADVANCED PAYMENT	11,001,273.01	0.00

RESTRICTED FUNDS	20,335,182.51	8,586,405.33
BOARD RESTRICTED FUNDS	102,276.62	102,276.62

TOTAL CASH	34,383,434.38	13,645,380.41
ACCOUNTS RECEIVABLE	9,768,738.18	9,248,181.12
LESS A/R ALLOWANCES	3,102,162.30	2,550,029.41

NET PATIENT A/R	6,666,575.88	6,698,151.71

COST REPORT RECEIVABLE	264,571.00	427,000.00
EMR MEANINGFUL USE RCVBL	197,176.84	197,176.84

TOTAL NET RECEIVABLE	7,128,323.72	7,322,328.55
TAX RECEIVABLE	1,958,470.61	1,869,003.50
INVENTORY	235,964.07	145,314.08
PREPAID EXPENSES	147,464.07	89,624.64
INTANGIBLE ASSETS	2,161,703.33	2,270,860.25
OTHER RECEIVABLES	53,987.03	96,989.66

TOTAL CURRENT ASSETS	46,069,347.21	25,439,501.09
FIXED ASSETS		
LAND AND IMPROVEMENTS	26,604,969.22	26,587,059.86
BUILDINGS	32,103,531.25	32,029,211.04
EQUIPMENT	12,476,011.05	12,405,549.05
RIGHT TO USE ASSET	1,565,202.47	0.00
ACCUMULATED DEPRECIATION	21,348,855.01	18,143,667.59

NET FIXED ASSETS	51,400,858.98	52,878,152.36

TOTAL ASSETS	97,470,206.19	78,317,653.45
=====		

09/29/20

BALANCE SHEET

Page:2

15:58

Snoqualmie Valley Hospital

Application Code : GL

User Login Name:carolynm

Consolidated Balance Sheet

AUGUST 2020

DESCRIPTION	Current Year	Prior Year
	Actual	Actual
<hr/>		
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
NOTES PAYABLE	0.00	0.00
COST REPORT PAYABLE	0.00	0.00
ACCOUNTS PAYABLE	880,350.42	340,477.32
ACCRUED PAYROLL & TAXES	2,106,236.14	1,727,541.67
ACCRUED INTEREST	778,002.34	637,800.81
OTHER CURRENT LIABILITIES	-39,571.27	-3,129.48
CURRENT PORTION LONG TERM DEBT	1,033,749.97	1,481,250.00
CMS ADVANCED PAYMENT PAYABLE	11,001,273.01	0.00
DEFERRED STIMULUS REVENUE	6,609,201.34	0.00
DEFERRED TAX REVENUE	1,268,198.16	1,205,061.21
	-----	-----
TOTAL CURRENT LIABILITIES	23,637,440.11	5,389,001.53
LONG TERM LIABILITIES		
LTGO BONDS	45,600,000.00	45,805,000.00
REVENUE BONDS	46,333,321.10	47,163,321.10
LIABILITY RIGHT TO USE ASSET	1,592,784.62	0.00
	-----	-----
TOTAL LONG TERM LIABILITIES	93,526,105.72	92,968,321.10
	-----	-----
TOTAL LIABILITIES	117,163,545.83	98,357,322.63
NET INCOME/LOSS	305,840.68	332,981.84
EQUITY FUND BALANCE	-19,999,143.65	-20,372,651.01
	-----	-----
TOTAL EQUITY AND FUND BALANCE	97,470,242.86	78,317,653.46
	=====	=====

MEDICAL COMMITTEE OF THE BOARD

[by teleconference]

Date: October 6, 2020 4:15 – 5:00 pm



PARTICIPANTS: Commissioner Dariel Norris-chair; Commissioner Emma Herron, Kim Witkop, MD, CEO-int/CMO; Karyn Denton, COO/CNO; Patrick Ritter, CFO

ABSENT:

Community		<ul style="list-style-type: none">COVID drive-thru testing site remains busy; influenza immunization services added Oct 1Flu immunizations being administered for local businesses						
Hospital	System-wide	<ul style="list-style-type: none">No COVID HAI to date among patients or staffPandemic Emergency Incidence Response team remains activated with weekly meetings to monitor and address staff safety & surge preparednessFlu immunizations for staff during month of October--mandatoryProject began 10/5 to relocate Drive-Thru Services to a metal building at rear of hospital. Will provide better access to vehicles and protection from weather for staff.Remain ready for survey from DOH and CMS						
	Inpatient/ Swing	<ul style="list-style-type: none">Average Daily Census:<table><tr><td>2020 Budget (pts/day and % Occup)</td><td>Sept 2020 (pts/day and % Occup)</td><td>Sept 2020 YTD (pts/day and % Occup)</td></tr><tr><td>22.8 (91%)</td><td>21.8 (85%)</td><td>22.8 (91%)</td></tr></table>Construction on MedSurg for additional negative pressure rooms fully underway—will take to mid-October based on delay of items backordered and modifications to the plans due to inaccurate as-built documents.Visitation restrictions remain in effect—alternative visits are being offered (virtual, deck-to-ground level, window visits)	2020 Budget (pts/day and % Occup)	Sept 2020 (pts/day and % Occup)	Sept 2020 YTD (pts/day and % Occup)	22.8 (91%)	21.8 (85%)	22.8 (91%)
	2020 Budget (pts/day and % Occup)	Sept 2020 (pts/day and % Occup)	Sept 2020 YTD (pts/day and % Occup)					
	22.8 (91%)	21.8 (85%)	22.8 (91%)					
	Emergency	<p>Visit Volumes for month: volumes steadily returning</p> <table><tr><td>2020 Budget (visits/day)</td><td>Sept 2020 (visits/day)</td><td>Sept 2020 YTD (visits/day)</td></tr><tr><td>10.8</td><td>8.7</td><td>8.9</td></tr></table> <ul style="list-style-type: none">EPIC building sessions in full swing to accommodate current workflows into the designTransition preparation for on-boarding PSP groupTrauma re-certification application in process	2020 Budget (visits/day)	Sept 2020 (visits/day)	Sept 2020 YTD (visits/day)	10.8	8.7	8.9
	2020 Budget (visits/day)	Sept 2020 (visits/day)	Sept 2020 YTD (visits/day)					
10.8	8.7	8.9						
Lab	<ul style="list-style-type: none">Making adaptations in workflows, staffing, and space layout for on-going growth							
Imaging	<ul style="list-style-type: none">PSP will bring “bedside ultrasound” skills to add to our current repertoire of scans performed only by techs							
Off-line Services	<ul style="list-style-type: none">Endo: Targeting late-October for reopening [return to service after inpatient room upgrades completed]							
Clinics		<ul style="list-style-type: none">Still providing tele-medicine and car visits as well as in-office visits. With cold weather approaching exploring options for physically separating those with potential infectious illnessesOccupational Medicine service line growing rapidlyPreparing for ACO success in 2021						

Approved: _10/_08/_2020_

		<ul style="list-style-type: none"> • Women’s Clinic space planning and preparations—considering use for sick clinic visits temporarily • Walk-in clinic planning
Medical Staff	MEC & Med Cmmte Recommendations:	<ul style="list-style-type: none"> • <u>Initial Privileging to Provisional Status:</u> • <u>Extend Provisional Status 6 months :</u> • <u>Transition from Provisional to Active:</u> • <u>Transition from Provisional to Courtesy:</u> • <u>Transition from Provisional to Telemedicine:</u> • <u>Transition from Provisional to Affiliate:</u> • <u>Renewal to Active Staff:</u> • <u>Renewal to Courtesy Staff:</u> • <u>Renewal to Telemedicine:</u> <ul style="list-style-type: none"> ○ <u>Arman Forouzannia, MD – Teleradiology</u> ○ <u>Brendan McCullough, MD -Teleradiology</u> ○ <u>Edwin Yau, MD – Teleradiology</u> ○ <u>Greta Go, MD – Teleradiology</u> ○ <u>Ian Ch’en, MD – Teleradiology</u> ○ <u>Laura Nason - Teleradiology</u> ○ <u>Marc Koenig, MD – Teleradiology</u> ○ <u>Carter Yeatman, MD – Teleradiology</u> • <u>Renewal to Telemedicine by Proxy (UW):</u> <ul style="list-style-type: none"> ○ <u>Arielle Davis, MD - Neurology</u> ○ <u>Claire Creutzfeldt, MD – Neurology</u> ○ <u>David Tirschwell, MD – Neurology</u> ○ <u>Jonathan Weinstein, MD – Neurology</u> ○ <u>Malveeka Sharma, MD – Neurology</u> ○ <u>Rizwan Kalani, MD – Neurology</u> ○ <u>Sandeep Khot, MD – Neurology</u> ○ <u>W.T. Longstreth, MD -Neurology</u> • <u>Renewal to Affiliate Staff:</u>
Other/ Education		<ul style="list-style-type: none"> • Education topic: Proxy credentialing (accept the credentialing background work done by another institution rather than repeat the same exercise—only occurs when a formal contract is in place between organizations in which credentialing by proxy is contained in the agreement along with the credentialing standards which will be followed. It is only the background work that is accepted thru proxy; the approval/renewal of privileges remains a decision of the hospital extending the privileges.)
Next Meeting		<ul style="list-style-type: none"> • Nov 3rd



FACILITIES COMMITTEE MEETING MINUTES

September 21, 2020

2:00 pm – 3:30 pm

Snoqualmie Valley Hospital

Via join.me and Teleconference

join.me/svhjoinme2.snoqualmiehospital.org

Dial-in: 800-434-5932 / Participant Code: 98477739#

Committee Members:

Commissioner Kevin Hauglie, Chair

Commissioner Jen Carter

Karyn Denton, COO/CNO, Executive Chair

Kim Witkop, MD, Interim CEO/CMO

Patrick Ritter, CFO

Scott Nohavec, Facilities Director

Old Business: Follow up to walk through of the proposed Women's Clinic: A walk-thru of the space on August 27th indicate that minor repairs such as paint, the construction of an additional wall to separate waiting area, and enlarging one office are the primary repairs required to convert the space into a women's clinic. Quotes for work have been requested.

New Business: Presentation from Snoqualmie Valley Shelter Services.

The Snoqualmie Valley Shelter Services has received a grant to provide housing for homeless citizens. They are presenting a proposal to build a series of Tiny Homes on the East Campus location.

1. **Maintenance Issues** – On going inspections of filter banks of the air handlers. This is to verify all possible care is being given to improve air quality during the smoke event.
2. **Facility Usage – As of September 2020**
 - a. Due to COVID-19 all external uses of the community room are cancelled until further notice
 - b. Window visits for patient families are being scheduled for the North Conference room.
3. **Environment of Care:** Agenda format reflects categories covered in the EOC Management Plan.

Emergency Management – Continue in external triage due to pandemic.

Fire Safety Management – Drills completed as scheduled.

Hazardous Materials Waste Management: No report.

Medical Equipment Management – We have completed the fit testing for N95 masks and established our requirements for a 14 day surge supply. We have submitted our information to WSHA for participation in the Mask Exchange program which went live in September.

Physical Plant – COVID testing center volumes remain steady. We have secured a bid for the metal building that will serve as the new drive through testing site. Plan to have this up and functional by early October anticipating the influenza season approaching. Med Surg remodel and construction began on September 15th, with estimated completion date of extended to the second week of October pending arrival of specialty door and fan which are experiencing delays in delivery times.

Safe Patient Handling – No report.

Safety Management - Adherence to CDC and DOH guidelines regarding visitors, staff and patients. We are establishing a process that will move outpatient and visitor screening to the main entrance of the hospital, thus preventing anyone who fails the screening questions from reaching the registration desk where screening currently takes place.

Security Management – No report.

Utilities management – No report.

Workplace Harm- The committee has completed its year long work in developing charter, processes, and policies which put forth the commitment to maintain and foster a work environment that is safe for patient, staff and visitors. This item will be added to the Environment of Care agenda and reported on monthly.

East Campus: 1. Awaiting decking quote. 2. There are many items currently being stored on East Campus that are no longer serviceable such as old chairs, desks and computer items that cannot be put into use due to age and functionality. We will perform an inventory of these items so they can be surplus. These are currently stored and taking up space. Items will be taken to the dump or given to other sources.

OTHER:

1. **Certificate of Occupancy update-** The ADA ramp corrections were completed and observed by both the City of Snoqualmie and Perteet. On September 11th, SVH was notified that the City inspector declared the ramps were still not built to code and could not be signed off. Inspector left for vacation and SVH has a meeting scheduled immediately upon his return with the city, Perteet, and Absher Construction who performed the repair.
2. **Xenon Robot:** Information

Next meeting: October 26, 2020, 12pm–1pm Location: Teleconference

Approved:

Pre-Tax Analysis Estimated Refunding Economics – Rate Sensitivity*

Refunding of Snoqualmie's Series 2011 Bonds

- Provided below are the estimated financing economics of the refunding under the Western Alliance Cinderella proposal assuming the entire financing converts to tax-exempt compared against a refunding occurring on the call date of the 2011 Bonds, December 1, 2021.
- The assumed interest rates on the tax-exempt refundings are 4.15%, 4.65%, and 5.15%. These interest rates are 1.00% - 2.00% higher than the Western Alliance tax-exempt rate.
- Includes estimated costs of issuance. The all-inclusive cost or AIC listed below includes the cost of issuance in the rate.

	Western Alliance Cinderella Refunding	Tax-Exempt Refunding (4.15% Rate)	Tax-Exempt Refunding (4.65% Rate)	Tax-Exempt Refunding (5.15% Rate)
Principal Amount	\$16,595,000	\$14,970,000	\$14,970,000	\$14,970,000
Final Maturity	12/1/2040	12/1/2040	12/1/2040	12/1/2040
All-Inclusive Cost	3.43%	4.38%	4.89%	5.40%
Total Debt Service	\$25,032,478	\$24,507,945	\$25,717,545	\$26,938,085
Average Annual Cash Flow Savings	\$436,667	\$404,925	\$341,262	\$277,023
Cash Flow Savings	\$8,772,153	\$7,693,580	\$6,483,980	\$5,263,440
Total NPV Savings ⁽¹⁾	\$5,765,716	\$4,776,462	\$3,909,946	\$3,035,132
NPV Savings as a % of Refunded Par	37.54%	31.10%	25.46%	19.76%

* Preliminary, subject to change.

⁽¹⁾ All savings discounted at a rate of 3.25% and to 10/29/2020.

Post-Tax Analysis Estimated Refunding Economics – Rate Sensitivity*

Refunding of Snoqualmie's Series 2011 Bonds

- Following tax analysis on the Series 2011 Bonds, bond counsel determined that **approximately 68%** of the Series 2011 Bonds was not eligible to be refunded by tax-exempt debt.
- Provided below are the updated estimated financing economics of the refunding where approximately **32% of the transaction converts to tax-exempt** on the conversion date under the Western Alliance proposal against a refunding occurring on the call date of the 2011 Bonds, December 1, 2021.
- The current interest rates under the Western Alliance proposal are 3.98% (taxable) and 3.14% (tax-exempt).
- The assumed interest rates on the taxable refundings are 4.98%, 5.48%, and 5.98%. These interest rates are 1.00% - 2.00% higher than the Western Alliance taxable rate. The tax-exempt rate is 79% of the taxable rate. This percentage is determined by the current federal tax rate: $(1 - \text{Tax Rate}) = (1 - 21\%) = 79\%$.
- The all-inclusive cost or AIC listed below includes the cost of issuance in the rate.

	Western Alliance Refunding	Taxable Rate (4.98%) Tax-Exempt Rate (3.93%)	Taxable Rate (5.48%) Tax-Exempt Rate (4.33%)	Taxable Rate (5.98%) Tax-Exempt Rate (4.72%)
Principal Amount	\$16,505,000	\$15,435,000	\$15,435,000	\$15,435,000
Final Maturity	12/1/2040	12/1/2040	12/1/2040	12/1/2040
Blended Rate	3.75%	4.67%	5.14%	5.61%
All-Inclusive Cost	3.92%	4.86%	5.34%	5.81%
Total Debt Service	\$26,346,077	\$26,662,700	\$27,847,464	\$29,049,208
Average Annual Cash Flow Savings	\$371,278	\$315,582	\$254,018	\$191,571
Cash Flow Savings	\$7,458,555	\$6,073,194	\$4,888,429	\$3,686,686
Total NPV Savings ⁽¹⁾	\$4,585,674	\$3,188,147	\$2,317,528	\$1,508,951
NPV Savings as a % of Refunded Par	29.85%	20.76%	15.09%	9.82%

* Preliminary, subject to change.

⁽¹⁾ All savings discounted at blended rate and to 10/29/2020.

Breakeven Analysis*

- As discussed previously with the District, if interest rates remained the same between now and the call date of the 2011 Bonds, net present value savings of the refunding would increase. This is a result of a decline in negative arbitrage.
 - Negative arbitrage is the difference between what the District can invest in today to fund the escrow for the refunding of the 2011 Bonds (Treasury securities) and the interest rate on the new financing.
- Provided below is the refunding economics assuming no change in interest rates between now and the call date of the 2011 Bonds as well as the increase that would need to occur between now and the call date of the 2011 Bonds where the net present value savings would be approximately the same.

Dated Date	10/29/2020	12/1/2021	12/1/2021
Taxable Rate	3.98%	3.98%	4.25%
Tax-Exempt Rate	3.14%	3.14%	3.35%
NPV Savings (\$) ⁽¹⁾	\$4,585,674	\$5,134,827	\$4,588,196
NPV Savings (%)	29.85%	33.43%	29.87%

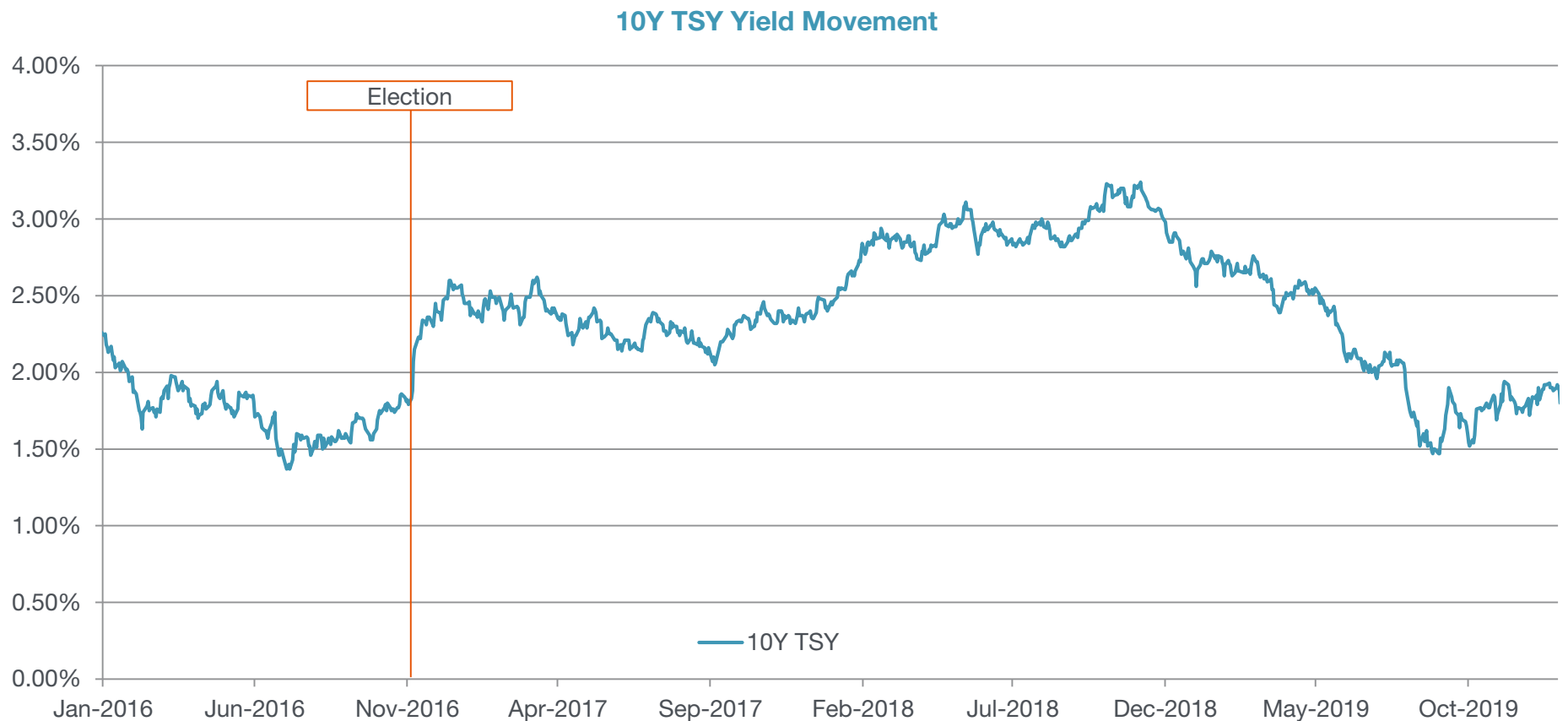
- If interest rates were to increase by only 27 basis points (0.27%)** between now and 12/1/2021, the refinancing would produce lower savings than expected today.
- Provided on the following page is a summary of volatility in the treasury market (interest rates) following the 2016 election.

* Preliminary, subject to change.

⁽¹⁾ All savings discounted at blended rate and to 10/29/2020.

10-Year Treasury Following 2016 Election

- Following the last Presidential election, the 10-year Treasury yield increased 53 bps between the end of October and end of November. The 10-year Treasury yield did not decrease back down to the same rate seen at the end of October 2016 until August 2019.



Disclosure

Piper Sandler is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Sandler is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a “recommendation” or “advice” within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Sandler is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Sandler’s primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm’s-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

The information contained herein may include hypothetical interest rates or interest rate savings for a potential refunding. Interest rates used herein take into consideration conditions in today’s market and other factual information such as credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Sandler expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Sandler could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Sandler as an underwriter or placement agent or under certain other exceptions as describe in the Section 15B of the Exchange Act.

October 6, 2020

Ms. Kim Witkop, MD
Interim Chief Executive Officer
Public Hospital District No. 4,
King County, Washington
9801 Frontier Ave SE
Snoqualmie, Washington 98065

Re: Public Hospital District No. 4, King County, Washington, Limited Tax General Obligation Refunding Bonds, Series 2020A (Taxable) (the “2020A Bonds”)

Public Hospital District No. 4, King County, Washington, Limited Tax General Obligation Refunding Bonds, Series 2020B (Taxable Converting to Tax-Exempt) (the “2020B Bonds” and together with the “2020A Bonds”, the “2020 Bonds”)

Dear Ms. Witkop:

Western Alliance Business Trust are pleased to submit this commitment letter, which has received credit approval, pending final due diligence, document review and normal “out provisions,” for the financing of the 2020 Loan.

Borrower: Public Hospital District No. 4, King County, Washington (the “Borrower” or the “District”)

Purchaser: Western Alliance Business Trust, a Delaware statutory trust (the “Purchaser”).

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Tax Status: On the Closing Date and through the Tax-Exempt Conversion Date (as defined below), treatment of interest payments under the 2020 Bonds as taxable obligations under the IRS Code; and on and after the Tax-Exempt Conversion Date, treatment of interest payments under the 2020B Bonds as tax-exempt obligations under the IRS Code.

Commitment Amount: \$16,800,000 – 2020 Bonds consisting of the following:

- 1) \$11,760,000 – 2020A Bonds; and
- 2) \$5,040,000 – 2020B Bonds.

Purpose: Proceeds from the 2020 Bonds are to be used to:

- 1) refund the District’s outstanding Limited Tax General Obligation Improvement and Refunding Bonds, 2011 (the “Prior Bonds”); and
- 2) pay the costs associated with the issuance of the 2020 Bonds.

Commitment Letter

Public Hospital District No. 4, King County, Washington, Limited Tax General Obligation
Refunding Bonds, Series 2020A (Taxable)

Public Hospital District No. 4, King County, Washington, Limited Tax General Obligation
Refunding Bonds, Series 2020B (Taxable Converting to Tax-Exempt)

October 6, 2020

Page 2

Final Maturity:	December 1, 2040
Tax-Exempt Conversion Date:	On or after September 3, 2021
Interest Payment Dates:	Semi-annual interest payments on June 1 and December 1 commencing on December 1, 2020 through December 1, 2040. Interest on the 2020 Loan is to be computed on the basis of a year comprised of 360 days consisting of twelve (12) months of thirty (30) days each.
Principal Payment Dates:	Annual payments on December 1 commencing on December 1, 2021 through December 1, 2040.
Interest Rate Pricing:	See Appendix A
Security:	<p>The 2020 Bonds are limited tax general obligations of the District. The full faith, credit, and resources of the District have been pledged irrevocably for the annual levy and collection of taxes (the "Regular Property Taxes") and the prompt payment of principal and interest.</p> <p>The District has covenanted to a "lock box" structure whereby regular tax collections remain with the King County treasurer until property tax collection amounts are sufficient to pay debt service on all limited tax general obligation bonds.</p>
2015 Bonds:	Public Hospital District No. 4, King County, Washington Limited Tax General Obligation Refunding Bonds, Series 2015A (Tax-Exempt) and the Public Hospital District No. 4, King County, Washington Limited Tax General Obligation Refunding Bonds, Series 2015B (together, the "2015 Bonds")
Reserve Requirement:	None
Redemption Provisions:	<p><u>Optional Redemption - Refinancing of 2020 Bonds</u></p> <p>The 2020 Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part on any date on and after December 1, 2030, from the proceeds of a refunding, at a redemption price equal to the principal amount of Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.</p> <p><u>Optional Redemption - Excess Cash</u></p> <p>The 2020 Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part on any date on and after December 1, 2023, from excess cash on hand, including reserves, other than the proceeds of a refunding, at a redemption price equal to the principal amount of Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.</p> <p><u>Mandatory Sinking Fund Redemption</u></p> <p>The 2020 Bonds are subject to mandatory sinking fund redemption on the dates and in the amounts specified in the Bond Purchase Agreement.</p>

Financial Covenants:	<p>Financial covenants on the 2020 Bonds are expected to mirror the covenants on the 2015 Bonds namely the additional bonds test:</p> <ol style="list-style-type: none">1) The District must reasonably project 1.05x levy coverage for outstanding limited tax general obligation bonds (the "LTGO Bonds") and the proposed LTGO Bonds issuance for all years; and2) If the purpose of the new issuance is to refund outstanding LTGO bonds and the refunding will result in debt service savings in each year then a projected 1.00x levy coverage must be achieved.
Legal Opinion(s):	<p>Opinions of Bond Counsel, among other things, as to:</p> <p>Opinions of Bond Counsel, among other things, as to:</p> <ol style="list-style-type: none">1) on the Closing Date, treatment of interest payments under the 2020 Bonds as taxable obligations under the IRS Code;2) on and after the Tax-Exempt Conversion Date, treatment of interest payments under the 2020B Bonds as tax-exempt obligations under the IRS Code;3) the validity and enforceability of the 2020 Bonds and the pledged Regular Property Taxes being duly and validly authorized under the law;4) the 2020 Bonds being exempt from registration pursuant to the Securities Act of 1933, as amended and the bond resolution being exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended;5) the Prior Bonds have been legally defeased;6) no litigation of the District which would affect the repayment of the 2020 Bonds; and7) such other opinions as the Purchaser may require.
Representations/Warranties/ Covenants:	<p>The documents, all of which will be prepared by the Bond Counsel, will contain those representations, warranties, covenants and indemnification customarily found in transactions of this nature, and others appropriate to the transaction as determined by the Purchaser in its discretion.</p>
Conditions Precedent:	<p>Prior to the purchase of the 2020 Bonds by the Purchaser, the following conditions precedent shall have occurred, all of which shall be in form and substance satisfactory to the Purchaser and the Purchaser's Counsel:</p> <ol style="list-style-type: none">1) formal credit approval for the purchase of the 2020 Bonds by the Purchaser;2) satisfactory review by the Purchaser's Counsel of any outstanding agreements entered into by the District which may impact the security for the 2020 Bonds or the obligations of the District with respect to repayment the 2020 Bonds;3) any authorizing resolution(s) of the District as required for the execution, delivery and repayment of the 2020 Bonds;4) opinions as required by the Purchaser and the Purchaser's Counsel;

- 5) properly executed documents in form and substance satisfactory to the Purchaser and the Purchaser's counsel evidencing or supporting the repayment of the 2020 Bonds;
- 6) delivery of a verification report prepared by certified public accountant with respect to the Prior Bonds; and
- 7) additional conditions precedent that the Purchaser and the Purchaser's Counsel consider customary and reasonably appropriate for the proposed purchase of the 2020 Bonds.

Loan Treatment:

The Purchaser will book the 2020 Bonds as a loan, and, therefore, the 2020 Bonds will be purchased under the following conditions:

- 1) the 2020 Bonds shall not be registered or otherwise qualified for sale under the "Blue Sky" laws;
- 2) no CUSIP numbers will be obtained for the 2020 Bonds pursuant to Municipal Securities Rulemaking Board Rule G-34(a)(i)(F);
- 3) no official statement or similar offering document has been prepared in connection with the private placement of the 2020 Bonds;
- 4) the 2020 Bonds will not settle through the DTC or any similar repository and will not be in book entry form; and
- 5) the Purchaser will sign a letter of representations in a form acceptable to Purchaser's Counsel.

A complete pdf copies of the **executed closing documents** along with a final **Closing Index** will be required and delivered to the Purchaser and the Purchaser's Counsel by **4:00 p.m. PDT/MST on Tuesday, October 27, 2020**.

Expenses:

The Borrower will pay all reasonable, out-of-pocket costs and expenses for the funding of the 2020 Bonds including due diligence and the preparation of documentation, including the Purchaser's Counsel fee, which is estimated to be \$15,000.

Estimated Pre-Closing Date:

Tuesday, October 27, 2020

Estimated Closing Date:

Thursday, October 29, 2020

Bond Counsel:

Foster Garvey, P.C. / Seattle, Washington

Placement Agent:

Piper Sandler & Co. / Minneapolis, Minnesota

Purchaser's Counsel:

Stradling Yocca Carlson & Rauth, a Professional Corporation / Seattle, Washington

No Fiduciary Relationship:

Inasmuch as the 2020 Loan represents a negotiated transaction, the District understands, and hereby confirms, that the Purchaser is not acting as a fiduciary of the District, but rather is acting solely in its capacity as a Purchaser, for its own account. The District acknowledges and agrees that:

- 1) the transaction contemplated herein is an arm's length commercial transaction between the District and the Purchaser and its affiliates;

- 2) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a “Municipal Advisor” as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the “Municipal Advisor Rules”);
- 3) the Purchaser and its affiliates are relying on the bank exemption in the Municipal Advisor Rules;
- 4) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto;
- 5) the Purchaser and its affiliates have financial and other interests that differ from those of the District; and
- 6) the District has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

Reporting Requirements:

Annual Reporting Requirements:

So long as the District has annual reports (including the information stated below) posted with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access platform (“EMMA”), the District will not be required to directly provide the Purchaser with annual reporting.

If the District no longer has any annual reporting requirements posted to EMMA, then within nine (9) months of the end of each fiscal year, the Purchaser shall receive from the Borrower the following information:

- 1) a copy of the District’s audited financial statements;
- 2) Assessed Valuations of the District for the current year; and
- 3) Tax Collections and Delinquencies for the District for the prior year.

Notices:

The District shall furnish notice to the Purchaser of any occurrence of an event described in subsection (b)(5)(i)(C) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12) in a timely manner but not in excess of ten business days after the occurrence of such event.

Assignment/Participation:

The Purchaser retains the right to assign in whole the 2020 Loan or participate out a portion of its interest in the 2020 Loan and will provide notification to the District of such assignment or participation. The Purchaser acknowledges and agrees that the 2020 Loan may only be transferred to a “Qualified Institutional Buyer” or an “Accredited Investor” within the meaning of the Securities Act of 1933, as amended.

Commitment Letter

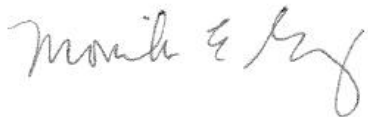
Public Hospital District No. 4, King County, Washington, Limited Tax General Obligation
Refunding Bonds, Series 2020A (Taxable)

Public Hospital District No. 4, King County, Washington, Limited Tax General Obligation
Refunding Bonds, Series 2020B (Taxable Converting to Tax-Exempt)

October 6, 2020

Page 6

On behalf of Western Alliance Business Trust, we are pleased to provide the District with the Commitment Letter for review and signature. We look forward to assisting you with this transaction and appreciate your business. If you have any questions regarding this Commitment Letter, please do not hesitate to contact us.



Monika E. Suarez
Managing Director



Joshua J. Lentz
Senior Vice President

PUBLIC HOSPITAL DISTRICT NO. 4,
KING COUNTY, WASHINGTON

By: _____
Name: _____
Title: _____

APPENDIX A

INTEREST RATE PRICING - 2020A BONDS

A taxable interest rate formula based on the following:

Swap Rate Tenor	16 Year
Swap Rate (As of October 6, 2020)	1.02%
Spread	3.05%
Taxable Rate*	4.07%

INTEREST RATE PRICING – 2020B BONDS

Initially a taxable interest rate formula based on the following:

Swap Rate Tenor	16 Year
Swap Rate (As of October 6, 2020)	1.02%
Spread	3.05%
Taxable Rate*	4.07%

On Tax-Exempt Conversion Date, the interest rate will convert to a tax-exempt interest rate formula based on the following:

Taxable Rate	4.07%
Tax-Exempt Multiplier	79%
Tax-Exempt Rate*	3.22%

The interest rate on the Bonds will be set on October 9, 2020.

* Preliminary, subject to change, market conditions and credit approval.

PUBLIC HOSPITAL DISTRICT NO. 4

KING COUNTY, WASHINGTON

RESOLUTION NO. _666-1020_____

A RESOLUTION of the Commission of Public Hospital District No. 4, King County, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of not to exceed \$16,800,000 aggregate principal amount of limited tax general obligation refunding bonds in one or more series to provide funds to carry out the refunding of certain outstanding limited tax general obligation bonds of the District, and to pay the costs of issuance and sale of the bonds and the administrative costs of carrying out the refunding; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the District's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

Adopted October 8, 2020

This document prepared by:

*Foster Garvey P.C.
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400*

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**The cover page, table of contents and section headings of this resolution are for convenience of reference only, and shall not be used to resolve any question of interpretation of this resolution.*

PUBLIC HOSPITAL DISTRICT NO. 4

KING COUNTY, WASHINGTON

RESOLUTION NO. 666-1020

A RESOLUTION of the Commission of Public Hospital District No. 4, King County, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of not to exceed \$16,800,000 aggregate principal amount of limited tax general obligation refunding bonds in one or more series to provide funds to carry out the refunding of certain outstanding limited tax general obligation bonds of the District, and to pay the costs of issuance and sale of the bonds and the administrative costs of carrying out the refunding; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the District's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

BE IT RESOLVED BY THE COMMISSION OF PUBLIC HOSPITAL DISTRICT NO. 4, KING COUNTY, WASHINGTON, as follows:

Section 1. Definitions. As used in this resolution, the following capitalized terms shall have the following meanings:

(a) “*2011 Bonds*” means the Limited Tax General Obligation Improvement and Refunding Bonds, 2011 of the District, issued in the original principal amount of \$15,360,000 pursuant to the 2011 Bond Resolution.

(b) “*2011 Bond Resolution*” means Resolution No. 412-0922 authorizing the issuance of the 2011 Bond.

(c) “*2015 Bonds*” means the Limited Tax General Obligation Refunding Bonds, Series 2015A (Tax-Exempt) of the District, issued in the original principal amount of \$27,710,000, and the Limited Tax General Obligation Refunding Bonds, Series 2015B (Taxable) of the District, issued in the original principal amount of \$5,435,000, each pursuant to the Resolution No. 475-0515 authorizing the issuance of the 2015 Bonds.

(d) “*Acquired Obligations*” means those United States Treasury Certificates of Indebtedness, Notes, and Bonds--State and Local Government Series and other direct, noncallable obligations of the United States of America purchased to accomplish the refunding of the Refunded Bonds as authorized by this resolution.

(e) “*Bond*” means each bond issued pursuant to and for the purposes provided in this resolution.

(f) “*Bond Counsel*” means the firm of Foster Garvey P.C., its successor, or any other attorney or firm of attorneys selected by the District with a nationally recognized standing as bond counsel in the field of municipal finance.

(g) “*Bond Fund*” means the Limited Tax General Obligation Refunding Bond Fund, 2020, of the District created by this resolution for the payment of the principal of and interest on the Bonds.

(h) “*Bond Purchase Agreement*” means an offer to purchase each series of the Bonds, setting forth certain terms and conditions of the issuance, sale and delivery of those Bonds, which offer is authorized to be accepted by the Designated Representative on behalf of the District, if consistent with this resolution.

(i) “*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Bond.

(j) “*Bond Registrar*” means the Fiscal Agent, or any successor bond registrar selected by the District.

(k) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(l) “*Commission*” means the legislative authority of the District, as duly and regularly constituted from time to time.

(m) “*Designated Representative*” means the officer of the District appointed in Section 4 of this resolution to serve as the District’s designated representative in accordance with RCW 39.46.040(2).

(n) “*District*” means Public Hospital District No. 4, King County, Washington, a municipal corporation duly organized and existing under the laws of the State.

(o) “*District Contribution*” means legally available money of the District, in addition to proceeds of the Bonds, necessary or advisable to carry out the Refunding Plan, as permitted by the Designated Representative.

(p) “*Final Terms*” means the terms and conditions for the sale of each Bond including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, prepayment provisions, price, designation of one or more series of Bonds as Tax-Exempt Bonds and other terms or covenants, including minimum savings for refunding bonds (if the refunding bonds are issued for savings purposes).

(q) “*Fiscal Agent*” means the fiscal agent of the State, as the same may be designated by the State from time to time.

(r) “*Government Obligations*” means those government obligations defined by RCW 39.53.010(4) as it now reads or hereafter may be amended and which are otherwise lawful investments of the District at the time of such investment.

(s) “*Issue Date*” means, with respect to a Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of that Bond.

(t) “*King County*” means the Treasury Operations Section, Finance and Business Operations Division, Department of Executive Services, King County, Washington.

(u) “*MSRB*” means the Municipal Securities Rulemaking Board.

(v) “*Placement Agent*” means Piper Sandler & Co., and its successors.

(w) “*Purchaser*” means Western Alliance Business Trust, a Delaware statutory trust, or such other corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser.

(x) “*Refunded Bonds*” means all or a portion of the Refunding Candidates selected by the Designated Representative to be refunded with the proceeds of a series of the Bonds.

(y) “*Refunding Account*” means the special account created in Section 15(d) of this resolution to carry out the Refunding Plans.

(z) “*Refunding Candidates*” means all of the outstanding 2011 Bonds, which mature on December 1 in the years 2026, 2031 and 2040 and bearing interest at the rates of 6.50%, 6.75% and 7.00%, respectively, the refunding of which has been provided for by this resolution.

(aa) “*Refunding Plan*” (as further described in the Refunding Trust Agreement):

(1) the placement of sufficient proceeds of the Bonds which, together with the District Contribution (if any), may be used to acquire the Acquired Obligations to be deposited, with cash, if necessary, with the Refunding Trustee;

(2) the payment of the principal of and interest on the Refunded Bonds when due up to and including December 1, 2021, or such date as determined by the Designated Representative, and the call, payment, and redemption on such date, of all of the then-outstanding Refunded Bonds at a price of par; and

(3) may include the payment of the costs of issuing the Bond and the costs of carrying out the foregoing elements of the Refunding Plan.

(bb) “*Refunding Trust Agreement*” means a refunding trust or escrow agreement between the District and the Refunding Trustee, providing for the carrying out of the Refunding Plan.

(cc) “*Refunding Trustee*” means the trustee or escrow agent, or any successor trustee or escrow agent, designated by the Designated Representative to serve as refunding trustee to carry out the Refunding Plan.

(dd) “*Registered Owner*” means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register.

(ee) “*Regular Property Taxes*” means the proceeds of annual ad valorem tax levies caused to be made by the District pursuant to RCW 70.44.060(6) on all taxable property within its

territorial boundaries not to exceed 75 cents per 1,000 dollars of assessed value without a vote of the people.

(ff) “*Rule 15c2-12*” means Rule 15c2-12 promulgated by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

(gg) “*State*” means the State of Washington.

(hh) “*System of Registration*” means the system of registration for the District’s bonds and other obligations set forth in Resolution No. 178 of the District.

(ii) “*Tax-Exempt Bond*” means any Bond during any period which the District intends that interest on the Bond to be excluded from gross income for federal income tax purposes.

Section 2. Findings and Determinations. The District takes note of the following facts and makes the following findings and determinations:

(a) *The 2011 Bonds.* The District previously issued the 2011 Bonds to: (a) pay operating and capital costs of the District, including expenditures for preliminary expenses of designing, developing, constructing and equipping a new hospital facility; (b) pay the costs of carrying out the current refunding of various outstanding obligations (or portions thereof); (c) pay the administrative costs of such refundings and the costs of issuance and sale of each Bond; and (d) fund a reserve for the 2011 Bonds. In the 2011 Bond Resolution, the District reserved the right to redeem the 2011 Bonds prior to their maturity at any time on or after December 1, 2021 as a whole or in part (within one or more maturities selected by the District and randomly within a maturity in such manner as the Bond Registrar shall determine), at par, plus accrued interest to the date fixed for redemption. All of the 2011 Bonds are currently outstanding (the “Refunding Candidates”).

(b) *The Refunding.* After due consideration, it appears to the Commission that all or a portion of the Refunding Candidates may be refunded by the issuance and sale of the limited tax general obligation refunding bonds authorized herein so that a savings will be effected by the difference between the principal and interest cost over the life of the Bonds and the principal and interest cost over the life of the applicable Refunded Bonds but for such refunding, which refunding will be effected by carrying out the Refunding Plan.

(c) *The Bonds.* For the purpose of providing the funds necessary to carry out the Refunding Plan and to pay the costs of issuance and sale of the Bonds, the Commission finds that it is in the best interests of the District and its taxpayers to issue and sell the Bonds to the Purchaser, pursuant to the terms set forth in the Bond Purchase Agreement as approved by the District’s Designated Representative consistent with this resolution.

(d) *Debt Capacity.* The assessed valuation of the taxable property within the District as ascertained by the last preceding assessment for District purposes for the calendar year 2020 is \$10,905,772,768, and the District has outstanding general indebtedness evidenced as of September 1, 2020 evidenced by limited tax general obligation bonds in the principal amount of \$46,365,000 incurred within the limit of up to 3/4% of the value of the taxable property within the District permitted for general municipal purposes without a vote of the qualified voters therein,

and no unlimited tax general obligation bonds or notes issued pursuant to a vote of the qualified voters of the District. The maximum amount of indebtedness for which bonds are authorized herein to be issued is \$16,800,000.

Section 3. Authorization of the Bonds. The District is authorized to borrow money on the credit of the District and issue negotiable limited tax general obligation refunding bonds evidencing indebtedness in one or more series in aggregate principal amount not to exceed \$16,800,000 to provide funds necessary to carry out the Refunding Plan and to pay the costs of issuance and sale of the Bonds. The proceeds of the Bonds shall be deposited as set forth in Section 15 of this resolution and shall be used to carry out the Refunding Plan.

Section 4. Description of the Bonds; Appointment of Designated Representative. The Interim Chief Executive Officer, or the Chief Financial Officer in the absence of the Interim Chief Executive Officer, is appointed as the Designated Representative of the District and is authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the District, and to approve the Final Terms of each series of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit A, which is attached to this resolution and incorporated by this reference.

Section 5. Bond Registrar; Registration and Transfer of the Bonds.

(a) *Registration of Bonds.* Each Bond shall be issued only in registered form as to both principal and interest and the ownership of each Bond shall be recorded on the Bond Register.

(b) *Bond Registrar; Duties.* The Fiscal Agent is appointed as initial Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of each Bond, which shall be open to inspection by the District at all times. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver each Bond if transferred or exchanged in accordance with the provisions of such Bond and this resolution, to serve as the District's paying agent for each Bond and to carry out all of the Bond Registrar's powers and duties under this resolution and the System of Registration. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become the Registered Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owner.

(c) *Bond Register; Transfer of Bonds.* The Bond Register shall contain the name and mailing address of the Registered Owner and the principal amount and number of each Bond held by the Registered Owner. Each Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Registered Owner or transferee.

Section 6. Form and Execution of the Bonds.

(a) *Form of Bonds; Signatures and Seal.* Each Bond shall be prepared in a form consistent with the provisions of this resolution and State law. Each Bond shall be signed by the

President and Secretary of the Commission, either or both of whose signatures may be manual or in facsimile. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the District authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the District, that Bond 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 bonds. Any Bond also may be signed on behalf of the District by any person who, on the actual date of signing of the Bond, is an officer of the District authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

The Bonds shall be in substantially the form set forth in Exhibit B as attached hereto.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution: “Certificate Of Authentication. This Bond is one of the fully registered Public Hospital District No. 4, King County, Washington, Limited Tax General Obligation Refunding Bond, 2020[A/B] [(Taxable)], described in the Bond Resolution.” The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

Section 7. Payment of the Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond is payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register. The District shall be required to make electronic transfers pursuant to a request by a Registered Owner in writing received on or prior to the interest payment date, which transfers shall be made at the expense of the District. The final payment of principal of each Bond is payable upon presentation and surrender of such Bond by the Registered Owner to the Bond Registrar, and the Registered Owner shall have no obligation to surrender such Bond as a condition to the payment of any installment of principal other than the final installment. The Bonds are not subject to acceleration under any circumstances.

Section 8. Bond Fund. The Bond Fund is created as a special fund of the District to be held by King County for the sole purpose of paying principal of and interest on the Bonds. Bond proceeds in excess of the amounts needed to carry out the Refunding Plan and to pay the costs of issuance, if any, shall be deposited into the Bond Fund. All amounts allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bonds. The principal of and interest on the Bonds shall be paid out of the Bond Fund. Until needed for that purpose, the District may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and used for the purposes of that fund.

Section 9. Prepayment. The Bonds will be subject to prepayment as determined by the Designated Representative.

Section 10. Failure To Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for prepayment, the District shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for prepayment until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 11. Pledge of Taxes; Security. The Bonds constitute a general indebtedness of the District and are payable from tax revenues of the District and such other money as is lawfully available and pledged by the District for the payment of principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the District irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. The full faith, credit and resources of the District are pledged irrevocably for the prompt payment of the principal of and interest on the Bonds and such pledge shall be enforceable in mandamus against the District.

The District further covenants for so long as any of the Bonds remain outstanding the Regular Property Taxes collected between January 1 and May 31 of each calendar year shall be deposited upon collection only in the Bond Fund and the bond funds heretofore and hereafter created for the payment of other limited tax general obligation bonds of the District until the amount in each such fund is equal to the greater of (i) all payments of principal and interest on all bonds payable from that fund coming due on June 1 of such year and (ii) 50% of all payments of principal and interest on all bonds payable from that fund coming due on June 1 and December 1 of such year. Thereafter, the balance of Regular Property Taxes collected between January 1 and May 31 of each calendar year may be used for any lawful District purpose after deposit in such fund as the District may direct. The District further covenants for so long as any of the Bonds remain outstanding that Regular Property Taxes collected between June 1 and November 30 of each calendar year shall be deposited upon collection only in the Bond Fund and the bond funds heretofore and hereafter created for the payment of other limited tax general obligation bonds of the District until the amount in each such fund is sufficient to make all payments of principal and interest on all bonds payable from that fund coming due on December 1 of such year. Thereafter, the balance of Regular Property Taxes collected after June 1 and during the remainder of such calendar year may be used for any lawful District purpose after deposit in such fund as the District may direct. The Chief Financial Officer of the District, or his or her designee, shall provide to the Purchaser a monthly statement of Regular Property Taxes collected and allocable to the District, and the respective amounts of such taxes deposited in the Bond Fund and the District's other limited tax general obligation funds.

In the event that Regular Property Taxes actually being collected for the District during any calendar year and deposited in its limited tax general obligation bond funds reasonably appear to be insufficient to pay all the principal and interest coming due during such year on all the District's outstanding limited tax general obligation bonds, the District shall deposit into those bond funds out of other revenues of the District available for such purpose after paying required maintenance and operating expenses of the District all amounts necessary to make up any such

insufficiencies for that year. Such deposits by the District shall commence as soon as the insufficiencies of tax collections are known and shall continue until the required amount has been deposited in each such bond fund for the year in which such levy is being collected.

Section 12. Conditions for Issuing Future Bonds. The District specifically reserve the right to issue, at such time or times and in such amounts as the Commission may hereafter determine, additional limited tax general obligation bonds of the District if the Regular Property Taxes that the District reasonably projects to be collected will be sufficient to pay no less than 105% of the principal and interest coming due in any subsequent calendar year on the Bonds, all other limited tax general obligation bonds of the District then outstanding and the limited tax general obligation bonds proposed to be issued (the “Required Coverage Ratio”); provided that if the bonds are to be issued for the purpose of refunding outstanding limited tax general obligation bonds and the refunding will result in a debt service savings in each calendar year during the term of the refunded bonds, the Required Coverage Ratio shall be 100%. The District covenants that the debt service payment dates on any such additional limited tax general obligation bonds shall be the same as the debt service payment dates on the Bonds. The restrictions on the issuance of future bonds set forth herein may be waived or amended with the consent of a majority of the owners of the Bonds.

The District further reserves the right to issue, at such time or times and in such amounts as the Commission may hereafter determine at its discretion without limitation or qualification, hospital revenue bonds with a lien and charge upon the revenues of the District or any of its facilities prior and superior to any other charges whatsoever.

Section 13. Tax Covenants.

(a) *Preservation of Tax Exemption for Interest on any Tax-Exempt Bond.* The District covenants that it will take all actions necessary to prevent interest on any Tax-Exempt Bond from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of any Tax-Exempt Bond or other funds of the District treated as proceeds of any Tax-Exempt Bond that will cause interest on such Tax-Exempt Bond to be included in gross income for federal income tax purposes. The District also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to any Tax-Exempt Bond, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with such Tax-Exempt Bond.

(b) *Post-Issuance Compliance.* The Chief Financial Officer is authorized and directed to review and, if necessary, update the District’s written procedures to facilitate compliance by the District with the covenants in this resolution and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on any Tax-Exempt Bond from being included in gross income for federal tax purposes.

Section 14. Refunding or Defeasance of the Bonds. The District may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on the Bonds (each a “defeased Bond”); (b) prepaying the defeased Bond prior to its maturity; and (c) paying the costs of the refunding or defeasance. If the District (i) irrevocably sets aside money

and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to prepay, refund or defease the defeased Bond in accordance with its terms in a special trust fund or escrow account irrevocably pledged to that prepayment or defeasance (the “trust account”) with an escrow agent or independent trustee (which shall be a bank or trust company having assets of at least \$50 billion that regularly acts as a refunding trustee or escrow agent for municipal bond defeasances), (ii) provides the Registered Owner with an opinion of an independent certified public accountant to the effect that such monies and Government Obligations are sufficient without reinvestment to pay all principal of and interest on the defeased Bond until its maturity date or any earlier redemption date, and (iii) provides the Registered Owner with an opinion of Bond Counsel that the defeasance will not materially adversely affect the federal tax-exemption of any Tax-Exempt Bond, then all right and interest of the Registered Owner of the defeased Bond in the covenants of this resolution and in the funds and accounts obligated to the payment of the defeased Bond shall cease and become void. Thereafter, the Registered Owner of the defeased Bond shall have the right to receive payment of the principal of and interest on the defeased Bond solely from the trust account and the defeased Bond shall be deemed no longer outstanding. In that event, the District may apply money remaining in any fund or account (other than the trust account) established for the payment of the defeased Bond to any lawful purpose.

Unless otherwise specified by the District in a refunding or defeasance plan, notice of refunding or defeasance shall be given in the manner prescribed in this resolution for the prepayment of the Bond; provided, however, that the District will give the Registered Owner at least 30 days prior written notice of the refunding or defeasance of the Bond.

Section 15. Refunding of the Refunded Bonds.

(a) *Appointment of Refunding Trustee.* The Designated Representative is authorized to appoint a Refunding Trustee in connection with the Bonds.

(b) *Use of Bond Proceeds; Acquisition of Acquired Obligations.* The proceeds of the sale of the Bonds shall be deposited immediately upon the receipt thereof with the Refunding Trustee and used to discharge the obligations of the District relating to the Refunded Bonds under the 2011 Bond Resolution by providing for the payment of the amounts required to be paid by the Refunding Plan. If necessary, and to the extent practicable, such obligations may be discharged fully by the Refunding Trustee’s simultaneous purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to be paid by the Refunding Plan. The Acquired Obligations, if acquired, will be listed and more particularly described in an exhibit to be attached to the Refunding Trust Agreement between the District and the Refunding Trustee, but are subject to substitution as set forth below. Any Bond proceeds or other money deposited with the Refunding Trustee not needed to purchase the Acquired Obligations and provide a beginning cash balance, if any, and pay the costs of issuance of the Bonds shall be returned to the District at the time of delivery of the Bonds to the Purchaser and deposited in the Bond Fund and used to pay interest on the Bond on their first interest payment date.

If payment of the costs of issuance of the Bonds is not included in the Refunding Plan, the Bond proceeds that are not deposited with the Refunding Trustee will be deposited with the District to be used to pay the costs of issuance of the Bonds.

(c) *Substitution of Acquired Obligations.* Prior to the purchase of any Acquired Obligations by the Refunding Trustee, the District reserves the right to substitute other direct, noncallable obligations of the United States of America (“Substitute Obligations”) for any of the Acquired Obligations and to use any savings created thereby for any lawful District purpose if, (a) in the opinion of the District’s Bond Counsel, the interest on the Refunded Bonds will remain excluded from gross income for federal income tax purposes under Sections 103, 148, and 149(d) of the Code, and (b) such substitution shall not impair the timely payment of the amounts required to be paid by the Refunding Plan, as verified by a nationally recognized independent certified public accounting firm.

After the purchase of the Acquired Obligations by the Refunding Trustee, if any are purchased, the District reserves the right to substitute therefor cash or Substitute Obligations subject to the conditions that such money or securities held by the Refunding Trustee shall be sufficient to carry out the Refunding Plan, that such substitution will not cause the Bond or the Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and regulations thereunder in effect on the date of such substitution and applicable to obligations issued on the issue dates of the Bonds and the Refunded Bonds, as applicable, and that the District obtain, at its expense: (i) a verification by a nationally recognized independent certified public accounting firm acceptable to the Refunding Trustee confirming that the payments of principal of and interest on the substitute securities, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the Refunding Plan; and (ii) an opinion from a nationally recognized Bond Counsel to the District, to the effect that the disposition and substitution or purchase of such securities, under the statutes, rules, and regulations then in force and applicable to the Bonds, will not cause the interest on the Refunded Bonds to be included in gross income for federal income tax purposes and that such disposition and substitution or purchase is in compliance with the statutes and regulations applicable to the Bonds. Any surplus money resulting from the sale, transfer, other disposition, or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the District to be used for any lawful District purpose.

(d) *Administration of Refunding Plan.* The Refunding Trustee is authorized and directed to purchase the Acquired Obligations (or substitute obligations), if so directed by the Designated Representative, and to make the payments required to be made by the Refunding Plan from the Acquired Obligations (or substitute obligations) and money deposited with the Refunding Trustee pursuant to this resolution. All Acquired Obligations (or substitute obligations) and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of the 2011 Bond Resolution, this resolution, chapter 39.53 RCW and other applicable statutes of the State of Washington and the Refunding Trust Agreement. All necessary and proper fees, compensation, and expenses of the Refunding Trustee for the Bonds and all other costs incidental to the setting up of the escrow to accomplish the refunding of the Refunded Bonds and costs related to the issuance and delivery of the Bonds, including Bond Counsel’s fees, and other related expenses, shall be paid out of the proceeds of the Bonds.

(e) *Authorization for Refunding Trust Agreement.* In order to carry out the Refunding Plan provided for by this resolution, the Chief Financial Officer is authorized and directed to execute and deliver to the Refunding Trustee a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the payment, redemption, and retirement of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation, and expenses of such Refunding Trustee set forth therein are satisfactory to it. Prior to executing the Refunding Trust Agreement, the Chief Financial Officer is authorized to make such changes therein that do not change the substance and purpose thereof.

(f) *Call for Redemption of the Refunded Bonds.* The District calls for redemption on such date as shall be determined by the Designated Representative, all of the Refunded Bonds at par plus accrued interest.

Section 16. Findings with Respect to Refunding. The Commission authorizes the issuance of the Bonds if they will achieve debt service savings to the District and is in the best interest of the District and its taxpayers. In making such finding and determination, the Commission will give consideration to the maturity of the Bonds and the Refunded Bonds, the costs of issuance of the Bonds and the known earned income from the investment of the proceeds of the issuance and sale of the Bonds and other money of the District used in the Refunding Plan, if any, pending payment and redemption of the Refunded Bonds.

The Designated Representative may purchase Acquired Obligations to be deposited with the Refunding Trustee, together with the income therefrom, and with any necessary beginning cash balance, which will be sufficient to redeem the Refunded Bonds and will discharge and satisfy the obligations of the District under the 2011 Bond Resolution with respect to the Refunded Bonds, and the pledges, charges, trusts, covenants, and agreements of the District therein made or provided for as to the Refunded Bonds, and that the Refunded Bonds shall no longer be deemed to be outstanding under such resolution immediately upon the deposit of such money with the Refunding Trustee.

Section 17. Sale and Delivery of the Bonds. The Designated Representative is authorized to execute the Bond Purchase Agreement, based on the assessment of the Designated Representative of market conditions, in consultation with appropriate District officials and staff, the District's Placement Agent, Bond Counsel and other advisors. In accepting the Final Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the District. The Bond Purchase Agreement or a certificate of the Designated Representative shall set forth the Final Terms, and the terms provided therein shall be consistent with the terms of this resolution. The District is authorized to pay the fees and expenses of the Purchaser set forth in the Bond Purchase Agreement. The Bonds will be prepared at District expense and will be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bonds, and such other agreements, documents and instruments as the Purchaser may reasonably require in connection with its purchase of the Bonds.

Section 18. Reporting Requirements. For so long as the 2015 Bonds and the Bonds are outstanding, the District shall provide the Registered Owner with the following by the end of the

ninth month after the end of each fiscal year: (a) annual audited financial statements, (b) the assessed value of property within the District subject to ad valorem taxation for the preceding fiscal year, (c) tax collections and delinquencies for the prior fiscal year, and (d) such other information as the Registered Owner may from time to time reasonably request, which such other information shall be provided promptly following the request. To the extent that the District has annual reporting requirements (including the information listed above) to be posted to the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA) or any similar publicly available database, the District will not be required to directly provide to the Purchaser with annual reporting requirements.

In addition, the District will provide the Registered Owner with the timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or obligated person, any of which reflect financial difficulties. The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

Section 19. Supplemental and Amendatory Resolutions. The District may supplement or amend this resolution for any one or more of the following purposes without the consent of the Registered Owner of the Bonds:

(a) To add covenants and agreements that do not materially adversely affect the interests of the Registered Owner, or to surrender any right or power reserved to or conferred upon the District; and

(b) To cure any ambiguities or to cure, correct or supplement any defective provision contained in this resolution in a manner that does not materially adversely affect the interest of the Registered Owner of the Bonds.

Section 20. General Authorization and Ratification. The Designated Representative and other appropriate officers of the District are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this resolution, and to do everything necessary for the prompt delivery of each of the Bonds to the Purchaser thereof and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this resolution in furtherance of the purposes described in this resolution and not inconsistent with the terms of this resolution are ratified and confirmed in all respects.

Section 21. Severability. The provisions of this resolution are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this resolution to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 22. Effective Date of Resolution. This resolution shall become effective immediately upon its adoption.

ADOPTED and APPROVED by the Commission of Public Hospital District No. 4, King County, Washington, at a regular open public meeting thereof, of which due notice was given as required by law, held this 8th day of October, 2020, the following Commissioners being present and voting in favor of the resolution.

PUBLIC HOSPITAL DISTRICT NO. 4
KING COUNTY, WASHINGTON

President and Commissioner

Vice President and Commissioner

Secretary and Commissioner

Commissioner

Commissioner

EXHIBIT A
DESCRIPTION OF THE BONDS

- | | |
|-------------------------------|--|
| (a) Principal Amount. | The Bonds may be issued in one or more series and may be issued as a Tax-Exempt Bond or taxable. The aggregate principal amount of any Bonds issued as Tax-Exempt Bonds shall not exceed \$5,040,000. The aggregate principal amount of a bonds issued as taxable shall not exceed \$11,760,000. The aggregate principal amount of all series of Bonds shall not exceed \$16,800,000. |
| (b) Date or Dates. | Each Bond shall be dated its Issue Date, which date may not be later than one year after the effective date of this resolution. |
| (c) Denominations, Name, etc. | The Bonds shall be issued in any authorized denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative. |
| (d) Interest Rate(s). | Each Bond shall bear interest at the rate per annum (computed as approved by the Designated Representative) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds. No rate of interest for any Bond may exceed 4.50%, and the true interest cost to the District for each Bonds may not exceed 4.50%. |
| (e) Payment Dates. | Interest shall be payable semiannually on dates acceptable to the Designated Representative, commencing no one year following the Issue Date. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity or in mandatory redemption installments annually thereafter, on dates acceptable to the Designated Representative. |
| (f) Final Maturity. | Each Bond shall mature no later than December 1, 2040. |
| (g) Prepayment. | The Designated Representative may approve in the Bond Purchase Agreement provisions for the prepayment of the Bonds. |
| (h) Price. | The purchase price for each Bond shall be at par. |

(i) Other Terms and Conditions.

- (1) A series of the Bonds may not be issued if it would cause the indebtedness of the District to exceed the District's legal debt capacity on the Issue Date.
- (2) The Designated Representative may determine whether it is in the District's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as he or she may determine are in the best interests of the District, consistent with this resolution.
- (3) The Bonds must produce a minimum net present value savings to the District and its taxpayers of not less than 19%, expressed as a percentage of the Refunded Bonds to be refunded by that series. Net present value savings means the aggregate difference between (i) annual debt service on the Refunded Bonds, less (ii) annual debt service on the Bonds (including expenses related to costs of issuance of that series) discounted to the Issue Date using the yield on the Bonds as the discount rate, plus (iii) excess cash, if any distributed to the District on the Issue Date, and less (iv) the amount of the District Contribution, if any, made on the Issue Date.
- (4) A series of Tax-Exempt Bonds may be issued as qualified 501(c)(3) bonds if the District complies with the applicable provisions of the Code relating to qualified 501(c)(3) bonds and holds a Tax Equity and Fiscal Responsibility Act ("TEFRA") hearing.

EXHIBIT B
FORM OF THE BONDS

No. [A/B]R-1

\$ _____

UNITED STATES OF AMERICA

STATE OF WASHINGTON

PUBLIC HOSPITAL DISTRICT NO. 4, KING COUNTY

LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2020[A/B]
[(TAXABLE)]**Maturity Date:** DECEMBER 1, 2040**Registered Owner:** WESTERN ALLIANCE BUSINESS TRUST**Principal Amount:**

PUBLIC HOSPITAL DISTRICT NO. 4, KING COUNTY, WASHINGTON (the “District”), a municipal corporation of the State of Washington, promises to pay to the Registered Owner identified above, from the Limited Tax General Obligation Refunding Bond Fund, 2020 (the “Bond Fund”) maintained by the District to pay this Bond, the Principal Amount of \$ _____ together with interest thereon, in accordance with the terms of this Bond and Resolution No. __666-1020__ of the District (the “Bond Resolution”).

This Bond shall bear interest at the rate of ____% per annum (computed on the basis of a ____ day year consisting of ____ day months). Interest on this Bond is payable semi-annually on each June 1 and December 1, beginning December 1, 2020. Principal is payable annually on each December 1, beginning December 1, 2021 to the Maturity Date. If any payment of principal or interest payable on the Bond is due on a day which is not a business day in the state of Washington, the date for payment thereof shall be extended, without penalty, to the next succeeding business day, and such extended time shall be not be included in the computation of interest. The amortization schedule is shown in Exhibit A attached hereto.

This Bond, designated as the Limited Tax General Obligation Refunding Bond, 2020[A/B] [(Taxable)] (the “Bond”), is issued by the District in fully registered form to provide the funds to refund certain of the District’s outstanding Limited Tax General Obligation Improvement and Refunding Bonds, 2011, and pay the costs of issuance of this Bond, all as provided and more fully set forth in the Bond Resolution. Reference is made to the Bond Resolution for the definitions of the capitalized terms used and not otherwise defined herein.

Installments of interest on and principal of this Bond are payable in lawful money of the United States of America and shall be paid by electronic transfer, check or draft mailed by the fiscal agent of the State of Washington (the "Bond Registrar"), to the Registered Owner so that the Registered Owner receives said payments when due at the address appearing on the books or records maintained by the Bond Registrar (the "Bond Register"). Notwithstanding the foregoing, the District may make payments by any electronic funds transfer or similar means established by the Registered Owner from time to time so long as such means are permitted under applicable State law.

The Bond constitutes a general indebtedness of the District and is payable from tax revenues of the District and such other money as is lawfully available and pledged by the District for the payment of principal of and interest on the Bond. For as long as the Bond is outstanding, the District irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bond as the same become due. The full faith, credit and resources of the District are pledged irrevocably for the prompt payment of the principal of and interest on the Bond and such pledge shall be enforceable in mandamus against the District.

This Bond is [not] subject to prepayment prior to its maturity as provided in the Bond Resolution.

Reference is made to the Bond Resolution for other covenants and declarations of the District and other terms and conditions upon which this Bond has been issued, which terms and conditions are made a part hereof by this reference. The District irrevocably and unconditionally covenants that it will keep and perform all of the covenants of this Bond and of the Bond Resolution.

This Bond may be transferred by the Registered Owner only in whole and only if endorsed in the manner provided in the Bond Resolution and surrendered to the Bond Registrar. Any transfer shall be without cost to the Registered Owner or transferee and shall be noted in the Bond Register.

The District and the Bond Registrar may deem and treat the Registered Owner of this Bond as its absolute owner for the purpose of receiving payment of principal and interest and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary other than proper notice of assignment. As used herein, Registered Owner means the person or entity named as Registered Owner of this Bond on the front hereof and on the Bond Register.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon has been signed by the Bond Registrar.

The principal of and interest on this Bond shall be paid only to the Registered Owner as of the Record Date and to no other person or entity, and this Bond may not be assigned except on the Bond Register.

It is certified that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done, have happened and have been performed as required by law, and that the total indebtedness of the District, including this Bond, does not exceed any constitutional or statutory limitations.

IN WITNESS WHEREOF, the District has caused this Bond to be executed on behalf of the District by the facsimile signatures of the President and Secretary of the Board of Commissioners this ____ day of _____, 20__.

PUBLIC HOSPITAL DISTRICT NO. 4, KING
COUNTY, WASHINGTON

By
President, Board of Commissioners

By
Secretary, Board of Commissioners

Date of Authentication: _____, 2020

CERTIFICATE OF AUTHENTICATION

This Bond is the fully registered Public Hospital District No. 4, King County, Washington, Limited Tax General Obligation Refunding Bond, 2020[A/B] [(Taxable)], described in the Bond Resolution.

WASHINGTON STATE FISCAL AGENT, as
Bond Registrar

By _____
Bond Registrar

ASSIGNMENT

For value received, the undersigned Registered Owner does sell, assign and transfer unto:

(name, address and social security or other identifying number of assignee)

the within mentioned Bond and irrevocably constitutes and appoints _____
_____ to transfer the same on the Bond Register with full
power of substitution in the premises.

DATED: _____.

Registered Owner

(NOTE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.)

Signature Guaranteed:

(NOTE: Signature must be guaranteed pursuant to law.)

CERTIFICATION

I, the undersigned, Secretary of the Board of Commissioners (the “Commission”) of Public Hospital District No. 4, King County, Washington (the “District”), hereby certify as follows:

1. The attached copy of Resolution No. **666-1020** (the “Resolution”) is a full, true and correct copy of a resolution duly passed at a regular meeting of the Commission of the District held at the regular meeting place thereof on October 8, 2020, as that resolution appears on the minute book of the District; and the Resolution is now in full force and effect.

2. That said meeting was duly convened and held in all respects in accordance with law (including Proclamation 20-28 made by the Governor of the State of Washington on March 24, 2020, as extended, and acts of the legislative leadership of the State of Washington) and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the members of the Commission was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Resolution; that all other requirements and proceedings incident to the proper adoption or passage of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

Dated: October 8, 2020.

PUBLIC HOSPITAL DISTRICT NO. 4,
KING COUNTY, WASHINGTON

Secretary of the Commission