RESOLUTION NO. 2027-02

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN BERNARDINO MOUNTAINS COMMUNITY HOSPITAL DISTRICT ORDERING AN ELECTION, AND ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER

The Board of Directors (the "Board") of the San Bernardino Mountains Community Hospital District (the "District"), declares as follows:

1. The Board is committed to maintaining the quality of its facilities and life-saving medical care by acquiring, upgrading, renovating, expanding, and making basic repairs to emergency department and other health facilities (collectively referred to herein as the "Project"); and

2. The Board desires to renovate and expand the District's facilities to ensure that they are fully functional even if cut off from water, sewer, power, and gas utilities; are seismically upgraded to meet current standards; construct new wings to provide a state-of-the-art emergency department and inpatient acute care wing for improved care and privacy; and to acquire and install modern medical technology; and

3. In 2025 the District issued Bond Anticipation Notes (the "Bond Anticipation Notes") as required by the District's United States Department of Agriculture Loan (the "USDA Loan") to provide construction financing for a portion of the Project, which Bond Anticipation Notes are a short term financing to be refinanced with a portion of the long term District general obligation bonds that the District expects to sell to USDA to obtain low-interest long-term permanent financing for the Project; and

4. The District's existing sources of funding, including moneys received from the State of California (the "State") and the federal government, do not provide the District with enough money for the District to adequately upgrade and repair its properties and medical facilities; and

5. Legislated future federal funding cuts to Medicaid will reduce the District's ability to fund the Project; and

6. The Board has concluded that the District's only option is to secure local funding that cannot be diverted to other projects in the State or the County of San Bernardino; and

7. The Board has received information regarding the possibility of a local bond measure and its impact on improving and maintaining the District's properties and medical facilities; and

8. The Board believes such a measure should include taxpayer protections, including an independent citizens' oversight committee and audits to ensure funds are spent properly; and

9. Funding from a local measure can improve the quality of life in our communities by expanding access to medical treatment and health facilities for children, seniors and people of all ages; and

10. Proposition 46, approved by the voters of the State of California on June 3, 1986 ("Proposition 46"), amended Section 1(b) of Article XIIIA of the California Constitution by adding a

provision which exempts from the 1% of full cash value limitation, those *ad valorem* taxes used to pay for debt service of any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978; and

11. The Board desires to make certain findings herein to be applicable to this election order and to establish certain audits, standards of financial accountability, annual community reports and citizen oversight; and

12. The Board desires to authorize the submission of a local measure to the District's voters at an election to authorize the issuance of bonds to refinance the Bond Anticipation Notes and thereby refinance the cost of certain necessary acquisition, upgrades, renovations, expansions, and repairs to District properties and medical facilities; and

13. Elections Code Section 9400 *et seq.* requires that a tax rate statement be contained in all official materials relating to the election, including any ballot pamphlet prepared, sponsored, or distributed by the District; and

14. The Board desires to authorize the filing of a tax rate statement and ballot argument in favor of the proposition to be submitted to the voters at the election; and

15. Pursuant to the Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, November 3, 2026, and to request the San Bernardino County Registrar of Voters to perform certain election services for the District.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE SAN BERNARDINO MOUNTAINS COMMUNITY HOSPITAL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Health and Safety Code Section 32301, *et seq*. hereby requests the San Bernardino County Registrar of Voters to conduct an election under the provisions of Proposition 46 and Elections Code Section 9400, *et seq.* and submit to the voters of the District the question of whether bonds of the District in the aggregate principal amount of up to $61,000,000 (the "Bonds") shall be issued and sold for the purpose of raising money for the projects described in Exhibits "A" and "B" hereto. Both exhibits are directed to be printed in the voter pamphlet.

Section 2. That the date of the election shall be November 3, 2026.

Section 3. That the purpose of the election shall be for the voters in the District to vote on a proposition, a copy of which is attached hereto and marked Exhibit "A," incorporated by reference herein, and containing the question of whether the District shall issue the Bonds to pay for improvements to the extent permitted by such proposition. The ballot propositions in Exhibits "A" and "B" are subject to the following requirements and determinations:

(a) that the proceeds of the sale of the Bonds shall be used only for the purposes set forth in the ballot measure, including the expenses for the authorization, issuance and sale of such Bonds (excluding District staff compensation), and not for any other purpose (i.e., not for employee salaries and other operating expenses);

(b) that the District shall prepare an annual report each year as required by Government Code Section 53411 identifying the amount of funds collected and expended and the status of projects being funded, and shall pursuant to Government Code Section 53410, shall create an account into which such Bond proceeds shall be deposited;

(c) that the Board, in establishing the plan for financing the projects set forth in Exhibit "B," has evaluated alternative funding sources;

(d) that the Board shall cause annual financial audits of the proceeds from the sale of Bonds to be conducted to ensure that bond proceeds have been spent pursuant to the financing plan described in (c) above and on public infrastructure projects described in Exhibit B;

(e) that the financial audits required by Section (d) above shall be posted in a manner that is easily accessible by the public;

(f) that the Board will cause the appointment of a Citizens' Oversight Committee. The Citizens' Oversight Committee shall engage in the following activities relating solely and exclusively to the expenditure of the bond proceeds:

(i) Review the use of bond revenues and determine whether such funds were only used for purposes set forth in the ballot measure; and

(ii) Receive and review copies of the annual financial audits.

Section 4. That the authority for ordering the election is contained in Health and Safety Code Section 32301.

Section 5. That the authority for the specifications of this election order is contained in Health and Safety Code Section 32301.

Section 6. That the San Bernardino County Registrar of Voters and the San Bernardino County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 3, 2026 within the District. Pursuant to Elections Code Section 10403, the Board acknowledges that the consolidation election will be held and conducted in the manner described in Elections Code Sections 10408 and 10418.

Section 7. That the Secretary of the Board is hereby directed to deliver a certified copy of this Resolution to the San Bernardino County Registrar of Voters no later than August 7, 2026.

Section 8. The Bonds shall be issued pursuant to Section 32300, *et seq*. of the Health and Safety Code or pursuant to Government Code Section 53506. The maximum rate of interest on any Bond shall not exceed the maximum rate allowed by Health and Safety Code Section 32305 and Government Code Section 53531 and shall have a term not to exceed 30 years.

Section 9. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass of the returns of the election be made by anybody or official authorized by law to canvass such returns, and that the Board consents to such consolidation. The Board further authorizes the submission of a tax rate statement and primary and rebuttal arguments, as appropriate, to be filed with the San Bernardino County Registrar of Voters by the established deadlines.

Section 10. The Board authorizes the District Chief Executive Officer or his designee to enter into professional services agreements with Fieldman, Rolapp & Associates, Inc. as municipal advisor and Stradling Yocca Carlson & Rauth LLP, as bond counsel in connection with the matters authorized by this resolution.

Section 11. Pursuant to Elections Code Section 10002, the Board of Supervisors of San Bernardino County is requested to permit the Registrar of Voters to render all services specified by Elections Code Section 10418 relating to the election, for which services the District agrees to reimburse San Bernardino County, such services to include the publication of a Formal Notice of Bond Election and the mailing of the sample ballot and tax rate statement (described in Elections Code Section 9401).

ADOPTED, SIGNED AND APPROVED this 5th day of August, 2026.

SAN BERNARDINO MOUNTAINS COMMUNITY HOSPITAL DISTRICT

By ________________________________
President

Attest:

____
Secretary

STATE OF CALIFORNIA)
)ss
SAN BERNARDINO COUNTY)

I, Jeri Simpson, do hereby certify that the foregoing is a true and correct copy of Resolution No. 2027-02, which was duly adopted by the Board of Directors of the San Bernardino Mountains Community Hospital District at the meeting thereof held on the 5th day of August, 2026, and that it was so adopted by the following vote:

AYES: 4

NOES: 0

ABSENT: 1

ABSTENTIONS: 0

By ______________________________
Secretary

EXHIBIT A

"To repair and upgrade 75-year-old Mountains Community Hospital including: fixing deteriorating roofs, plumbing, electrical, and safety systems; upgrading/expanding emergency department, medical technology, and treatments; and maintaining local access to life-saving emergency medical care for accidents, heart attacks, strokes, and other emergencies, shall San Bernardino Mountains Community Hospital District's measure be adopted authorizing $61,000,000 in bonds at legal rates, levying $25 per $100,000 assessed value ($3,500,000 annually) while bonds are outstanding, with independent oversight and all money locally-controlled?"

Yes　　　　　　　　No