

**ORDER CALLING BOND ELECTION FOR MAY 10, 2014;**  
**MAKING PROVISIONS FOR CONDUCTING THE ELECTION; AND**  
**ORDERING OTHER MATTERS INCIDENT AND RELATED TO SUCH ELECTION**

THE STATE OF TEXAS §  
COUNTY OF LYNN §  
LYNN COUNTY HOSPITAL DISTRICT §

WHEREAS, the Board of Directors (the "Board") of the Lynn County Hospital District (the "District") has, among others, the power to issue bonds for the construction and equipment of hospital buildings and nursing homes in the District (including the rehabilitation, renovation, improvement and repair thereof); and

WHEREAS, the Board hereby finds and determines that it is in the public interest to call and conduct a bond election at the earliest practicable date to authorize the issuance of general obligation bonds to construct these capital improvements within the District; and

WHEREAS, the Board hereby finds and determines that the bond election should be held for the construction of a new hospital and the renovation of its existing hospital building into a nursing home; and

WHEREAS, the Board hereby finds and determines that the construction of the new hospital and the renovation of the existing hospital building into a nursing home are so related that they should be submitted as a single proposition; and

WHEREAS, the Board hereby finds and determines that the new hospital and the nursing home are necessary to provide long term health care services to meet the needs of the District in accordance with Section 1054.113, Texas Special District Local Laws Code, and to meet its responsibility of operating all hospital facilities and for providing medical care for the District's needy inhabitants, as required by Section 1054.101, Texas Special District Local Laws Code, and Article IX, Section 9 of the Texas Constitution; and

WHEREAS, the Board has determined that May 10, 2014, would constitute an appropriate date for such an election; and,

WHEREAS, the Board also has the authority pursuant to Chapter 31, Texas Election Code, to enter into a contract for election services with Lynn County; and

WHEREAS, the Board also has the authority pursuant to Chapter 271, Texas Election Code, to enter into joint election agreements with the other political subdivisions also holding a general or special election on the same date.

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF THE LYNN COUNTY HOSPITAL DISTRICT THAT:

Section 1. Call of Election; Date; Eligible Electors; and Hours. A special election (the "Election") shall be held on Saturday, May 10, 2014 which is seventy-one (71) or more days from the date of the adoption of this order (the "Order") within and throughout the territory of the District at which all resident, qualified electors of the District shall be entitled to vote. The Board hereby finds that holding the Election on such date is in the public interest. The hours during which the polling places are to be open at the Election shall be from 7:00 o'clock a.m. to 7:00 o'clock p.m.

Section 2. Voting Precincts; Polling Places; Election Judges and Clerks. On Election Day, the boundaries and territory of each Hospital District Election Precinct shall be comprised of the territory of existing Lynn County Election Precincts with polling places as follows:

<u>Hospital District Election Precinct</u>	<u>County Election Precinct Numbers</u>	<u>Election Day Polling Place</u>
1	1, 5, 6, 7, 9, 12	Life Enrichment Center, Tahoka, TX
2	2, 8	Wilson Mercantile, Wilson, TX
3	3, 10	O'Donnell Community Center, O'Donnell, TX
4	4, 11, 13	New Home Community Center, New Home, TX

The Board hereby appoints the following persons to serve as the Presiding Election Judge, for each respective Hospital District Election Precinct for the Election and will establish the rate of compensation for such officials at a subsequent meeting of the Board. The presiding judges are authorized to hire up to 2 clerks to assist them in the conduct of the Election at their respective polling place.

<u>Precinct</u>	<u>Presiding Judge</u>
1	Donna Brooks, PO Box 855, Tahoka, TX 79373
2	Clyde May, 883 FM 400, Wilson, TX 79381
3	Amanda Stidham, PO Box 455, O'Donnell, TX 79351
4	Dabney Bush, 709 FM 211, Tahoka, TX 79373

The Board hereby appoints the following person to serve as the Alternate Presiding Judge for each respective election precinct. The Alternate Presiding Election Judge may be appointed as a clerk. The Alternate Presiding Election Judge may serve as the Presiding Election Judge for the precinct in the absence of the Presiding Election Judge.

<u>Precinct</u>	<u>Alternate Presiding Judge</u>
1	Gary Jones, Tahoka, TX 79373
2	Helen Stevenson, Wilson, TX 79381
3	Linda Rosales, O'Donnell, TX 79351
4	

Section 3. Proposition. At the Election there shall be submitted to the resident, qualified electors of the District the following proposition (the "Proposition"):

PROPOSITION

SHALL THE BOARD OF DIRECTORS (THE "BOARD") OF THE LYNN COUNTY HOSPITAL DISTRICT (THE "DISTRICT") BE AUTHORIZED TO ISSUE GENERAL OBLIGATION BONDS OF THE DISTRICT IN THE AMOUNT OF \$28,000,000.00 FOR THE PURPOSE OF THE CONSTRUCTION AND EQUIPPING OF A NEW HOSPITAL AND THE RENOVATION OF THE EXISTING HOSPITAL BUILDING INTO A NURSING HOME, WHICH BONDS MAY BE ISSUED IN VARIOUS SERIES OR ISSUES, MAY BE SOLD AT ANY PRICE OR PRICES, SHALL MATURE SERIALLY OR OTHERWISE NOT MORE THAN 40 YEARS FROM THEIR DATE OR DATES AND BEAR INTEREST AT SUCH RATE OR RATES (FIXED, VARIABLE, FLOATING, ADJUSTABLE OR OTHERWISE) AS SHALL BE DETERMINED BY THE BOARD WITHIN ITS DISCRETION AT THE TIME OF ISSUANCE, BUT NOT TO EXCEED THE MAXIMUM RATE NOW OR HEREAFTER AUTHORIZED BY LAW; AND SHALL THE BOARD BE AUTHORIZED TO LEVY AND PLEDGE, AND CAUSE TO BE ASSESSED AND COLLECTED, ANNUAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY IN THE DISTRICT SUFFICIENT, TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THEY BECOME DUE, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS AND THE UNITED STATES OF AMERICA?

Section 4. Ballots. The ballots shall be suitable for use with an electronic voting system, and shall otherwise conform to the requirements of the Election Code so as to permit the electors to vote "FOR" or "AGAINST" the aforesaid measure which shall appear on the ballot substantially as follows:

**OFFICIAL BALLOT**

**PROPOSITION**

- [ ] FOR THE ISSUANCE OF \$28,000,000.00 GENERAL OBLIGATION BONDS FOR CONSTRUCTION, ACQUISITION, RENOVATION AND EQUIPMENT OF A HOSPITAL AND A NURSING HOME IN THE DISTRICT, AND THE LEVYING OF THE TAX IN PAYMENT THEREOF
- [ ] AGAINST

Section 5. Early Voting. The Board appoints Stace Holland as the District's Regular Early Voting Clerk and Susan Tipton as the District's Joint Early Voting Clerk. The Joint Early Voting Clerk shall appoint the Deputy Early Voting Clerks.

Early voting in the Election by personal appearance shall be for the period permitted by law, which shall begin on Monday, April 28, 2014, and continue through Tuesday, May 6, 2014. During the period that early voting is required or permitted by law, early voting shall be conducted on the dates and at the times designated by this Order. The Main Early Voting Polling Place shall also remain open on the day of the Election during the hours the polls are required to be open for voting by the Election Code.

Early Voting by Personal Appearance

Early voting by personal appearance shall be conducted at the Main Early Voting Polling Place, such being the office of the County Clerk at 1501 S. 1<sup>st</sup> Street, Tahoka, Texas 79373, and which shall be open for voting on Monday thru Friday, April 28, 2014 thru May 6, 2014, 8:30 a.m. – noon and 1:00 p.m. -5:00 p.m.

Early Voting by Mail

Ballot applications shall be addressed to the District's Early Voting Clerk at the following address:

Early Voting Clerk  
Lynn County Hospital District  
Lynn County Clerk  
PO Box 937  
Tahoka, Texas 79373

or physical address is 1501 S. 1<sup>st</sup> Street, Tahoka, TX 79373.

Section 6. Conduct of Election and Joint Election Agreement. The Election shall be conducted by election officers, in accordance with Chapter 1054, Texas Special

District Local Laws Code, the Texas Election Code and the Constitution and laws of the State of Texas and the United States of America. An electronic voting system, as defined and described in Title 8 of the Texas Election Code, shall be utilized for the Election.

Pursuant to Chapter 31 of the Texas Election Code, the Board orders that this Election be conducted under the terms and conditions of an Election Services Agreement between Lynn County and the District.

Pursuant to Chapter 271 of the Texas Election Code, the Board orders that this Election be conducted under the terms and conditions of an Agreement to Conduct Joint Elections (the "Joint Agreement"), which agreement shall be presented to the Board for its approval. Chapter 271 of the Texas Election Code provides that the authorities of two or more political subdivisions that have ordered elections for the same day in all or part of the same territory, may enter into an agreement to hold the elections jointly in election precincts that can be served by common polling places, and the Board is expressly authorizing this action.

Section 271.003 of the Texas Election Code provides that voters of a particular election precinct or a political subdivision may be served in a joint election by a common polling place located outside the boundary of the election precinct or political subdivision if the location can adequately and conveniently serve the affected voters and will facilitate the orderly conduct of the elections. To the extent that any polling place for any election precinct used by the District in the conduct of the Election is located outside the boundaries of the election precinct or the District, the Board specifically finds that the polling place selected by the Joint Agreement is convenient and will adequately serve the voters of the District.

Section 7. Delivery of Voted Ballots; Counting; Tabulation; Canvassing of Returns; Declaring Results. In accordance with the requirements of the Election Code, the Election Officers shall make and deliver a written return of the Election. The Board shall canvass the returns and declare the results of the Election.

If a majority of the resident, qualified electors of the District voting at the Election, including those voting early, shall vote in favor of the Proposition, then the issuance and sale of the bonds shall be authorized in the maximum respective amount contained therein, and the bonds shall be issued and sold at the price or prices and in such denominations determined by the Board to be in the District's best interests.

Section 8. Appointment of Custodian of Records. To the extent not otherwise provided for in the Election Services Agreement, or in any Joint Election Agreement, the Board appoints Stace Holland, an employee of the District, as the Custodian of Records ("Custodian") to perform the duties related to the conduct and maintenance of records of the Election as required under the Texas Election Code during the period beginning the third day after the approval of this Order and ending not earlier than the fortieth (40th) day after the day of the Election. In particular, the Custodian shall accept and maintain records regarding campaign expenditures that may be filed with the District.

The Custodian shall maintain an office open for Election duties for at least three hours each day, during regular office hours, on regular business days during the period designated in this section. The Custodian shall post notice of the location and hours of her office as required by the Texas Election Code. The Custodian shall maintain in her office the documents, records and other items relating to the Election and shall be the person designated to receive documents on behalf of the District that are required by the Texas Election Code.

Section 9. Election information to be provided in Spanish. The President of the Board and all other election officers appointed by the Board responsible for the preparation of notices, instructions, orders, ballots and other written material pertaining to the Election shall cause each such document to be translated into and furnished to voters in both the English language and the Spanish language in order to aid and assist voters speaking Spanish as a primary or an alternative language to properly participate in the election process. In addition, the President of the Board and other responsible election officers are hereby authorized and directed to make available to the voters having the need of an individual capable of acting as a translator and speaking both English and Spanish languages who will assist Spanish speaking voters in understanding and participating in the election process.

Section 10. Notice of Election Publication and Posting Requirements.

Publication of Notice of Election

Notice of the Election, containing a substantial copy of this Order, shall be published one time in the English and Spanish languages, in a newspaper published within the District's territory at least 10 days and no more than 30 days before the Election and as otherwise may be required by the Texas Election Code.

Posting of Notice of Election

Notice of the Election, containing a substantial copy of this Order, in both the English and Spanish languages, shall also be posted (i) on the bulletin board used by the Board to post notices of the Board's meetings, (ii) at three (3) other public places within the District, and (iii) on the District's Internet website, if the District maintains an Internet website, no later than the 21st day before the Election.

A copy of this Order, in both the English and Spanish languages, shall be posted in a prominent location at each polling place on Election Day and during early voting by personal appearance.

Miscellaneous

Section 11. Outstanding Debt Service of the District. As of September 1, 2013, the total outstanding amount of all bonded indebtedness of the District is \$0.00, consisting of \$0.00 in principal and \$0.00 of interest.

Section 12. Tax Rate of the District. The ad valorem debt service tax rate of the District for the year 2013/14 is \$0.00 per \$100 taxable assessed valuation. The estimated debt service tax rate of the District if the bonds were authorized and issued at the time of this Order under current market conditions is \$0.50/\$100. However, the District anticipates receiving Medicare reimbursements for the Hospital/Nursing Home project which would permit the District to reduce the debt service tax rate to approximately \$0.34/\$100.

Section 13. Authority of the Chief Executive Officer. The Chief Executive Officer of the District shall have the authority to take, or cause to be taken, all actions reasonable and necessary to ensure that the Election is fairly held and returns properly counted and tabulated for canvass by the Board, which actions are hereby ratified and confirmed.

Section 14. Taxes May Be Imposed. Taxes sufficient to pay the annual principal of and interest on the General Obligation Bonds may be imposed.

Section 15. Maximum Maturity. The District anticipates that the maximum maturity of the general obligation bonds will be thirty (30) years, but will not exceed forty (40) years.

Section 16. Preamble Incorporation. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 17. Inconsistent Provisions. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters ordered herein.

Section 18. Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 19. Severability. If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Order would have been enacted without such invalid provision.

Section 20. Notice of Meeting. The Board officially finds, determines, recites and declares that written notice of the date, hour, place and subject of the meeting at

which this Order is adopted was posted on a bulletin board located at a place convenient to the public at the District's administrative offices for at least 72 hours preceding the scheduled time of the meeting; that a telephonic or telegraphic notice of such meeting was given to all news media who have consented to pay any and all expenses incurred by the District in connection with providing such notice, both as required by the Open Meetings Law, Chapter 551, Texas Government Code, as amended; and that such meeting was open to the public as required by law at all times during which this Order and the subject matter thereof was discussed, considered and formally acted upon.

Section 21. Authorization to Execute. The President of the Board is authorized to execute and the Secretary of the Board is authorized to attest this Order on behalf of the Board; and the President of the Board is authorized to do all other things legal and necessary in connection with the holding and consummation of the Election.

Section 22. Effective Date. This Order is effective immediately upon its passage and approval.

PASSED AND APPROVED February 11, 2014.

/S/ Janice Horwood  
President, Board of Directors

ATTEST:

/S/ Stace Holland  
Secretary, Board of Directors