

**BOARD OF DIRECTORS
OF THE
PALM DRIVE HEALTH CARE DISTRICT**

RESOLUTION NO. 01 - 09

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALM DRIVE HEALTH CARE DISTRICT (i) ABANDONING THE SALE AND DELIVERY OF THE PALM DRIVE HEALTH CARE DISTRICT REVENUE BONDS, SERIES 2000 A AND THE PALM DRIVE HEALTH CARE DISTRICT REVENUE BONDS, SERIES 2000 B; AND, (ii) TAKING CERTAIN OTHER ACTIONS RELATED TO THE BONDS.

WHEREAS, on October 5, 2000, the Board of Directors ("Board") of Palm Drive Health Care District ("District"), adopted: (1) Resolution No. 00-05, authorizing the issuance of revenue bonds pursuant to California Health and Safety Code Section 32121.9; and, (2) Resolution No. 00-06, authorizing the execution and delivery of an indenture, official statement, bond purchase contract, continuing disclosure agreement, and certain other actions in connection with the issuance, sale and delivery of the Palm Drive Health Care District Revenue Bonds, Series 2000 A and of the Palm Drive Health Care District Revenue Bonds, Series 2000 B (the Series 2000 A and Series 2000 B Bonds are hereafter referred to collectively as the "Bonds"); and,

WHEREAS, prior to the delivery of the continuing disclosure agreement, in an effort to save the District underwriting fees, the District, through its agents and financial advisors, communicated with local financial institutions regarding the prospective sale of the Bonds;

WHEREAS, since October 5, 2000, the District is and has been operating at a deficit without revenue from which the Bond obligations can be satisfied;

WHEREAS, the District has been unable to obtain any commitment from any financial institution to purchase the Bonds because of the District's lack of revenue; and,

WHEREAS, the District wishes to abandon the issuance and sale of the Bonds, on the terms and conditions set forth in this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palm Drive Health Care District that:

SECTION 1. All of the above recitals are true and correct.

SECTION 2. The District hereby abandons the issuance, sale, and delivery of the Bonds.

SECTION 3. The District, its agents, and its financial advisors will refrain from efforts to market or sell the Bonds and shall take such actions as are reasonably necessary to halt the Bond issuance.

PASSED AND ADOPTED this 2nd day of Feb, 2001, by the following vote:

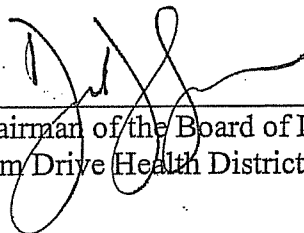
AYES: 5

NOES: 0

ABSTAIN: 0

ABSENT: 0

APPROVED:



Chairman of the Board of Directors of the
Palm Drive Health District

ATTEST:



Secretary of the Board of Directors of the
Palm Drive Health Care District

SECRETARY'S CERTIFICATE

I, Barbara Graves, Secretary of the Board of Directors of the Palm Drive Health Care District ("District"), County of Sonoma, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a special meeting of the Board of Directors of said District duly held at the regular meeting place thereof on the 2nd day of Feb, 2000, of which meeting all of the members of the Board of Directors of the District had due notice and at which a quorum thereof was present; and at such meeting such resolution was adopted by the following vote:

AYES: 5

NOES: 0

ABSTAIN: 0

ABSENT: 0

An agenda of said meeting was posted at least 24 hours before said meeting at 501 Petaluma Avenue, Sebastopol, California 95472, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the original minutes of such meeting on file and of record in my office; the attached resolution is a full, true and correct copy of the original resolution adopted at such meeting and entered in such minutes; and such resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 2nd day of February 2000.

Barbara R Graves
Secretary of the Board of Directors of
Palm Drive Health Care District