

RESOLUTION No. 06-84

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALM DRIVE HEALTH CARE DISTRICT AUTHORIZING THE PALM DRIVE HEALTH CARE DISTRICT TO INCUR INDEBTEDNESS OF \$200,000.

WHEREAS, the Palm Drive Health Care District (the "District") is authorized pursuant to Health and Safety Code § 32130 to incur indebtedness in an amount not to exceed 85% of all estimated income and revenue for the current fiscal year, including, but not limited to, tax revenue, operating income, and any other miscellaneous income received by the District;

WHEREAS, indebtedness incurred under Health and Safety Code § 32130 must be repaid within the same fiscal year;

WHEREAS, the Board of Directors (the "Board") of the District has been advised by Palm Drive Hospital's (the "Hospital") Chief Financial Officer that the District currently has a cash shortfall jeopardizing operations of the Hospital and that the sum of \$200,000 is reasonably needed to fund operations for the balance of the current calendar year;

WHEREAS, Stephen and Shawndra Simpson have offered to loan the District the sum of \$200,000 (the "Loan");

WHEREAS, the Loan shall be evidenced by a promissory note in the form attached as Exhibit "A" hereto. As shown in the promissory note attached as Exhibit "A," the Loan shall be due and payable prior to the end of the current fiscal year;

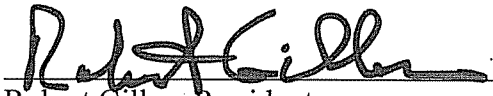
WHEREAS, the proceeds of the Loan shall be used for the benefit of the District generally, and more specifically, for medical services, including emergency, medical/surgical, intensive care and outpatient services.

NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE PALM DRIVE HEALTH CARE DISTRICT:

1. All of the above recitals are true and correct.
2. The Board hereby approves the Loan transaction described above.
3. The Board authorizes and directs the President of the Board to consummate the Loan transaction above and execute the promissory note attached as Exhibit "A."
4. The Board authorizes the President to take such other further and necessary actions reasonably required to consummate the Loan transaction in substantially the form described above.

Approved and adopted at a special meeting of the Board of Directors this 16th day of November, 2006, by the following vote:

AYES	<u>4</u>
NOES	<u>0</u>
ABSENT	<u>1</u>
ABSTAIN	<u>0</u>

  
\_\_\_\_\_  
Robert Gillen, President  
PALM DRIVE HEALTH CARE DISTRICT

ATTEST:

  
\_\_\_\_\_  
Irma Cordova, Secretary  
PALM DRIVE HEALTH CARE DISTRICT