

**RESOLUTION No. 08-13**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALM DRIVE HEALTH CARE DISTRICT AUTHORIZING THE PALM DRIVE HEALTH CARE DISTRICT TO INCUR SHORT-TERM INDEBTEDNESS NOT TO EXCEED \$250,000.00**

**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, the District has the power and authority to borrow "unsecured" loans without Bankruptcy Court approval;**

**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") Interim Controller that the District currently has a cash shortfall jeopardizing operations of the Hospital and that the sum not to exceed \$250,000.00 is reasonably needed to fund operations for the balance of the fiscal year.**

**WHEREAS, the Community Foundation, Sonoma County, is considering a line of credit to the District in the sum not to exceed \$250,000.00 (the "Loan");**

**WHEREAS, if the Community Foundation, Sonoma County, determines not to make the loan then application will be made to another individual;**

**WHEREAS, the Loan shall be evidenced by a note and shall have an interest rate not to exceed 9% and shall mature no later than June 30, 2009;**

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**WHEREAS, 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:**

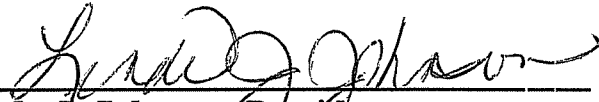
- 1. All of the above recitals are true and correct.**
- 2. The Board hereby approves the Loan transaction described above.**
- 3. The Board authorizes and directs the Chief Executive Officer to consummate the Loan transaction above and execute the note.**
- 4. The Board authorizes the Chief Executive Officer 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 fourteenth day of July, 2008, by the following vote:**

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

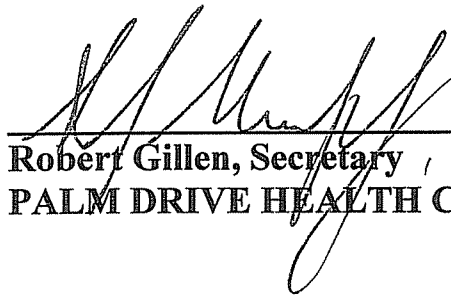
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Linda J. Johnson, President  
PALM DRIVE HEALTH CARE DISTRICT

ATTEST:



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Robert Gillen, Secretary, Stephen Murphy, Interim Secretary  
PALM DRIVE HEALTH CARE DISTRICT