

6/19/09 orig: Quint & Thimmig
05/07/09
06/02/09
cc: BGD Binder
Sullivan

PALM DRIVE HEALTH CARE DISTRICT

RESOLUTION NO. 09-08

RESOLUTION APPROVING THE FORMS AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS, APPROVING THE FORM AND AUTHORIZING AND DIRECTING DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF CERTIFICATES OF PARTICIPATION RELATING THERETO, APPROVING THE FORM AND AUTHORIZING AND DIRECTING EXECUTION OF A CERTIFICATE PURCHASE AGREEMENT AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the Board of Directors (the "Board") of the Palm Drive Health Care District, Sebastopol, California (the "District"), as follows:

WHEREAS, the District desires to (a) refinance certain outstanding obligations incurred by the District in connection with prior operations, including but not limited to any or all expenses incidental thereto or connected therewith, and (b) pay certain equipment and facilities improvements costs (the "Project");

WHEREAS, to such ends, the District proposes to enter into a lease financing and to provide for the execution and delivery of certificates of participation to be sold to investors;

WHEREAS, the District's obligation to make payments with respect to such lease financing will be secured by a first and prior lien on the revenues derived by the District from a special parcel tax approved by the qualified voters of the District on November 2, 2004 (the "Parcel Tax"), and will not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, other than the Parcel Tax;

WHEREAS, the obligation of the District to make such payments secured by the Parcel Tax will be on a parity, as to payment and security, with the District's obligations with respect to its outstanding Parcel Tax Revenue Bonds, Series 2005 (the "2005 Bonds"), issued pursuant to that certain Indenture of Trust, dated as of April 1, 2005 (the "1995 Indenture"), by and between the District and Wells Fargo bank National Association, as successor to The Bank of New York Trust Company, N.A. (the "Trustee");

WHEREAS, it is in the public interest and for the public benefit that the District authorize and direct the execution of certain financing documents in connection therewith;

WHEREAS, in connection with such lease financing, it is necessary to make certain amendments to the 1995 Indenture to clarify certain provisions relating to the issuance and

security of obligations issued or incurred on a parity with the 2005 Bonds, including the District's obligations under the Lease Agreement (hereinafter defined); and

WHEREAS, the documents below specified have been filed with the District and the members of the Board, with the aid of its staff, have reviewed said documents;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. Certificates of Participation (2009 Parcel Tax Secured Financing Program) (the "Certificates") are hereby authorized to be executed and delivered pursuant to the provisions of the Trust Agreement, as hereinafter defined.

Section 2. The below-enumerated documents, substantially in the form on file with the Secretary, be and are hereby approved and the Chairman, the Vice Chairman, the Chief Executive Officer or the Chief Financial Officer is hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such official, including changes that may be required in connection with procuring a rating for the Certificates or otherwise required to market the Certificates at the lowest borrowing cost to the District, and the Secretary is hereby authorized and directed to attest to such official's signature:

(a) a First Amendment to Trust Indenture, by and between the District and the Trustee, amending the 2005 Indenture;

(b) a facilities lease, by and between the District, as lessor, and the Northern California Health Care Authority (the "Authority"), as lessee, pursuant to which the District will lease the Facilities to the Authority;

(c) a lease agreement, by and between the Authority, as lessor, and the District, as lessee (the "Lease Agreement"), pursuant to which the Authority will sublease the Facilities back to the District, so long as the total principal amount of the Certificates does not exceed \$17,000,000, so long as the average interest rate to be paid with respect to the Certificates does not exceed 10% and so long as the maturity of the Certificates does not extend beyond November 1, 2039;

(d) a trust agreement (the "Trust Agreement"), by and among the Authority, the District and the Trustee, relating to the financing, and the execution and delivery of the Certificates;

(e) a tax collection and transfer agreement, by and among the District, the Trustee and Sonoma County; and

(f) a purchase agreement, by and between Sutter Securities Incorporated (the "Underwriter"), and the District, agreed to and accepted by the Authority, relating to the purchase by the Underwriter of the Certificates, so long as the Underwriter's discount does not exceed 2% of the principal amount of the Certificates, exclusive of any original issue discount which does not represent compensation to the Underwriter.

Section 3. The preliminary official statement describing the District, the Parcel Tax, the documents and other aspects of the financing (the "Preliminary Official Statement"),

substantially in the form on file with the Secretary, be and is hereby approved. The Board authorizes and directs the Chairman, the Vice Chairman, the Chief Executive Officer or the Chief Financial Officer, on behalf of the District, to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Preliminary Official Statement prior to its distribution by the Underwriters.

Section 4. The Chairman, the Vice Chairman, the Chief Executive Officer or the Chief Financial Officer is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Certificates, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Certificates, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Certificates, and does not, as of the date of delivery of the Certificates, contain any untrue statement of a material fact with respect to the District or omit to state material facts with respect to the District required to be stated where necessary to make any statement made therein not misleading in light of the circumstances under which it was made. The Chairman, the Vice Chairman, the Chief Executive Officer or the Chief Financial Officer shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the Final Official Statement, which shall include such changes and additions thereto deemed advisable by the Chairman, the Vice Chairman, the Chief Executive Officer or the Chief Financial Officer and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Final Official Statement by the District.

Section 5. The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Certificates.

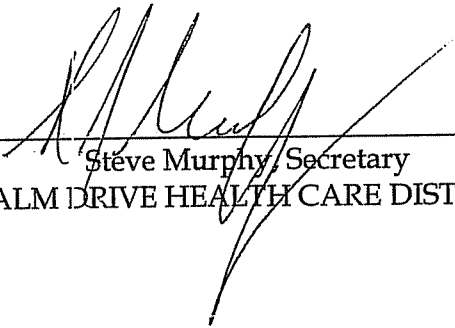
Section 6. The Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Financial Officer the Secretary and all other appropriate officials of the District are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the financing herein authorized. All actions heretofore taken by the officers and agents of the District with respect to the execution, delivery and sale of the Certificates are hereby approved, confirmed and ratified. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 7. This Resolution shall take effect upon its adoption by this Board.

I, the undersigned Secretary of the Palm Drive Health Care District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of

Directors of the District at a meeting thereof on the 15th day of June, 2009, by the following vote of the members thereof:

AYES: 3
NOES: 0
ABSTAIN: 1
ABSENT: 1



Steve Murphy, Secretary
PALM DRIVE HEALTH CARE DISTRICT