

**RESOLUTION No. 09-24**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALM DRIVE HEALTH CARE DISTRICT AUTHORIZING THE PALM DRIVE HEALTH CARE DISTRICT TO INCUR INDEBTEDNESS OF \$750,000.00 UNDER A LOAN**

**WHEREAS, the Palm Drive Health Care District (the "District") is authorized pursuant to Health and Safety Code § 32130.6 to enter into a loan with unnamed lenders that is secured by anticipated tax revenues of the District, and thereafter borrow funds to be used for any District purpose;**

**WHEREAS, the Board of Directors (the "Board") of the District has been advised by the Palm Drive Hospital's (the "Hospital") interim Chief Financial Officer that the sum of \$750,000.00 is reasonably needed to fund operations for the 2009 calendar year;**

**WHEREAS, unnamed lenders are considering a Loan to the District in the sum of up to \$750,000.00 (the "Loan");**

**WHEREAS, the Loan shall be evidenced by a note and shall have a commercially reasonable interest rate and shall mature no later than June 30, 2010;**

**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;**

**WHEREAS, the district currently receives parcel tax revenues from a parcel tax measure ("Measure W") enacted by more than two-thirds of those voters in the District who voted in the November 2004 election;**

**WHEREAS, the parcel tax revenues are currently placed in trust with Wells Fargo Bank (the "Trustee") for payment to bond holders**

who purchased the 2005 Revenue Bonds sold by the district and then for delivery to the District after such payment;

**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 interim Chief Executive Officer to consummate the Loan transaction above and execute such documents as evidence the Loan and the security interest in the parcel tax revenue.**
- 4. The Board authorizes the interim Chief Executive Officer to take such other further and necessary actions reasonably required to consummate the Loan transaction in substantially the form described above, including, without limitation:**
  - (i) Obtaining the consent of the Bankruptcy Court in which the Current Chapter 9 proceeding of the District is pending.**
  - (ii) Sending a letter to the Trustee directing that parcel tax revenues of the District, hereafter collected by it, beyond those necessary to repay the 2005 bond holders be delivered to the lender for the repayment of the Loan before any excess parcel tax revenues are delivered to the District.**
- 5. This Resolution shall take effect immediately upon its adoption by the Board of the District.**

Approved and adopted at a Special meeting of the Board of Directors this twelfth day of October, 2009, by the following vote:

AYES          4    
NOES                
ABSENT       1    
ABSTAIN          



\_\_\_\_\_  
**Dan Smith, President**  
**PALM DRIVE HEALTH CARE DISTRICT**

**ATTEST:**



\_\_\_\_\_  
**Stephen Murphy, Secretary**  
**PALM DRIVE HEALTH CARE DISTRICT**