



PALM DRIVE HEALTH CARE
DISTRICT



SONOMA WEST MEDICAL CENTER

GOVERNING BODY SPECIAL MEETING AGENDA
November 18, 2016 – 7:00 a.m.

OPEN SESSION

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| 1. | CALL TO ORDER | Jim Maresca, President |
| 2. | ROLL CALL | Jim Maresca, President |
| 3. | APPROVAL OF AGENDA* | Jim Maresca, President |
| 4. | PUBLIC COMMENTS ON TOPICS NOT ON AGENDA | Jim Maresca, President |
| 5. | NEW BUSINESS* | |
| | A. Consideration, Discussion and Possible Adoption of Resolutions Concerning SWMC Financing, Including Amendments to the MSSA | Luke Tharasri, SWMC CEO |
| 6. | ADJOURNMENT | Jim Maresca, President |

***Denotes Action Item**

SONOMA WEST MEDICAL CENTER

Members of the public have the right to speak on any item on the published agenda. If you wish to speak about a matter not on the published agenda, please make your comments during the portion of the meeting designated for Public Comments. Please limit your remarks to three minutes. Please note that, with some exceptions, Sonoma West Medical Center Board does not engage in discussion or take action on non-agendized matters. However, the board may respond briefly to public comments; refer matters to staff; ask questions for clarification; or schedule matters for future agenda. Materials related to open session items on the agenda that are submitted to the Board or committee after distribution of the agenda packet are available for public inspection during normal business hours at 501 Petaluma Avenue, Sebastopol, CA.

Consent Items:

The Board agenda may include items on a consent calendar. Consent calendar items are routine matters or matters which have been reviewed by the board previously. These items may be approved by one motion without discussion unless a board member requests that the item be taken off the consent calendar. Items removed from the consent calendar will be taken up upon completion of action on the remainder of the items on the consent calendar.

American Disability Act (ADA)

The Sonoma West Medical Center complies with ADA (American Disabilities Act) requirements and upon request, will attempt to reasonably accommodate individuals with disabilities by making meeting material available in appropriate alternative formats (pursuant to Government Code Section 54953.2). Anyone requiring reasonable accommodation to participate in the meeting should contact Gail Mullins, Executive Assistant at (707) 829-4300.

**JOINT RESOLUTIONS OF THE GOVERNING BODY AND
BOARD OF DIRECTORS**

PALM DRIVE HEALTH CARE DISTRICT

WHEREAS, there has been presented to the Governing Body ("Governing Body") and Board of Directors (the "Board") of **PALM DRIVE HEALTH CARE DISTRICT**, a political subdivision of the State of California, organized pursuant to the terms of the Local Health Care District Law (Health and Safety Code, Sections 32000 et seq.) (the "District"), (i) a form of Credit Agreement (the "Credit Agreement") among Sonoma West Medical Center, a California nonprofit public benefit corporation (the "Borrower"), and **SCM SPECIALTY FINANCE OPPORTUNITIES FUND, L.P.**, a Delaware limited partnership ("Lender"), providing to the Borrower a revolving loan facility in an aggregate principal amount not to exceed FOUR MILLION AND NO/100 DOLLARS (\$4,000,000), with such increases as may be made pursuant to the terms and conditions set forth in the Credit Agreement and (ii) a form of Side Letter Agreement to be dated as of November 18, 2016, among the District, Lender and Borrower (the "Side Letter Agreement");

WHEREAS, Section 5.2(e) of the Governing Body Bylaws of the District dated as of March 17, 2015 (the "Governing Body Bylaws") provides that the District may not incur new indebtedness or encumber assets of the Hospital (as defined in the Governing Body Bylaws) without the approval of the Governing Body and Board.

WHEREAS, the Governing Body and Board of the District deem it to be in the best interests of the District to enter into the Side Letter Agreement.

WHEREAS, the Governing Body and Board of the District deem it to be in the best interests of the Borrower to enter into the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement).

NOW, THEREFORE BE IT RESOLVED, that (i) the District enter into the Side Letter Agreement pursuant to which the District grants to the Borrower a security interest in the Hospital Revenue, Books and Records and Related Property (each as defined therein) and (ii) the Borrower enter into the Credit Agreement and the other Loan Documents providing for, among other things, borrowings by the Borrower under a revolving loan facility in an aggregate principal amount not to exceed FOUR MILLION AND NO/100 DOLLARS (\$4,000,000), with such increases as may be made pursuant to the terms and conditions set forth in the Credit Agreement, secured by the Collateral (as defined in the Credit Agreement), that the form, terms and provisions of the Credit Agreement be, and they hereby are, authorized and approved, and that any executive officer of the District including, without limitation, Alanna Brogan as Executive Director, Jim Maresca as President, Richard Powers, MD, as Vice President, and Dennis Colthurst as Treasurer (each such person being hereinafter referred to as a "District Designated Person") be, and they are hereby authorized and directed to execute and deliver the Side Letter Agreement and any other document required thereunder, in the name and on behalf of the District, with such changes thereto of additional documents as the District Designated

Person executing the Side Letter Agreement or such other document, by his or her execution and delivery thereof, shall approve, his or her execution thereof to be conclusive evidence of the District's approval of such changes and/or additional documents; and

FURTHER RESOLVED, that in furtherance of the foregoing, to secure repayment of all sums advanced or to be advanced pursuant to the Credit Agreement, the Borrower shall be , and hereby is, authorized (by the Governing Body and Board of the District) to grant to Lender, such liens and security interests in and upon the Borrower's accounts receivable, inventory, investment property, equipment, machinery, real property, fixtures, general intangibles, trademarks and goodwill associated therewith, patents, tradenames, servicemarks, copyrights, and all other assets now owned or existing and hereafter acquired and arising, and each Borrower Designated Person (as defined in the Borrower's Resolutions of the Board of Directors, as hereinafter referred to as "Borrower Designated Person") is hereby authorized from time to time in the name and on behalf of the Borrower to take such actions and execute and deliver such notes, security agreements, collateral assignments of patents and trademarks, mortgages and/or deeds of trust, environmental indemnity agreements, financing statements, intercreditor agreements, subordination agreements and any other agreements, documents, certificates, notices and instruments as may be required or as such officer may deem necessary, advisable or proper in order to carry out and perform the Credit Agreement and any other document executed pursuant to the Credit Agreement (collectively, the "Financing Documents"); all such actions to be performed in such manner, and all such documents to be executed and delivered in such form and on such terms, as the Borrower Designated Person performing or executing thereof shall approve, his performance or execution thereof to be conclusive evidence of his approval and approval by the Board of Directors of Borrower; and

FURTHER RESOLVED, that each Borrower Designated Person is hereby authorized (by the Governing Body and Board of the District), directed and empowered for and on behalf and in the name of the Borrower now and from time to time hereafter, as he in his or her sole discretion deems advisable, necessary, expedient, convenient or proper, to: (a) cause the Borrower to borrow monies from Lender pursuant to the terms and provisions of the Credit Agreements; (b) execute and deliver to Lender such agreements, instruments and documents as Lender may request or require to effectuate the purpose and intent of the Credit Agreements, the Loan Documents, or these resolutions; (c) amend, modify, alter, extend, renew or otherwise change any of the provisions, terms, conditions, guaranties or representations contained in the Credit Agreements or the Loan Documents; and (d) execute and deliver to Lender any direction or authorization for the application, payment, transfer, receipt or other disposition of any loan proceeds made available to the Borrower by Lender pursuant to the terms and provisions of the Credit Agreements and the Loan Documents or for the transfer or other disposition of any property, real or personal, belonging to the Borrower pursuant to the terms and provisions of the Credit Agreements; and

FURTHER RESOLVED, that each Borrower Designated Person is hereby authorized (by the Governing Body and Board of the District), directed and empowered to do and perform all acts as he or she deems advisable, necessary, expedient, convenient or proper in order to consummate fully all of the transactions contemplated under the Credit Agreements, the Loan Documents, or these resolutions; and

FURTHER RESOLVED, that the Governing Body and Board of the District hereby ratifies, approves and confirms any and all acts that a District Designated Person or Borrower Designated Person has done prior to the date of these resolutions in any way relating to or arising from or in connection with the Credit Agreements, the Loan Documents, and these resolutions; and

FURTHER RESOLVED, that each District Designated Person be, and he or she hereby is, authorized and directed to take all such further action and to execute and deliver all such further instruments and documents in the name and on behalf of the District, as in his or her judgment shall be necessary, proper and advisable in order to fully carry out the intent and to accomplish the purposes of the foregoing resolutions, and each of them.

[SIGNATURE PAGE FOLLOWS]

The foregoing action is taken pursuant to the applicable California statutory law, by the written consent of all the Governing Body and Board of Directors of the District acting without a meeting.

GOVERNING BODY:

Jim Maresca

Richard Powers, MD

Dennis Colthurst

Sandra DeBella Bodley

Marsha Sue Lustig

Dan Smith

Stewart Goldberg

Craig Campbell, MD

Chris Thompson

John Balletto

Shelleen Denno, MD

David Kitts, MD

John Moise

BOARD OF DIRECTORS:

Dan Smith

Stewart Goldberg

Craig Campbell, MD

Chris Thompson

John Balletto

Being all of the Governing Body and Board of Directors of the District.