

RESOLUTION NO. 17-4

RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTHERN INYO HEALTH CARE DISTRICT

WHEREAS, the Southern Inyo Health Care District (the “District”) is authorized pursuant to California Health and Safety Code § 32130.6 to enter into a line of credit from a commercial lender which is secured by anticipated tax revenues of the District;

WHEREAS, Vi Healthcare Finance, Inc., a California corporation (“ Lender”), is a commercial lender which is willing to extend a line of credit to the District and to loan funds to the District pursuant to such line of credit from time to time, which line of credit will be secured by the anticipated tax revenues of the District;

WHEREAS, such line of credit will be evidenced by a promissory note or similar evidence of indebtedness, and will be secured by a pledge and assignment of the anticipated tax revenues of the District (which will provide for the direct payment of such tax revenues by the County of Inyo to Lender until all amounts borrowed by the District and owing to Lender under such line of credit have been paid in full and Lender has no further obligation to extend any credit to the District) , and will be in the amount and on terms and conditions mutually approved by the Board of Directors of the District (the “Board“) and Lender; and

WHEREAS, the proceeds of the line of credit shall be used for the benefit of the District generally, and more specifically, for the repayment of existing indebtedness of approximately \$1,00,000 to Healthcare Conglomerate Associates, LLC, and for operational expenses of the hospital operated by the District, including payroll and expenses necessary to provide medical services to the public.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTHERN INYO HEALTH CARE DISTRICT THAT:

1. All of the above recitals are true and correct.
2. The Board desires to negotiate the amount, and the terms and conditions of, and to document the line of credit transaction described above.
3. The Board authorizes and directs the Chairman of the Board to negotiate the amount, and the terms and conditions of the line of credit described above, and to present same to the Board for final approval, and after approval by the Board, to execute such documents as may be required to evidence the line of credit , including a pledge and assignment of the anticipated tax revenues of the District (including property tax revenues, tobacco tax revenues and any other tax revenues of the District which can lawfully be pledged and assigned as security for such line of credit, but not including parcel tax revenues which cannot be lawfully pledged and assigned as security for such line of credit);

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4. Unless prohibited by law, the Board agrees that it will not take any action which would interrupt the flow of the anticipated tax revenues of the District to Lender, even if the hospital closes or the District is merged into or acquired by another healthcare district or other entity, or for any other reason whatsoever.
5. This Resolution shall take effect immediately upon its adoption by the Board.

I, the undersigned Secretary of the Southern Inyo 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 _____ day of July, 2017, by the following vote of the members thereof:

AYES

NOES

ABSENT

ABSTAIN

Secretary, SOUTHERN INYO HEALTH CARE DISTRICT