

**NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT**

**RESOLUTION NO. 09-07**

**RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST, A PRELIMINARY OFFICIAL STATEMENT AND A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT REVENUE BONDS AND APPROVING CERTAIN OTHER ACTIONS**

RESOLVED, by the Board of Directors (the "Board") of the Northern Inyo County Local Hospital District (the "District"), as follows:

WHEREAS, the District has heretofore issued its \$8,000,000 Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 1998, currently outstanding in the principal amount of \$6,925,000 (the "1998 Bonds"), for the purpose of financing and refinancing the remodeling, expansion, improvement and equipping of the health facilities owned and operated by the District;

WHEREAS, the 1998 Bonds were issued pursuant to that certain Indenture of Trust, dated as of December 1, 1998 (the "Original Indenture"), by and between the District and U.S. Trust Company, National Association (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee (the "Trustee");

WHEREAS, the District desires to finance the remodeling, expansion, improvement and equipping of the health facilities owned and operated by the District and reimburse the District for costs thereof previously made, including but not limited to any or all expenses incidental thereto or connected therewith (the "Project");

WHEREAS, to finance the Project, the District has determined to issue its Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds (the "Bonds"), on a parity as to payment and security with the 1998 Bonds;

WHEREAS, the District has determined to take all necessary action to accomplish the issuance, sale and delivery of the Bonds;

WHEREAS, the Bonds will be issued as (i) bonds the interest on which is excluded from gross income for purposes of federal income taxation ("Tax-Exempt Bonds"), (ii) bonds designated as "Build America Bonds" ("Build America Bonds") under the provisions of the American Recovery and Reinvestment Act of 2009, the interest on which is not excluded from

gross income for purposes of federal income taxation, (iii) both Tax-Exempt Bonds and Build America Bonds; and/or, if necessary, (iv) bonds the interest on which is not excluded from gross income for purposes of federal income taxation but which are not Build America Bonds ("Taxable Bonds");

WHEREAS, if any Bonds are issued as Build America Bonds, the District expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on such Bonds; and

WHEREAS, the determination of whether to issue the Bonds as (i) Tax-Exempt Bonds, (ii) Build America Bonds, (iii) Taxable Bonds, or (iv) some combination thereof, will be made by the Chair, the Vice Chair, the President/Chief Executive Officer or the Vice President of Finance/Chief Financial Officer, or the designee thereof at or prior to the date of sale thereof; and

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

*Section 1.* The Project is hereby authorized and approved with such changes as are finally approved by the Chair, the Vice Chair, the President/Chief Executive Officer or the Vice President of Finance/Chief Financial Officer, or the designee thereof.

*Section 2.* The issuance of the Bonds in the aggregate principal amount of not to exceed \$11,600,000 is hereby authorized and approved.

*Section 3.* The form of first supplemental indenture of trust, by and between the District and the Trustee, amending and supplementing the Original Indenture, as presented to this meeting, is hereby approved. The Chair, the Vice Chair, the President/Chief Executive Officer or the Vice President of Finance/Chief Financial Officer, or the designee thereof, is hereby authorized and directed, for and in the name of the District, to execute and deliver a first supplemental indenture of trust in substantially the form presented to this meeting, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of such first supplemental indenture of trust. The date, maturity dates, interest rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in said first supplemental indenture of trust, as finally executed.

*Section 4.* The form of official statement relating to the Bonds, as presented to this meeting, is hereby approved. The Chair, the Vice Chair, the President/Chief Executive Officer or the Vice President of Finance/Chief Financial Officer, or the designee thereof, is hereby authorized and directed, for and in the name of the District, to execute and deliver an official statement in substantially the form presented to this meeting, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of such official statement and to certify or represent that prior to purchase, offer or sale of the Bonds, the official statement in preliminary form is deemed final by the District for purposes of Rule 15(c)2-12 of the Securities and Exchange Commission. Distribution of the official statement to the purchasers of the Bonds is hereby authorized and

distribution of the official statement in preliminary form to persons interested in the purchase of the Bonds is hereby approved.

*Section 5.* The form of bond purchase agreement by and between the District and Wells Fargo Institutional Securities, LLC (the "Underwriter"), as presented to this meeting, is hereby approved. The Chair, the Vice Chair, the President/Chief Executive Officer or the Vice President of Finance/Chief Financial Officer, or the designee thereof, is hereby authorized and directed for and in the name of the District, to execute and deliver a bond purchase agreement, in substantially the form presented to this meeting, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of such bond purchase agreement, so long as the Underwriter's discount for purchase of the Bonds does not exceed 2% (not including any original issue discount which does not constitute compensation to the Underwriter).

*Section 6.* The Bonds shall be executed by the manual or facsimile signature of the Chair, the Vice Chair, the President/Chief Executive Officer or the Vice President of Finance/Chief Financial Officer, or the designee thereof, the seal of the District shall be affixed thereon (or a facsimile reproduced thereon) and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Board, in the form set forth in and otherwise in accordance with said first supplemental indenture of trust.

*Section 7.* The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the order of the Underwriter in accordance with written instructions of the District. Said instructions shall provide for the delivery of the Bonds to the order of the Underwriter upon payment of the purchase price thereof.

*Section 8.* The Chair, the Vice Chair, the President/Chief Executive Officer or the Vice President of Finance/Chief Financial Officer, or the designee thereof, is hereby authorized and directed, for and in the name of the District, to execute and deliver any other documents as may be deemed necessary or appropriate to implement the Project or to issue the Bonds, such approval to be conclusively evidenced by the execution and delivery of such documents.

*Section 9.* The Secretary or the Assistant Secretary of the Board is hereby authorized and directed to attest the signature of the Chair, the Vice Chair, the President/Chief Executive Officer or the Vice President of Finance/Chief Financial Officer, or the designee thereof, as may be required in connection with the execution and delivery of the first supplemental indenture, the bond purchase agreement, the official statement and the Bonds in accordance with this Resolution.

*Section 10.* The Chair, the Vice Chair, the President/Chief Executive Officer and the Vice President of Finance/Chief Financial Officer, or the designee thereof, are each hereby authorized and directed to do the following with respect to the issuance of the Bonds:

(a) take any and all actions and execute, acknowledge, deliver and file any and all agreements, instruments or other documents of any kind required of the District; and

(b) act as an agent to the District for the purposes of issuing the Bonds and any additional negotiations, authorizations, approval, executions, consents, notices, deliveries or other acts required to issue such Bonds.

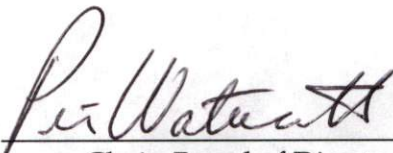
*Section 11.* All actions taken by the Chair, the Vice Chair, the President/Chief Executive Officer or the Vice President of Finance/Chief Financial Officer, or the designee thereof, and other officers or directors of the District which have been undertaken to date or which will be undertaken with respect to the planning, negotiation, authorization, approvals and implementation of the financing plan are hereby ratified, confirmed and approved in all respects.

*Section 12.* This resolution shall take effect immediately upon its passage.

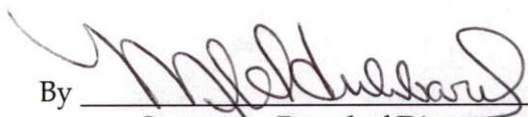
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PASSED AND ADOPTED this 11th day of December, 2009 by the following vote:

AYES: 3  
NOES: 0  
ABSENT: 2  
ABSTAINING: 0

By   
Chair, Board of Directors  
Northern Inyo County Local Hospital  
District

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Directors of the Northern Inyo County Local Hospital District held on the 11th day of December, 2009

By   
Secretary, Board of Directors  
Northern Inyo County Local Hospital  
District