

**RESOLUTION 12-03
OF THE
NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT
BOARD OF DIRECTORS**

WHEREAS, the Northern Inyo County Local Hospital District (“District”) has constructed a new hospital building and anticipates transferring staff and patient care into that facility in the immediate future and

WHEREAS, the District’s Administrator has determined that proper management of this transition requires an adequate assurance of working capital to be provided by a sufficient line of credit, and

WHEREAS, the District has completed the requirements, including those requiring bids, to obtain such a line of credit, and the Board of Directors did, at a special meeting on May 28, 2012, review and approve certain documents required to establish a \$5 million line of credit with Alliance Bank of Arizona, a division of Western Alliance Bank, to wit: Loan and Security Agreement, Intercreditor Agreement (with Subordination), Revolving Promissory Note and Uniform Commercial Code Financing Statement (UCC-1), and

WHEREAS, the Board of Directors has, on this date, reviewed and approved a First Amendment to Indenture of Trust dated as of June 1, 2012 amending that certain Indenture of Trust dated as of December 1, 1998, by and between Northern Inyo County Local Hospital District and U.S. Trust Company, National Association, as Supplemented by that Certain First Supplemental Indenture, dated as of April 1, 2012, by and between

the Northern Inyo County Local Hospital District and The Bank of New York Mellon Trust Company, N.A., as Successor Trustee, which corrects a scrivener's error in the Bond Indenture which had the effect of limiting the District's ability to borrow under the terms of the Loan and Security Agreement.

NOW, THEREFORE, BE IT RESOLVED THAT the Board, finding and determining that acquisition of the \$5 million line of credit described above is an act necessary and proper within the scope of powers granted to the Board by the California Health Care District Law, *Health & Safety Code § 32000, et seq.*, accepts the terms stated in aforesaid documents, authorizes the execution, delivery of said documents, and the performance of the obligations set forth therein, to Alliance Bank of Arizona, a division of Western Alliance Bank, as well as all other lawful acts required to give effect to the agreements set forth therein.

APPROVED AND ADOPTED this 20th day of June, 2012.


PETER WATERCOTT, President
Board of Directors

ATTEST:


M.C. HUBBARD
Secretary, Board of Directors