

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT

RESOLUTION NO. 12-08

RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INDENTURE OF TRUST, AN ESCROW AGREEMENT, 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 \$6,025,000 (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 (since succeeded by The Bank of New York Mellon Trust Company, N.A.), as trustee (the "Trustee");

WHEREAS, the District has also heretofore issued its \$11,600,000 Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2010, currently outstanding in the principal amount of \$11,090,000 (the "2010 Bonds"), for the purpose of financing and refinancing the remodeling, expansion, improvement and equipping of health facilities owned and operated by the District;

WHEREAS, the 2010 Bonds were issued pursuant to the Original Indenture, as amended and supplemented by that certain First Supplemental Indenture, dated as of April 1, 2010, by and between the District and the Trustee;

WHEREAS, the District desires to (a) finance the remodeling, expansion, improvement and equipping of 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 "2013 Project") and (b) refund the 1998 Bonds;

WHEREAS, to finance the 2013 Project and refund the 1998 Bonds, the District has determined to issue its Northern Inyo County Local Hospital District (Inyo County, California) Revenue Bonds, Series 2013 (the "2013 Bonds"), on a parity as to payment and security with the 2010 Bonds;

WHEREAS, the District has determined to take all necessary action to accomplish the issuance, sale and delivery of the 2013 Bonds;

WHEREAS, the District has determined that certain provisions of the Original Indenture are inconsistent and defective relating to the ability of the District to secure a borrowing with its accounts receivable and to calculate its debt service coverage ratio; and

WHEREAS, Section 12.01(b) of the Original Indenture provides that the Indenture and the rights and obligations of the District, of the Trustee and of the Owners of the Bonds (as defined in the Original Indenture) may be modified or amended from time to time and at any time by a supplemental indenture, which the District and the Trustee may enter into without the consent of any Bondowners but only to the extent permitted by law and only for certain purposes including to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the District may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the interests of the Owners of the Bonds;

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

Section 1. The plan to finance the 2013 Project and refund the 1998 Bonds is hereby authorized and approved with such changes as are finally approved by the President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof.

Section 2. The issuance of the 2013 Bonds in the aggregate principal amount of not to exceed \$17,000,000 to finance the 2013 Project, refund the 1998 Bonds, deposit moneys in the Bond Reserve Account under the Original Indenture and pay the costs of issuance of the 2013 Bonds is hereby authorized and approved.

Section 3. The form of a second supplemental indenture of trust, by and between the District and the Trustee, amending and supplementing the Original Indenture, as previously amended and supplemented (the "Second Supplemental Indenture"), on file with the Board Secretary, is hereby approved. The Board President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, is hereby authorized and directed, for and in the name of the District, to execute and deliver the Second Supplemental Indenture in 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 the Second Supplemental Indenture. 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 2013 Bonds shall be as provided in the Second Supplemental Indenture, as finally executed. The provisions of the Second Supplemental Indenture relating to the correction of the defective portions of the Original Indenture relating to the ability of the District to secure a borrowing with its accounts receivable and a change in the calculation of the debt service coverage ratio are hereby approved.

Section 4. The form of escrow deposit and trust agreement, by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow bank, providing for the defeasance of the 1998 Bonds (the "Escrow Agreement"), on file with the Board Secretary, is hereby approved. The Board President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, is hereby authorized and directed, for and in the name of the District, to execute and deliver the Escrow Agreement in 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 the Escrow Agreement.

Section 5. The form of official statement relating to the 2013 Bonds, on file with the Board Secretary, is hereby approved. The Board President or the Chief Executive Officer/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 2013 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 2013 Bonds is hereby authorized and distribution of the official

statement in preliminary form to persons interested in the purchase of the 2013 Bonds is hereby approved.

Section 6. The form of bond purchase agreement by and between the District and Piper Jaffray & Co. and Southwest Securities Inc., as underwriters (the "Underwriters"), on file with the Secretary, is hereby approved. The Board President or the Chief Executive Officer/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 Underwriters' discount for purchase of the 2013 Bonds does not exceed 0.85% (not including any original issue discount which does not constitute compensation to the Underwriters).

Section 7. The 2013 Bonds shall be executed by the manual or facsimile signature of the Board President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, 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 the Second Supplemental Indenture of trust.

Section 8. The 2013 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 2013 Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the 2013 Bonds, when duly executed and authenticated, to the order of the Underwriters in accordance with written instructions of the District. Said instructions shall provide for the delivery of the 2013 Bonds to the order of the Underwriters upon payment of the purchase price thereof.

Section 9. The Board President or the Chief Executive Officer/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 issue the 2013 Bonds, such approval to be conclusively evidenced by the execution and delivery of such documents.

Section 10. The Secretary or the Assistant Secretary of the Board is hereby authorized and directed to attest the signature of the President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, as may be required in connection with the execution and delivery of the Second Supplemental indenture, the bond purchase agreement, the official statement and the 2013 Bonds in accordance with this resolution.

Section 11. The Board President or the Chief Executive Officer/Chief Financial Officer, or the designee thereof, are each hereby authorized and directed to do the following with respect to the issuance of the 2013 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 2013 Bonds and any additional negotiations, authorizations, approval, executions, consents, notices, deliveries or other acts required to issue such 2013 Bonds.

Section 12. All actions taken by the Board President or the Chief Executive Officer/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 13. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 19th day of December, 2012 by the following vote:

AYES: 5

NOES: 0


ABSENT: 0

ABSTAINING: 0

By 

President, 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 19th day of December, 2012

By 

Secretary, Board of Directors
Northern Inyo County Local Hospital
District