

**RESOLUTION NO 865 OF THE BOARD OF DIRECTORS
OF
TULARE LOCAL HEALTHCARE DISTRICT**

WHEREAS, the Board of Directors ("Board") of the Tulare Local Healthcare District dba Tulare Regional Medical Center ("District") continues to incur substantial costs related to the District's operations, including the ongoing bankruptcy and other civil matters; and

WHEREAS, the District has entered into that certain lease agreement with Adventist Health Tulare and Adventist Health Systems/West ("Adventist Health"), previously approved by the Board and by District votes, which lease provides for Adventist Health to lease the Tulare Regional Medical Center from the District and to pay rent to the District after a period of deferred rent and repayment of the balance of a line of credit between Adventist Health and the District previously approved by the Board; and

WHEREAS, the costs of operating the District continue to exceed the revenues generated by the District, which creates a revenue shortfall for the District until or unless it resolves the bankruptcy action and begins to collect revenue from the lease with Adventist Health; and

WHEREAS, it has become necessary for the District to borrow funds sufficient to cover the revenue shortfalls; and

WHEREAS, the City Council of the City of Tulare ("City") is considering a \$9,000,000 line of credit to the District whereby the City would, pursuant to terms set out in a Credit Agreement between the City and the District and secured by a Deed of Trust of the District's real property other than the Tulare Regional Medical Center, provide the District funds for maintaining and operating the District in order to provide health-related services to the community, including through its lease of the Tulare Regional Medical Center to Adventist Health.

NOW, THEREFORE, BE IT RESOLVED THAT, in accordance with the provisions of the California Health and Safety Code and the Tulare Local Hospital District Bylaws, the Board of Directors hereby approves borrowing of Nine Million dollars (\$9,000,000) on the terms and conditions set forth in the Credit Agreement and authorizes the President of the Board of Directors of the District, without further action by the Board, to execute a the Credit Agreement and the Deed of Trust on behalf of the District.

IN WITNESS WHEREOF, I have hereto set my signature as Secretary of the District this ___th day of February 2019

Senovia Gutierrez