

ADDENDUM C

**Declaration of Official Intent
of
Palomar Pomerado Health
to
Reimburse Certain Expenditures from Proceeds of Indebtedness**

{RESOLUTION NO. 04-25-06 (02) 11}

WHEREAS, Palomar Pomerado Health, a local health care district duly organized and existing under the laws of the State of California (the "District") intends to acquire, construct and/or renovate and equip certain additional health care and related facilities, including an additional Palomar Medical Center campus and certain satellite facilities, and to expand, renovate, repair and equip its existing health care and related facilities, including the facilities located at the existing Palomar Medical Center campus and at Pomerado Hospital (hereinafter collectively referred to as the "Project"), all as more fully described in the Palomar Pomerado Facilities Master Plan, approved by the Board of Directors of the District on August 4, 2004;

WHEREAS, the District has paid certain expenditures and/or expects to pay certain other expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the incurrence of indebtedness for the purpose of financing costs associated with the Project on a long-term basis;

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the District to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

WHEREAS, the District reasonably expects that debt obligations in an amount not expected to exceed \$982,600,000 will be incurred and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, the Board of Directors of the District desires to declare its reasonable intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the District declares:

Section 1. The foregoing recitals are true and correct.

Section 2. This declaration of official intent (this "Declaration") supplements the declaration of official intent adopted on December 13, 2004 and is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This Declaration does not bind the District to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The Board of Directors of the District hereby declares its official intent to use proceeds of indebtedness to reimburse the District for Reimbursement Expenditures.

Section 4. This Declaration shall take effect from and after its adoption.

Passed And Adopted by the Board of Directors of Palomar Pomerado Health on the 25th day of April, 2006, by the following vote:

Ayes:

Noes:

Absent:

Abstaining:

Dated: April 25, 2006.

By:

Marcelo Rivera, M.D.
Chair, Board of Directors
Palomar Pomerado Health

Attested:

Linda Greer, R. N.
Secretary, Board of Directors