

RESOLUTION NO. 07.17.06 (03) - 22

RESOLUTION OF THE BOARD OF DIRECTORS OF PALOMAR POMERADO HEALTH ("PPH") AUTHORIZING THE ACQUISITION OF THE LAND ENCOMPASSING ASSESSOR PARCELS #281-190-09 THROUGH #281-190-12 IN RAMONA, CA, SUBJECT TO THE LETTER OF INTENT TO PURCHASE DATED JUNE 13, 2006, AND THE STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE DATED JUNE 16, 2006.

WHEREAS, PPH has entered into a non-binding letter of intent to purchase approximately 2.57 acres, Assessor's Parcel Numbers 281-190-09, 281-190-10, 281-190-11, and 281-190-12 in Ramona, California (the "Ramona Property"); and

WHEREAS, the PPH Board of Directors (the "Board") has determined that acquisition of the Ramona Property is consistent with the Palomar Pomerado Facilities Master Plan and in the best interest of PPH.

NOW, THEREFORE, BE IT RESOLVED THAT:

A. DETERMINATIONS AND FINDINGS

The Board hereby determines and finds that:

- (1) The acquisition of the Ramona Property may be suitable for development according to the Palomar Pomerado Facilities Master Plan for PPH's operations; and
- (2) PPH has obtained a third party appraisal and determined that the negotiated purchase price for the Ramona Property is at or below the market value range of appraisal; and
- (3) Development of the Ramona Property and reimbursement of PPH through bond proceeds for the purchase of the Ramona Property will be subject, as required, to environmental review under the California Environmental Quality Act ("CEQA"); PPH has not committed to developing the Ramona Property, and could conclude after the CEQA process that the environmental impacts of developing the Ramona Property are too great to proceed and that an alternative site for development is preferable; and
- (4) In accordance with Section 1.150-2 of the Treasury Regulations, PPH declares its reasonable intent to use the proceeds of a subsequent borrowing to reimburse the purchase price of the Ramona Property. This Declaration does not bind PPH to make any expenditure, incur any indebtedness, or proceed with the project; and
- (5) The closing on the purchase of the Ramona Property is in the best interest of PPH in order to develop and implement the Palomar Pomerado Facilities Master Plan.

B. RESOLUTIONS

The Board hereby authorizes the acquisition of the Ramona Property, by PPH's Chief Executive Officer or Chief Financial Officer, and the execution of documents necessary to consummate the acquisition of the property.

The Board hereby authorizes the use of Working Capital reserves for the purchase of the property. The Board hereby authorizes the use of the proceeds of PPH debt obligation to reimburse the purchase of the Ramona Property upon the completion of environmental review of the development of the Ramona Property under CEQA.

All acts and things previously done and performed (or caused to be done and performed) in the name and on behalf of PPH prior to the date of these resolutions in furtherance of any of the foregoing resolutions and the transactions contemplated therein be, and the same hereby are, ratified, confirmed and approved.

PASSED AND ADOPTED at a meeting of the Board of Directors of Palomar Pomerado Health held on July 17, 2006, by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

Dated: July 17, 2006

By:

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

ATTESTED:

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