Our Mission: Seneca Healthcare District’s mission is to provide our community members and visitors with outstanding health care services and quality care through dedicated and compassionate staff, providers, and innovative technology.

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the Special Meeting of the Seneca Healthcare District Board of Directors for May 7, 2020 will be conducted telephonically through Zoom. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Lake Almanor Clinic Conference Room will not be open for the meeting. Board Members will be participating telephonically and will not be physically present in the Lake Almanor Clinic Conference Room.

If you would like to speak on the agenda item, you can access the meeting remotely: Please use the web link below to join the webinar:
https://zoom.us/j/93262737684?pwd=VjcxxWmJUZ0o2ZE1IWDZGUFKJeEdz09

Meeting ID: 932 6273 7684
Password: 570645
One tap mobile
+16699009128,,93262737684#,,1#,570645# US (San Jose)
+12532158782,,93262737684#,,1#,570645# US (Tacoma)

Dial by your location
+1 669 900 9128 US (San Jose)
+1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston)

Meeting ID: 932 6273 7684
Password: 570645
Find your local number: https://zoom.us/u/atlcJWcTv

1) Call to Order. President Ken Crandall will call the Special Board meeting to order.

2) Members Present/Absent. The President will note Board members present/absent by roll call.

3) Public Comment Period. This is an opportunity for members of the public to address the Board on items which are not on the agenda. Please state your name for the record. Comments are limited to three
minutes. Written comments should be submitted to the Board Clerk 6 hours prior to the
meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act,
the Board cannot take action on any item not on the agenda. The Board Chair may
choose to acknowledge the comment or, where appropriate, briefly answer a question,
refer the matter to staff, or set the item for discussion at a future meeting.

4) Board Responses to Public Comment.

*Agenda items Requiring Action*

5) Resolution #426. The board will review for approval resolution #426, providing for the
authorization to bind the District in matters related to the Small Business Administration
Paycheck Protection Program.

6) Next Regular Meeting:
   - **Date:** May 28, 2020
   - **Time:** 3:00 p.m.
   - **Location:** Lake Almanor Clinic Conference Room

This agenda has been mailed to the following newspaper:

   Chester Progressive

This agenda has been posted at the following public places:
   - Seneca Healthcare District Hospital’s Bulletin Board
   - U.S. Post Office – Chester Branch
   - Chester Fire District
   - Hamilton Branch Fire District
   - Peninsula Fire District
   - Lake Almanor West Fire District

This agenda has been mailed to the following radio station: KSUE/JDX

Certificate of Posting

I, Renee Nez, hereby certify that I posted the foregoing Agenda on the bulletin board located at the front door
entrance of Seneca Healthcare District on ____________________

______________________________
Renee Nez, Board Clerk

In compliance with the Americans with Disabilities Act, if you require special accommodations to participate in
a board meeting, please contact the District at (530) 258-2067 at least 72 hours prior to the meeting.
RESOLUTION No. 426
SENeca HEALTHCARE DISTRICT

Reservation providing for the Authorization to Bind the District in Matters Related to the Small Business Administration Paycheck Protection Program.

At a duly called meeting of the Board of Directors (“Board”) of SENECA HEALTHCARE DISTRICT (the “District”) held the 7th day of May, 2020 at 2:30 p.m., there were at all times present, the following members constituting a quorum of the Board: Ken Crandall, Jerri Nielsen, Rich Rydell, David Walls, and Kristen Montgomery.

At said meeting, first name last name moved the adoption of the following.

WHEREAS, the federal Coronavirus Aid, Relief, and Economic Security (“CARES”) Act recently became law, and it includes a Paycheck Protection Program providing approximately $659 billion in loans to certain small businesses and nonprofit organizations, including nonprofit hospitals exempt from taxation under section 115 of the Internal Revenue Code, suffering from results of the current COVID-19 pandemic.

WHEREAS, the U.S. Treasury Department and Small Business Administration recently published both borrower guidance and an application form for forgivable Paycheck Protection Program loans to be issued by Small Business Association-approved lenders, which (a) interest rates of one percent (1%), (b) maximum principal amounts to be determined by multiplying 2.5 times a borrower’s average monthly payroll for 2019, (c) a deferment of payment of payments of six (6) month, and (d) two-year terms.

WHEREAS, demand for Paycheck Protection Program loans is expected to be extremely high, with funds to be disbursed on a first-come, first-served basis.

WHEREAS, the District, a political subdivision of the State of California created on July 7, 1947 and organized under the Local Health Care District Law as set forth in the Health and Safety Code of the State of California, urgently needs to be able to continue to pay staff in the coming months and could benefit from the Paycheck Protection Program loan program.

WHEREAS, while borrowing money always involves some risk of not being able to repay, Paycheck Protection Program loans seem to be designed to minimize that risk.

WHEREAS, the Board has determined the need to authorize the borrowing from the Small Business Administration Paycheck Protection Program and an individual to negotiate and sign the program loan application and required documents.

BE IT RESOLVED, that the Board authorizes the District to borrow a Small Business Association loan through the Paycheck Protection Program in the principal amount of $1,506,168, and

BE IT RESOLVED, that the Board authorizes Steve Boline, Acting Administrator/CFO of the District, to apply for the Paycheck Protection Program loan described above and to negotiate, sign and submit any applications, certifications, and other forms needed to secure that loan.

BE IT RESOLVED, that at least 75% of the funds borrowed be used for payroll costs, as required for the loan to be forgiven under the Paycheck Protection Program.
BE IT RESOLVED, that all actions of Steve Boline taken to date of the adoption of this Resolution to seek and obtain loans through the Payment Protection Program are hereby ratified.

AYES:

NOES:

ABSENT:

___________________________  ____________________________
Ken Crandall, President        David Walls, Secretary
# Paycheck Protection Program Borrower Application Form

## Check One
- Sole proprietor
- Partnership
- C-Corp
- S-Corp
- LLC
- Independent contractor
- Eligible self-employed individual
- 501(c)(3) nonprofit
- 501(c)(19) veterans organization
- Tribal business (sec. 31(b)(2)(C) of Small Business Act)
- Other

## DBA or Tradename if Applicable

<table>
<thead>
<tr>
<th>Business Legal Name</th>
<th>Business Address</th>
<th>Business TIN (EIN, SSN)</th>
<th>Business Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seneca Healthcare District</td>
<td>P.O. Box 737/130 Brentwood Drive</td>
<td>94-1322200</td>
<td>(530) 258-2151</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purpose of the loan</th>
<th>Average Monthly Payroll: $ 603,267 x 2.5 = EIDL Net of Advance (if Applicable) Equals Loan Request: $ 1,508,168</th>
</tr>
</thead>
<tbody>
<tr>
<td>(select more than one):</td>
<td>Number of Employees: 105</td>
</tr>
</tbody>
</table>

- Payroll
- Lease / Mortgage Interest
- Utilities
- Other (explain): Rent

### Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

<table>
<thead>
<tr>
<th>Owner Name</th>
<th>Title</th>
<th>Ownership %</th>
<th>TIN (EIN, SSN)</th>
<th>Address</th>
</tr>
</thead>
</table>

*If questions (1) or (2) below are answered "Yes," the loan will not be approved.*

1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?  

2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?  

3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.  

4. Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.  

*If questions (5) or (6) are answered "Yes," the loan will not be approved.*

5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole?  

   Initial here to confirm your response to question 5 → [Signature]

6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)?  

   Initial here to confirm your response to question 6 → [Signature]

7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?  

8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?  

SBA Form 2483 (04/20)
Paycheck Protection Program
Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

CERTIFICATIONS AND AUTHORIZATIONS

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).
- The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant’s industry.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

CERTIFICATIONS

The authorized representative of the Applicant must certify in good faith to all of the below by initialing next to each one:

- The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant’s payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.
- I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.
- During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.
- I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to $250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than $5,000; and, if submitted to a federally insured institution. under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than $1,000,000.
- I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA’s authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Signature of Authorized Representative of Applicant

Steve Boline

Print Name

Date

April 22, 2020

Acting Administrator

Title

SBA Form 2483 (04/20)
PAYCHECK PROTECTION PROGRAM (PPP) INFORMATION SHEET:

BORROWERS

The Paycheck Protection Program (“PPP”) authorizes up to $349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis. All loan terms will be the same for everyone.

The loan amounts will be forgiven as long as:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8 week period after the loan is made; and
- Employee and compensation levels are maintained.

Payroll costs are capped at $100,000 on an annualized basis for each employee. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

Loan payments will be deferred for 6 months.

When can I apply?

- Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Starting April 10, 2020, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Other regulated lenders will be available to make these loans as soon as they are approved and enrolled in the program.

Where can I apply? You can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating. Visit www.sba.gov for a list of SBA lenders.

Who can apply? All businesses – including nonprofits, veterans organizations, Tribal business concerns, sole proprietorships, self-employed individuals, and independent contractors – with 500 or fewer employees can apply. Businesses in certain industries can have more than 500 employees if they meet applicable SBA employee-based size standards for those industries (click HERE for additional detail).

For this program, the SBA’s affiliation standards are waived for small businesses (1) in the hotel and food services industries (click HERE for NAICS code 72 to confirm); or (2) that are franchises in the SBA’s Franchise Directory (click HERE to check); or (3) that receive financial assistance from small business investment companies licensed by the SBA. Additional guidance may be released as appropriate.
What do I need to apply? You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by June 30, 2020. Click HERE for the application.

What other documents will I need to include in my application? You will need to provide your lender with payroll documentation.

Do I need to first look for other funds before applying to this program? No. We are waiving the usual SBA requirement that you try to obtain some or all of the loan funds from other sources (i.e., we are waiving the Credit Elsewhere requirement).

How long will this program last? Although the program is open until June 30, 2020, we encourage you to apply as quickly as you can because there is a funding cap and lenders need time to process your loan.

How many loans can I take out under this program? Only one.

What can I use these loans for? You should use the proceeds from these loans on your:

- Payroll costs, including benefits;
- Interest on mortgage obligations, incurred before February 15, 2020;
- Rent, under lease agreements in force before February 15, 2020; and
- Utilities, for which service began before February 15, 2020.

What counts as payroll costs? Payroll costs include:

- Salary, wages, commissions, or tips (capped at $100,000 on an annualized basis for each employee);
- Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit;
- State and local taxes assessed on compensation; and
- For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at $100,000 on an annualized basis for each employee.

How large can my loan be? Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. That amount is subject to a $10 million cap. If you are a seasonal or new business, you will use different applicable time periods for your calculation. Payroll costs will be capped at $100,000 annualized for each employee.

How much of my loan will be forgiven? You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

You will also owe money if you do not maintain your staff and payroll.
- **Number of Staff**: Your loan forgiveness will be reduced if you decrease your full-time employee headcount.
- **Level of Payroll**: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than $100,000 annualized in 2019.
- **Re-Hiring**: You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.

**How can I request loan forgiveness?** You can submit a request to the lender that is servicing the loan. The request will include documents that verify the number of full-time equivalent employees and pay rates, as well as the payments on eligible mortgage, lease, and utility obligations. You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible mortgage interest, rent, and utility payments. The lender must make a decision on the forgiveness within 60 days.

**What is my interest rate?** 0.50% fixed rate.

**When do I need to start paying interest on my loan?** All payments are deferred for 6 months; however, interest will continue to accrue over this period.

**When is my loan due?** In 2 years.

**Can I pay my loan earlier than 2 years?** Yes. There are no prepayment penalties or fees.

**Do I need to pledge any collateral for these loans?** No. No collateral is required.

**Do I need to personally guarantee this loan?** No. There is no personal guarantee requirement.

***However, if the proceeds are used for fraudulent purposes, the U.S. government will pursue criminal charges against you.***

**What do I need to certify?** As part of your application, you need to certify in good faith that:

- Current economic uncertainty makes the loan necessary to support your ongoing operations.
- The funds will be used to retain workers and maintain payroll or to make mortgage, lease, and utility payments.
- You have not and will not receive another loan under this program.
- You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.
- Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
- All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.
You acknowledge that the lender will calculate the eligible loan amount using the tax documents you submitted. You affirm that the tax documents are identical to those you submitted to the IRS. And you also understand, acknowledge, and agree that the lender can share the tax information with the SBA’s authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.
## Promissory Note – SBA Paycheck Protection Program Loan

<table>
<thead>
<tr>
<th>Plumas Bank Loan Number:</th>
<th>196604771</th>
<th>SBA Loan Number:</th>
<th>43890973-10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Borrower:</strong></td>
<td>Seneca Healthcare District</td>
<td><strong>Lender:</strong></td>
<td>Plumas Bank</td>
</tr>
<tr>
<td></td>
<td>PO Box 737</td>
<td></td>
<td>35 South Lindan Avenue</td>
</tr>
<tr>
<td></td>
<td>Chester, CA 96020</td>
<td></td>
<td>Quincy, CA 95971</td>
</tr>
<tr>
<td><strong>Note Date:</strong></td>
<td>May 4, 2020</td>
<td><strong>Maturity Date:</strong></td>
<td>May 4, 2022</td>
</tr>
<tr>
<td><strong>Loan Amount:</strong></td>
<td>$1,508,168.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. **PROMISE TO PAY.** In return for the Loan, Borrower promises to pay to the order of Plumas Bank ("Lender") the amount of **ONE MILLION, FIVE HUNDRED EIGHT THOUSAND, ONE HUNDRED SIXTY EIGHT DOLLARS AND ZERO CENTS ($1,508,168.00)**, interest on the unpaid principal balance, and all other amounts required by this Note.

2. **DEFINITIONS:**
   a) “Loan” means the loan evidenced by this Note.
   b) “Loan Documents” means the documents related to this loan signed by Borrower.
   c) “SBA” means the Small Business Administration, an Agency of the United States of America.

3. **PAYMENT TERMS:**
   a) Borrower must make all payments at the place Lender designates. The payment terms for this Note are:
   b) This Loan is being made in accordance with, and under, Section's 1102 and 1106 of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) signed by the President of the United States on March 27, 2020.
   c) Loan is commonly known as the SBA7(a) Paycheck Protection Program Loan in accordance with the CARES Act and SBA Standard Operating Procedure 50 10 ("PPP").
   d) This Note, and any other documents used to make this Loan, can be superseded by the SBA at any time, as determined by the SBA. If the SBA introduces other Loan Documents used to document the Paycheck Protection Program Loan, Borrower hereby agrees to execute them immediately upon Lender request and without modification.
   e) Borrower reaffirms the acknowledgment, answers and representations of the Questions, Certifications & Authorizations and Certifications sections on SBA Form 2484 (Paycheck Protection Program Borrower Application Form).
   f) Borrower agrees to provide Lender with all required documentation Lender deems necessary for Lender to submit to the SBA for Loan Forgiveness, in whole or in part (as defined in SBA Form 2484) on behalf of the Borrower within 10 business days of Lender request.
   g) The interest rate is fixed at 1.00% per year for the term of the loan.
h) Principal and interest payments will be deferred for the first six months from the month this Note is dated. Interest will accrue at 1.00% during this period.

i) Subject to the eligible forgiveness amount determined by the U.S. Small Business Administration through the PPP, any remaining principal will be amortized over the remaining term of this Note in equal monthly payments of principal and interest beginning on the seventh month from the month this Note is dated.

j) All remaining principal and accrued interest is due and payable in 2 years from date of this Note.

k) Borrower must pay principal and interest payments every month, beginning seven months from the date of this Note; payments must be made on the same calendar day in the months they are due. Lender will apply each installment payment first to pay interest accrued to the day Lender receives the payment, then to bring principal current, and will apply any remaining balance to reduce principal

l) Loan Prepayment:
   i. Borrower may prepay any portion of the principal balance at any time without notice. There are no prepayment penalties or fees.

4. **DEFAULT.** Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:
   a) Fails to do anything required by this Note and other Loan Documents;
   b) Defaults on any other loan with Lender;
   c) Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
   d) Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
   e) Fails to pay any taxes when due;
   f) Becomes the subject of a proceeding under any bankruptcy or insolvency law;
   g) Has a receiver or liquidator appointed for any part of their business or property;
   h) Makes an assignment for the benefit of creditors;
   i) Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender ’s and SBA’s prior written consent; or
   j) Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower ’s ability to pay this Note.

5. **LENDER'S RIGHTS IF THERE IS A DEFAULT.** Without notice or demand and without giving up any of its rights, Lender may:
   a) Require immediate payment of all amounts owing under this Note;
   b) Collect all amounts owing from any Borrower; and
   c) File suit and obtain judgment.

6. **LENDER'S GENERAL POWERS.** Without notice and without Borrower ’s consent, Lender may:
   a) Incurs expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document. Among other things, the expenses may include reasonable attorney ’s fees and costs. If Lender incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
   b) Release anyone obligated to pay this Note; and
c) Take any action necessary to collect amounts owing on this Note.

7. **WHEN FEDERAL LAW APPLIES.** When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8. **SUCCESSORS AND ASSIGNS.** Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9. **GENERAL PROVISIONS.**
   
a) All individuals and entities signing this Note are jointly and severally liable.

b) Borrower waives all suretyship defenses.

c) Borrower must sign all documents necessary at any time to comply with the Loan Documents.

d) Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.

e) Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.

f) If any part of this Note is unenforceable, all other parts remain in effect.

g) To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor.

h) Lender makes no representations as to the amount of the Loan that may be forgiven pursuant to the terms and conditions of the PPP. Lender has relied upon Borrower’s representations and certifications regarding the applicability of the forgiveness rules under the PPP to this Loan, and as to the validity of the documentation provided by Borrower to support the Loan request and forgiveness.

10. **GOVERNING LAW.** It is the intention of Lender and Borrower that this Note will be interpreted and enforced under federal law, including SBA regulations, to the fullest extent possible. Where federal laws, including SBA regulations, do not apply, then this Note shall be interpreted and enforced under the laws of the state of California.

11. **CERTIFICATION.** THE UNDERSIGNED, HEREBY CERTIFIES TO LENDER THAT (I) THE COMPANY IS ORGANIZED AND EXISTING AS A NON PROFIT CALIFORNIA HEALTHCARE DISTRICT IN GOOD STANDING UNDER THE LAWS OF THE STATE OF CALIFORNIA AND IN EACH STATE IN WHICH IT DOES BUSINESS; (II) THE UNDERSIGNED HAS THE REQUISITE POWER AND AUTHORITY TO ACT ON BEHALF OF THE COMPANY; AND (III) IF ANY OF THE FOREGOING IS UNTRUE OR INCORRECT, BORROWER AND THE UNDERSIGNED WILL INDEMNIFY AND HOLD LENDER HARMLESS FROM ANY AND ALL CLAIMS, LOSSES OR DAMAGES THAT LENDER SUFFERS OR INCURS AS A RESULT.

12. **CONSENT TO FACSIMILE SIGNATURE AND COUNTERPARTS.** If one or more signatures to this Agreement are provided to Lender by facsimile of a signature (which includes fax transmission, and transmission of any other form electronic image of such person's signature), hereafter "Fax Signature", Borrower and all individuals executing this Agreement either on behalf of Borrower or on their own behalf, together with any party executing the Related Documents (the "Parties"), hereby consents to Lender's receipt and reliance on such Fax Signature as if the same were an original "wet" signature. The Parties hereby waive any and all defenses to the enforceability of this Agreement based on any claim that the Fax Signature so provided to Lender was either not genuine or authorized by such person or entity. Parties submitting their signatures to this Agreement by Fax Signature agree to provide the original to Lender as soon as reasonably practical. This letter may be executed in counterparts, and such counterparts together will constitute a change in terms to the Loan Documents, which will not be binding on until all Parties have executed it.
13. **BORROWER’S NAME(S) AND SIGNATURE(S).** By signing below, each individual or entity becomes obligated under this Note as Borrower.

Borrower: Seneca Healthcare District

By: ________________________________
   Steve Boline, Healthcare District Administrator/CFO
DISBURSEMENT INSTRUCTIONS

LOAN PROCEEDS SHALL BE DISBURSED AS FOLLOWS:

_____ Lump Sum disbursement of all Loan Proceeds

_____ A partial disbursement of funds. Amount of Initial Disbursement: ____________

_____ Deposit into my Plumas Bank Account Number: ________________

_____ Send via ACH (complete attached form).

Borrower: Seneca Healthcare District

By: Steve Boline, Healthcare District Administrator/CFO
AUTHORIZATION AGREEMENT FOR ACH CREDIT

This Agreement is made between Plumas Bank and the Borrower. I hereby authorized Plumas Bank to initiate ACH credit transactions to the accounts at the Depository Financial Institution named below and if necessary, debit adjustments for any credit entries made in error to the same accounts.

Account Information:

Depository Financial Institution: ___________________________ Routing #: ___________________________

Account Name: ___________________________ Account #: ___________________________

☐ Checking ☐ Savings

Administration Use:

Loan Number: ___________________________ Amount: ___________________________

Authorized Signature __________________________________ Date __________

Authorized Signature __________________________________ Date __________