

**RESOLUTION NO. 24-02**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE DESERT HEALTHCARE DISTRICT APPROVING LEASE PURCHASE AGREEMENT DATED AUGUST 1, 2024 AND ORDERING A MEASURE RELATING TO THE APPROVAL OF THE LEASE PURCHASE AGREEMENT WITH DESERT REGIONAL MEDICAL CENTER, INC., BE PLACED ON THE BALLOT AND REQUESTING THAT THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY CONSOLIDATE THE MEASURE WITH SUCH OTHER MEASURES AS CALLED FOR ON NOVEMBER 5, 2024**

WHEREAS, the Desert Healthcare District (“**District**”) Board of Directors has determined that the best interests of the communities served by the District and the long-term viability of Desert Regional Medical Center (“**Hospital**”) would be enhanced and strengthened by the continued affiliation of the Hospital with Desert Regional Medical Center, Inc. (“**Operator**”); and

WHEREAS, on May 30, 1997, the District entered into a lease of the Hospital (the “**1997 Lease**”) with Operator, a wholly-owned subsidiary of Tenet HealthSystem Inc.; and

WHEREAS, the 1997 Lease has provided a unique public/private partnership by successfully combining the public resources of a state-of-the-art community hospital with a nationally-recognized healthcare system, and has promoted the District’s and Hospital’s objectives and best interests as set forth in the Lease Agreement that was entered into concurrently with the 1997 Lease; and

WHEREAS, the Board of Directors has engaged in extensive due diligence and negotiations, and has given consideration to public testimony at Eleven (11) public meetings held on September 18, 2023, December 6, 2023, March 5, 2024, March 19, 2024, April 2, 2024, April 16, 2024, April 30, 2024, May 28, 2024, July 11, 2024, July 16, 2024 and August 1, 2024 concerning a new lease purchase agreement commencing in 2027; and

WHEREAS, at a duly noticed public meeting held on August 6, 2024, the District Board of Directors approved, subject to voter approval as required by California Health and Safety Code 32121(p)(1), the Lease Purchase Agreement dated August 1, 2024 (“**2024 Lease Purchase Agreement**”), which transfers 50 percent or more of the District’s assets to Operator at fair market value, for fair and reasonable consideration, as determined by an independent consultant with expertise in methods of appraisal and valuation and in accordance with applicable governmental and industry standards for appraisal and valuation; and

WHEREAS, California Health & Safety Code Section 32121(p)(1) provides in part that, the transfer of more than 50% of a District's assets requires that a measure be placed on a ballot and is subject to voter approval; and

WHEREAS, California Elections Code Section 10406 and California Health & Safety Code Section 32121(p)(1) provide that a district may, by resolution of its governing board, call for a measure to be placed on the ballot of the next regularly scheduled election occurring at least 88 days after the resolution of the board; and

WHEREAS, the District Board of Directors desires to call for a measure approving the 2024 Lease Purchase Agreement to be placed on the ballot of the election to be held within the boundaries of the District on November 5, 2024; and

WHEREAS, Section 439.1 of the Administrative Code of the County of Riverside authorizes that the Registrar of Voters can render specified services relating to the conduct of an election to any district which has by resolution requested the Board of Supervisors to permit the Registrar of Voters to render the services subject to the requirements set forth in that section.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE DESERT HEALTHCARE DISTRICT HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. Recitals. The Board of Directors finds the above recitals are true and correct in all material respects.

Section 2. Approval and Call for Election. The Board of Directors hereby approves the 2024 Lease Purchase Agreement dated August 1, 2024 and orders an election and submits to the electors of the District the question of whether, in accordance with Health & Safety Code Section 32121(p)(1), the 2024 Lease Purchase Agreement should be approved, as set forth more fully in the ballot measure approved pursuant to the terms and conditions of this Resolution. This Resolution constitutes the order of the District to call such election.

Section 3. Election Date; Request for Consolidation; Election Procedures. The Board of Directors hereby calls for this measure to be placed on the November 5, 2024, general election, to be held pursuant to Elections Code 10406 and as otherwise allowed by the laws of the State of California and procedures applicable to the District. The Secretary shall file (or cause to be filed) a certified copy of this Resolution no later than August 9, 2024, with the Clerk of the Board of Supervisors of the County of Riverside (the "County") and with the Registrar of Voters of the County. Pursuant to Part 3 (commencing with Section 10400) of Division 10 of the California Elections Code, the Board of Supervisors of the County is hereby requested to order consolidation of this Measure with such other elections called for November 5, 2024, in the same territory. The Board of Supervisors of

the County is hereby authorized and requested to canvass the returns of the election pursuant to Section 10411 of the Elections Code.

(a) The election shall be held and conducted, and the votes thereof received and canvassed by the County on behalf of the District, and the returns thereof made and the result thereof ascertained and determined as required by law, and in all particulars not prescribed by this Resolution the election shall be held as nearly as practicable in conformity with the law and the election laws of the State of California. Only qualified voters of the District may vote at the election.

(b) The precincts, polling places, and officers for the election shall be as set forth in the Election Order to be published by the Registrar of Voters.

(c) The Registrar of Voters of the County is hereby requested to assign a letter to the Measure and reprint the full text of the Measure contained in Section 4 hereof in the voter information pamphlet to be distributed to voters pursuant to Section 13307 of the Elections Code. The Registrar of Voters is also directed to publish notice regarding this Measure in the Press Enterprise (City of Riverside and the Inland Empire). In the event the full text of the measure is not reprinted in the voter information pamphlet in its entirety, the Registrar of Voters is hereby requested to print, immediately below the impartial analysis of the measure, in no less than 10-point boldface type, a legend substantially as follows:

“The above statement is an impartial analysis of Measure \_\_\_\_.  
If you desire a copy of the measure, please call the Riverside  
County Registrar of Voters at ( ) - and a copy will be mailed  
at no cost to you.”

Section 4. Purpose of Election; Ballot Measure. The purpose of the election shall be for the qualified resident voters in the District to vote on a ballot measure (the “**Measure**”) containing the following question:

**In order to continue providing high quality, comprehensive medical and emergency healthcare services at Desert Regional Medical Center and to ensure that future hospital repairs, seismic compliance, and improvements are completed at no additional cost to taxpayers, shall the Desert Healthcare District enter into the Lease Purchase Agreement with the current hospital operator in accordance with Resolution No. 24-02\_ of the Desert Healthcare District Board of Directors adopted August 6, 2024?**

The Chief Executive Officer (“CEO”), General Counsel, and each of them

or their respective designees(s), are hereby authorized and directed to make any changes to the text of the Measure or its abbreviation as required to conform to any requirements of law, the California Elections Code, or the County Registrar of Voters. Pursuant to Section 13247 of the California Elections Code, the Board hereby directs the Registrar of Voters to use the bold-faced abbreviation of the proposition contained above in Section 4 hereof on the official ballot, followed by the words “Yes” and “No”.

Section 5. Request for Auditor-Controller Services. The Board of Supervisors of the County of Riverside is hereby requested to authorize and direct the Auditor and Controller of the County of Riverside to assist the Registrar of Voters of the County of Riverside in the conduct of the election by drawing of warrants as appropriate and other costs of the election incurred as a result of the services performed for the District in the conduct of the election.

Section 6. Reimbursement of Costs. The District hereby agrees to reimburse the County of Riverside in full for services performed by the Registrar of Voters of the County of Riverside in connection with the election services and agrees to indemnify and hold harmless the County of Riverside and Registrar of Voters for the services performed.

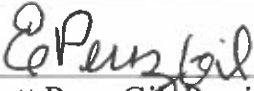
Section 7. Impartial Analysis; Ballot Argument; Further Authorization. The County Counsel is hereby requested to prepare the impartial analysis of the Measure in accordance with Section 9160 of the California Elections code and transmit it to the County Registrar of Voters. Any and all members of the Board of the Directors, the CEO of the District, the General Counsel or any of their respective designees, are hereby authorized to submit any ballot argument prepared in connection with the elections, including a rebuttal argument. Each of the members of the Board of Directors, the CEO, or any of their respective designees, are authorized and directed, for and on behalf of the District, to execute any and all documents and to perform any and all acts necessary or appropriate to place the Measure on the ballot or otherwise effectuate the purposes of this Resolution.

Section 8. Delivery of Resolution. The Secretary or Assistant Secretary of the District is hereby directed to deliver forthwith one (1) certified copy of this resolution to the Registrar of Voters of the County of Riverside, and one (1) certified copy to the Clerk of the Board of Supervisors of the County of Riverside. The District hereby requests the Registrar of Voters also submit a copy of this resolution to the Board of Supervisors of Riverside County on behalf of the District.

Section 9. Additional Authorizations. The District Chief Executive Officer and General Counsel are hereby authorized and directed to perform such additional acts as necessary to effect and secure the purpose of this resolution, including making minor and non-substantive revisions to the 2024 Lease Purchase Agreement prior to execution, as appropriate.

PASSED AND ADOPTED at a Regular meeting of the Board of Directors of District Healthcare District on August 6, 2024, by the following vote:

AYES: 6  
NOES: 1  
ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

  
\_\_\_\_\_  
Evett Perez, President  
Board of Directors

ATTEST:

  
\_\_\_\_\_  
Kimberly Barraza, Secretary  
Board of Directors

STATE OF CALIFORNIA )  
 )  
COUNTY OF RIVERSIDE )

I, KIMBERLY BARRAZA, Secretary of the ~~District~~ <sup>Desert</sup> Healthcare District, DO  
HEREBY CERTIFY that the foregoing is a true copy of Resolution No. 24-02,  
adopted by the Board of Directors of the ~~District~~ <sup>Desert</sup> Healthcare District at a regular  
meeting of the Board of Directors held on August 6, 2024, which Resolution is a  
part of the official records of the ~~District~~ <sup>Desert</sup> Healthcare District.

Dated: Aug. 6, 2024

  
\_\_\_\_\_  
KIMBERLY BARRAZA, Secretary