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**BEFORE THE BOARD OF DIRECTORS OF THE  
KINGSBURG TRI-COUNTY HEALTH CARE DISTRICT**

Fresno County Elections

**IN THE MATTER OF:**

A resolution for sale of the assets of Kingsburg Tri-County Health Care District to Kingsmith Investments LLC or other buyer, and calling for election on ballot measure proposing a transfer of the former hospital premises.

**RESOLUTION 2016-**

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WHEREAS, the Kingsburg Tri-County Health Care District ("**District**") owns certain real property at 1200 Smith Street, Kingsburg, California (the "**Facility**") that was formerly operated as an acute care hospital;

WHEREAS, the District is governed by The Local Health Care District Law (Health & Safety Code sections 32000 et seq.);

WHEREAS, the Facility was closed in 2010. The Board sought to sell or lease the Facility to continue operation as an acute care hospital for many years, with no success. Accordingly, the Facility remained empty for years, at a considerable cost to taxpayers who funded general maintenance while a suitable purchaser was sought;

WHEREAS, the Facility's acute care hospital license expired on or about November 12, 2013 and thereupon the Facility became surplus property of the District which may now be sold at fair market value;

WHEREAS, on or about February 25, 2015, the Board entered into a lease/option agreement (the "**Lease/Option**") with Kingsmith Investments, LLC or its predecessor ("**Tenant**") for Tenant to lease the property with an option to purchase the Facility on certain terms specified therein;

WHEREAS, Tenant subleases the Facility to Crestwood Behavioral Health, Inc., ("**CBHI**"), and CBHI operates a mental health rehabilitation center at the Facility;

WHEREAS, there is a substantial need for mental health care services in Kingsburg and the surrounding communities;

WHEREAS, Tenant has exercised its option to purchase the Facility on the terms set forth in the Lease/Option;

WHEREAS, prior to the transfer of the property from the District to Tenant, a majority of the voters voting on a ballot measure must approve the transfer;

WHEREAS, the District believes that it is in the best interests of the District to proceed to place a measure on the ballot for an election on November 8, 2016, in order to approve the sale of the Facility;

WHEREAS, prior to consummation of the sale of the Facility, the District will obtain an opinion on the value of the Facility from a licensed appraiser in accordance with applicable governmental and industry standards for appraisal and valuation, that such transfer of assets for such consideration will constitute fair and reasonable consideration to be received by the District for the transferred assets, and such determination will constitute fair market value;

WHEREAS, on or about June 1, 2016, the Board held a duly noticed public hearing on the proposed sale of the Facility; and

WHEREAS, in the judgment of the Board following a public hearing and comment, it is appropriate to sell the Facility for fair market value in accordance with the terms more fully set forth in the Lease/Option Agreement approved by the Board on or about February 25, 2015, and to request that the Registrar of Voters of the counties of Fresno, Kings and Tulare place a measure on the ballot for the upcoming November 2016 general election to submit to the District's voters the proposal to sell and transfer substantially all of the District's assets.

THEREFORE, NOW BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE KINGSBURG TRI-COUNTY HEALTH CARE DISTRICT:

1. Found the foregoing recitals to be true;
2. Called for an election in which a proposal is submitted the voters of the District on November 8th, 2016, to approve a measure, by a majority of the voters voting on said measure, to transfer substantially all of the assets of the District, and in particular the former hospital Facility pursuant to the Lease/Option Agreement or such other agreement approved by the District in accordance with applicable law. Full text is not required to appear in the sample ballot pamphlet and the Registrar of Voters for the counties of Fresno, Kings and Tulare shall assign the measure an



appropriate alphanumeric number. The ballot measure shall read and appear on the ballot as follows:

Measure \_\_\_\_\_

To provide mental health and/or other valuable professional services at the facility at 1200 Smith Street, Kingsburg, California, should the District complete the sale and transfer of said facilities and related assets for fair market value, as determined by an independent appraiser with no cost liability to taxpayers, to Kingsmith Investments, LLC or other buyer?

3. Authorized the Board Chairperson or Vice Chairperson to execute all instruments and documents, in the form to be submitted to the Board after review and advice of the District's legal counsel, to proceed with and complete the sale and transfer of the Facility.
4. That pursuant to section 32121(p) of the Health & Safety Code, this Board does hereby notify the Registrar of Voters for the counties of Fresno, Kings and Tulare that this Board chooses to hold such election on November 8th, 2016, and is to be conducted by polling place election among the electorate of the District.
5. That pursuant to Elections Code section 10002, the Board of Directors of the District hereby requests and authorizes the Registrar of Voters of Fresno, Kings and Tulare to render all services otherwise required to be performed by the Secretary of the District for the election to be held on November 8th, 2016. Said services are to include, but are not limited to:
  - Publication of notices calling the election
  - Publication of notices calling for ballot arguments
  - Provision of voter lists
  - Preparation and printing of ballots
  - Counting of ballots
  - Certification of election
  - All aspects of election not specified above that may be agreed upon by the Registrar and the Secretary of the District or the Chairman of the District's Board of Directors
6. That the Chairman of the Board, the Vice Chairperson of the Board, or a designee(s) of either are hereby authorized to execute any other document and to perform all acts necessary to place the measure on the ballot including signing a services agreement with the counties of Fresno, Kings and Tulare, and to comply with requirements of law and election officials.

7. That the Registrar of Voters for the counties of Fresno, Kings and Tulare are hereby authorized and directed to canvass the returns of the election and to certify the results of the election to the District as required by law.
8. That District reimburse the counties of Fresno, Kings and Tulare for all costs and expenses incurred by these counties in conducting said election upon presentation of a bill to the District and in compliance with any service agreement that may be entered into between the District and these counties.
9. That the District's Secretary or the Chairman of the District's Board, or their designee, is hereby authorized and directed to file a copy of this resolution with the County Clerk and/or the Registrar of Voters, in the counties of Fresno, Kings and Tulare as may be required by law, upon direction from the Chairman of the Board.

UPON MOTION OF BOARD MEMBER Bibb, SECONDED BY BOARD MEMBER Knutson, THE FOREGOING WAS PASSED, APPROVED, AND ADOPTED BY THE BOARD OF DIRECTORS AT AN OFFICIAL MEETING HELD June 1, 2016, BY THE FOLLOWING VOTE:

AYES: Snyder, Knutson, Bibb  
 NOES: \_\_\_\_\_  
 ABSTAIN: \_\_\_\_\_  
 ABSENT: Rogers

ATTEST: \_\_\_\_\_

Judy Bibb, Secretary of the Board

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CERTIFICATION

I hereby certify that I am the Custodian of Records for the Board of Directors of the Kingsburg Tri-County Health Care District ("District") and that the foregoing resolution is a true and correct copy of a resolution found in the official records of the Board of Directors of District.

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