

**BEFORE THE BOARD OF DIRECTORS OF THE
KINGSBURG HEALTH CARE DISTRICT**

IN THE MATTER OF:

Exercise of Option to Extend Lease For
1200 Smith Street, Kingsburg (APN 396-
152-03T).

RESOLUTION 2024- ██████████

WHEREAS, the Kingsburg Healthcare District (“**District**” or “**KHD**”) owns certain real property known as 1200 Smith Street, Kingsburg, in Fresno County, with Assessor's Parcel Number (APN) 396-152-03T (“**Premises**”), including all improvements thereon;

WHEREAS, **KHD** entered into a lease agreement dated February 25, 2014 (“**Lease**”) with the predecessor-in-interest of the current tenant under the Lease, KINGSMITH PARTNERS LLC (“**Tenant**”), for the operation of a mental health rehabilitation facility;

WHEREAS, such Lease furthered and continues to further an express purpose of the District by providing essential mental health rehabilitation services;

WHEREAS, on or about July 30, 2024 the Tenant timely provided written notice of exercise of its option to extend the Lease for ten (10) years, from the end of the initial Term of the Lease which would expire on February 28, 2025;

WHEREAS, pursuant to Section 2.2 of Lease, Tenant shall have the option to extend the Term of occupancy for two successive ten (10) year periods;

WHEREAS, the proposed Lease extension will continue to serve a public benefit in such manner as envisioned by the District when entering into the Lease;

WHEREAS, the proposed lease extension does not alter the intended public benefit envisioned by the District when entering into the Lease;

WHEREAS, the Surplus Land Act, as set forth in Government Code §§ 54220 et seq. (the “**Act**”), codifies requirements for the disposition of surplus land by local agencies, and exempts certain categories of property from these requirements;

WHEREAS, the extension of the Lease is not within the scope of the current requirements of the Act because it was previously entered into in 2014, and is not entry into a new or revised lease agreement;

WHEREAS, the current use of the land directly furthers the express purposes of the District’s work or operations, and therefore qualifies as an agency use under Section 104(a)(4) of the 2024 guidelines issued by the California Department of Community Development (“**HCD**”), removing it from both the definition of surplus land under the Act and the scope of the Act; and

WHEREAS, the Board of Directors (“**Board**”) of the District desires to accept the Exercise Notice of the Tenant and recognize the extension of the Term of the Lease, which shall now terminate at the end of **February 28, 2035**.

UPON MOTION OF BOARD MEMBER _____, SECONDED BY BOARD MEMBER _____, THE FOLLOWING WAS PASSED, APPROVED, AND ADOPTED BY THE BOARD OF DIRECTORS AT AN OFFICIAL MEETING HELD ON **November 13, 2024**, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: _____
KENNETH CRABB, Board Secretary

NOW THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS:

1. Found the foregoing recitals to be true and correct;
2. Accepted the Exercise Notice of the Tenant and recognized the extension of the Term of the Lease, which shall now terminate at the end of **February 28, 2035**; and
3. Authorized the District’s CEO (or their designee) to carry out the terms and conditions of this resolution and to take all steps reasonably necessary, proper and/or convenient and/or incidental thereto, including all related expenditures.
