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"To Enrich Lives Through Effective and Caring Service"

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

35 June 25, 2024

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

June 25, 2024

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**EIGHT-YEAR LEASE AMENDMENT
DEPARTMENT OF MENTAL HEALTH
21730 AND 21732 SOUTH VERMONT AVENUE, TORRANCE
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed eight-year lease amendment to renew an existing lease to provide the Department of Mental Health (DMH) continued use of 10,212 square feet of office and clinic space, and 34 on-site parking spaces, for DMH's Harbor Wellness Center and Tele-Mental Health and Transcranial Magnetic Stimulation Hub programs.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease with Hong Kong Garden, Inc., a California corporation (Landlord), for approximately 10,212 square feet of office and clinic space, and 34 on-site parking spaces located at 21730 South Vermont Avenue, Suite 122 and 21732 South Vermont Avenue, Suite 210, Torrance (Premises), for continued occupancy by DMH. The estimated maximum first year base rental cost is \$360,000. The estimated total proposed lease amendment cost, including, electricity and janitorial costs, is \$4,300,000 over the eight-year term. The rental costs will be funded by Mental Health Services Act and other State and Federal funds that are already included in DMH's existing budget. DMH will not be requesting additional net County cost for this action.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease amendment, and to take actions necessary and appropriate to implement the proposed lease amendment, including without limitation, exercising any early termination rights.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DMH has occupied the Premises since April 1, 2015. The Premises operates as the Harbor Wellness Center and Tele-Mental Health and Transcranial Magnetic Stimulation Hub (the Hub) and contains office and clinic space to supplement primary care services at Harbor-UCLA Medical Center. The proposed Premises is a client-facing office. The existing lease expired on March 31, 2023, and is currently on a month-to-month holdover basis with no holdover fee.

The Harbor Wellness Center houses approximately 38 employees, including physicians, nurses, assistants, and administrative staff. Services provided include mental health assessment, crisis intervention, medication support, disorder treatment, individual and group psychotherapy, and collaborative mental health and primary care. The Hub houses eight employees who provide psychiatric services via tele-technology to clients with critical mental health needs at selected hard-to-recruit and remote sites, or to facilities with a shortage of psychiatrists. Employees also provide medication support and psychiatric services to DMH clients in person. The Transcranial Magnetic Stimulation program provides transcranial magnetic stimulation and esketamine via both directly provided care and in-person services.

DMH provides services to approximately 40 clients per day in the Harbor Wellness Center and 30 clients per day in the Hub. The Harbor Wellness Center and the Hub promote wellness, recovery, and transitions to daily living. Services are provided in Torrance and surrounding areas of the South Bay region of the County.

The Premises is in close proximity to Harbor-UCLA Medical Center, and there is collaboration between the Wellness Center, the Hub, and Harbor-UCLA Medical Center.

DMH has requested that the existing lease be renewed so that it may continue to occupy the Premises, provide uninterrupted services to the existing community, and remain near Harbor-UCLA Medical Center.

Due to the direct health services provided, currently no employees are teleworking. Most employees work in the office at any given time while others rotate medical shifts.

The Premises is adequately served by public transportation.

Approval of the recommended actions will find that the proposed lease amendment is exempt from CEQA and will allow DMH to continue to operate at this location.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan North Star 1 – “Make Investments That Transform Lives” – provides that we will aggressively address society’s most complicated social, health, and public safety challenges. We want to be a highly responsive organization capable of responding to complex societal challenges – one person at a time.

The proposed lease amendment is also consistent with Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions; and Key Objective No. 5 – Fund Highest Priority Needs.

The proposed lease amendment supports the above goals and objective by continuing the use of an existing facility that provides proper accommodations for office, clinic, and ancillary space in a centrally located facility that is accessible for employees and patients.

The proposed lease amendment conforms with the Asset Management Principles outlined in Enclosure A.

FISCAL IMPACT/FINANCING

The estimated maximum first year base rental cost is \$360,000, which includes parking at no additional cost. The aggregate cost associated with the proposed lease amendment over the entire term, including electrical and janitorial costs, is \$4,300,000 as shown in Enclosure B-1, which will be funded by Mental Health Services Act and other State and Federal funds that are already included in DMH's existing budget. DMH will not be requesting additional net County cost for this action.

Sufficient funding to cover the proposed rent for the first year of the proposed lease amendment term is included in the Fiscal Year 2024-25 Rent Expense budget and will be billed back to DMH. DMH has sufficient funding in its Fiscal Year 2024-25 Operating Budget to cover the proposed rent, electrical, and janitorial costs for the first year. Future funding for the costs associated with the proposed lease amendment will be addressed through the annual budget process for DMH.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms previously stated, the proposed lease amendment also contains the following provisions:

- Upon commencement of the proposed lease amendment, the annual rental rate will decrease from \$37.77 per square foot, per year to \$35.25 per square foot, per year. This proposed base rental rate is subject to fixed annual increases of 3 percent.
- The Landlord is responsible for the operating and maintenance costs of the proposed Premises. The County is responsible for electrical and janitorial costs. The County is not subject to property tax increases.
- The 34 on-site, unreserved parking spaces are included at no additional cost.
- A comparison of the existing lease and the proposed lease amendment is shown in Enclosure B-2.
- The County has the right to terminate the proposed lease amendment early any time after the 60th month, with six months' prior written notice.
- Holdover at the proposed lease amendment expiration is permitted on the same lease terms and conditions, except the monthly base rent during the holdover period will be at the then current base rent amount paid in the last month of the lease, for a period not to exceed six months. If holdover continues for longer than six months, at the beginning of the seventh month, base rent will be increased by the annual 3 percent with no further increases up to an additional 12 months.

- The proposed lease amendment will be effective upon approval by the Board and the term and new rent shall commence upon the first day of the month following Board approval and full execution of the proposed lease amendment by both parties.

The Chief Executive Office conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$30.60 and \$50.52 per square foot, per year. The base annual rental rate of \$35.25 per square foot, per year for the proposed lease amendment represents a rate that is within the market range for the area. The proposed rent is lower than the current existing rent. Further, relocation to a new building would require costly new tenant improvements and disrupt services. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

Based on DMH requiring office and clinic space to serve medical clients, and provide administrative services, co-working is not appropriate due to the nature of this use.

Enclosure C shows County-owned or leased facilities within the surveyed area, and there are no suitable County-owned or leased facilities available for this space requirement.

The Department of Public Works has confirmed the facility is post-2000 construction and suitable for the County's continued occupancy. The required notification letter to the City of Torrance has been sent in accordance with Government Code Section 25351.

County Counsel has reviewed the proposed lease amendment and approved it as to form. The proposed lease amendment is authorized by Government Code Section 25351, which allows the County to enter into leases and agreements for the leasing of buildings as necessary to carry out the work of the county government.

The proposed lease amendment will continue to provide a suitable location for DMH, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, as outlined in Enclosure D.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease amendment, which involves the leasing of existing office space within an existing building, with no expansion of the existing building, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in section 15301 of the State CEQA Guidelines (Guidelines) and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G.

In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

The Honorable Board of Supervisors

6/25/2024

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Upon the Board's approval of the recommended actions, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk in accordance with section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide the necessary office and clinic space and parking for this County requirement. DMH concurs with the proposed lease amendment and recommendations.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Fesia A. Davenport", with a stylized, flowing script.

FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:JTC:JLC

HD:ANR:CB:gb

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Mental Health

**DEPARTMENT OF MENTAL HEALTH
21730 AND 21732 SOUTH VERMONT AVENUE, TORRANCE
Asset Management Principles Compliance Form¹**

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ² This facility supplements services of the Harbor-UCLA Medical Center.		X	
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² The ratio is approximately 222 sf per person due to required ancillary space which includes interview, clinic, conference and group room spaces.		X	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² Parking ratio is 3.4/1,000.		X	
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program?		X	
	B	Is this a long-term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Enclosure C?	X		
	G	Was build-to-suit or capital project considered? ²		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located with other County departments?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u> X </u> No suitable County occupied properties in project area.			
		3. <u> X </u> No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full-service lease? ² This is a modified gross lease; County is paying base rent, electrical and janitorial costs.		X	
	F	Has growth projection been considered in space request?	X		
	G	¹ Has the Dept. of Public Works completed seismic review/approval? The building was built in 2007, and is deemed suitable for County occupancy.			N/A
¹ As adopted by the Board of Supervisors 11/17/98					
² If not, why not?					

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

**21730 and 21732 South Vermont Avenue
Department of Mental Health**

Basic Lease Assumptions

Leased Area (sq.ft.)	10,212	
	Monthly	Annual
Rent (per sq. ft.) ⁽¹⁾	\$2.94	\$35.25
Rent Amount (\$)	\$ 30,000	
Term (Month/Years)	96 mos/8 yrs	
Annual Rent Adjustment	3%	
	Monthly	Annual
Electricity Estimate ⁽²⁾	\$1,261	\$15,132
Janitorial Estimate ⁽³⁾	\$8,490.00	\$101,880

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	Total 8 Year Rental Costs
Annual Base Rent Costs ⁽¹⁾	\$360,000	\$370,800	\$381,924	\$393,382	\$405,183	\$417,339	\$429,859	\$442,755	\$3,202,000
Total Base Rent Paid to Landlord	\$360,000	\$370,800	\$381,924	\$393,382	\$405,183	\$417,339	\$429,859	\$442,755	\$3,202,000
Electricity Costs ⁽²⁾	\$15,132	\$15,132	\$15,132	\$15,132	\$15,132	\$15,132	\$15,132	\$15,132	\$122,000
Janitorial Costs ⁽³⁾	\$101,880	\$106,974	\$112,323	\$117,939	\$123,836	\$130,028	\$136,529	\$143,355	\$973,000
Total Annual Lease Costs	\$478,000	\$493,000	\$510,000	\$527,000	\$545,000	\$563,000	\$582,000	\$602,000	\$4,300,000

Footnotes

⁽¹⁾ The Base Rent is subject to fixed three percent (3%) increases per annum.

⁽²⁾ Electricity costs shown above are based on an estimation and subject to change.

⁽³⁾ Janitorial costs include 5% annual increases. The figures shown above are based on an estimation and subject to change.

***Calculation note: All numbers are rounded up to ensure sufficient funds available to pay the specified expense.**

COMPARISON OF THE PROPOSED LEASE AMENDMENT TO EXISTING LEASE

	Existing Lease: 21730 and 21732 South Vermont Avenue, Torrance	Proposed Lease Amendment: 21730 and 21732 South Vermont Avenue, Torrance	Change
Area (Square Feet)	10,909 sq. ft.	10,212 sq. ft.	-697 sq. ft. ⁽¹⁾
Term (years)	8 years	8 years	No Change
Annual Base Rent	\$412,075	\$360,000	-\$52,075 annually
Parking (included in Base Rent)	34	34	No Change
Total Annual Lease Costs Payable to Landlord	\$412,075	\$360,000	-\$52,075
Rental Rate Annual Adjustment	Annual CPI adjustments capped at 4 percent	Annual fixed rental adjustments at 3 percent	Fixed at 3 percent

Footnote:

⁽¹⁾ Due to different BOMA standards, the same space measures differently.

**DEPARTMENT OF MENTAL HEALTH
21730 AND 21732 SOUTH VERMONT AVENUE, TORRANCE
SPACE SEARCH- WITHIN 3-MILE RADIUS**

LACO	Name	Address	Ownership Type	Gross Sq Ft	Vacant
T531	Harbor – Patient Financial Services 3- South	1000 W. Carson Street, Torrance 90502	Owned	9,770	None
2095	Harbor – REI Pediatrics/Emergency Medicine Office	1000 W. Carson Street, Torrance 90502	Owned	10,051	None
2101	Harbor – Hospital Planning & Arch/Mechanical	1000 W. Carson Street, Torrance 90502	Owned	5,804	None
2063	Harbor – REI Administrative Building N-14	1124 W. Carson Street, Torrance 90502	Owned	11,802	None
A074	CSSD – Division V Headquarters/Torrance Health Center	20221 S. Hamilton Avenue, Torrance 90502	Leased	66,825	None
A414	DCFS – Torrance (SPA 8)	2325 Crenshaw Boulevard, Torrance 90501	Leased	60,804	None
11516	Harbor-D-5.5	1000 West Carson Street, Torrance 90502	Owned	6,296	None
10984	Harbor-D-3.5	1000 West Carson Street, Torrance 90502	Owned	8,804	None

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Eight-year lease amendment for DMH – 21730 and 21732 South Vermont Avenue, Torrance – Second District.

A. Establish Service Function Category – DMH Harbor Wellness Center and Tele-Mental Health and Transcranial Magnetic Stimulation

B. Determination of the Service Area – The existing office and clinic space has been occupied since April 1, 2015. The proposed lease amendment term will provide DMH with continued use of 10,212 square feet of office and clinic space and 34 on-site parking spaces.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: This location meets the needs of DMH and remains in an appropriate area close to Harbor-UCLA Medical Center.
- Need for proximity to existing County facilities: The location allows physicians to work between the Harbor Wellness Center, Hub, and Harbor-UCLA Medical Center
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is on South Vermont Avenue, with adequate access to public transit services.
- Availability of affordable housing for County employees: The surrounding area provides for affordable rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There is no space available in existing County-owned buildings to meet the department's service needs.
- Compatibility with local land use plans: The City of Torrance has been notified of the proposed County use which is consistent with its use and zoning for office and clinic space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease amendment over the entire term is approximately \$4,300,000.

D. Analyze results and identify location alternatives

Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$30.60 and \$50.52 per square foot, per year. The base annual rental rate of \$35.25 per square foot, per year for the proposed lease amendment represents a rate that is within the market range for the area. The proposed rent is lower than the current existing rent. Further, relocation to a new building would require costly new tenant improvements and disrupt services. We recommend the proposed facility as the most suitable to meet the County's space requirements.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost, and other Location Selection Criteria

The proposed lease amendment will provide adequate and efficient office and clinic space for a total of 46 DMH employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012. There are currently no available buildings in the area that meet the Department's requirements.

REINSTATEMENT AND AMENDMENT NO. 2 TO COUNTY LEASE NO. 78234
21730 AND 21732 SOUTH VERMONT AVENUE, TORRANCE
DEPARTMENT OF MENTAL HEALTH

This REINSTATEMENT AND AMENDMENT NO. 2 TO LEASE No. 78234 ("Amendment No. 2") is made and entered into this ____ day of _____, 2024 ("Effective Date"), by and between HONG KONG GARDEN INC., a California corporation ("Landlord"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("County" or "Tenant").

RECITALS:

A. WHEREAS, Landlord and Tenant entered into that certain Lease No. 78234 dated July 8, 2014 ("Original Lease"), as amended by that certain Amendment No. 1 to Lease No. 78234 dated March 4, 2016 ("Amendment No. 1"). Collectively the Original Lease, as amended by Amendment No. 1, shall be referred to herein as the "Lease."

B. WHEREAS, Landlord leased to Tenant and Tenant agreed to lease from Landlord approximately ten thousand nine hundred nine (10,909) rentable square feet of office space and 34 parking spaces at 21730 and 21732 South Vermont Avenue, Torrance, California ("Premises").

C. WHEREAS, the Lease term expired on March 31, 2023 and the County has been in a holdover tenancy under the Lease ever since.

D. WHEREAS, Landlord and Tenant now wish to further amend the Lease to provide for among other matters, a reduction in the square footage of the Premises, an extension of the Term, adjustment to the rent, modification of the early termination right, all upon and subject to each of the terms, conditions, and provisions set forth herein.

E. WHEREAS, all capitalized terms that are used in this Amendment No. 2 but are not defined herein, shall have the meanings given to them in the Lease.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree and amend the Lease as follows:

1. REINSTATEMENT OF LEASE; WITHDRAWAL OF NOTICES; AND RESTATEMENT OF LEASE.

Landlord and Tenant hereby covenant and agree that, effective as of the Effective Date, the Lease is hereby reinstated in its entirety and by this reference is restated in its entirety, incorporated herein and made a part hereof. Landlord and Tenant hereby further covenant and agree that, contemporaneously with the foregoing reinstatement and restatement of the Lease, any Notice of Termination, if any, is hereby withdrawn, revoked, cancelled and rendered null, void and of no further force or effect.

2. NOTICE.

Section 1.1(b) of the Lease, "TENANT'S ADDRESS FOR NOTICE," is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

1.1(b). Tenant's Address for Notice:

County of Los Angeles
Chief Executive Office-Real Estate Division
320 West Temple Street, 7th Floor
Los Angeles, CA 90012
Attention: Director of Real Estate

3. PREMISES.

Section 1.1(c) of the Lease, "PREMISES" is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

Premises A (Wellness Center): Approximately 6,887 rentable square feet in the in the space known as Suite 210 in the Building (defined below) as shown on Exhibit A attached hereto.

Premises B (Tele-Mental Clinical Health): Approximately 3,325 rentable square feet in the space known as Suite 122, inclusive of Suites 122-124, in the Building (defined below) as shown on Exhibit A attached hereto.

4. PREMISES BASIC RENT.

As of the Extension Commencement Date, Section 1.1(h) of the Lease, "PREMISES BASIC RENT" is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

Base Rent for Premises A and Premises B will be THIRTY THOUSAND AND NO/100 Dollars (\$30,000.00) ("Base Rent") per month (i.e., \$360,000.00 yearly).

5. RENTABLE SQUARE FEET.

Section 1.1(j) of the Lease, "RENTABLE SQUARE FEET IN THE PREMISES", is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

10,212 rentable square feet (rsf) office space

6. DEFINED TERMS RELATING TO WORK LETTER.

Section 1.2 of the Lease is deleted in its entirety.

7. TERM AND COMMENCEMENT. Section 4 of the Lease, "COMMENCEMENT AND EXPIRATION DATES" is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. Notwithstanding anything to the contrary in the Lease, the Lease is hereby amended to extend the Lease term for an additional eight years or ninety-six (96) months commencing upon the Commencement Date of this Amendment No. 2 to the Lease (the "Extension Commencement Date") and terminating at the end of the eighth year or 96th month of the Extension Commencement Date ("Lease Expiration Date"). The period of time commencing on the Extension Commencement Date and terminating on the Lease Expiration Date shall be referred herein as the "Extension Term". The Extension Commencement Date will commence upon the first of the month following approval of the Board of Supervisors and full execution of the Lease Amendment by both parties.

(b) Early Termination. Tenant shall have the right to terminate the Lease for any reason any time after the sixtieth (60) month following the Extension Commencement Date. Such right may be exercised by Tenant upon six (6) months' written notice to Landlord.

8. RENT. Section 5 of the Lease, "RENT" is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

5. RENT. Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within fifteen (15) days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month.

All amounts owed pursuant to this Lease, shall be consider Rent hereunder.

On the first anniversary of Extension Commencement Date, the Base Rent shall be adjusted as defined below:

(a) Rental Adjustment: On the first and each subsequent anniversary of the Extension Commencement Date, Base Rent shall be adjusted by a fixed three percent (3%) per annum.

9. USES. Section 6 of the Lease, "USES," is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

6. USES. County may use and occupy the Premises for the Department of Mental Health office or for any other lawful use. The County can replace the initial occupant with any County of Los Angeles Department or Division or associated agency at its sole discretion.

10. HOLDOVER. Section 7 of the Lease, "HOLDOVER," is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

7. HOLDOVER. If this Lease expires, Tenant can remain in the Premises on a holdover basis subject to the same terms and conditions of the Lease and rent during the holdover period will be at the same base rent at the time the Lease expired, for a period not to exceed six months. If Holdover continues for longer

than six months, at the beginning of the seventh month, Base Rent shall be increased by three percent (3%) with no further increases up to an additional twelve months.

11. PARKING. Section 20 of the Lease, "PARKING," is hereby amended, and the following language in the first sentence is inserted in substitution thereof:

(a) Tenant's Rights. Tenant shall have the right to use thirty-four (34) non-exclusive reserved parking stalls, including the reserved, secure parking area beneath the Building, at no additional cost to Tenant.

12. TENANT IMPROVEMENTS. Section 23 of the Lease is hereby deleted in entirety.

13. OPTION TO EXTEND. Section 33 of the Lease is hereby deleted in entirety.

14. CASP INSPECTION. The Lease is hereby amended to insert as a new Section 34 the following paragraphs:

"34. CASP INSPECTION. In accordance with California Civil Code Section 1938, Landlord hereby states that the Premises and the Common Areas: [Check the appropriate box]

☐ Have undergone inspection by a Certified Access Specialist (a "CASp") and have been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord shall provide Tenant with a copy of the CASp inspection report and a current disability access inspection certificate for the Premises within seven (7) days after the execution of this Lease.

☐ Have undergone inspection by a Certified Access Specialist and have not been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord has provided Tenant with a copy of the CASp inspection report at least 48 hours prior to the execution of this Lease. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

☒ Has not undergone inspection by a Certified Access Specialist. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor

may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, and Tenant shall pay the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises.

The foregoing statement is provided solely for the purpose of complying with California Civil Code Section 1938 and shall not affect the Landlord's and Tenant's respective responsibilities for compliance with any design and construction related accessibility obligations as provided under the Lease."

15. SMOKING IN COUNTY FACILITIES

The Lease is hereby amended to insert as a new Section 35 the following paragraph:

"35. SMOKING IN COUNTY FACILITIES. The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found second-hand smoke to be a known carcinogen. It is recognized that the County has a responsibility to establish, maintain and promote a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of County employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all County employees and the public. Therefore, to the extent reasonably feasible, the rights and comfort of all employees shall be respected. Reasonable effort shall be made by Tenant to provide smokers a place to smoke in areas open to the sky or otherwise located outside County facilities in a location reasonably proposed by Tenant and subject to the reasonable approval of Landlord, and, except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated by Tenant as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County premises and within 25 feet of any access ramp or handicap path; (2) Within any County-owned parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any County driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126). All signs required by this Section 35 shall be prepared,

posted and maintained by Tenant, subject to Landlord's approval of such signs, including the location thereof, which approval shall not be unreasonably withheld."

16. **BROKERS.** Landlord warrants that it has dealt with only the following real estate broker(s), agent(s), and/or finder(s) in connection with this letter or the transaction contemplated by this letter: Saddleback Realty & Mortgage DRE #00102873 (Allen P. Kirschbaum DRE #01102874) represents Landlord. Tenant warrants that it has not dealt with any real estate broker(s), agent(s), and/or finder(s) in connection with this letter or the transaction contemplated by this letter except for CBRE, Inc. DRE #00409987 (Timothy Vaughan DRE #00902652). Upon full execution of the Lease, Landlord will pay a brokerage commission under separate agreement to Tenant's broker in connection with leasing to the County of Los Angeles.

17. **RATIFICATION AND CONFIRMATION OF LEASE.** Except as modified herein, all other terms and conditions of the Lease remain in full force and effect. In the event that the terms and conditions of this Amendment No. 2 conflict with the terms and of the Lease, as amended by that certain Amendment No. 1, then the terms and conditions of this Amendment No. 2 shall prevail and control.

18. **ENTIRE AGREEMENT.** The Lease, as amended by this Amendment No. 2, contains the entire agreement of the parties hereto with respect to the subject matter hereof. No representations, inducements, or agreements, oral or otherwise, between the parties not contained in the Lease shall be of any force or effect. The Lease, as amended by this Amendment No. 2, may not be modified, changed or terminated, in whole or in part, in any manner other than by an agreement in writing signed by duly authorized representatives of the parties hereto. Effective as of the Effective Date, all references to the "Lease" shall refer to the Lease as amended by this Amendment No. 2.

19. **ELECTRONIC SIGNATURES.** This Lease Amendment and any other document necessary for the consummation of the transaction contemplated by this Lease Amendment may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease Amendment and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Lease Amendment had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Lease Amendment is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Lease Amendment based on the foregoing forms of signature. If this Lease Amendment has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA") (Cal. Civ. Code § 1633.1, et seq.), that a signature by fax,

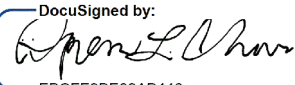
email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the Landlord has executed this Amendment No. 2 or caused it to be duly executed and this Amendment No. 2 has been executed on behalf of the County by the Chief Executive Officer of the Chief Executive Office of the County, or her designee, on the day, month, and year first above written.

LANDLORD:

HONG KONG GARDEN, INC.,
a California corporation

DocuSigned by:
B 
EBCFE3BE09AB446...
Spencer L. Chan, President

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer


ATTEST:

DEAN C. LOGAN
Recorder/County Clerk
of the County of Los Angeles

By: _____
Deputy

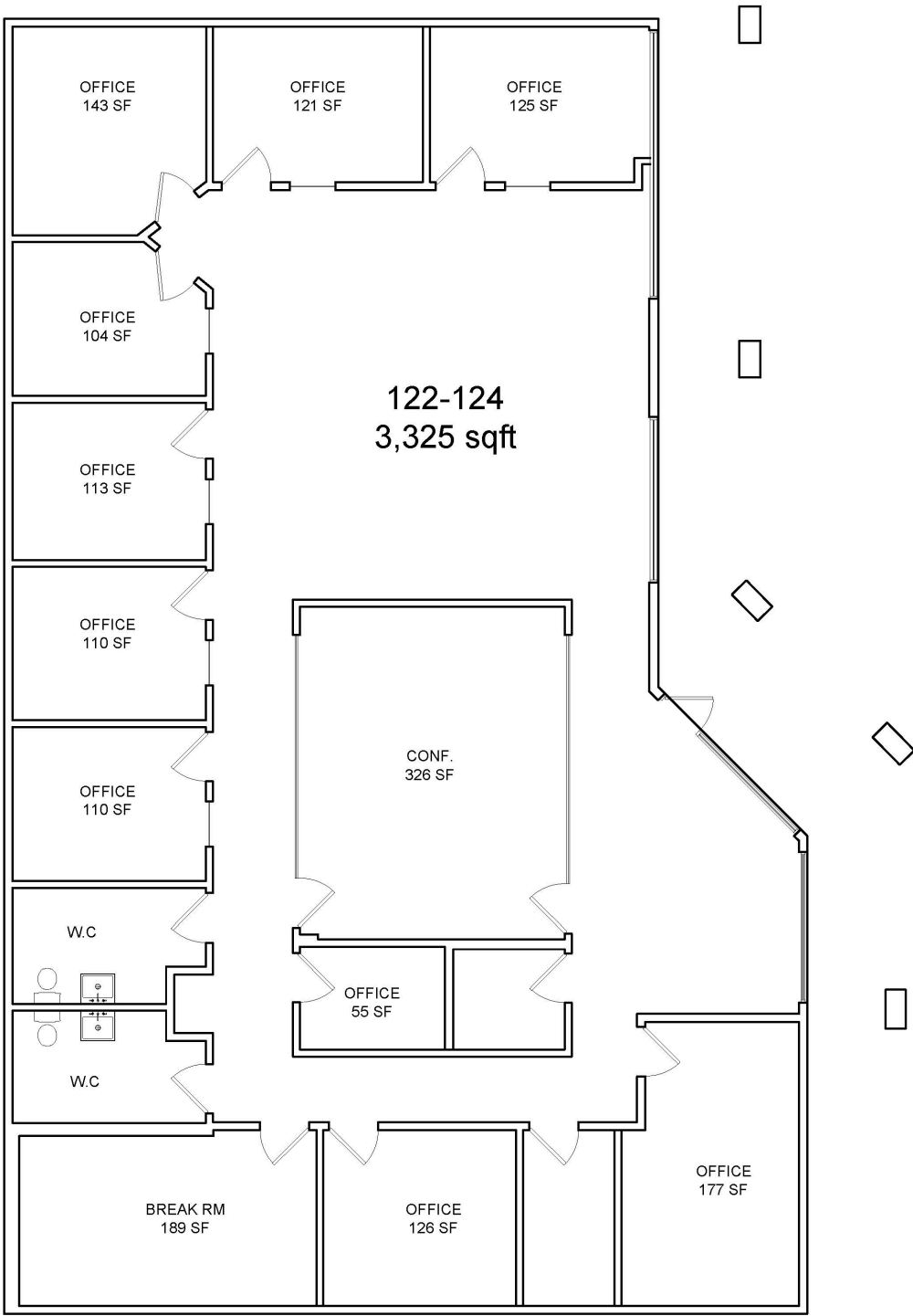
APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By:  _____
Senior Deputy

Roberto Saldana
2024.04.29
13:14:09 -07'00'

EXHIBIT A



DS
Q

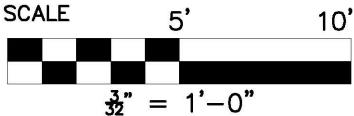
ALL DIMENSIONS ARE SUBJECT
TO FIELD VERIFICATION



www.MeasureUpCorp.com

Suite 122 Ground Floor

21732 S Vermont Ave., Torrance, CA 90502



DATE: 05.31.2023
SHEET: 1 OF 1
Drafted By: Aa

FL-01

EXHIBIT A



DS
[Signature]

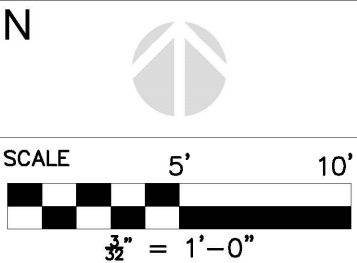
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DATE:	05.31.2023	Drafted By:
SHEET:	1 OF 1	Aa

FL-01