Live Well. Health Matters.

RESOLUTION NO. 610

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BEACH CITIES HEALTH DISTRICT
AMENDING THAT CERTAIN AGREEMENT TO ENTER INTO GROUND LEASE,
GROUND LEASE AND RELATED TRANSACTION DOCUMENTS
FOR THE DEVELOPMENT OF THE HEALTHY LIVING CAMPUS PROJECT

WHEREAS, at a duly noticed public meeting held on May 27, 2026, the Board of Directors of the Beach Cities Health District (the "**District**") authorized execution of that certain Agreement to Enter into Ground Lease, Ground Lease, and related transaction documents contemplated thereby (collectively, the "**Transaction Documents**") with Sunrise Development, Inc. ("**Sunrise**").

WHEREAS, on June 4, 2026 the District and Sunrise entered into that certain Agreement to Enter into Ground Lease, which was later amended by that certain First Amendment to Agreement to Enter into Ground Lease dated September 2, 2026.

WHEREAS, the District and Sunrise desire to amend, modify, revise, and update the Transaction Documents to reflect a revised and updated description of the site plan and Premises, as defined in the Transaction Documents, substantially in the form of the Second Amendment to Agreement to Enter into Ground Lease attached hereto as Exhibit A (the "**Amendment**").

WHEREAS, pursuant to the provisions of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*) (**"CEQA"**) together with the State CEQA Guidelines (California Code of Regulations, Section 15000 *et seq.*) (**"CEQA Guidelines"**), the District prepared a Final Environmental Impact Report for the Beach Cities Health District Healthy Living Campus Master Plan Project (State Clearinghouse No. 2019060258) (**"Final EIR"**); and

WHEREAS, the Board of Directors certified the Final EIR and approved the Healthy Living Campus Master Plan Project (**"Project"**) on September 8, 2021, and approved the Project on November 17, 2021: and

WHEREAS, following certification of the Final EIR and approval of the Project, the District began a search for a developer, operator and design-build team through a Request for Expression of Interest process, which involved review of proposals and identification of Sunrise to enter into a Letter of Intent with the District; and

WHEREAS, the proposal from Sunrise would involve the following modifications and refinements to the approved Project: changes in the timing of demolition of the Beach Cities Health Center campus structures and changing project construction from two phases to one phase; elimination of the Community Services Space, Wellness Pavilion, and Aquatics Center, resulting in a 13,150 square foot reduction in new building square footage and footprint, thereby also reducing the construction period from 57 months (two phases) to 27 months (one phase; adding a lap pool; reducing the maximum building height from six to five stories; and, as a result, previously adopted Mitigation Measures HAZ-3, NOI-3b, NOI-3c, and T-3 would no longer be needed; and

WHEREAS, the District has prepared an Addendum to the Final EIR pursuant to CEQA Guidelines Section 15164, attached hereto as Exhibit A, to analyze the proposed modifications and refinements to the Project; and

WHEREAS, the proposed modifications and refinements constitute minor modifications to the Project that would not require major revisions to the Final EIR because they would not result in new or substantially more severe significant environmental impacts than those analyzed in the Final EIR, and none of the conditions requiring preparation of a subsequent EIR pursuant to CEQA Guidelines Section 15162 or a supplemental EIR due to CEQA Guidelines Section 15163 exist; and

WHEREAS, the Addendum has been presented to the Board, and the Board has reviewed and considered the information contained in the Addendum.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE BEACH CITIES HEALTH DISTRICT HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

1. The foregoing recitals are true and correct.

2. Based on the foregoing recitals and materials presented to the Board of Directors in connection herewith, the Board of Directors of the District finds that the revisions and updates contemplated by the Amendment are in the best interests of the District and the communities it serves.

3. The Board of Directors hereby determines that the Addendum to the Final EIR reflects the independent judgment of the District.

4. The Board of Directors hereby adopts the Addendum for the modifications and refinements to the Project.

5. The Board of Directors of the District here adopts, approves, and ratifies the Amendment in all respects, and authorizes the Chief Executive Officer of the District to finalize, execute, and deliver the Amendment and any and all additional amendments or revised Transaction Documents appropriate to give effect to the Amendment and the revisions and updates contemplated therein (collectively, the "**Authorized Documents**").

6. The Chief Executive Officer is hereby authorized to approve non-material modifications to any of the Authorized Documents.

7. All prior actions taken in furtherance of the foregoing are adopted, approved, and ratified in all respects and all prior approvals of the Board of Directors remain in full force and effect.

8. The Board of Directors of Beach Cities Health District adopted and approved these resolutions in a public meeting by affirmative vote of 5 in favor and 0 opposed. This resolution shall become effective upon its adoption.

PASSED, APPROVED, AND ADOPTED THIS 28 DAY OF OCTOBER, 2026

Jane Ann Diehl, President
Board of Directors
Beach Cities Health District

ATTEST:

Vanessa Poster, Secretary-Treasurer
Board of Directors
Beach Cities Health District

Exhibit A

Amendment

[See attached.]

Exhibit A

SECOND AMENDMENT TO AGREEMENT TO ENTER INTO GROUND LEASE

THIS SECOND AMENDMENT TO AGREEMENT TO ENTER INTO GROUND LEASE (this "**Amendment**"), dated as of [October ___], 2026 (the "**Second Amendment Effective Date**"), is made by and between **BEACH CITIES HEALTH DISTRICT**, a California health care district ("**Landlord**"), and **SUNRISE DEVELOPMENT, INC.**, a Virginia corporation, its successors and assigns ("**Tenant**").

RECITALS:

A. Landlord and Tenant entered into that certain Agreement to Enter into Ground Lease dated as of June 4, 2026 (the "**Original Agreement**"), as amended by that certain First Amendment to Agreement to Enter into Ground Lease dated as of September 2, 2026 (the "**First Amendment**", and together with the Original Agreement, the "**Agreement**"), for the lease from Landlord to Tenant of certain property located in Redondo Beach, Los Angeles County, California, as more particularly described in the Agreement.

B. Landlord and Tenant desire to amend certain terms under the Agreement as set forth below.

AGREEMENTS:

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereby agree as follows:

1. Defined Terms. Each capitalized term used but not defined herein shall have the meaning assigned to such term in the Agreement.

2. Amendments. As of the Second Amendment Effective Date, Landlord and Tenant hereby amend the Agreement as follows:

(a) Revised Premises. The parties acknowledge that Tenant's surveyor has prepared an updated depiction of the boundaries of the Land entitled "Beach Cities New Lot Line" dated October 5, 2026, a copy of which is attached hereto as Exhibit A (the "**Revised Site Depiction**"), and that the Land, as so revised, consists of approximately 223,566 square feet (approximately 5.13 acres). Accordingly: (i) Exhibit "A" (Site Plan Depiction and Legal Description (Land)) to the Agreement is hereby amended by (A) deleting the site plan depiction attached thereto and replacing it with the Revised Site Depiction, and (B) deleting the reference to "approximately 4.6 acres" and replacing it with "approximately 5.13 acres (223,566 square feet)" and (ii) Recital B of the form of Ground Lease attached to the Agreement as Exhibit "D" is hereby amended by deleting "[approximately 4.6 acres]" and replacing it with "approximately 5.13 acres (223,566 square feet)".

(b) Extension of Due Diligence Period. The first sentence of Section 3.1 (Due Diligence Period) of the Agreement is hereby deleted in its entirety and replaced with the following:

"Tenant will have a period of time (the "**Due Diligence Period**"), commencing on the Effective Date and expiring on February 1, 2027, in which to conduct the inspections and studies described in this Article 3."

(c) Title/Survey Objection. Section 3.5(b) of the Agreement is hereby deleted in its entirety and replaced with the following:

"(b) Tenant has delivered to Landlord written notice (the "**Title/Survey Notice**") of matters affecting or relating to title to the Property that are not satisfactory to Tenant, including those disclosed by the Title Commitment dated May 11, 2026 (collectively, the "**Title Objections**"), or shown on the Survey dated July 20, 2026 (collectively, the "**Survey Objections**"), but excluding Permitted Exceptions, which are not satisfactory to Tenant in its sole and absolute discretion. Landlord shall, during the Title/Survey Objection Cure Period (hereinafter defined), to the satisfaction of Tenant, cure (or otherwise confirm in writing either that Landlord (i) will cure in a reasonable time period acceptable to Tenant or (ii) is unable to cure) the Title Objections and/or Survey Objections identified in the Title/Survey Notice. As used in this Agreement, the term "**Title/Survey Objection Cure Period**" will mean the period commencing on the date Landlord received the Title/Survey Notice and expiring January 29, 2027. In addition, on or before the expiration of the Title/Survey Objection Cure Period, Landlord shall deliver to Tenant written notice (the "**Landlord Title Response**") identifying which of the Title Objections and Survey Objections Landlord has cured, will cure, or is unable to cure, and Landlord's failure to timely deliver such notice shall be deemed Landlord's election not to cure any such Title Objection or Survey Objection not then cured to Tenant's satisfaction; provided, however, Landlord shall have until the Closing Date to cure the Must Cure Items (defined below). Tenant may provide an updated Title/Survey Notice to Landlord within five (5) business days of receipt of an update to the Title Commitment or Survey with respect to any Title Objection not previously disclosed by the Title Commitment or Survey Objection not previously shown on the Survey, which are not satisfactory to Tenant in its reasonable discretion (an "**Updated Title/Survey Notice**"). Landlord shall have ten (10) business days to respond to any Updated Title/Survey Notice and identify which of the objections it has cured, will cure, or is unable to cure (an "**Updated Landlord Response**"), and Landlord's failure to timely deliver such notice shall be deemed Landlord's election not to cure any such objection. Notwithstanding anything to the contrary in this Agreement, Landlord must, at Landlord's sole cost and expense, pay off or make other arrangements acceptable to both the Title Company and Tenant to cause the satisfaction and release of any litigation, judgment lien, mechanics' lien, materialmen's lien, broker's lien and any other monetary lien on the Property as of the Closing Date (collectively, the "**Must Cure Items**"). Landlord's obligation with respect to Must Cure Items is not contingent on Tenant objecting to any such matters in any Title/Survey Notice."

(d) Landlord's Cure Obligations. Section 3.5(c) of the Agreement is hereby deleted in its entirety and replaced with the following:

"(c) Tenant shall have until the later of (i) ten (10) business days following receipt of the Landlord Title Response or any Updated Landlord Response and (ii) the expiration of the Due Diligence Period to confirm its acceptance of Landlord's positions set forth in the Landlord Title Response or Updated Landlord Response, as applicable (in any case, the "**Tenant's Acceptance Deadline**"). In the event that Tenant is unable to accept Landlord's positions set forth in the Landlord Title Response by 5:00 p.m., Eastern Time, on the Tenant's Acceptance Deadline, Tenant will have the right, at its option, to (x) terminate this Agreement by written notice and demand and receive a return of the Deposit, without any right by Landlord to object or delay such refund, in which event neither party will thereafter have any further rights, obligations or liability hereunder except with respect to provisions hereof which by their express terms survive a termination of this Agreement and each party to this Agreement will pay for its own out-of-pocket expenses incurred in connection with this Agreement; or (y) waive the Title Objection(s) and/or Survey Objection(s) with such matter or matters added to, and made a part of, the Permitted Exceptions and without abatement or reduction in the Base Rent (as defined in the Ground Lease) on account thereof, except as agreed by the Landlord in its sole discretion. Tenant's failure to timely deliver such notice shall be deemed Tenant's election to waive any such Title Objection or Survey Objection Landlord has not agreed to cure; provided, however, Tenant shall not have waived any objection to the Must Cure Items. For the avoidance of doubt, Tenant's delivery of the Notice to Proceed shall not waive or limit Tenant's rights under this Section 3.5(c), and upon any termination under this Section 3.5(c) the entire Deposit (including any portion previously released to Landlord) shall be returned to Tenant."

(e) Entitlements Application Submittal Date. Section 3.7(c) of the Agreement is hereby deleted in its entirety and replaced with the following:

"(c) No later than February 1, 2027, Tenant shall, at its sole expense, endeavor to commence design work reasonably necessary to submit a complete Entitlements Application to the City of Redondo Beach, and shall, at its own expense, diligently and promptly endeavor to complete such design work with the goal of submitting the Entitlements Application to the City of Redondo Beach by May 1, 2027; provided, however, if Tenant provides evidence that it has made reasonable progress towards completing the Entitlements Application by May 1, 2027, Tenant shall have an additional ninety (90) days thereafter to complete such submission."

3. Authorization. Each of the parties hereto represents to the other that it has the legal power, right and authority to enter into this Amendment and that the individuals executing this Amendment on behalf of each of Landlord and Tenant have the legal power, right and actual authority to bind Landlord and Tenant, respectively, to the terms and conditions hereof.

4. Counterpart Execution. This Amendment may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Facsimile, electronic, and portable document

format (PDF) signatures on this Amendment (including via Docusign or similar programs) shall be binding as if original.

5. Entire Agreement. The Agreement, as modified hereby, contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Amendment or the Agreement, and no other agreement, understanding or representation pertaining to any such matter shall be effective for any purpose.

6. Ratification of Agreement. Except as amended hereby, the Agreement shall remain in full force and effect in accordance with its terms and is hereby ratified. In the event of a conflict between the Agreement and this Amendment, this Amendment shall control.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Second Amendment Effective Date.

"Landlord"

BEACH CITIES HEALTH DISTRICT, a California health care district

By: _____
Name: _____
Title: _____

"Tenant"

SUNRISE DEVELOPMENT, INC., a Virginia corporation

By: _____
Name: _____
Title: _____

Exhibit A

Revised Site Depiction



Redondo Beach, CA