



FESIA A. DAVENPORT  
Acting Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

29 November 10, 2020

November 10, 2020

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

CELIA ZAVALA  
EXECUTIVE OFFICER

Dear Supervisors:

**HARBOR-UCLA MEDICAL CENTER CAMPUS  
OPTION AGREEMENT AND GROUND LEASES WITH THE LUNDQUIST INSTITUTE  
FOR BIOMEDICAL INNOVATION AT HARBOR-UCLA MEDICAL CENTER FOR A  
BIOSCIENCE TECHNOLOGY PARK  
(SECOND DISTRICT)  
(3 VOTES)**

### SUBJECT

Request for approval of, and delegation of authority to execute, an Option to Lease Agreement (Option Agreement), and one or more Ground Leases with The Lundquist Institute for Biomedical Innovation at Harbor-UCLA Medical Center (TLI), to construct a Bioscience Technology Park (Biotech Park) on the Harbor-UCLA Medical Center Campus (Harbor Campus).

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the recommended actions are within the scope of the Harbor-UCLA Medical Center Campus Master Plan (Master Plan) project impacts analyzed in the Environmental Impact Report (EIR) previously certified by the Board.
2. Pursuant to Government Code, Section 26227, find that the Biotech Park is necessary to meet the social needs of the population of the County, and that during the time of possession of the specific site by TLI the property will not be needed for County purposes.

3. Approve and authorize the Chief Executive Officer, or her designee, to execute an Option Agreement with TLI for a proposed Biotech Park at the Harbor Campus, in a form approved by County Counsel and consistent with the terms set forth herein, subject to review by the Real Estate Management Commission (REMC).
4. Approve and authorize the Chief Executive Officer, or her designee, to execute one or more ground leases in a form approved by County Counsel, and consistent with the terms set forth herein, when the Tier 1 and Tier 2 option conditions for a specific site have been fulfilled and TLI has exercised the option for a specific site.
5. Approve and authorize the Chief Executive Officer, or her designee, to execute any ancillary documentation, approved as to form by County Counsel, that is necessary to effectuate the Option Agreement or ground leases, and to implement and effectuate the terms of the Option Agreement or ground leases and the development of the Biotech Park as set forth herein.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to approve and authorize the Chief Executive Officer to execute the Option Agreement and the ground leases to develop a Biotech Park on the Harbor Campus, located in the unincorporated County of Los Angeles community of West Carson. On April 18, 2017, the Board approved a motion authorizing an Exclusive Negotiating Agreement with TLI for Biomedical Innovation at Harbor-UCLA Medical Center to develop a Biotech Park on an approximately 15-acre parcel located on the western portion of the Harbor Campus. The goal was, and is, to support a thriving bioscience community on the Harbor Campus and produce Countywide economic, academic, and social benefits. On July 21, 2020, the Board approved a motion to expedite development of the Biotech Park, and set forth parameters for an initial phase of the Biotech Park. The proposed terms and conditions are consistent with the Board's direction.

The proposed Biotech Park will be a 15-acre site located within the boundaries of the area shown on Exhibit A of Attachment 1. The specific 15-acre portion of the property will be determined prior to the execution of the Option Agreement, and will reserve the southwest corner for an electrical substation to serve the Harbor Campus. The initial phase of the proposed Biotech Park shall consist of three sites with three respective ground leases for the construction of three buildings totaling a maximum of 250,000 gross square feet, as well as parking and other improvements. The initial phase will be approximately seven to nine acres, to be determined upon completion and approval of the conceptual site plan. Any area not assigned to Phase I will be available for future development for an aggregate area of approximately 15 acres. The first building will be located in the upper northwest corner of the Harbor Campus.

In order to carry out these goals, the County will enter into an Option Agreement, which will include the terms outlined in Attachment 1. The Option Agreement term for Phase I will be 15 years, and TLI will have five years to complete each site. For TLI to exercise the Option Agreement for all three sites in Phase I, TLI must satisfy the following Tier 1 conditions within two years of the effective date of the Option Agreement, of which each needs approval by the County:

- Conceptual Site Plan for the development;
- Preliminary Phasing Plan;
- Parking Plan addressing parking for each new building, including construction parking and the location of any replacement parking;

- Relocation Plan explaining how and where TLI or its sublessee will relocate all County personnel, and operations in the affected buildings to acceptable, non-temporary replacement space, approved by the County and located on the Harbor Campus;
- Utility Plan;
- Qualifications and experience of potential developers;
- Form of Reciprocal Easement;
- TLI to have signed off on the title and environmental condition of the real property and investigated the condition of the existing structures; and
- REMC approval of the Option Agreement and ground lease form.

Once an Option Agreement is exercised for a specific building, the following Tier 2 conditions must be met prior to the execution of a ground lease for a specific building site, and approved by the County:

- Building and improvements for the particular site has all permits and is ready to start construction;
- Financing is in place and there are sufficient funds to construct the proposed project;
- Updated phasing, both interim and final parking, utility, and relocation plans;
- Compliance with the applicable relocation and parking plans for the particular site;
- Leasing and operation plan to assure a minimum amount of space in the proposed building will be made available to lease to second stage bioscience companies;
- Evidence that TLI remains in good standing as a 501(c)(3) non-profit organization, and there are no defaults under any prior ground lease between TLI and the County;
- Any prior building being developed must be completed or be on schedule for completion; and
- The ground rent to be paid for the particular site.

Future development of the remaining six to eight acres will be contingent upon environmental review under the California Environmental Quality Act (CEQA) and the Board's approval after compliance with CEQA. Following CEQA compliance and Board approval for the future development, the County and TLI will amend the Option Agreement for an additional 10-year term. Each future development component will also need to meet the Tier 1 and Tier 2 conditions.

The form of each ground lease for a particular site shall be based on the existing ground leases between TLI and the County for space on the Harbor Campus, except for the differences described on Attachment 2, and shall have the following major terms and conditions, all subject to approval as to form by County Counsel.

Ground Lease(s) terms:

- A 55-year term, with two, 20-year options to extend.
- Ground rent paid to the County shall be an amount equal to 50 percent of the rent (including any participation rent) that is paid to TLI by a third-party sublessee under any sublease. The rent will only exclude pass-through amounts for property taxes, utilities, or other pass-through costs that are paid to third parties. The County shall have the right to approve the ground rent and, as part of its approval process for each ground lease, the County has the right to obtain an appraisal of the site to confirm that the rent is not less than 50 percent of the fair market rental value of the particular site.
- TLI will be required to use the remaining 50 percent of the rent that is paid to TLI by a third-party sublessee to fund Board-approved community benefit programs. These community benefit programs may include: (i) health and science programs in the local community, education programs, youth and economic development programs, and other related activities that are either new programs or demonstrable expansions of existing programs; (ii) programs that support bioscience start-up companies and provide for workforce training in disadvantaged and underserved

communities; and/or (iii) TLI's new or expanded health- and science-related activities, including new research and development activities, as adopted from time to time by TLI's Board of Directors. The list of community benefit programs shall be submitted by TLI to the County every three years for review and approval.

- Primary use of the leased premises shall be for biotech start-ups and early stage biotech companies with other permitted uses, including biomedical development, medical research and development, wet and dry labs, life science education and training, and governmental uses.
- TLI to provide completion guaranty and payment and performance bonds from contractor as required by the County.
- County approval rights for subleases, including a sublease to a developer.
- Compliance with prevailing wage and local hiring requirements.
- LEED Gold (or the then current County required standard) certification for improvements.
- The sublessee developer will comply with the West Carson Transit Oriented District Specific Plan along Carson Street and Normandie Avenue.

### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan Goal: Strategy II.1 - Drive Economic and Workforce Development in the County; and Strategy III.3.1 - Maximize Revenue; and Objective III.3.2 - Manage and Maximize County Assets. The creation of the Biotech Park will generate construction jobs and biotech jobs by providing space in Los Angeles County for newly emerging biotech companies and by providing a funding mechanism for community benefits.

### **FISCAL IMPACT/FINANCING**

Any ground rent received by the County from the ground leases will be deposited into the County's Non-departmental Revenue budget unit.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The nonprofit TLI, formerly known as LA BioMed, has been located at the Los Angeles County Harbor Campus for nearly 70 years, and has worked in partnership with the County generating new medical paradigms, diagnostics, therapies, and devices for use all over the world. TLI currently leases an approximately 11-acre portion of the Harbor Campus, pursuant to multiple ground leases with the County.

Pursuant to Government Code, Section 26227, the Board may make available real property not needed for County purposes to non-profit entities for the operation of programs which serve public purposes and are necessary to meet the social needs of the populace of the County. The County is currently using the property depicted on the site plan. Prior to the commencement of a ground lease for a specific site on the site plan, TLI must provide acceptable non-temporary space on the Harbor Campus to relocate any and all displaced County personnel, parking, furniture, fixtures, equipment and operations pursuant to the County-approved Relocation Plan (see Attachment 1). The County will not bear any costs in implementing the County-approved Relocation Plan unless the County elects, in its sole discretion, to sub-sublease space in any of the buildings developed as part of the Biotech Park, in which case the space in such building will be provided to the County at no rent and the County will negotiate any other terms of such sub-sublease with the sublessee developer. Accordingly, during the time of possession of the specific site by TLI, the property will not be needed for County purposes.

On December 17, 2019, the Board authorized the termination of a lease with Children's Institute on a portion of the Harbor Campus, and the acquisition of the building constructed by Children's Institute for a purchase price, including closing costs, not to exceed \$2,264,643. As part of the Board action, the Board recognized that the intent was for the Department of Public Works (DPW) to utilize the Children's Institute building in connection with the proposed redevelopment of the Harbor Campus. Should the County not need the building for such purpose in the future, the property and building may be made available for development of the Biotech Park, subject to the condition that the Department of Health Services is first reimbursed the total cost incurred to acquire the Children's Institute building. Relocation of County staff and operations to accommodate the use of the former Children's Institute building and property for the Biotech Park will be addressed in the Tier 1 Relocation Plan, and TLI's obligation to relocate County staff and operations at its expense will serve to satisfy the acquisition cost reimbursement requirement.

The Biotech Park will produce Countywide economic, academic, and social benefits on a portion of the Harbor Campus which has not been identified for any County improvements as part of the Harbor Campus Master Plan adopted by the Board on December 20, 2016. TLI will be required to use 50 percent of the rent paid to TLI by a third-party sublessee under any sublease, excluding any pass-through costs, to fund Board-approved community benefit programs, as described above in the description of the ground lease(s) terms. The ground lease(s) will also include provisions requiring: (i) TLI and its sublessees to meet local hire requirements in the construction of the Biotech Park; and (ii) use good-faith efforts to hire individuals and businesses from the local community in connection with operations within the site. TLI and its sublessees will also be requested to work with the County to identify opportunities within the site, such as seminars, classes, and programs which include community involvement and access.

Prior to the execution of the Option Agreement, the Chief Executive Office (CEO) will present the Option Agreement and the ground lease form to the REMC.

## **ENVIRONMENTAL DOCUMENTATION**

On December 20, 2016, the Board approved the Harbor Campus Master Plan and certified the final EIR for the Master Plan project, in compliance with CEQA. A Notice of Determination was filed on December 21, 2016. The EIR for the Master Plan project analyzed the development of new Biotech Park building(s) up to 250,000 square feet on the western portion of the Property.

The recommended actions, which grant TLI an Option Agreement to develop a Biotech Park consisting of three buildings and other improvements totaling 250,000 square feet on approximately seven to nine acres at the northwest portion of the Harbor Campus, are within the scope of the impacts analyzed in the previously certified EIR. There are no changes to the project or to the circumstances under which the project is undertaken that require further review under CEQA. Once design is complete and prior to implementing the proposed project, the County will review the project to determine whether further findings under CEQA are necessary.

Upon the Board's approval, the CEO will file a Notice of Determination with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

The location of the documents and other materials constituting the record of the proceedings upon which the Board's decision is based in this matter, is as follows: Chief Executive Office, Asset Management Branch, Capital Programs Division, 500 West Temple Street, Room 754, Los Angeles, CA 90012.

Also on the agenda for November 10, 2020, DPW is recommending certification of two separate EIR Addenda for the Medicine Substation Revision and Harbor Campus Master Plan Revisions for the Harbor Campus Master Plan final EIR. There are no changes proposed for the Biotech Park in the EIR Addenda and the recommended actions herein do not rely on the EIR Addenda.


**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Neither the Option Agreement nor the ground leases will impact any current services in the area. To the extent TLI desires to exercise its option on areas then in use by the County, TLI will be required to relocate any affected staff, furniture, fixtures, equipment, and County operations, including securing replacement space, at no cost to the County. TLI is required to construct and operate the Biotech Park without impacting the operation of the hospital.

**CONCLUSION**

It is requested that the Executive Office of the Board of Supervisors return the adopted, stamped Board letter to the CEO, Real Estate Division, at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

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

FESIA A. DAVENPORT

Acting Chief Executive Officer

FAD:JMN:DPH

DL:JLC:MR:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Health Services  
Public Works

## ATTACHMENT 1

### Term Sheet

#### Option to Lease Agreement

This Term Sheet sets forth the material terms and conditions to be incorporated into a definitive Option Agreement (“Option Agreement”) to be entered into between The County of Los Angeles (“**County**”) and the Lundquist Institute for Biomedical Innovation at Harbor-UCLA Medical Center (“**TLI**”). The Option Agreement shall grant an option to TLI to ground lease an approximately 15-acre portion (the “**Premises**”) of the property known as Harbor-UCLA Medical Center (“**Medical Center**”), which is within the boundaries of the area shown on Exhibit “A” hereto (the specific 15 acre portion of the property will be determined by a survey of the property prior to the completion of the Option Agreement), for the development of a bioscience technology park (the “**Project**”). The Option Agreement will include the following terms and conditions:

#### Premises:

- County shall grant TLI an exclusive, personal option (“**Option**”) to ground lease the Premises in phases (each such portion of the ground leased Premises, a “**Site**”) under multiple ground leases (each, a “**Ground Lease**”) subject to certain conditions (collectively, “**Tier 1 and Tier 2 Option Conditions**”) described below. Each Site will be limited to the area required for the respective building and related improvements to be constructed in that Phase, including related parking areas and roadways. Each Ground Lease will be a separate obligation and will not be cross-defaulted. Any assignment by TLI of its rights under the Option Agreement will be subject to the County’s prior approval in its discretion.
- The development of the Project will be undertaken through subleases to one or more third party developers (referred to herein as a “**Sublessee**” or “**Developer**”). Consistent with the assumptions made in the Final Environmental Impact Report certified by the County Board of Supervisors (“**Board**”) on December 20, 2016 (“**EIR**”) for the Medical Center, for the period commencing upon the first Ground Lease’s effective date through 2023, development of the Sites will be limited to 125,000 gross new square feet, and the completion of any additional development beyond the first 125,000 gross square feet (up to a total of gross new 250,000 square feet) must occur subsequent to 2023. The parties understand that pursuant to the EIR, a maximum of 250,000 gross new square feet is permitted for the development of a bioscience technology park on the Premises, irrespective of any currently existing County buildings which are demolished. Any square footage resulting from the demolition of existing buildings as of the effective date of the Option shall be available for the County to use for development on County premises within the Medical Center (not including the Premises).
- A legal description and surveyor’s depiction of the Premises shall be attached to the Option Agreement.
- Until TLI has exercised its Option, executed a Ground Lease with respect to a given Site and satisfied all of the Tier 1 Conditions and Tier 2 Conditions with respect to such Site, the County will have the right to use such Site without any restrictions, so long as such use does not make the exercise of the Option as to such Site impracticable or materially more expensive for TLI.

**Conceptual Site Plan:** As part of the Tier 1 Conditions described below, TLI will submit to the County, for its approval, a Conceptual Site Plan for the 250,000 gross new square feet of development of the Project. TLI may revise the Conceptual Site Plan from time to time, subject to County CEO review and

approval, and such approved revisions shall be incorporated into a “**Revised Conceptual Site Plan**” after County CEO approval.

**Project Description:** The Option Agreement will also include as an exhibit a narrative describing the Project (“**Project Description**”). The Project will be developed in two phases. The first Phase of the Project (“**Phase I**”) will consist of 3 new buildings and associated parking areas (each referred to as a “**Building**”) that will be constructed on approximately 7 to 9 acres, to be determined upon completion and approval of the Conceptual Site Plan, with any area not assigned to Phase I to be available for future development, for an aggregate area of approximately 15 acres. The first building will be located in the upper northwest corner; any change to the location of the Buildings in Phase I will require County’s approval. TLI or the Developer may elect to develop the three Buildings in Phase I in such order and containing such square footage as they determine to be appropriate based on market conditions; provided that (i) no Building will contain less than 70,000 gross square feet and (ii) the total size of all of the Buildings in Phase I will not exceed 250,000 gross square feet. Each Building will have parking areas providing striped parking spaces at or exceeding the applicable code requirements for the uses in such Building.

**Future Development:** During the development of Phase I, provided that TLI is not then in default under the Option Agreement or any Ground Leases for the Sites, TLI may apply for additional development entitlements to add additional improvements to the Project on the Premises, which improvements would be constructed after development of the 250,000 gross new square feet in Phase I is completed (any such future entitled development on the balance of the Premises is referred to as the “**Future Development**”).

The Future Development shall be subject to and contingent upon environmental review under the California Environmental Quality Act (“**CEQA**”) and is contingent upon the Board’s approval after compliance with CEQA. TLI shall be responsible for payment of all costs related to such CEQA review and other entitlement costs. The Option Agreement will not constitute or evidence an approval by County of, or commitment of County to, any action for which prior environmental review is required under CEQA. County retains the absolute sole discretion to make decisions under CEQA with respect to any additional development on the Premises beyond 250,000 gross new square feet. There shall be no approval or commitment by County regarding the Future Development, unless and until County undertakes required environmental review as required in compliance with CEQA. Should the Board approve any Future Development, TLI shall have the right to exercise the Option to ground lease Sites on the balance of the Premises where the Future Development will occur, subject to compliance with Tier 1 and Tier 2 Conditions.

**Option Term.** Within two (2) years after the date of execution of the Option Agreement, which must occur, if at all, by December 31, 2020 (the “**Effective Date**”), TLI shall satisfy all the Tier 1 Conditions for Phase I. Further, the development of each Site within Phase I shall be developed in accordance with the following schedule:

- A. **Site 1.** TLI shall (i) satisfy all Tier 2 Conditions for the first building in Phase I of the Project (“**Building 1**”), and exercise the Option for Site 1 and enter into a Ground Lease for such Site with County within two (2) years of satisfying Tier 1 Conditions; and (ii) complete construction and obtain a temporary or permanent certificate of occupancy for the base shell and core together with a permanent certificate of occupancy for at least one occupied tenant space (collectively, “**C of O**”) for Building 1 in accordance with the Phasing Plan, as that term is described under “Tier 1 Conditions” below, within five (5) years of the Effective Date. Building 1 must be located on the Site generally at the corner of Carson Street and Normandie Avenue as indicated on the Initial Conceptual Site Plan.

- B. **Site 2.** Provided that TLI is not then in default under the Option Agreement or the Ground Lease for Site 1, TLI may commence satisfaction of the Tier 2 Conditions for second building in Phase I of the Project ("**Building 2**") at any time. TLI shall (i) satisfy all Tier 2 Conditions for Building 2, and exercise the Option for Site 2 and enter into a Ground Lease for Site 2 with County no later than three (3) years from the issuance of the C of O for Building 1; and (ii) complete construction and obtain a C of O for Building 2 within five (5) years from the issuance of the C of O for Building 1; provided, however, that TLI shall not commence construction of Building 2 until the County issues a building permit for Building 1.
- C. **Site 3.** Provided that TLI is not then in default under the Option Agreement or the Ground Leases for Sites 1 and 2, TLI may commence satisfaction of the Tier 2 Conditions for the third Building in Phase I of the Project ("**Building 3**") at any time. TLI shall (i) satisfy all Tier 2 Conditions for Building 3 and exercise the Option for Site 3 and enter into a Ground Lease for Site 3 with County no later than three (3) years from the issuance of the C of O for Building 2; and (ii) complete construction and obtain a C of O for Building 3 within five (5) years from the issuance of the C of O for Building 2; provided, however, that TLI shall not commence construction of Building 3 until the County issues a building permit for Building 2.
- D. **Timing of Future Development.** TLI shall begin the CEQA process for the entitlement of the Future Development, with the County as the Lead Agency, no later than the completion of the construction of Building 1. If TLI obtains entitlements for any Future Development, TLI and County shall enter into a mutually acceptable amendment to the Option Agreement providing a schedule of performance for TLI to satisfy the Tier 1 and Tier 2 Conditions for the Future Development and for TLI to complete construction of any buildings, parking areas, and other infrastructure in the Future Development. The outside date for TLI to exercise the Option to Ground Lease the first portion of the Premises for the Future Development shall be the fifteenth (15<sup>th</sup>) anniversary of the Effective Date of the Option Agreement. In no such case shall the period for TLI to (i) exercise the Option to Ground Lease all of the Premises from the County and (ii) complete construction of all of the Future Development improvements exceed ten (10) years after issuance of a C of O for Building 3 in Phase I.

In sum, TLI shall have a maximum term of fifteen (15) years to develop Phase I of the Project; and, subject to the Board's approval and CEQA clearance for any Future Development, an additional ten (10) years after the 15 year period for Phase I to complete the Future Development. TLI shall be entitled to accelerate the construction of any Phase I of the Project, at its election, subject to the limitations on timing of any development in excess of the first 125,000 square feet as described under "Premises" above.

Failure by TLI to exercise the Option as to any Site by the foregoing deadlines will result in a loss of the Option as to that Site and any subsequent Site in the Premises.

**Option Consideration:** An option fee of \$250,000 shall be due and payable by TLI to County in consideration for County's execution of the Option Agreement. The option fee shall be paid as follows: (i) \$150,000 payable upon full execution of the Option Agreement and \$100,000 payable upon full execution of the first Ground Lease. The option fee shall be non-refundable and shall be fully earned by the County by its execution of the Option Agreement.

**Option Conditions:** The Option shall be exercisable by TLI with respect to the Ground Lease of a specific Site upon satisfaction of the following Option Conditions:

- **Tier 1 Conditions:**

- Within two (2) years after the Effective Date, TLI shall obtain County's approval of the following items addressing the development of the Project on the entire Premises:
  - a) A Conceptual Site Plan for Phase I of the Project showing the location and size of each of the three proposed Buildings, parking areas, landscaping, signage, circulation and access.
  - b) A preliminary Phasing Plan for Phase I of the Project outlining the sequence of development on the Premises, which details each of the three Sites proposed to be ground leased by TLI in Phase I (the Phasing Plan may be updated from time to time).
  - c) A Parking Plan for Phase I of the Project addressing parking for each Building in the Project on each Site, including construction parking, and the location of any replacement parking to be provided. The Parking Plan for each Building shall demonstrate that the Building being developed has sufficient parking to support the uses of that Building and any prior Buildings that have been completed in Phase I without relying on or using any parking areas on the remainder of the Medical Center. In no event will the total parking count on the Medical Center Campus be reduced as a result of the Project improvements or the relocation of the existing County facilities. In order to avoid use of County parking facilities by employees and visitors to the Project buildings, so long as the County provides free parking on the Medical Center Campus, TLI and the Sublessee will be required to obtain County's approval to charge tenants and visitors for parking for any Building in the Project.
  - d) A Relocation Plan for County's then existing uses of any buildings or parking areas on the Premises at the time of the Relocation. The Relocation Plan will include, without limitation, the following concepts: (1) TLI or Developer will relocate all County personnel, FF&E and operations in the buildings affected by the Project to acceptable non-temporary replacement space approved by the County that will be located on the Medical Center Campus; (2) the County shall not bear any costs in implementing the Relocation Plan unless the County elects, in its sole discretion, to sub-sublease space in any of the Buildings developed as part of the Project, in which case the space in such building will be provided to County at no rent and the County will negotiate any other terms of such sub-sublease with the Developer; (3) the relocation of the County's existing facilities and/or parking on each Site that is being developed in Phase I must be completed prior to the commencement of any work on the impacted Site or any other work by TLI that interferes with the existing facilities and/or parking with respect to such impacted Site; (4) the Ground Lease from the County to TLI for the Site will not take effect until such relocation has been completed so that the County is never required to be on a lease-back relationship with TLI with respect to the existing facilities on such impacted Site; and (5) the Relocation Plan will address how the impacted parking areas on each Site will be replaced by TLI along with the relocation of the buildings and other facilities for each building in Phase I. TLI shall not be required to relocate personnel, FF&E and operations in buildings that the County has permanently vacated, provided that TLI will remain responsible, at its cost, for demolition of any such vacated buildings that are on a Site that is subject to a Ground Lease, at the time such Ground Lease becomes effective.

- e) A Utility Plan showing how wet and dry utilities will connect to the Project and confirm that utilities for the Project, other than electricity, are separate from utilities needed for the County's use, and TLI is responsible for the cost of all utilities to the Premises.
- f) The qualifications and experience of one or more potential developers to develop the Project on the Site(s), which developer(s) will sublease the Site(s) from TLI and be the Sublessee(s).
- g) A form of reciprocal easement agreement to be recorded against the Premises prior to TLI's execution of the Option for the Building 1 Site that will address access, circulation, parking, and other issues across the Sites that will be developed and the Medical Center; provided, however, such reciprocal easement agreement shall not have any effect as to the balance of the Premises unless and until TLI exercises an Option and executes a Ground Lease as to a portion of the Future Development site.
- h) TLI shall have reviewed and signed off on title to the Premises and the environmental condition of the Premises.
- i) TLI shall have investigated the condition of all existing structures on the Premises and agrees to be responsible for the cost of demolition thereof during implementation of the Project (including reimbursement of County, at the time of execution of the Ground Lease, for any costs of demolition of such structures that may be undertaken by County prior to the commencement of the Ground Lease for such Site in preparation for making the Premises available for the Project).
- j) The County CEO shall have secured approval of the Project from the County's Real Estate Management Commission.
- o The County shall use commercially reasonable discretion, in its capacity as the owner of the Premises, in its review and approval of the Tier 1 Conditions. Upon TLI's satisfaction of the Tier 1 Conditions, TLI shall have the right to exercise the Option to Ground Lease a Site subject to its completion of the Tier 2 Conditions with respect to such Site. All approvals should be based on the concept of logical progressions from prior approved plans. County will have 60 days after submission of a complete package of information which provides the information set forth above in which to approve or disapprove of the same.

- **Tier 2 Conditions:**

- o Prior to the execution of a Ground Lease for a Site, TLI shall have satisfied all of the Tier 1 Conditions and, additionally with respect to the Site at issue, the following Tier 2 Conditions shall be satisfied:
  - a) TLI shall provide written notice to County of TLI's exercise of the Option with respect to the Site which TLI desires to ground lease; provided that the execution of the Ground Lease will occur within 30 days after TLI demonstrates to County's reasonable satisfaction that all of the Tier 2 Conditions for such Site have been satisfied;
  - b) TLI shall obtain County's approval of the following plans and documents which shall address development specific to such Site: (i) legal description and surveyor's depiction; (ii) architectural plans for the building(s), including schematic design plans, design development documents, and construction documents (including signage plans and landscape plans); and

- (iii) form of sublease (“**Sublease**”) for such Site including approval of the proposed Developer/Sublessee, if not previously approved. These plans and documents may be submitted in sequential order with each approval based on the logical progression from prior approved plans and documents. The Ground Lease will become effective upon the execution of the approved Sublease by TLI and Sublessee (and a copy of the executed Sublease delivered to County) which must be delivered within 15 days after execution of the Ground Lease; if required by TLI or the Sublessee, County will deliver the executed Ground Lease into escrow to be released upon delivery of the fully signed Sublease into the escrow.
- c) TLI shall demonstrate that the Building and any other improvements to be constructed on the Site at issue are ready to start construction with excavation, grading, and/or foundation permits issued by the County; provided, however, the County, in its capacity as the owner of the Premises, shall reasonably cooperate with TLI’s efforts to obtain same;
  - d) TLI shall demonstrate that the debt and equity capitalization of the Building and other improvements to be constructed on the Site at issue has been assembled and has been submitted to the County, along with a final budget for construction of all of the improvements to be constructed on the Site at issue, to demonstrate that there are sufficient funds to complete such construction;
  - e) Any updated Phasing Plan, Parking Plan, Utility Plan or Relocation Plan must be approved by County. If such updated plan(s) are reasonably consistent with the plans approved by County as part of the Tier 1 Conditions, such approval shall not be unreasonably withheld, conditioned or delayed. If such updated plan(s) are materially different than the plans approved by County as part of the Tier 1 Conditions, the County shall use commercially reasonable discretion, in its capacity as the owner of the Premises, in its review and approval of such updated plan(s); County will have 60 days after submission of a complete revised Phasing Plan, Parking Plan, Utility Plan or Relocation Plan, as applicable, in which to approve or disapprove of the same.
  - f) The Relocation Plan and the Parking Plan for the Site in question must be complied with; provided, however, that nothing in the Option Agreement shall require TLI physically to relocate the then current County uses on a Site until the Ground Lease for that Site has been executed and TLI is ready to commence demolition of any existing County improvements on the Site which are the subject to the Relocation Plan and/or Parking Plan for such Ground Lease, without limiting TLI’s obligation to make arrangements for the replacement space for such County uses in advance of such date so the relocation can occur.
  - g) TLI shall have submitted to County a leasing and operation plan, which has been approved by Developer, to assure that a minimum amount of space in the Building to be developed on the Site will, at all times, be made available to lease to second stage bioscience companies (the “**Lease Turnover Plan**”). County will have 90 days after submission of the Lease Turnover Plan in which to review and approve or disapprove the same using its commercially reasonable discretion. Once approved, such Lease Turnover Plan will be incorporated into the Ground Lease for such Site and the Sublessee will be obligated to comply with the same.
  - h) TLI shall be in good standing as an IRC Section 501(c)(3) non-profit organization at the time of execution of the Ground Lease and there must be no existing event of default by TLI under any prior ground lease between TLI and the County.

- i) Any prior Building(s) being developed by a Sublessee must be completed or be on schedule for completion.
- j) The Ground Rent for the Site in question must be approved by the County and the determination of the fair market value of the Site may be determined by the County's appraiser (should the County elect to cause such an appraisal to be conducted), as provided under the "Rent" section below.
- o County's approval of the proposed plans and documents submitted by TLI for the satisfaction of the Tier 2 Conditions shall not be unreasonably withheld, conditioned or delayed, except as otherwise noted above, provided that the same are reasonably consistent with the plans and documents approved by County in connection with TLI's satisfaction of the Tier 1 Conditions and the form Ground Lease attached to the Option Agreement. Except as noted in subsections (e), (f), (g) and (j) above, County's discretion shall be limited to consistency with prior Tier 1 approvals by the County.

**Form of Ground Lease:** A form of Ground Lease shall be attached to the Option Agreement. The Ground Lease will include a Schedule of Performance with milestones for the construction of the Project but those milestones will not be conditions to the effectiveness of the Ground Lease. The form Ground Lease also will set forth those obligations that must be performed by the Developer(s) under the Sublease(s) for Sites to be developed, including, without limitation, (1) a completion guaranty in favor of County with respect to the construction of the Building from a credit-worthy entity affiliated with Developer acceptable to County, in its reasonable discretion, on a form mutually acceptable to the parties, which guaranty will be subordinated to the rights of the construction lender to enforce its completion guaranty against such guarantor, and (2) as may be required by County based on the identity of the Developer and the General Contractor performing the construction of a Building, payment and performance bonds from the Developer's General Contractor covering 100% of the hard costs of the Building to be built on the Site in question naming the County as an obligee (together with TLI, the Sublessee and the lender).

Upon TLI's satisfaction of the Option Conditions, TLI shall submit to County a draft Ground Lease for the applicable Site to be demised, which draft shall incorporate any Site-specific considerations necessary to implement the plans approved by County in connection with TLI's satisfaction of the Option Conditions, but which shall otherwise substantially conform to the approved form of Ground Lease.

Each Ground Lease will include, among other provisions, the following requirements:

- a. The Sublessee will be required to construct sidewalks, street trees, curbs, and gutters in the public right-of-way adjacent to the leased Site as part of its construction of the improvements for each Building; and
- b. The Sublessee will comply with the West Carson TOD Specific Plan along Carson Street and Normandie Avenue.

Each Ground Lease will also include provisions requiring: (i) TLI and its Sublessee(s) to meet local hire requirements in the construction of the bioscience technology park, (ii) use good faith efforts to hire individuals and businesses from the local community in connection with operations within the Site, and (iii) requesting TLI and its Sublessee(s) to work with the County to identify opportunities within the Site such as seminars, classes and programs which include community involvement and access.

**Rent.** The rent to be paid under the Ground Lease will be consistent with the following formula for ground lease rent:

1. County will receive from TLI as ground rent ("**Ground Rent**") for each Ground Lease an amount equal to 50% of the net rent (including any participation rent) that is paid to TLI by the third party Sublessee under the Sublease, subject to the following clarifications and exceptions: the Ground Rent shall include 50% of any payments from the Sublessee to TLI during the Ground Lease term, including any payments during construction and lease up periods, excluding any and all pass-through amounts for real property taxes, utilities or other pass through costs that are paid to third parties. TLI will pay the County the Ground Rent within 30 days after receipt of the rent payment(s) from Sublessee. The remaining 50% of the Ground Rent will be used by TLI solely to fund the approved Community Benefit Programs.

In determining whether to approve the Ground Rent the County will have the right to obtain a fair market value appraisal of the Site in question in order to confirm that the Ground Rent payable to the County is not less than 50% of the fair market rental value of the Site in question, as determined by such appraisal.

2. If the Sublessee is a related party to TLI (e.g., (i) a company that is affiliated with a member of the Board of Directors of TLI; (ii) an entity in which TLI or a member of its Board of Directors owns an interest, direct or indirect; or (iii) an entity in which TLI or its Board of Directors controls or is under common control (any of the foregoing, a "**Related Party**")), then the sublease rent payable by such Related Party Sublessee to TLI shall be subject to review by County to verify that the sublease rent to be paid to TLI is substantially equivalent to the sublease rent that an unrelated third-party sublessee/developer would pay to TLI for such sublease. In such event, the cost of any appraisal to determine the fair market sublease rent for such sublease shall be shared 50/50 by County and TLI. If the appraisal determines that the Related Party Sublessee is paying a materially below-market rent to TLI, then County shall be entitled to a Ground Rent equal to 50% of the fair market sublease rent for such sublease, as determined by the appraisal.
3. If TLI or a Related Party is a sublessee of space ("**Space Lessee**") within a Building ("**TLI/Related Party Sublease**") from a Sublessee, the County shall have the right to verify that the space rent payable pursuant to the TLI/Related Party Sublease is a fair market rent and is consistent with the rent payable by other subleases of space with such Building. The cost of the appraisal required by County to determine the fair market rental value of the TLI/Related Party Sublease shall be shared 50/50 by County and TLI. If the County determines that the TLI/Related Party Sublease rent is less than the fair market value rent and is inconsistent with rent payable by other subleases of space within such Building (such shortfall in rent is the "**Rent Shortfall**"), the Ground Rent payable by TLI to the County shall be increased by an amount equal to 50% of the Rent Shortfall.
4. TLI will certify to the County on an annual basis as to the amount of rent paid to TLI by each Sublessee, including any participation rent, and will confirm that none of the Space Lessees in the Project is a Related Party to TLI (nor TLI or its affiliate), or if any such Space Lessee is a Related Party to TLI (or TLI or its affiliate), will certify as to the amount of the space leased to such Space Lessee, the rent being paid by such tenant, and the amount of the Rent Shortfall, if any, that such Space Lessee has received from the fair market value rent for its space.

**Community Benefits.** As additional consideration for each Ground Lease and as an ongoing covenant of TLI under each Ground Lease, TLI will use the remaining 50% of the rent (including any participation rent) that is paid to TLI by the third party Sublessee under each Sublease (that is retained by TLI) excluding any and all pass through amounts for real property taxes, utilities and other costs that are paid to third parties (the “**Net Sublease Proceeds**”) to fund Community Benefits that are approved by the County Board of Supervisors. “**Community Benefits**” shall include (i) health and science programs in the local community, education programs, youth and economic development programs and other related activities that are either new programs or demonstrable extensions or expansions of existing programs and (ii) programs that support bioscience start-up companies and programs that provide for workforce training programs in disadvantaged and underserved communities in the County; and (iii) TLI’s new or expanded health- and science-related activities, including new research and development activities, in each case, as adopted from time to time by TLI’s Board of Directors, subject in each case to approval by the Board of Supervisors. The list of Community Benefits shall be submitted by TLI to the County every three (3) years for review and for approval by the County Board of Supervisors.

**County Cooperation:** County shall cooperate, in its capacity as the owner of the Premises, with TLI, at TLI’s request and cost, in TLI’s efforts to satisfy the Option Conditions. Such cooperation may include granting TLI reasonable access to the Premises during the Option term, providing any reasonably requested documentation necessary for TLI to conduct diligence and/or studies in connection with the satisfaction of the Option Conditions, and submitting applications for entitlements as the owner of the Premises so long as such entitlements do not affect County’s use of the Premises prior to the effective date of any Ground Lease.

**Memorandum of Option Agreement:** County and TLI shall cause a memorandum of the Option Agreement to be recorded in conjunction with the execution of the Option Agreement. The Memorandum shall be removed from title to the Premises on the expiration or earlier termination of the Option Agreement.

**Oversight Budget:** County shall, upon execution of the Option Agreement, prepare a budget (the “**Oversight Budget**”) indicating the Actual Costs (defined as the County’s actual internal and external costs) that the County reasonably anticipates it will incur related to the review of the Tier 2 Conditions to be satisfied by TLI and the preparation of the final Ground Leases. The Oversight Budget will not exceed the sum of \$100,000 for each Ground Lease (which amount will be adjusted as to each Ground Lease by the same percentage change as the percentage increase in the Consumer Price Index (All Urban Consumers) for Los Angeles-Long Beach-Anaheim, CA from the date of the Option Agreement through the date of the applicable Ground Lease. Upon receipt of the Oversight Budget from County, TLI shall deposit with County the total amount of the Oversight Budget and the County will use the Oversight Budget funds to cover its Actual Costs. The County may revise its Oversight Budget from time to time, subject to the foregoing maximum amount, in which case TLI shall deposit with County such additional amounts as are reasonably requested by County.

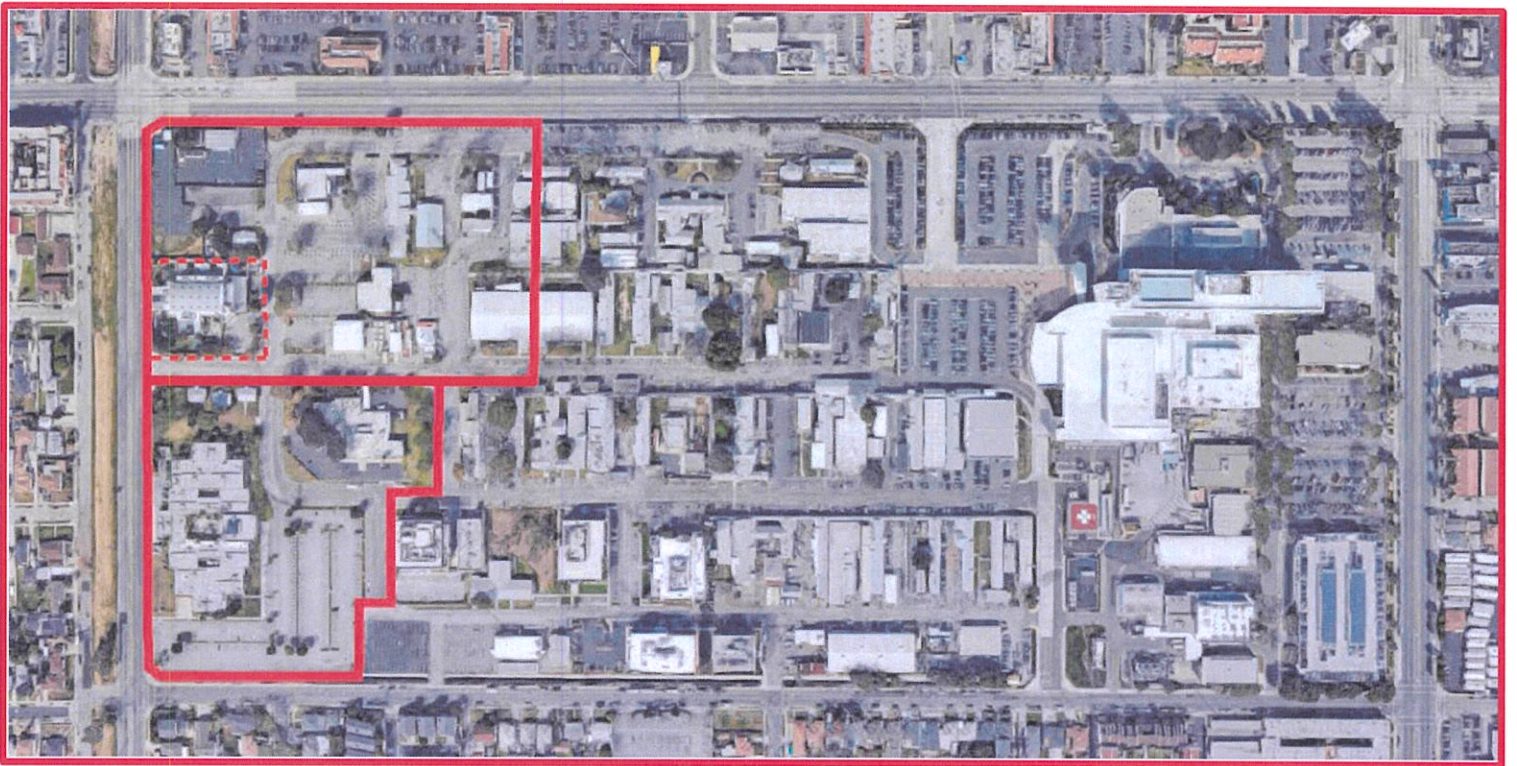
**Standard Provisions.** The Option Agreement shall include standard waivers and indemnities from TLI in favor of the County for comparable option agreements. County will provide limited representations and warranties regarding its authority to enter into the Option Agreement and Ground Lease, non-contravention, and due execution of the Agreement. County will convey the leasehold interest in each Site to TLI on an “as is” basis without any representations or warranties as to title, physical condition of any improvements, the environmental or soils conditions of the land, the suitability of the site for the proposed Buildings, or the zoning or entitlements for the Buildings; provided however, County shall provide any existing information and/or documentation in its possession that is reasonably requested by TLI with respect to such conditions as a matter of TLI’s due diligence. TLI will be given a Right of Entry

by the County to conduct all studies and investigations of the Premises that TLI may elect to conduct, at TLI's expense, during the satisfaction of the Tier 1 Conditions.

Exhibit "A"

Boundary Plan of Premises

EXHIBIT A - BOUNDARY PLAN



## ATTACHMENT 2

### Additional Ground Lease Terms (October 5, 2020)

Based on a review of the Amended and Restated Master Ground Lease Agreement for Development, Construction and Operation of Medical Research Facilities (referred to herein as the "Existing Lease") by and between the County of Los Angeles ("County"), as Lessor, and Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center, as Lessee, the following is a list of the key changes that the County believes should be made to the form of the Existing Lease and be included in the new form of ground lease (the "Lease") between the County and The Lundquist Institute ("Lessee") to be attached to the Option Agreement.

1. Term: The term of the Lease will be 55 years, with two 20-year options to extend. Each option will be conditioned on Lessee being in good standing, there being no default under the Lease, and Lessee demonstrating that it has provided the Community Benefits required by the Lease (the scope of such Community Benefits to be further discussed by the parties).
2. Rent: See Term Sheet Re Option Agreement.
3. Use: The permitted use of the site ("Premises" or "Biotech Park Campus") which will be located on the Harbor-UCLA Medical Center campus ("Medical Center Campus") will be consistent with the County's Motion:
  - a. The primary use of the Biotech Park Campus shall be for biotech start-ups and early stage companies; other permitted uses include biomedical development, manufacturing and related office use; medical research and development; wet and dry labs; life science education and training; government uses; code-required parking for uses (including any County uses) constructed on the Biotech Park Campus; and amenity space permitted for use by tenants on the Biotech Park Campus and Medical Center Campus, as provided in the approved Site Plan.
  - b. See Term Sheet Re Option Agreement regarding Lease Turnover Plan.
4. Property Management: Intentionally Omitted.
5. Public Relations: The Lease will include language to address advertising, media relations, press events, press releases and media outreach as provided herein. TLI shall be permitted to make any press or media release referencing the location of TLI or the Biotech Park Campus at Medical Center Campus or noting that the County owns the Medical Center campus. However, County must approve any press or media release that discusses any of the terms of the Lease or Option Agreement or the County's uses on the Medical Center Campus.
6. Medical Center Proximity Matters: The Lease will include language acknowledging the existence of certain defined "Medical Center Proximity Matters" including (a) the demolition, construction, operation, expansion, use, repair, maintenance, replacement, reconstruction of the Hospital and other existing and future facilities on the Medical Center Campus, and/or

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increased operations, use or provision of services by County and/ or the various other tenants on the Medical Center Campus; (b) the activities of County Parties in and around the Premises and the Hospital and other facilities on the Medical Center Campus; and (c) noise, vibrations, odors and lighting from the Hospital and other facilities on the Medical Center Campus, in each case provided that such matters are within the scope of customary activities typical for such medical center uses and shall not constitute a breach Tenant's right to quiet enjoyment of the Premises or other breach or default by County under the Lease Each Ground Lease will include a mutually acceptable form of waiver by TLI and the Sublessee.

7. Medical Center Impact Work: The Lease will include language providing that no construction of improvements, nor any maintenance or repair work or activities, shall be performed at any time by or on behalf of Lessee or any Sublessee, (a) within or on, from or in proximity to the Medical Center Common Areas (as that term will be defined in the Lease), roadways, or walkways unless suitable replacement access for vehicles and pedestrians is provided by Lessee or sublessee that is reasonably acceptable to County, (b) within 10 feet of any existing County building that is not being demolished as part of the project to be developed by Lessee under the Lease (the "Project"), (c) in such a manner that might reasonably be expected to significantly affect the use, operation, or access, of any Medical Center Campus facilities, or (d) unless at least 60 days advance notice of such work has been given to the Medical Center Campus administrator designated by the County. With respect to clause (c), construction, maintenance or repair work or activities shall only be deemed to significantly affect the use, operation, or access to or of any Medical Center Campus facilities if such work or activities are not in reasonable conformance with any construction plans, haul routes, laydown/staging plans, or similar documents previously reviewed and approved by County. County shall have the right to seek specific performance and/or injunctive relief for Lessee's breach of the foregoing, subject to Lessee's right to receive notice and opportunity to cure within 30 days after the notice (except in the case of an emergency involving a threat of harm to persons or property that must be remedied immediately to avoid or minimize such threat, in which case the 30 day period shall be reduced to 24 hours after such notice). The parties anticipate that the reciprocal easement agreement to be entered into for the Biotech Park Campus will address coordination of work by the County on the Medical Center Campus to minimize any interference with Lessee's use or occupancy of the buildings on the Biotech Park Campus as a result of the construction work to be done on the rest of the Medical Center Campus.
8. Prevailing Wages/Local Hire: Lessee and Sublessee will be required to comply with the County's requirements with respect to having a project labor agreement for construction jobs and payment of prevailing wages for construction jobs on the Project; Lessee and Sublessee will be required to comply with the applicable policies related thereto. In addition, the Lease shall include Local Targeted Worker provisions.
9. Tenant Defaults: The definition of a Lessee default should be revised to include: (i) Lessee's failure to pay Rent or any other monetary amounts when due following the expiration of notice and grace periods, (ii) abandonment (as defined under the CA Civil Code), (iii) failure to perform any other obligations within 30 days of notice from Lessor, (iv) blockage or impairment of access in violation of the Lease terms, (v) appointment of a receiver for Lessee, (vi) bankruptcy/assignment for the benefit of creditors by Lessee, (vii) failure to maintain required insurance, and (viii) failure to comply with the requirements of the Lease with respect to removing any mechanic's liens from title to the Premises.
10. LEED: The Lease should include language providing that, with respect to the initial improvements in each Phase, Tenant shall obtain and provide to County a written

certification from the USGBC pursuant to the requirements for USGBC's Leadership in Engineering and Environmental Design rating system for Existing Buildings: Operations and Maintenance ("LEED O & M Rating"), specifying that the Project is being operated and maintained in accordance with a LEED O & M Rating at or above Gold Level (or the level required by the Board at the time the Lease is executed). Thereafter, the Lessee shall be required to continually maintain its LEED O & M Rating [using the then-current version] and registration with the USGBC and provide the County with evidence thereof.

11. Retained Rights: The Lease will include language providing that the County reserves and retains all "Retained Rights." "Retained Rights" shall be defined in the Lease to include, without limitation, the right to install, construct, inspect, operate, maintain, repair, use, add, expand, increase and replace any new or existing improvement, structure or parking facility at or on the Medical Center Campus, and the right to place County-related signage within the Medical Center Common Areas, in each case, without interfering in any material way with Lessee's rights under the Lease. This will be an expansion of Section 3(B) of the Existing Lease.
12. Security: Section 9D of the Existing Lease will expressly state that the County is not obligated to provide any security services for the improvements under the Lease, and clarify that Lessee and Sublessee shall have the right, at their expense, to provide such security services for the Premises.
13. Insurance Coverages and Limits: The Lease will reflect the County's proposed insurance requirements.
14. Completion Guaranty/Bonding: As provided in the Option Agreement.
15. Casualty/Condemnation: The existing Condemnation provisions in the Existing Lease are acceptable. On the casualty provision, the following concept will be included in the Lease:
  - a. Either party may terminate the Lease if the Premises are substantially damaged (defined to mean damage to any of the Improvements requiring repair or restoration at a cost in excess of 50% of the per-damage replacement cost value of the damaged Improvements) during the last 5 years of the term, and
  - b. Lessee may terminate if the Improvements are damaged by a casualty that was not required to be insured against by Lessee, or the cost to Restore exceeds all available Insurance Proceeds, if any, by an amount in excess of 15% of the costs to Restore the Improvements.
16. Assignment/Subletting: The Lease will include language requiring any sublease to be in compliance with the Lease. The form of the Sublease and the Sublessee will be approved as provided in the Option Agreement. The language on assignment in the Existing Lease by Lessee must be revised to provide that there shall be no assignment of the Lease by Lessee without the consent of County in its sole discretion. Additionally, the Lease shall provide that any transfer of the Sublease to a sublessee which has not been previously approved by County shall be subject to County approval of the replacement sublessee in its reasonable discretion.
17. Oversight Budget: The Lease will include the Oversight Budget provisions that have been agreed to in the Option Agreement Term Sheet.

18. Condition Upon Surrender: Under the Existing Lease, the County may require that the Tenant remove all or a portion of the Improvements at the Tenant's sole cost and expense. The Lease will include language providing that the County may, in addition, require the Lessee to fill all holes, excavations and indentations resulting from such removal and grade the surface of the Premises such that it is generally level and will allow it to sheet drain pursuant to applicable laws, and cover such area with level, one-half inch thick asphalt or similar material as directed by County. The foregoing work, together with the removal of the improvements and other specified work that the County elects to require Lessee to perform, shall be defined in the Lease as the "Demolition Work." If the County elects to have Lessee demolish the improvements at the expiration of the Lease term, the Lease shall require Lessee to provide the County with a report, at least 3 years prior to the expiration of the Lease, prepared by a construction and demolition expert reasonably approved by County, which report will detail and estimate the projected cost of the work ("Demolition Report"). The Demolition Report shall be accompanied by a written plan (the "Lessee Demolition Plan") that sets forth Lessee's proposed method of financially securing the amount needed to discharge Lessee's obligations with respect to the Demolition Work at the expiration of the Lease (the "Demolition Security"). If the County elects to have Lessee demolish the improvements at the expiration of the Lease term, the Lessee Demolition Plan shall detail (a) the form of Demolition Security proposed by Lessee, which security shall be a deposit of funds, a letter of credit, bond or other form of security, in form and amount, and from an issuer, reasonably satisfactory to County, and (b) a schedule reasonably satisfactory to County for the delivery by Lessee of the Demolition Security, which schedule shall in all events provide for providing the Demolition Security not later than two (2) years prior to the expiration of the term. The amount of the Demolition Security shall be no less than the estimated cost of the Demolition Work as set forth in the Demolition Report, adjusted annually to reflect the rate of increase, if any, in the RS Means cost of construction from the date of the Demolition Report.
19. Holdover: The Lease shall provide that Lessee must pay monthly amount equal to 150% of the then-current Fair Market Rental Value of the Premises in the event of a holding over.
20. Estoppel Certificates: The Lease shall obligate each party to execute estoppel certificates, in forms to be attached to the Lease as exhibits, within 30 days of request.
21. Non-Discrimination: The Lease shall include standard County language prohibiting Lessee from discrimination in certain specified situations.
22. Arbitration: The arbitration provision in the Existing Lease will be modified to limit arbitration to any disputes regarding calculation of the amount of ground rent payable by Lessee and any disputes regarding Lessee's compliance with the insurance requirements of the Lease.
23. Memorandum of Lease: The Lease shall include the form of Memorandum of Lease to be executed by the parties as an exhibit.
24. Severance of Lease: Section 10F of the Existing Lease should be deleted from the Lease.
25. Parking: Section 25 of the Existing Lease shall be deleted from the Lease. The County will require that each Phase of the Project provide its own parking on site without the use of any parking on the rest of the Medical Center Campus.