

From: [barry.kielsmeier](#)
To: [Villasenor, Jennifer](#)
Cc: [Fritzal, Kellee](#)
Subject: Comments on Housing Plan
Date: Friday, December 6, 2019 6:43:57 AM

Dear Jennifer,

First, I want to let you know that I thought the presentation yesterday at the public meeting was very comprehensive. Well done!

You are tackling a difficult subject. Because it is difficult, the comments that follow are aimed at defining some of the housing needs better and addressing some of the community concerns that you will likely encounter as the discussion moves forward. I hope that you find these comments constructive, as that is what they are meant to be.

1. Need for Senior Housing. As I mentioned at the presentation, one of the pages your consultant displayed showed poverty among seniors at one period (2000?) versus the present doubling from about 6% as I recall, to 12% at present. Because I did not see the page for very long, I wish I could describe it better. I am not certain if it was a percentage of poverty for the whole population, or if it compared statistics about the senior community to solely to itself as a before and after metric.

Regardless, it mirrors BCIS's experience that seniors are the fastest-growing group of homeless. Other groups such as the Illumination Foundation that I have spoken to can confirm this alarming trend. The problem is less visible because many homeless seniors live in their cars, and for other reasons. However, it is very serious.

I realize that the pursuit of new senior housing is regarded as non-controversial by some and that they regard it as the low hanging fruit in this discussion. However, that does not make the problem less urgent and real.

2. Development by Right--I understand this is a requirement, but it is likely to be controversial nonetheless. So, I have some suggestions that might make it more workable and palatable. I will apologize in advance since I suspect that you have already spent a lot of staff time on this.

It seems to me that the two primary objections are: 1) building out to the lot line without setbacks within the current standards, and 2) lack of design review (can make for ugly projects).

I am not sure what precisely can be done about item 2, as design excellence is always in the eye of the beholder, and lack of public input is problematic. However, I think you may be able to incentivize item 1 by providing incentives to pull building footprints back from lot lines. It might take the form of financial or density incentives, or in reducing the minimum size of bedrooms or parking in the case of senior projects. So, while a future project might be designed by right, it can be incentivized to be designed better and in a way to minimize community objections. Food for thought.

3. Costs--one person commented that the full cost of having the City out of compliance with the State should be included. I agree. I know that the City loses money directly, but there are a

host of other costs as well--the ongoing litigation costs, potential sanctions, etc.

I suspect that many in the public think this is solely about SB- 2 funding, but that is a tiny fraction of the costs involved.

4. **State Property**--this is an opportunity to work together. If the property becomes surplus, they can opt to lease it long term. Lease structures can be modified to help project economics. And State control allows for backdoor control of the design process if there is a joint City/State effort.

I hope this helps.

All the best,

Barry Kielsmeier
Interim Executive Director BCIS

From: [Cesar C](#)
To: [Villasenor, Jennifer](#)
Subject: Re: Comments on HB HE Nov. 2019 Draft
Date: Friday, December 6, 2019 5:12:00 PM
Attachments: [HBHE12.5.19 .pdf](#)
[HBHE12.5.19 Exhibits.pdf](#)

Ms. Villasenor,

As a follow up please see attached the exhibits and the Kennedy Commission's public comments on Nov. 2019 Housing Element Draft for the City of Huntington Beach. My apologies for not including the exhibit on the original email.

Thank you,

Cesar Covarrubias

On Thu, Dec 5, 2019 at 2:31 PM Cesar C <cesarc@kennedycommission.org> wrote:

Ms. Villasenor,

Please see attached the Kennedy Commission's public comments on Nov. 2019 Housing Element Draft for the City of Huntington Beach.

Sincerely,

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Cesar Covarrubias
Executive Director

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Cesar Covarrubias
Executive Director

December 5, 2019



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SENT VIA EMAIL

Ms. Jennifer Villaseñor
Deputy Director of Community Development
Community Development Department
2000 Main Street
Huntington Beach, CA 92648
jvillaseñor@surfcity-hb.org

RE: November 2019 Draft Housing Element

Dear Ms. Villaseñor,

Thank you for the opportunity to provide comments on the November 2019 draft housing element of the City of Huntington Beach. In response to the City's request for public comments, The Kennedy Commission (the "Commission") submits the comments below, which outline the Commission's concerns with the November 2019 draft.

The Kennedy Commission is a broad-based coalition of residents and community organizations that advocates for the production of homes affordable to families earning less than \$20,000 annually in Orange County. Formed in 2001, the Commission has successfully partnered and worked with Orange County jurisdictions to create effective housing policies for the construction of homes affordable to lower income working families.

As the City is aware, the Commission has been advocating for Huntington Beach to accommodate its lower-income Regional Housing Needs Allocation ("RHNA") for the 2013–2021 planning period since the 2015 amendment to the Beach and Edinger Corridors Specific Plan ("BECSP") that removed nearly all such sites. While the Commission acknowledges the City's efforts to prepare the November 2019 draft, the Commission remains concerned over deficiencies in the draft which must be addressed in order for the City to meet its lower-income RHNA shortfall and to comply with state law. The draft would realistically only accommodate 119 lower-income units during the planning period (making favorable assumptions), far short of the remaining need of 413 lower-income units.¹ These deficiencies are particularly concerning to the Commission given that the City continues to face a significant RHNA shortfall at a time when the planning period is coming to an end and the City's moderate- and above moderate-income RHNA has not only been met but exceeded.² In light of the City's years long lack of sites to meet its lower-income RHNA and the fast-approaching end to this planning period, we urge the City to accommodate its lower-income RHNA by proposing sites in addition to the current seven sites in the draft housing element and to adopt appropriate development standards and zoning requirements that will adequately promote affordable housing. The Commission's concerns and recommendations are set forth in detail below.

¹ See Table 1 at page 6, below.

² November 2019 Draft Housing Element, Section IV. Housing Resources, Table IV-3 at page IV-5.

Governmental Constraints

California Government Code Section 65583(a)(5) requires that municipalities analyze government constraints on the maintenance, improvement, or development of housing for all income levels and their efforts to remove such constraints. Under this requirement, housing elements must specifically analyze local ordinances and policies which “directly impact the cost and supply of residential development.”

As analyzed in the November 2019 draft housing element, the City of Huntington Beach shows that the 2015 amendments to the BECSP have created development barriers that reduce unit density by requiring additional parking and restricted development flexibility by requiring a conditional use permit. These actions pose constraints to the development of housing, particularly on sites identified in the land inventory to meet the City's remaining housing need. Below we discuss in more detail the negative impact of the parking and building height and setback requirements upon affordable developments.

Parking Requirements (Section IV. Housing Resources p. IV-14; Section V. Housing Plan p. V-30)

The November 2019 draft acknowledges that the BECSP Amendment resulted in substantially higher parking costs and potentially impacted the feasibility of projects.³ For example, the BECSP Amendment parking requirements resulted in an additional \$9 million in costs for the Elan project.⁴

To address this impact, the draft proposes replacing the current parking requirement under the BECSP Amendment with the Citywide parking standard.⁵ Under the draft, the Citywide parking standard will apply only to those potential projects in the Overlay proposing a minimum of 20% affordable units.⁶ The draft does not quantify the costs associated with at-grade parking. Most importantly, the draft fails to analyze and quantify the costs associated with the City's proposed Citywide parking standards in the proposed Affordable Housing Overlay. Such information is necessary for a full evaluation of this governmental constraint.

Although the Draft moves in a positive direction, the Citywide parking standard will not be as effective in promoting affordable developments as the parking standards set forth in the original BECSP.⁷ The higher Citywide parking standards will add development costs when compared to the original BECSP parking standards—thereby constraining the development of affordable housing. To ensure the City meets its lower-income RHNA by the end of the planning period, the parking requirements should be reverted to the standards under the original BECSP.

³ November 2019 Draft Housing Element, Section III. Housing Constraints at pages III-9 – III-11.

⁴ November 2019 Draft Housing Element, Section III. Housing Constraints at pages III-9 – III-10.

⁵ November 2019 Draft Housing Element, Section III. Housing Constraints, Table III-1 at page III-2 sets out the Citywide parking standard.

⁶ November 2019 Draft Housing Element, Section III. Housing Constraints at page III-11.

⁷ See November 2019 Draft Housing Element, Section III. Housing Constraints at page III-8 for a summary of the parking standards under the original BECSP.

Building Heights and Setbacks (Section III. Housing Constraints pp. III-11 – III-12)

The November 2019 draft does not propose any changes to the current 4-story building height limit. The City states that recent discussions with market-rate and affordable housing developers have not indicated that such a limit is a constraint to the desired density or economic viability of a project.⁸ Similarly, the draft does not propose any changes to the current 30-foot building setback standard because the City determined that it is not a significant constraint to development.⁹ Although the draft claims that the current height limit or the setback is not a significant constraint, it analyzes these factors separately. Taken together with the Citywide parking standards, these requirements impede affordable housing by impacting the economic feasibility of such projects. Indeed, under the current height and setback standards, it appears that only a *single* lower-income unit has been entitled in the City since 2015.¹⁰ As the planning period is quickly coming to an end with the City still facing a substantial lower-income RHNA shortfall, the City must modify its development standards to truly facilitate affordable housing.

Adequacy of Proposed Site Inventory

California Government Code Section 65583(a)(3) requires housing elements to contain an “inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality’s housing need for a designated income level.” The Department of Housing and Community Development (“HCD”) further instructs that site inventory “must consider the impact of existing development when calculating realistic development capacity.”¹¹ To that end, housing elements must include “analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development....”¹² These are key obligations under state law to assure that each jurisdiction meets its RHNA obligations within the applicable planning period.

As the City acknowledges in the November 2019 draft housing element, the City created a 413 lower-income RHNA shortfall by adopting the BECSP Amendment in 2015.¹³ To meet this shortfall, the draft currently proposes to rezone seven sites with an affordable housing overlay for projects proposing at least 20% lower-income units onsite. The City maintains that the seven sites have a realistic capacity of 607 units.¹⁴ However, after reviewing each of the sites, the Commission is concerned that the sites do not have a “realistic and demonstrated potential for redevelopment during the planning period”¹⁵ due to various issues further discussed below in turn. The City should provide more sites, in addition to the seven sites below, to account for these issues and to provide realistic capacity for its lower-income RHNA shortfall.

⁸ November 2019 Draft Housing Element, Section III. Housing Constraints at page III-11.

⁹ November 2019 Draft Housing Element, Section III. Housing Constraints at pages III-11 – III-12.

¹⁰ November 2019 Draft Housing Element, Section IV. Housing Resources at page IV-4.

¹¹ HCD, Analysis of Sites and Zoning at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml>.

¹² California Government Code Section 65583.2(g).

¹³ November 2019 Draft Housing Element, Section III. Housing Constraints at pages III-8 – III-12; November 2019 Draft Housing Element, Section IV. Housing Resources at page IV-12.

¹⁴ November 2019 Draft Housing Element, Section IV. Housing Resources, Table IV-5 at pages IV-12 – IV-13.

¹⁵ California Government Code Section 65583(a)(3).

Site 1 (Section IV. Housing Resources pp. V-12 – IV-13)

Site 1 includes 17631 Cameron Street, which the City has identified as historically significant and eligible for the California Register of Historical Resources.¹⁶ This site appears on the City's updated Landmark list¹⁷ and is presumed to be a historical resource for the purposes of the California Environmental Quality Act ("CEQA").¹⁸ The November 2019 draft does not remark upon the historical significance of the site, which includes an existing single-family residence built in 1947.¹⁹ The site "appears to be representative of the area's early development and agricultural background, as indicated by the large expanse of land on which it was built. There is also a potential for association with Japanese residents and farmers returning to the area following their incarceration during World War II."²⁰ Attached as Exhibit A is the State of California Department of Parks and Recreation Continuation Sheet for 17631 Cameron Street, which was included as an exhibit to the City of Huntington Beach Historic Context & Survey Report finalized in 2014.

The Commission is concerned that the parcel's historical status may impact the feasibility of an affordable housing project on Site 1, as an environmental review may need to be conducted (including a public hearing) under CEQA.²¹ Such CEQA requirements may be directly at odds with the by-right process established under the City's proposed Site Plan Review for eligible projects in the Affordable Housing Overlay and the requirements of Government Code Section 65583.2(i). Accordingly, we recommend that the City provide further analysis on the impact the historical designation will have on the development of affordable housing in this planning period to determine whether housing could be approved on a by-right basis on Site 1.

¹⁶ City of Huntington Beach Historic Context & Survey Report (updated 2014), prepared for City of Huntington Beach Planning and Building Department by Galvin Preservation Associates Inc., at vi, 166, *available at* https://www.huntingtonbeachca.gov/files/users/planning/Historic_Context_and_Survey_Report_Final_Draft.pdf. *See also* City of Huntington Beach Historic and Cultural Resources Element (Adopted October 19, 2015), at 9-20, <https://huntingtonbeachca.gov/files/users/planning/Historic-And-Cultural-Resource-Element-with-Matrix-2018.pdf>.

¹⁷ Appendix B: Updated Landmark List Sorted by Address, Resolution No. 2014-82, A Resolution of the City Council of the City of Huntington Beach Establishing the Application Process, Review Procedures, and Required Contract Provisions for the Implementation of a Mills Act Program in the City of Huntington Beach Pursuant to Government Code Section 50280, et seq., and Setting an Application Fee, at HB-530, *available at* <https://www.huntingtonbeachca.gov/government/departments/city-manager/mills-act/resolution-2014-82-establishing-mills-act-program.pdf> (listing 17631 Cameron on the Landmark List).

¹⁸ City of Huntington Beach Historic Context & Survey Report (updated 2014), prepared for City of Huntington Beach Planning and Building Department by Galvin Preservation Associates Inc., at vi, 166, *available at* https://www.huntingtonbeachca.gov/files/users/planning/Historic_Context_and_Survey_Report_Final_Draft.pdf. *See also* City of Huntington Beach Historic and Cultural Resources Element (Adopted October 19, 2015), at 9-20, <https://huntingtonbeachca.gov/files/users/planning/Historic-And-Cultural-Resource-Element-with-Matrix-2018.pdf>.

¹⁹ Appendix F Inventory Forms (DPR 523 A & B Forms), City of Huntington Beach Historic Context & Survey Report (updated 2014), prepared for City of Huntington Beach Planning and Building Department by Galvin Preservation Associates Inc., *available at* https://www.huntingtonbeachca.gov/files/users/planning/Appendix_F_06162014_Inventory_Forms.pdf.

²⁰ Appendix F Inventory Forms (DPR 523 A & B Forms), City of Huntington Beach Historic Context & Survey Report (updated 2014), prepared for City of Huntington Beach Planning and Building Department by Galvin Preservation Associates Inc., *available at* https://www.huntingtonbeachca.gov/files/users/planning/Appendix_F_06162014_Inventory_Forms.pdf.

²¹ http://ohp.parks.ca.gov/pages/1069/files/03%20cal_%20reg_%20q_and_a.pdf, at 3-4.

Site 2 (Section IV. Housing Resources pp. V-12 – IV-13)

Site 2 is an L-shaped parcel that has *one point* of ingress and egress on Beach Boulevard. It is near the Ellis Condo project,²² which the Huntington Beach City Council rejected on September 3, 2019 based on concerns about health, safety, traffic, and compatibility with surrounding uses.²³ Litigation has also been initiated against the City based on this rejection of the project. Site 2 would likely raise similar issues as the Ellis Condo project, including egress and ingress limitations that could raise fire access issues. In addition, based on the site location and size, the proposed development standards under the Affordable Housing Overlay may limit unit size, capacity, and the type of housing. Based on this information, the Commission believes that this site may not be realistically available as required by law. The Commission recommends that the City either analyze why the access issues and proposed development standards do not impact the viability of the site or that the City exclude this site from the draft.

Additionally, the draft claims that the realistic unit potential on the site is now more than double the unit potential projected in the City's Housing Element adopted in 2013. Specifically, the draft provides for 43 dwelling units for this site, compared to the 20 dwelling units allotted in the operative Housing Element.²⁴ The City explains in the draft that this increased realistic capacity reflects a current project proposal by an affordable housing provider that is in the process of purchasing the site for the development of a 43-unit 100% affordable (extremely low-income and low-income) project.²⁵ However, it is unclear on which proposal this projection is based. Public records appear to show only one application for this site: the Ocean Breeze Senior Apartments application.²⁶ According to the Conditional Use Permit application, the Ocean Breeze Senior project is proposing to develop 39 units for active seniors with an accessory building containing residential amenities. Further, the project plans to fulfill the inclusionary housing requirement through the purchase of four low-income units off site.²⁷ It is unclear whether the Ocean Breeze Senior project is the same 100% affordable project referenced in the draft housing element. The Kennedy Commission therefore recommends that the City clarify which project is planned for this site.

Sites 3 and 4 (Section IV. Housing Resources pp. V-12 – IV-13)

Sites 3 and 4 are encumbered by reciprocal parking easements that make the sites unavailable for housing during the current planning period. The draft states that Sites 3 and 4 have a total realistic unit potential of 271.²⁸ The City bases the realistic capacity of these sites on recent

²² *Californians for Homeownership, Inc. v. City of Huntington Beach*, Case No. 30-2019-01107760-CU-WM-CJC (Orange Cnty. Sup. Ct.).

²³ <https://huntingtonbeach.legistar.com/LegislationDetail.aspx?ID=4119483&GUID=B9E6B525-3EF4-4EA4-B862-32A41AEEC07D;%20>; http://huntingtonbeach.granicus.com/MediaPlayer.php?view_id=2&clip_id=1579 (see City Council Members' discussion of Ellis Avenue Condos Project at 2:44:05).

²⁴ See Adopted Housing Element, Appendix A Residential Sites Inventory at page A-11; November 2019 Draft Housing Element, Section IV. Housing Resources, Table IV-5 at page IV-12 – IV-13.

²⁵ November 2019 Draft Housing Element, Section IV. Housing Resources at page IV-13.

²⁶ <https://www.huntingtonbeachca.gov/government/departments/planning/major/>

²⁷ See Planning App 16-0232; CUP 16-044.

²⁸ See November 2019 Draft Housing Element, Section IV. Housing Resources at page IV-12.

discussions with the property owner and site plans with 4-story buildings.²⁹ Upon further investigation, there are reciprocal parking easements that encumber these sites such that neighboring developments have the right to use these parcels for parking until September 30, 2021, one month before the current planning period ends. Attached as Exhibit B is a document recorded with the County of Orange referencing a parking encumbrance on these sites.

The November 2019 draft discloses the parking easements and explains efforts being made to accommodate the existing parking need. However, these efforts appear to be preliminary and tentative. For example, the draft notes that one of the adjacent properties obtained approval in 2018 to expand its parking lot. Yet, a year has passed without any apparent shift in parking usage by adjacent properties. Further, the draft provides that the City is considering a plan to build a parking structure that would accommodate the remaining parking that the easements currently provide. To the extent that the parking structure is planned on Sites 3 and 4, that could decrease projected dwelling units, thereby impacting the viability of the sites.

The Commission is greatly concerned about reliance on Sites 3 and 4 because these sites account for over 44% of City's proposed unit capacity. Now that the planning period is quickly coming to an end, there is practically no time for continued negotiations regarding potential parking arrangements. Based on the current information, these sites are not realistically available as required by state law. As such, the City should either provide further information explaining why these sites are realistically available or exclude them from its site inventory.

Site 5 (Section IV. Housing Resources pp. V-12 – IV-14)

Site 5 is a long and narrow 1-acre plot which the City estimates can accommodate 40 dwelling units. It is very similar in size and density to the site where the rejected Ellis Condo project had been proposed. Accordingly, proposed housing projects on Site 5 raise similar concerns as those which ultimately led the City Council to reject the Ellis Condo project. There, for example, the City Council found that:

“Approval of the [Ellis Condo project] would result in a site that is not physically suitable for the type of development in that the site will not function as an integrated development compatible with the vision of the BECSP by merging three existing lots into a single long and narrow .95-acre parcel. The long and narrow parcel is not physically suitable for the proposed mass, bulk, and intensity of the proposed four story mixed use project and does not complement the scale and proportion of surrounding one and two-story developments.”³⁰

Site 5 suffers from similar issues, including concerns about density and compatibility with surrounding uses, egress and ingress limitations, and traffic and fire access considerations. In light of the City's recent rejection of the Ellis Condo project, the Commission recommends that

²⁹ November 2019 Draft Housing Element, Section IV. Housing Resources at page IV-13.

³⁰ *Californians for Homeownership, Inc. v. City of Huntington Beach*, Case No. 30-2019-01107760-CU-WM-CJC (Orange Cnty. Sup. Ct.) at Exhibit A.

the City analyze how Site 5 will adequately address the City's ongoing concerns with these types of parcels.

Site 6 (Section IV. Housing Resources pp. V-12 – IV-14)

One of the parcels on Site 6 (19471 Beach Boulevard) is developed with a vacant office building and is currently for sale. While the draft notes that the parcel has a 20-year history of code enforcement cases, it does not address whether there are any levies or attachments on the parcel due to the owners' outstanding debts. On April 5, 2019, a creditor recorded an abstract of judgment in the official records for this parcel. The judgment is for \$990,307.18 against John F. Pelochino, which public records list as the owner of 19471 Beach Boulevard. The abstract of judgment is attached here as Exhibit C to this letter. The judgment, which is nearly three times the parcel's value,³¹ impacts the viability of this site for the development of affordable housing.

Further, the City has added a second parcel to Site 6 (19431 Beach Boulevard) based on discussions within the last year with potential applicants.³² With this new parcel, the City's projected "realistic" unit potential for this site has increased from 22 units in the operative Housing Element to 69 units in the November 2019 draft.³³ However, the newly added site currently has a mattress store that appears to have been operating since at least the beginning of the planning period. The City must presume that this use will "impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period."³⁴ But the draft fails to reference any such findings.

In addition, based on the site location and size, the proposed development standards under the Affordable Housing Overlay may limit unit size, capacity, and the type of housing.

Based on the above information, the Commission does not see a basis for determining that Site 6 will be available for the development of affordable housing by the end of the current planning period and recommends that the City provide further information on the availability of this site or exclude it from its inventory.

Site 7 (Section IV. Housing Resources pp. IV-12 – IV-14)

The November 2019 draft states that Site 7 is an operating Caltrans maintenance yard, which the draft claims can support 105 dwelling units. Under Governor Gavin Newsom's Executive Order N-06-19, the Department of General Services and HCD identified state properties that were under-utilized or excess to need. Site 7 has not been identified as under-utilized or excess to need, as the draft acknowledges. In addition, on October 23, 2019, the Commission contacted Alma Villanueva, Branch Chief of Relocation Assistance, Excess Lands, and Property

³¹ Treasurer-Tax Collector Property Tax Information for Fiscal Year 2019-2020, http://tax.ocgov.com/tcweb/detail_sec.asp?ReqParcel=025-180-21&StreetNo=&Direction=&StreetName=&APN=02518021&Suffix=00&CmpRevDte=79809270&RollTypCde=S&Acured&Code=A&StSuffix=&City=&Unit=&s=1&p=1&t=&TaxYr=2019&CurYr=2019&apnstatus=UNPAID.

³² See November 2019 Draft Housing Element, Section IV. Housing Resources at page IV-14.

³³ See November 2019 Draft Housing Element, Section IV. Housing Resources at page IV-12; Adopted Housing Element, Appendix A Residential Sites Inventory at page A-28.

³⁴ California Government Code Section 65583.2(g)(2).

Management at Caltrans, regarding the site. Ms. Villanueva and the Office Chief informed The Kennedy Commission that “Caltrans does not foresee the site at 19601 Beach Blvd. in Huntington Beach, CA ever becoming an area to sell or to use as potential Affordable Housing.” Attached here as Exhibit D is the communication between The Kennedy Commission and Caltrans.

The land is not currently designated as surplus land, nor is there any plan to do so according to Caltrans. Until the State of California designates Site 7 as surplus land available for affordable development, the City may not unilaterally include it in its site inventory to accommodate the City’s unmet RHNA. Based on the information available about this Site 7, the Commission does not believe that Site 7 is realistically available for the development of affordable housing during the current planning period and, as such, the City should exclude Site 7 from its draft.

Impact of Development Standards

It is imperative that the development standards and site capacity incentivize a mix of affordable housing. Site capacity exercises should not only maximize density but should also consider the impact of the development standards. On some of these challenging sites, achieving higher density would force development types that are smaller in unit size and would require less from the development standards (building size, parking, etc.). Often these result in a focus on senior and special needs developments (on average unit size is 500 to 600 square feet).

As identified in the 2013–2021 Housing Element, approximately one-third of the City’s primary employment is in the lower paying retail, hospitality, construction, and services related industries, with wages generally below the level necessary to afford to live in the City. And “80 percent of the 61,000 persons employed in Huntington Beach commute in from outside the City limits, indicative of the shortage of local affordable housing opportunities for the community’s workforce.”³⁵

The draft’s policies, development standards, and sites need to accommodate and facilitate family and workforce affordable housing and it should be made a priority.

Affordable Housing Overlay (Section IV. Housing Resources p. IV-16; Section V. Housing Plan p. V-30)

The November 2019 draft states that the City will create an Affordable Housing Overlay (the “Overlay”) to be applied to the seven sites discussed above.³⁶ Within the Overlay, the City will replace the Conditional Use Permit requirement with a “by-right” administrative Site Plan Review process for projects proposing at least 20% lower-income units onsite encompassing extremely low-, very low-, and low-income units. It further indicates that no in lieu fees will be allowed.

First, the Commission supports the Overlay to the extent that it proposes a “by-right” administrative process for affordable housing projects, as set forth by California Government

³⁵ Adopted Housing Element, Section II. Housing Needs Assessment at page II-6.

³⁶ November 2019 Draft Housing Element, Section IV. Housing Resources at page IV-14.

Code Section 65583.2(i), and that it prohibits in lieu fees. However, the November 2019 draft does not appear to detail the procedures established by the proposed Site Plan Review and merely states “(i.e. – no discretionary Planning Commission or City Council review).” As such, the draft is not clear whether the proposed process is truly by-right. The draft should include details about the Site Plan Review to ensure a by-right process is followed in accordance with state law.

Second, the Commission is concerned that opening the Overlay to projects with a low minimum of 20% lower-income units will not yield enough affordable units to satisfy the City’s lower-income RHNA shortfall by the end of the planning period. First, a 20% lower-income unit minimum, in conjunction with the density incentives offered through Program 13 of the draft,³⁷ will likely result in the development of market-rate projects offering the minimum affordable units required—that is, 20%. Table 1 below shows the realistic unit capacity of the proposed sites assuming a 20% lower-income unit minimum. The steeply reduced figure of 119 units does not consider the various issues discussed above involving the proposed sites and falls far short of the remaining 413-unit RHNA. Those issues likely reduce the realistic capacity of these sites for affordable housing even lower. With a 20% lower-income unit minimum, most of the units in the Overlay will likely be slated for moderate- and above moderate-income households, at a time when the City has already exceeded its RHNA for those income categories.

TABLE 1

City’s Proposed Sites	City’s Estimated Unit Capacity	Affordable Housing Overlay (20% Affordability) Estimated Unit Outcome
Site 1 – 17631 Cameron/17642 Beach	79	15
Site 2 – 18431 Beach ³⁸	43	8
Site 3/4 – 18700 Delaware/18811 Florida	271	54
Site 5 – 19432 Beach	40	8
Site 6 – 19472 Beach/19431 Beach	69	13
Site 7 – 19601 Beach	105	21
TOTAL	607	119

Third, the Overlay does not commit to specific percentages of affordable units for extremely low- and very low-income households. As such, the Commission notes the distinct possibility that projects in the Overlay could yield only low-income units affordable to households within 80% of the Area Median Income. Rents for such units would be out of reach for many working families in Huntington Beach and would prevent the City from satisfying its remaining very low-income and extremely low-income RHNA. To address these issues, the Commission recommends that the Overlay require a minimum of 30% affordable units, specifically

³⁷ November 2019 Draft Housing Element, Section V. Housing Plan, page V-35.

³⁸ The unit capacity may be higher for this site, as noted in the November 2019 draft housing element. In November 2019, the City Council approved an acquisition loan agreement with a non-profit housing developer seeking to purchase this site for a 43-unit 100% affordable seniors project. City Council members, however, specifically noted that at this time, it was not approving a project, only providing a loan. City staff also noted that the unit capacity was currently not certain.

designating the following: 10% extremely low-income units, 10% very low-income units, and 10% low-income units.

Fourth, the Overlay proposes rezoning seven sites such that the use of the sites for affordable housing appears to be optional; therefore, owners could choose to develop the seven sites under existing zoning without any affordability. Making affordability optional is unlikely to result in the development of sufficient lower-income units to satisfy the City's unmet RHNA. To account for this and to ensure adequate capacity for its lower-income housing need, once the City has identified adequate sites, the City must make affordability a requirement in the Overlay.

Finally, the November 2019 draft does not address whether any of the proposed sites in the Overlay were included in prior housing elements. To the extent that any of these sites were part of previous housing elements, state law now requires that the sites be rezoned within three years from the beginning of the planning period for residential by-right use for housing developments with at least 20% lower-income units.³⁹ Without inclusion of such information and analysis, it is impossible to properly evaluate the Overlay, including whether it complies with state law.

Housing Programs

Under California Government Code Section 65583(c)(1) the City must identify the actions it will take to make sites available during the planning period. Pursuant to Section 65583(c)(3), the City must include programs to “address, and where appropriate and legally possible, remove governmental and nongovernmental constraints” to housing development. Further, Section 65583(c)(2) requires jurisdictions to incorporate programs into their housing elements that assist in the development of adequate housing to meet the needs of extremely low-, very low-, low, and moderate-income households. Since the City has already exceeded its moderate- and above moderate-income RHNA for this planning period, the draft should integrate programs that place primary focus on the development of lower-income units.

Adequate Sites Program (Section V. Housing Plan pp. V-29 – V-31)

The draft proposes an “Adequate Sites Program” to address the lower-income RHNA created by the 2015 BECSP Amendment.⁴⁰ This program includes the following: increasing the Maximum Amount of New Development (“MAND”) to accommodate the RHNA shortfall for very low- and low-income units; creating the Overlay and applying it to the seven sites discussed above; establishing a by-right administrative Site Plan Review process for Overlay sites; decreasing parking requirements; and providing for exclusive residential uses in the Overlay. The program further states that “the City will also consider supporting affordable projects within the Overlay using available Housing Trust fund monies.”⁴¹

As the City has been out of compliance with housing element obligations for the last four and a half years—over half of the current planning period—the City should demonstrate a strong commitment to the development of multi-family projects for lower-income categories,

³⁹ California Government Code Section 65583.2(c).

⁴⁰ November 2019 Draft Housing Element, Section V. Housing Plan at page V-30.

⁴¹ November 2019 Draft Housing Element, Section V. Housing Plan at page V-30 – V-31.

particularly those households in the extremely low- and very low-income categories. The Commission views favorably the City's recent three-million-dollar loan to an affordable housing developer. We encourage the City to continue such support by committing a specific percentage of its Housing Trust Fund monies toward affordable housing projects and deferring, or altogether waiving, fees for those projects.

Inclusionary Housing Program and Housing Trust Fund (Section V Housing Plan p. V-34)

The current Inclusionary Housing Program has not been effective in providing sufficient affordable housing. The current policy should be evaluated to ensure that affordable housing for low-, very low-, and extremely low-income families becomes a priority in the overall production of housing in the City. The Commission is encouraged by the City's anticipated update to the Inclusionary Housing Program and wishes to provide feedback to help create strong housing policies.

Monitoring Sites Program

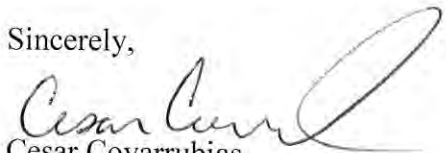
As further discussed above, the City should revise the Draft to include realistic and available sites to meet the City's 413 lower-income RHNA shortfall. Once the City identifies such sites, it should revise the draft to incorporate a program that tracks the ongoing capacity of those sites. Tracking will help ensure that the City remains in compliance with state law and meets its RHNA during the current planning period. In accordance with the No Net Loss Law, to the extent that the City does not develop the identified sites with the anticipated lower-income unit capacity or affordability levels, the City must ensure that alternate sites are identified to meet the remaining RHNA.⁴²

Conclusion

The Commission submits these comments in connection with Huntington Beach's November 2019 draft housing element. As the issues raised above are of serious concern to The Kennedy Commission, we request to be provided with any revisions submitted to HCD during the review process. In addition, the Commission's efforts to review this draft and related documents are ongoing. We may provide supplemental comments for the City's consideration.

If you have any questions or would like to discuss the issues raised here, please feel free to contact me at (949) 250-0909 or cesarc@kennedycommission.org.

Sincerely,



Cesar Covarrubias
Executive Director

cc: Ms. Melinda Coy, California Department of Housing and Community Development

⁴² California Government Code Section 65863.

EXHIBIT A



Appendix F

Inventory Forms

(DPR 523 A & B Forms)

State of California - The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
PRIMARY RECORD

Primary #
HRI #
Trinomial
NRHP Status Code 3CS

Survey #
DOE #

Other Listings
Review Code

Reviewer

Date

Page 1

*Resource Name or # (Assigned by Recorder) 17631 Cameron Ln

P1. Other Identifier:

*P2. Location: ☐ Not for Publication ☒ unrestricted *a. County Orange

and (P2c, P2e, and P2b or P2d. Attach a Location Map as necessary.)

*b. USGS 7.5'Qua _____ Date _____ T _____ ; R _____ ; 1/4 of _____ 1/4 of Se _____ ; B.M

c. Address 17631 Cameron Ln City: Huntington Beach Zip 92647

d. UTM (Give more than one for large and/or linear resources) Zone _____ ; _____ mE/ _____ mN

e. Other Locational Data: (e.g., parcel #, directions to resource, etc. as appropriate) APN: 167-472-08

***P3a. Description:** (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries.)

The building located at 17631 Cameron Lane is a one-story single-family residence constructed in 1947 in the Vernacular style. It is located on the west side of Cameron Lane and faces east. The building has a rectangular plan and a concrete foundation. The building has a wood-framed structural system and an exterior clad in wood clapboards. It is covered by a front-gabled roof clad with composition shingles and shallow, open eaves. At the east-facing elevation, a concrete path and steps lead to the entry. The entry itself is a single wood-paneled door with a wood-paneled sidelight. On the façade there are two pairs of single-light wood casements and a two-over-two double-hung wood window. Other windows throughout the building appear to be consistent with those on the façade. Landscaping features include a large expanse of land with mature trees. Aside from the replacement or alterations to the primary entrance, no major alterations could be observed. The building is in fair condition.

***P3b. Resource Attributes:** (List Attributes and codes) HP02. Single Family Property

*P4. Resources Present: ☒ Building ☐ Structure ☐ Object ☐ Site ☐ District ☐ Element of District ☐ Other (isolates, etc.)

P5a. Photograph or Drawing: (Photograph required for buildings, structures, and objects.)



P5b. Description of Photo:

(View, date, accession #)
The property as it appeared 4/17/14 on Google Str

***P6. Date Constructed/Age and**

Source: ☒ Historic ☐ Prehistoric
☐ Both

1947 City of Huntington Beach

***P7. Owner and Address:**

Yamada Shigeru
7942 Speer Ave
Huntington Beach, CA 92647

***P8. Recorded by:**

Amanda Yoder
GPA Consulting
231 California Street
El Segundo, CA 90245

*P9. Date Recorded: 4/17/2014

***P10. Survey Type:** (Describe)

Survey - Reconnaissance

***P11. Report Citation:** (Cite survey report and other sources, or enter "none.")

Huntington Beach Historic Architectural Survey Update 2008-2009, Updated 2014

*Attachments: ☐ NONE ☐ Location Map ☐ Sketch Map ☒ Continuation Sheet ☒ Building, Structure, and Object Record
Archaeological Record ☐ District Record ☐ Linear Feature Record ☐ Milling Station Record ☐ Rock Art Record
Artifact Record ☐ Photograph Record Other (List): _____

BUILDING, STRUCTURE AND OBJECT RECORD

Page 2

*NRHP Status Code 3CS

*Resource Name or #: (Assigned by Recorder) 17631 Cameron Ln

B1. Historic Name: Unknown

B2. Common Name: 17631 Cameron Lane

B3. Original Use: Single Family Residence

B4. Present Use: Single Family Residence

*B5. Architectural Style: Vernacular

*B6. Construction History: (Construction date, alterations, and date of alterations)

Constructed 1947

*B7. Moved? ☐ No ☐ Yes ☒ Unknown Date: Original Location:

*B8. Related Features None

B9a. Architect: Unknown, if any

B9b builder: Unknown

*B10. Significance: Theme Wintersburg (1880s-1941)

B10 area: Wintersburg

Period of Significance: 1880-1941

Property Type: Residential

Applicable Criteria: 1

(Discuss importance in terms of historical or architectural context as defined by theme, period, and geographic scope. Also address integrity.)
Wintersburg

Wintersburg was developed in the late 1880s, followed by Oceanview, which was located immediately to the east. On November 7, 1906, the official subdivision map for Wintersburg was filed by S.H. Finley, Orange County Surveyor. The 1906 map depicts a rectangular four-block area running north to south that included Main Street (now Warner Avenue), Magnolia Street, Olive Street, and Cedar Street. The west boundary of Wintersburg was formed by Church Street (now Gothard Avenue). The subdivision was bounded on the east by the Southern Pacific Railroad right-of-way and fifty acres of property owned by George E. Peters.

Henry Winters is credited as the key figure for the creation of the Wintersburg community. In 1888, Winters came to California and purchased twenty acres of land in the Oceanview area of Huntington Beach (near the intersection of present-day Warner Avenue and Beach Boulevard) and tried his hand at agriculture with much success. He purchased several more acres for farming, including twenty in what would become Wintersburg and twenty in Fountain Valley. Through the efforts of Winters, the Orange County area became known for its celery production—so much so that he was named the president of the California Celery Company in 1898. In addition to growing celery, Winters grew potatoes and corn and is credited as the first person in Orange County to promote the agricultural value of peatlands, previously believed to not be good for cultivating. Other farmers were attracted to the Orange County area upon seeing Winters' success. (See Continuation Sheet)

B11. Additional Resource Attributes: (List attributes and codes) None

*B12. References:

Please see Report for a full list of References

B13. Remarks:

None

*B14. Evaluator: Amanda Yoder

GPA Consulting

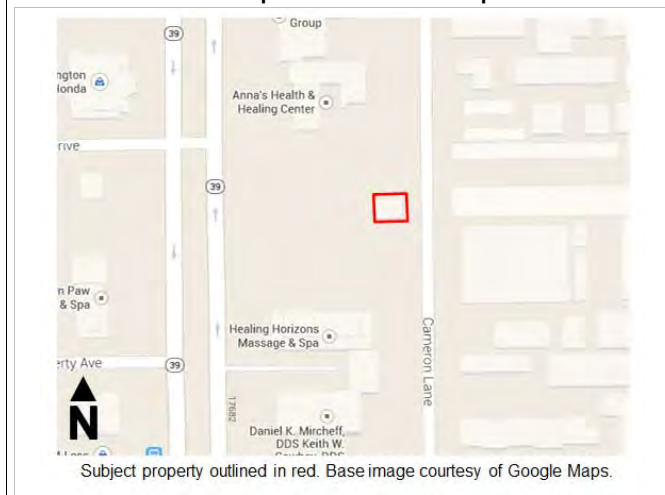
231 California Street

El Segundo, CA 90245

*Date of Evaluation: 4/16/2014

(This space reserved for official comments.)

Sketch Map with north arrow required.



State of California - The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
CONTINUATION SHEET

Primary #
HRI #

Page 3

*NRHP Status Code 3CS

*Resource Name or #: (Assigned by Recorder) 17631 Cameron Ln

Recorded By Amanda Yoder

Date: 4/16/2014

☒ Continuation

☐ Update

B10. Significance (Continued from Page 2):

Charles Mitsui Furuta and other Japanese farmers such as Masami Sasaki were instrumental in the transition from celery and beet crops to chili pepper crops. By the 1920s, Nikkei—a term that refers to the Japanese community—farms were producing more than half the nation's supply of chili peppers. Mexican immigrants formed another large pool of agricultural workers in Wintersburg. Mexicans were already established as an important agricultural labor force in California when the Immigration Act was signed in February of 1917. This Act diminished the number of immigrants from Mexico and barred "undesirable" immigrants from other countries, such as Asia, as well as immigrants over the age of sixteen who could not read. Despite restrictive immigration laws, Mexicans became the dominant agricultural labor force in California, including much of Orange County, from the 1930s onwards.

In the early 1900s, the population of Wintersburg dramatically increased with large numbers of Japanese farmers settling in the area. The Japanese immigrants, usually arriving in California by way of San Francisco, migrated south where there was less opposition from labor organizations. By 1911, there were at least 800 Japanese men and women working in the peatlands surrounding Huntington Beach. The predominant occupation of Japanese in and around Wintersburg was farming or "truck farming," which refers to tenants who generally leased and farmed lands owned by Americans, and trucked their produce to nearby markets. After the passage of restrictive land laws, such as the California Alien Land Law of 1913, land ownership was nearly impossible for the Issei, or the first-generation Japanese immigrants, in the early twentieth century; the law prohibited immigrants ineligible for citizenship from owning land. Later, the American-born children of the Issei, the Nisei, would be able to own land as American citizens.

As Wintersburg and its agriculture continued to prosper, demand for social institutions such as churches and schools grew. In 1904, there was a community meeting in Wintersburg Village regarding the need for churches. After this meeting, two churches were constructed, the Wintersburg Methodist Church (known today as the Warner Avenue Baptist Church) and the Japanese Presbyterian Church.

Following the Japanese bombing of Pearl Harbor in December 1941, many of the Japanese living and working in the Huntington Beach area were forcibly removed and incarcerated by the federal government. Numerous Japanese were held or detained at Santa Anita Racetrack before being transferred to relocation camps. Others, like Charles Mitsui Furuta, were held at the Huntington Beach jail or the detention center in Tujunga Canyon. By March 1942, the Federal Bureau of Investigation (F.B.I.) had seized 250 Japanese residents, including Japanese priests, ministers and language teachers, who were detained in Southern California. From 1942 through 1943, chili pepper production in California withered due to the incarceration of Japanese American farmers, who had contributed to the growth of more than half the nation's crop before the war. While it is not known how many Japanese families returned to Huntington Beach after being forcibly removed and incarcerated, the Furuta family returned to Wintersburg shortly before the war's end to raise sweet peas and water lilies for another thirty years. Their house and the church complex are still extant at the corner of Warner Avenue and Nichols Street.

Evaluation & Integrity

The subject property, a single-family Vernacular residence constructed in 1947, appears to be associated with the history of the Wintersburg area of Huntington Beach, the most significant of which took place between 1890 and 1940. The residence is largely intact aside from the replacement of the primary entry door, and retains its integrity of location, design, materials, workmanship and association. The property is located in an area that is characterized by infill development, therefore setting and association are somewhat diminished. As a result, it does not appear to retain sufficient integrity for the National Register. However, it appears to be representative of the area's early development and agricultural background, as indicated by the large expanse of land on which it was built. There is also a potential for association with Japanese residents and farmers returning to the area following their incarceration during World War II. The residence appears to be individually eligible for the California Register under Criterion 1.

Currently, the City of Huntington Beach does not have established criteria for local landmark listing. However, as stated in the City of Huntington Beach's General Plan, the local significance of a structure or a place "is based upon its overall contribution to the community by either its historical age, culture, social, or visual functions." Based on this above statement, 17631 Cameron Lane would likely qualify for local listing for its historical and visual function within the City of Huntington Beach once the appropriate criteria are in place.

EXHIBIT B

84-117816

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
Richard F. Davis, Esq.
Memel, Jacobs, Pierno & Gersh
1801 Century Park East
Los Angeles, California 90067

RECORDING REQUESTED BY
TICOR TITLE INS CO OF CALIF.

RECORDED IN OFFICIAL RECORDS
OF ORANGE COUNTY, CALIFORNIA

326 PM MAR 21 '84

Lee A Branch COUNTY
RECORDER

\$21.00
C14

Counterpart Recording

ASSIGNMENT OF LEASE

THIS ASSIGNMENT OF LEASE ("Assignment") is entered
into on the 21 day of March, 1984, by and between
MAIN MEDICAL ARTS ASSOCIATES, a partnership ("Assignor"), and
PACIFICA COMMUNITY HOSPITAL, INC., a California corporation
("Assignee").

PAID
DOC TRANSFER TAX
LEE A BRANCH
ORANGE CO RECORDER

RECITALS

A. PATRICK C. MORAN, as lessor, and R. J. ZINNGRABE,
T. J. BRODERICK, and RICHARD A. HOUGHTON, as lessee, did enter
into a certain lease dated April 9, 1968 (hereinafter sometimes
referred to as the "Lease"), pursuant to which Lessee leased
from Lessor that certain parcel of real property, (herein some-
times referred to as the "Premises"), which parcel of real
property is described as follows:

The North one-half of Lot 6 in Block G of Tract
No. 7 as per map recorded in Book 9, Page 8 of
Miscellaneous Maps, in the office of the County
Recorder of Orange County.

B. The lessee's interest in said Lease was thereafter
assigned to the Assignor, who is now possessed of said leasehold
estate.

AP 154-121-10
City of Huntington Beach

DOCUMENTARY TRANSFER TAX \$	4.45
<input checked="" type="checkbox"/> COMPUTED ON FULL VALUE OF PROPERTY CONVEYED	
<input type="checkbox"/> OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRANCES REMAINING AT TIME OF SALE	
E. Willie L. Tabor - Ticor	

C. The interest of said PATRICK C. MORAN is now vested in ANTHONY C. MORAN.

D. Assignor desires to assign all of its right, title and interest in the Lease to Assignee, and Assignee desires to accept the assignment.

E. As of the date of this Assignment, certain improvements have been made to the Premises. Without limiting the generality of the foregoing, said improvements include the following:

(a) A sign on the western portion of the Premises which is visible from Delaware Avenue (hereinafter sometimes rereferred to as the "Sign").

(b) A concrete block wall between the Premises and real property of the Assignee (hereinafter sometimes referred to as the "block wall").

(c) A brick wall on a portion of the Premises fronting on Delaware Avenue (hereinafter sometimes referred to as the "brick wall").

(d) Light stanchions used for purposes of illuminating the premises (hereinafter sometimes referred to as the "stanchions").

NOW, THEREFORE, in accordance with Paragraph 12 of the Lease, and in consideration of the mutual promises and covenants contained herein, the parties hereby agree as follows:

1. Assignment and Assumption.

Assignor assigns and transfers to Assignee all of its right, title and interest in the Lease, and Assignee accepts the assignment and assumes and agrees to perform, from the date this Assignment becomes effective, as a direct obligation to the lessor, all of the provisions of the Lease. The individual partners of Assignor are hereby made third party beneficiaries of this Paragraph 1.

2. Effective Date of Assignment.

This Assignment shall take effect on March 21, 1984, and Assignor shall surrender possession of the Premises on that date.

3. The Sign and Other Improvements.

The parties hereto agree that the "Sign" is and has always been the property of Assignee. The parties further agree that all other improvements existing on the Premises as of the date of this Assignment, including without limitation the "block wall," "brick wall," and "stanchions," shall become Assignee's property upon the effective date of this Assignment, subject, however, to the terms of the Lease.

4. Payment of Obligation to Lessor.

Assignee shall pay the obligation to the lessor referred to in that certain Consent to Assignment by and among Anthony C. Moran, Assignor and Assignee, a copy of which is attached hereto and incorporated herein by this reference, in the sum of Four Thousand Five Hundred Dollars (\$4,500.00), or if Assignor pays said sum, Assignee agrees to forthwith reimburse Assignor said amount.

5. Legal Capacity to Execute Assignment.

Assignor warrants and represents that it has the legal capacity to execute this Assignment and all partners who are necessary to execute this Assignment have in fact executed same.

6. Counterparts.

This Assignment may be executed in a number of counterparts, each of which executed counterparts shall be deemed an original, and all such counterparts shall together constitute one and the same agreement.

7. Expenses of Dispute.

In the event any dispute arises between Lessee and Assignee as to the subject matter of this Assignment, in addition to such other relief to which either party may be entitled, whether or not a suit or proceeding is commenced, the prevailing party or parties to such dispute shall be entitled to recover their reasonable expenses, including attorney's fees, arising from such dispute.

MAIN MEDICAL ARTS ASSOCIATES,
a Partnership

By: SEE EXHIBIT "A" ATTACHED
HERETO AND INCORPORATED
HEREIN

PACIFICA COMMUNITY HOSPITAL,
INC., a California corporation

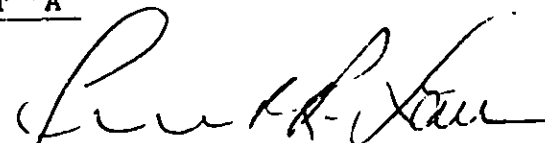
By: _____

By: _____

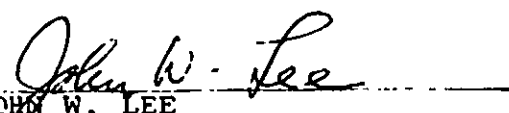
84-117816

EXHIBIT "A"


DONN R. BRAVENDER


FRANK R. LAW

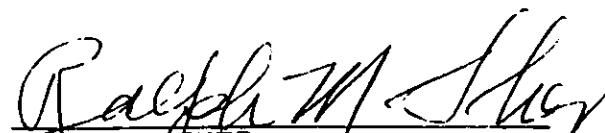

JAMES A. BRINTON


JOHN W. LEE

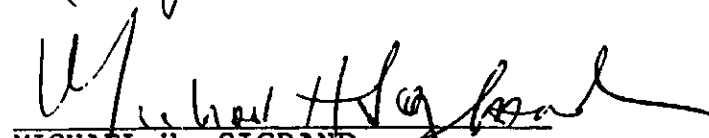
THOMAS J. BRODERICK

HAROLD E. SANFORD


SAMUEL M. COHEN


RALPH M. SHER


RAYMOND C. DIXON



MICHAEL H. SIGBAND


BURR J. DALTON

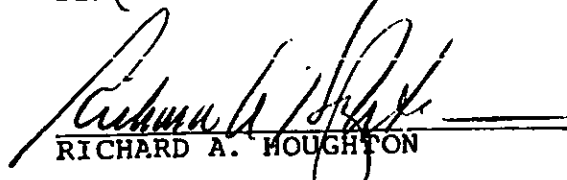

DANIEL J. SIGBAND

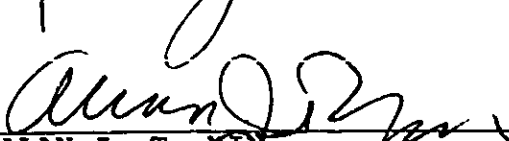

RICHARD B. DOERING


DONALD F. WILLIAMS


TIANG HUA GAN


MICHITARO YAMAMOTO


RICHARD A. MOUGHTON


ALLAN J. T. YIN

~~THOMAS C. MOUGHTON, JR.~~


ROBERT J. ZINGRABE

LAURENCE KORN


JRY A. ROTHMAN


GEORGE A. KRMPOTICH


WERDNA L. BURNES

84-11781S

EXHIBIT "A"

DONN R. BRAVENDER

FRANK R. LAW

JAMES A. BRINTON

JOHN W. LEE

Thomas J. Broderick
THOMAS J. BRODERICK

Harold E. Sanford
HAROLD E. SANFORD

SAMUEL M. COHEN

RALPH M. SHER

RAYMOND C. DIXON

MICHAEL H. SIGBAND

BURR J. DALTON

DANIEL J. SIGBAND

RICHARD B. DOERING

DONALD F. WILLIAMS

TIANG HUA GAN

MICHITARO YAMAMOTO

RICHARD A. HOUGHTON

ALLAN J. T. YIN

THOMAS C. HOUGHTON, JR.

ROBERT J. ZINNGRABE

LAURENCE KORN

JAY A. ROTHMAN

GEORGE A. KRMPOTICH

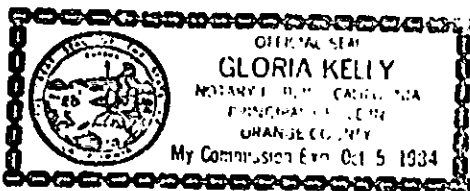
WERNER L. BURNES

84-117816

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 14, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared DONN R. BRAVENDER, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

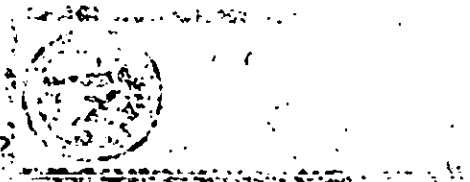


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared JAMES A. BRINTON, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared THOMAS J. BRODERICK, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

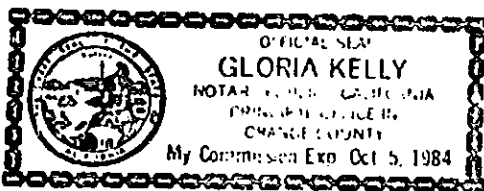
Notary Public in and for said State

84-117816

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared SAMUEL M. COHEN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

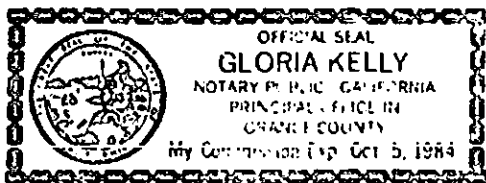


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared RAYMOND C. DIXON, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

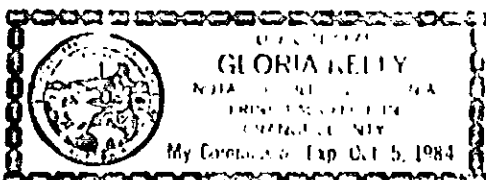


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared BURR J. DALTON, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



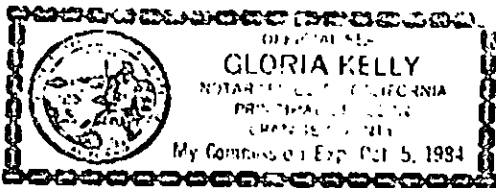
Gloria Kelly
Notary Public in and for said State

84-117816

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 16, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
RICHARD B. DOERING, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

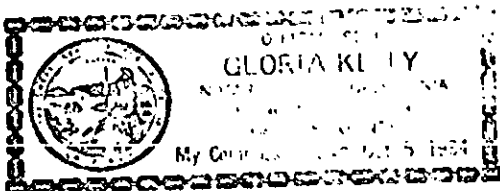


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
TIANG HUA GAN, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

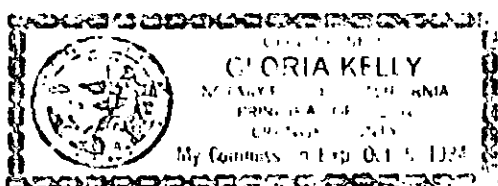


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 16, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
RICHARD A. HOUGHTON, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



Gloria Kelly
Notary Public in and for said State

84-117816

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
THOMAS C. HOUGHTON, JR., personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
LAURENCE KORN, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

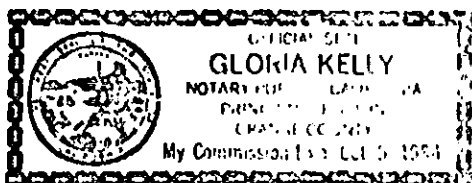
WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
GEORGE A. KRMPOTICH, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



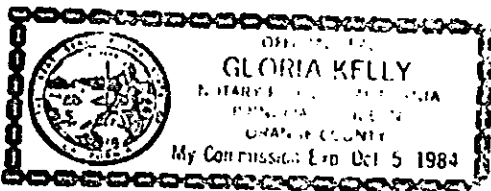
Gloria Kelly
Notary Public in and for said State

84-117816

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 16, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared FRANK R. LAW, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

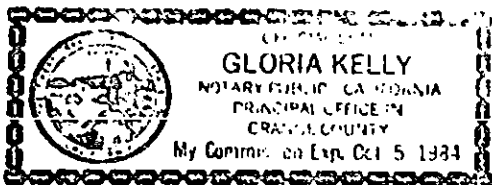


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN W. LEE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared HAROLD E. SANFORD, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

84-117816

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
RALPH M. SHER, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

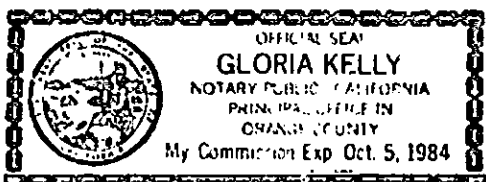


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
MICHAEL H. SIGBAND, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

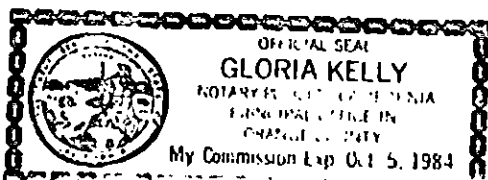


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
DANIEL J. SIGBAND, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



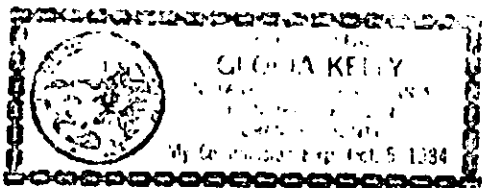
Gloria Kelly
Notary Public in and for said State

84-117816

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 16, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared DONALD F. WILLIAMS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

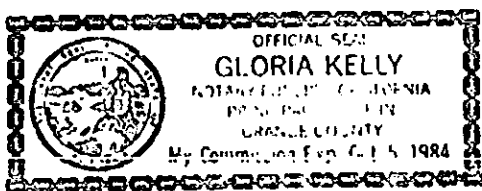


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared MICHITARO YAMAMOTO, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

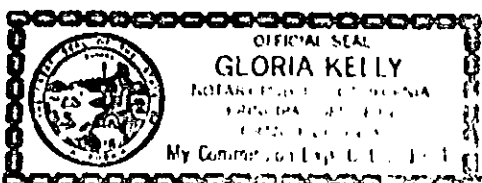


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared ALAN J. T. YIN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



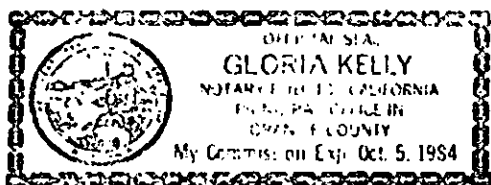
Gloria Kelly
Notary Public in and for said State

84-117816

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared ROBERT J. ZINNGRABE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

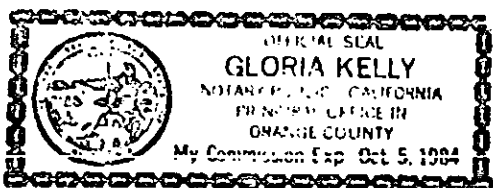


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared JAY A. ROTHMAN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

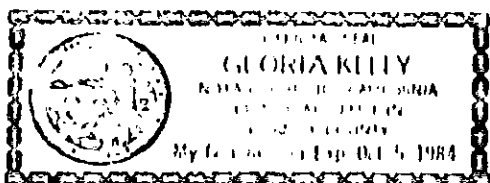


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared WERDNA L. BURNES, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



Gloria Kelly
Notary Public in and for said State

84-117816

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
DONN R. BRAVENDER _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
JAMES A. BRINTON _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

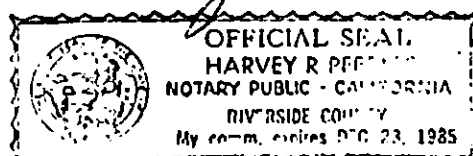
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF Riverside)
)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
THOMAS J. BRODERICK _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Harvey R. Peckles
Notary Public in and for said State



LS

84-117816

GOVERNMENT CODE 27361.7

I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary Herve / K. Pambles

Date Commission Expires Dec. 23, 1995

County where bond is filed Riverside

Place of Execution San Antonio, TX Date 12/20/94

Estelle Cutler - T. or
Signature (firm name if any)

84-117816

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
FRANK R. LAW _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
JOHN W. LEE _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

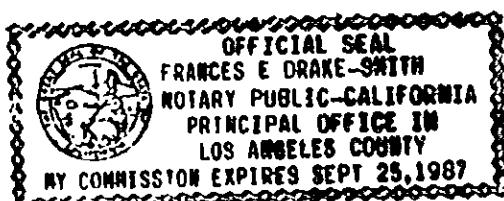
WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
HAROLD E. SANFORD _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



Frances E. Drake-Smith

Notary Public in and for said State

GOVERNMENT CODE 27361.7

84-117816

I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary FRANCIS E. DRAKE ... th

Date Commission Expires Sept. 25, 1987

County where bond is filed Los Angeles

Place of Execution

San Jose, Ca.

Date

1/20/84

ESTHER G. A. V. TICO
Signature (firm name if any)

84-117823

RECORDING REQUESTED BY
TICOR TITLE INS. CO. OF CALIF.
RECORDED IN OFFICIAL RECORDS
OR ORANGE COUNTY CALIFORNIA

-325 PM MAR 21 '84

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
Richard F. Davis, Esq.
Memel, Jacobs, Pierno & Gersh
1801 Century Park East
Los Angeles, California 90067

\$11.00
C14

See A Branch COUNTY
RECORDED

Can. Title & Insurance

AMENDED AND RESTATED AGREEMENT AMONG LANDOWNERS

THIS AMENDED AND RESTATED AGREEMENT AMONG LANDOWNERS ("Agreement") is made this 21 day of March, 1984, by and among HBM LTD, a California limited partnership, hereinafter called "HBM", PACIFICA COMMUNITY HOSPITAL, INC., a California corporation, hereinafter called "Pacifica", ROBERT J. Zinngrabe an individual, hereinafter called "Zinngrabe", and DELMA CONSTRUCTION CORPORATION, a California corporation, hereinafter called "Delma," with reference to the following facts:

A. On July 2, 1970, Main Medical Arts Associates, Huntington Convalescent Associates and Safecare Company, Inc., entered into that certain Agreement (the "Prior Agreement") with respect to the same subject matter as herein. Said agreement was amended by that certain Amendment to Parking Agreement (the "First Amendment") dated August 1, 1975. By various and mesne assignments, the parties hereto have been assigned and transferred certain right, title and interest of the prior parties in the Prior Agreement and the First Amendment. The parties hereto desire to amend and restate the Prior Agreement and the First Amendment and supersede all agreements, oral or written, among the parties with respect to the subject matter hereof.

B. HBM is the fee title owner of the real property located in the County of Orange, State of California, described as follows (the "HBM Parcel"):

Lots 1 and 2 of Block G of Tract No. 7 as per map recorded in Book 9, Page 8 of Miscellaneous Maps, in the office of the County Recorder of said County.

C. Pacifica is the owner of the leasehold estate under that certain lease dated June 15, 1970, between H.B.H. Incorporated, a California corporation, lessee, and Safecare Company, Inc., a Washington corporation, lessor, affecting the real property located in the County of Orange, State of California, described as follows (the "Hospital Parcel"):

The South one-half of Lot 6 in Block G of Tract No. 7, as per map recorded in Book 9, Page 8 of Miscellaneous Maps, in the office of the County Recorder of said County;

and, is the owner of the leasehold estate by that certain Assignment of Lease dated Mar. 21, 1984 from Main Medical Arts Associates to Pacifica, under that certain Assignment of Lease dated October 29, 1968 from R.J. Zinngrabe, T.J. Broderick, and Richard A. Houghton to Main Medical Arts Associates, under that certain lease dated April 9, 1968, between Patrick C. Moran, lessor, and R.J. Zinngrabe, a married man, T.J. Broderick, a married man, and Richard A. Houghton, a single man, lessee, affecting the real property located in the County of Orange, State of California, described as follows (the "Moran Parcel"):

The North one-half of Lot 6 in Block G of Tract No. 7 as per map recorded in Book 9,

TI 641422 EC

Page 8 of Miscellaneous Maps, in the office of the County Recorder of said County.

D. Zinngrabe is the owner of the leasehold estate under those certain leases dated July 9, 1971 and May 1, 1971 respectively between Safecare Company, Inc., lessor, and Walter Lee Brown Jr., Avis Brown, Robert J. Zinngrabe and Carol Ann Zinngrabe, lessee and pertaining respectively to the north one-half and south one-half of the real property located in the County of Orange, State of California, described as follows ("Lot 9"):

Lot 9 in Block G of Tract No. 7, as per map recorded in Book 9, Page 8 of Miscellaneous Maps, in the office of the County Recorder of said County;

and, is the owner of the subleasehold estate under that certain lease dated June 8, 1964, between Violet E. Buckmaster, lessor, and Walter Lee Brown, Jr., and Robert J. Zinngrabe, lessee, that certain sublease dated July 23, 1971 between Safecare Company, Inc., sublessor, and Walter Lee Brown, Jr., Avis Brown, Robert J. Zinngrabe and Carol Ann Zinngrabe, sublessees, and that certain modification of such sublease dated October 24, 1972 affecting the real property located in the County of Orange, State of California, described as follows ("Lot 7"):

Lot 7 in Block G of Tract No. 7, as per map recorded in Book 8, Page 9 of Miscellaneous Maps, in the office of the County Recorder of said County, excepting therefrom the westerly 50 feet of the southerly 180 feet of Lot 7 in Block G of Tract No. 7 as per map recorded in Book 9, Page 8 of Miscellaneous Maps in the Office of the County Recorder of Orange County.

E. Delma is the fee title owner of the real property located in the County of Orange, State of California, described as follows (the "Delma Parcel"):

Parcels 1 and 2 in the City of Huntington Beach, County of Orange, California, as per map filed in Book 175, Pages 7 and 8 of Parcel Maps in the office of the County Recorder of said County.

F. As of the date of this Agreement, the below-referenced parcels contain the following number of parking spaces:

- (a) The HBM Parcel contains 86 parking spaces.
- (b) The Moran Parcel contains 113 parking spaces.
- (c) Lot 9 and Lot 7 contain 195 parking spaces.
- (d) The Delma Parcel contains 101 parking spaces.

G. As of the date of this Agreement, a sign which is visible from Main Street is located on the northern portion of the HBM Parcel ("Sign 1"). As of the date of this Agreement, a sign which is visible from Delaware Avenue is located on the western portion of the Moran Parcel ("Sign 2"). As of the date of this Agreement, a sign which is visible from Florida Avenue is located on the eastern portion of Lot 7 ("Sign 3").

H. Each party hereto desires (i) to grant to all other parties hereto a nonexclusive right to use the existing

parking spaces contained on their respective parcels, including the right of ingress and egress therefrom and (ii) to create certain rights and obligations among the parties with respect to the rights to use said real property covered by said grant pursuant to Section 1468 of the California Civil Code.

1. Pacifica desires that (i) HBM grant to Pacifica the right to retain maintain and repair Sign 1 including the right of ingress and egress therefrom; (ii) that certain rights and obligations be created with respect to that portion of the HBM Parcel covered by said grant pursuant to Section 1468 of the California Civil Code; (iii) that Zinngrabe grant to Pacifica the right to retain, maintain and repair Sign 3, including the right of ingress and egress therefrom; and (iv) that certain rights and obligations be created with respect to that portion of Lot 7 covered by said grant pursuant to Section 1468 of the California Civil Code.

NOW, THEREFORE, in consideration of the mutual promises, covenants, agreements and understandings contained herein, the parties hereto agree as follows:

1. Term and Expiration. The term of this Agreement shall commence as of _____, 1984 and shall expire on the 30th day of September, 2021.

2. Grant by HBM to Pacifica, Zinngrabe and Delma. HBM hereby covenants and grants to Pacifica, Zinngrabe and Delma the nonexclusive right, in common with HBM, to use the parking spaces on the HBM Parcel for the purpose of the parking of automobiles and similar vehicles of the agents, servants, guests, employees, physicians, licensees, patients and business visitors of Pacifica, Zinngrabe and Delma, including the right of ingress and egress from and to said HBM Parcel.

3. Grant by Pacifica to HBM, Zinngrabe and Delma. Pacific hereby covenants and grants to HBM, Zinngrabe and Delma a nonexclusive right, in common with Pacifica, to use the parking spaces on the Moran Parcel for the purpose of the parking of automobiles and similar vehicles of the agents, servants, guests, employees, physicians, licensees, patients and business visitors of HBM, Zinngrabe and Delma, including the right of ingress and egress from and to said Moran Parcel.

4. Grant by Zinngrabe to HBM, Pacifica and Delma. Zinngrabe hereby covenants and grants to HBM, Pacifica and Delma the nonexclusive right, in common with Zinngrabe, to use the parking spaces on Lot 9 and Lot 7 for the purpose of the parking of automobiles and similar vehicles of the agents, servants, guests, employees, physicians, licensees, patients and business visitors of HBM, Pacifica and Delma, including the right of ingress and egress from and to said Lot 9 and Lot 7.

5. Grant by Delma to HBM, Pacifica and Zinngrabe. Delma hereby covenants and grants to HBM, Pacifica and Zinngrabe a non-exclusive right, in common with Delma, to use the parking spaces on the Delma Parcel for the purpose of the parking of automobiles and similar vehicles of the agents, servants, guests, employees, physicians, licensees, patients and business visitors of HBM, Pacifica and Zinngrabe, including the right of ingress and egress from and to said Delma Parcel.

6. Maintenance of Parking Spaces. HBM shall maintain and keep in good repair, at its sole cost and expense, all parking areas located on the HBM Parcel. Pacific shall maintain and keep in good repair, at its sole cost and expense, all parking areas located on the Moran Parcel. Zinngrabe shall maintain and keep in good repair, at its sole cost and expense, all parking areas located on Lot 9 and Lot 7. Delma shall maintain

and keep in good repair, at its sole cost and expense, all parking areas located on the Delma Parcel.

7. Reduction or Change in Parking Spaces. The parties hereto agree that (i) there shall be no reduction or change in the number of parking spaces as exist on the HBM Parcel and the Moran Parcel as of the date of this Agreement and no party shall take any action which in any way reduces or changes such number of parking spaces without the express written consent of HBM and Pacifica, which consent shall not be unreasonably denied or delayed; (ii) there shall be no reduction or change in the total number of parking spaces as exist on all parcels as of the date of this Agreement and no party shall take any action which in any way reduces or changes such total number of parking spaces without the express written consent of all parties to this Agreement, which consent shall not be unreasonably denied or delayed; (iii) there shall be no temporary or permanent alteration of the parking spaces or parking facilities as exist on each individual parcel as of the date of this Agreement and no party shall take any action which shall in any way alter such parking spaces or parking facilities without the express written consent of all parties to this Agreement, which consent shall not be unreasonably denied or delayed; and (iv) there shall be no temporary or permanent impairment of the use by any party of the number of parking spaces as exist on each individual parcel as of the date of this Agreement and no party shall take any action which in any way impairs the use of such number of parking spaces without the express written consent of all parties to this Agreement, which consent shall not be unreasonably denied or delayed.

8. Grant of Right to Maintain Sign 1. HBM hereby covenants and grants to Pacifica the right to use the HBM Parcel for the purpose of retaining, maintaining and repairing Sign 1, including the right of ingress and egress therefrom so long as said ingress and egress does not interfere with HBM's use of the HBM Parcel. HBM shall take no action which in any way effects the utility and visibility of Sign 1 without the express written consent of Pacifica, which consent shall not be unreasonably denied or delayed. The parties hereto agree that Sign 1 is and has always been the property of Pacifica.

9. Sign 2. The parties hereto agree that Sign 2 is and has always been the property of Pacifica and that the use of the Moran Parcel for retaining, maintaining and repairing Sign 2 shall not be limited or affected by the rights of any of the parties hereunder.

10. Grant of Right to Maintain Sign 3. Zinngrabe hereby covenants and grants to Pacifica the right to use Lot 7 for the purpose of retaining, maintaining and repairing Sign 3, including the right of ingress and egress therefrom. Zinngrabe shall take no action which in any way effects the utility and visibility of Sign 3 without the express written consent of Pacifica, which consent shall not be unreasonably denied or delayed. The parties hereto agree that Sign 3 is and has always been the property of Pacifica.

11. Property Benefited and Burdened by Covenants. The land of HBM to be benefited and burdened by the covenants of this Agreement is the HBM Parcel. The land of Pacifica to be benefited and burdened by the covenants of this Agreement is the Hospital Parcel and the Moran Parcel. The land of Zinngrabe to be benefited and burdened by the covenants of this Agreement is Lot 9 and Lot 7. The land of Delma to be benefited and burdened by the covenants of this Agreement is the Delma Parcel. Any successor in interest or ownership of the HBM Parcel, the Hospital Parcel, the Moran Parcel, Lot 9, Lot 7 and the Delma

Parcel, inclusive, is hereby expressly bound by the covenants set forth herein for the benefit of each of said parcels.

12. Enforcement of this Agreement. The parties hereto may employ any lawful means whatsoever to enforce the provisions of this Agreement. In the event of the bringing of any action or suit by any party hereto against any other party hereunder by reason of any breach of any of the agreements or provisions on the part of such other party arising out of this Agreement, then in that event the party or parties in whose favor final judgment shall be entered shall be entitled to have and recover of and from the other party or parties all costs and expenses of suit, including reasonable attorneys' fees.

13. Best Efforts. Any party, and the successors and assignees of any party, holding less than a fee ownership interest in its respective parcel, agrees to utilize its best efforts to prevent the occurrence of any event of default under any lease by which it holds title to its respective parcel.

14. Recordation. The parties hereto shall cause this Agreement to be recorded in the office of the County Recorder of Orange County, California.

15. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto for the benefit of the land owned or controlled by each of the parties hereto; provided, however, that with respect to any party, or its successor or assign, having less than a fee ownership interest in any of the subject parcels, the burdens and benefits of this Agreement with respect to such parcel shall continue only so long as such party, or its successor or assign, retains a possessory interest in such parcel. Notwithstanding the unenforceability of this Agreement with respect to any such party, or its successor or assign, or any parcel, this Agreement shall continue in full force and effect with respect to the remaining parcels.

16. Time of the Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

17. Severability. In the event any portion of this Agreement shall be declared by any court of any jurisdiction to be invalid, illegal, or unenforceable, such portion shall be deemed separate from this Agreement, and the remaining parts hereof shall remain in full force and effect, as though such invalid, illegal or unenforceable portion had never been a part of this Agreement.

18. Waiver of Breach. No assent or waiver, express or implied, of any breach of any one or more of the covenants, conditions or provisions hereof shall be deemed or taken to be a waiver of any other covenant, condition or provision hereof, or a waiver of any subsequent breach of the same covenant, condition or provision hereof.

19. Captions and Construction. The captions used herein as headings for the various paragraphs hereof are for convenience only, and such captions shall not be construed to be part of this Agreement or be used in determining or construing the intent or context of this Agreement.

20. Counterparts. This Agreement may be executed in a number of counterparts, each of which executed counterparts shall be deemed an original, and all such counterparts shall together constitute one and the same agreement.

21. Expenses of Dispute. In the event any dispute arises as to the subject matter of this Agreement, in addition to such other relief to which any party may be entitled, whether

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or not a suit or proceeding is commenced, the prevailing party or parties to such dispute shall be entitled to recover their reasonable expenses, including attorneys' fees, arising from such dispute.

22. Entire Agreement. This Agreement supersedes the Prior Agreement and the First Amendment and any and all other agreements, either oral or in writing, among the parties hereto with respect to the subject matter hereof, and contains the entire agreement among the parties hereto relating to said subject matter; provided, however, that this Agreement does not supersede the Prior Agreement and the First Amendment with respect to any individual, partnership, corporation or other entity, including but not limited to Safecare Company, Inc., which is neither a party to this Agreement nor a successor or assign of any party to this Agreement; provided, further, that notwithstanding anything to the contrary contained herein, this Agreement does not supersede any contracts, agreements or arrangements which have been made between Zinngrabe and Pacifica or any of Pacifica's affiliated entities and individuals with respect to the payment of real property taxes, maintenance expense and related expense on Lot 7. This Agreement may not be modified except by an instrument in writing executed by the parties hereto.

IN WITNESS WHEREOF, and for the purposes of the complying with the provisions of Section 1468 of the California Civil Code, the parties hereto have executed this Agreement as of the date and year first above written.

HBM LTD., a California limited partnership

By: Hurricane Investment Corporation,
a general partner

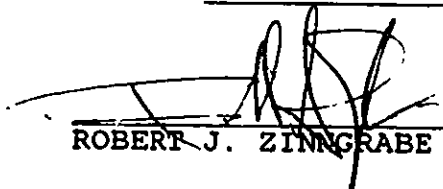
By: _____

Its: _____

PACIFIC/COMMUNITY HOSPITAL, INC.,
a California Corporation

By: _____

Its: _____


ROBERT J. ZINNGRABE

DELMA CONSTRUCTION CORPORATION,
a California corporation

By:  _____

Its:  _____

84-117823

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the _____ of the Corporation, personally known to me or proved to me on the basis of satisfactory evidence to be the Corporation that executed the within instrument pursuant to its bylaws or a resolution of its board of directors on behalf of the Partnership and acknowledged to me that such Partnership executed the within instrument.

WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the _____ of the Corporation that executed the within instrument and acknowledged to me that such Corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

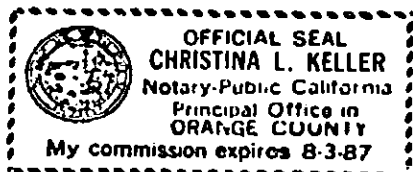
WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA)
COUNTY OF Orange)

On March 15, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared Robert J. Zinnke, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.



Christina L. Keller
Notary Public

84-117823

STATE OF CALIFORNIA)

COUNTY OF Orange)

On March 15, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared Robert J. Semprake personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the President of the Corporation, that executed the within instrument and acknowledged to me that such Corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Christina L. Keller
Notary Public

84-117818

RECORDING REQUESTED BY
TICOR TITLE INS CO OF CALIF.

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:
Richard F. Davis, Esq.
Memel, Jacobs, Pierno & Gersh
1801 Century Park East
Los Angeles, California 90067

RECORDED IN OFFICIAL RECORDS
OR ORANGE COUNTY, CALIFORNIA

-325 PM MAR 21 '84



Life & Branch COUNTY
RECORDS

*Counterpoint
Recording*

CONSENT TO ASSIGNMENT

THIS CONSENT TO ASSIGNMENT ("Consent") is entered into on the 21 day of March, 1984, by and among Anthony C. Moran, an individual, Main Medical Arts Associates, a partnership, and Pacifica Community Hospital, Inc. (a California corporation).

RECITALS

A. ANTHONY S. MORAN (sometimes referred to herein as the "Lessor", or as "MORAN") is the present lessor in that certain lease dated April 9, 1968 by and between Patrick C. Moran and R.J. Zinngrabe, T.J. Broderick and Richard A. Houghton (the "Lease").

B. Main Medical Arts Associates, a partnership, the present lessee under the Lease, and Pacifica Community Hospital, Inc., a California corporation, have entered into that certain Assignment of Lease whereby Main Medical Arts Associates ("Assignor") has assigned all of its right, title and interest in the Lease to Pacifica Community Hospital, Inc. ("Assignee"), a copy of which is attached hereto and incorporated herein by this reference (the "Assignment").

C. MORAN desires to consent to the foregoing Assignment subject to the terms and conditions hereinafter set forth.

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D. MORAN acknowledges and represents the following with the knowledge that the Assignor and Assignee are relying upon such representations:

1. MORAN has examined the leased premises on March 9, 1984, and from time to time during the Lease term;

2. That the Lease is in full force and effect as of the date hereof, that Assignor is not in default in the performance of any of the terms, conditions or covenants of the Lease, that Assignor has not committed any breach of the Lease, or if so, that in consideration of the payment of Four Thousand Five Hundred Dollars (\$4,500.00) by Assignor or Assignee to Moran, that Moran agrees to waive any such breach of the Lease; that no notice of default has been given to Assignor.

3. That, in consideration of the payment of Four Thousand Five Hundred Dollars (\$4,500.00) by Assignor or Assignee to Moran, the continued existence and maintenance on the leased premises of any improvements existing upon the premises as of the date of this Consent, including without limitation the "sign," "block wall," "brick wall" and light "stanchions" referred to in the Assignment, shall not be deemed a default under or breach of the terms of the Lease, nor shall the providing of electric power to the "sign" or light "stanchions" by the Assignee or any other person be considered a breach of the Lease.

4. MORAN has succeeded to all rights of the original lessor under the Lease, is the owner of the underlying fee in the leased real property, and has the legal capacity to execute this Consent.

NOW THEREFORE, in consideration of the mutual terms and conditions herein set forth, Assignor, Assignee and MORAN, agree as follows:

1. Assignor or Assignee agree to pay the sum of FOUR THOUSAND FIVE HUNDRED DOLLARS (\$4,500.00) to MORAN. This obligation of Assignor or Assignee shall be a joint and several obligation of Assignor and Assignee.

2 MORAN warrants and represents that each of the representations set forth in Paragraph D, above, are true and correct.

3. MORAN consents to the assignment of the lease to the Assignee.

84-117818

4. Assignor waives any claim to the reversionary rights in and to the Lease.

5. MORAN releases Assignor from any further liability or obligation under the terms of the Lease.

6. Any improvements placed upon the leased premises are expressly subject to Paragraph 19 of the Lease, provided, however, nothing herein shall be construed as a waiver by Assignee of any rights under the terms of the Lease, this Consent or the Assignment pertaining to improvements on the leased premises.

7. This Consent may be executed in a number of counterparts, each of which executed counterparts shall be deemed an original, and all such counterparts shall together constitute one and the same agreement.

ANTHONY S. MORAN

MAIN MEDICAL ARTS ASSOCIATES,
a Partnership

By: SEE EXHIBIT "A" ATTACHED
HERETO AND INCORPORATED HEREIN

PACIFICA COMMUNITY HOSPITAL,
INC., a California corporation

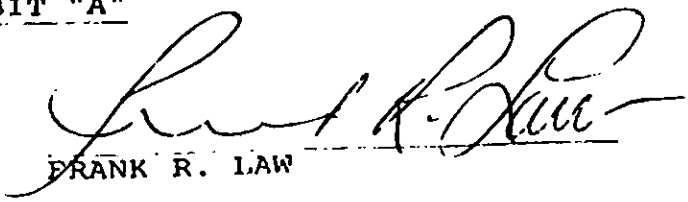
By: _____


By: _____

84-117818

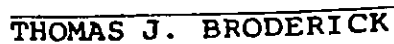
EXHIBIT "A"



DONN R. BRAVENDER



FRANK R. LAW

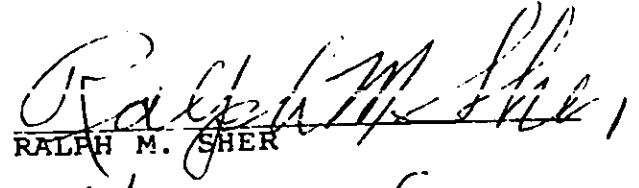

JAMES A. BRINTON


JOHN W. LEE

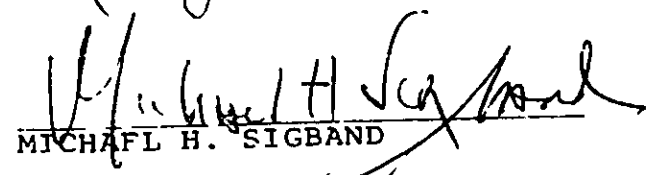

THOMAS J. BRODERICK


HAROLD E. SANFORD

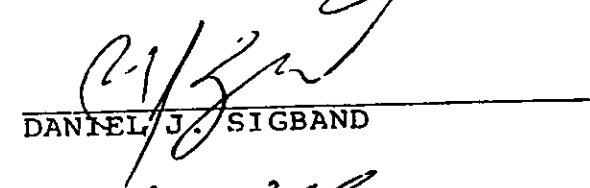

SAMUEL M. COHEN



RALPH M. SHER



RAYMOND C. DIXON


MICHAEL H. SIGBAND


BURR J. DALTON

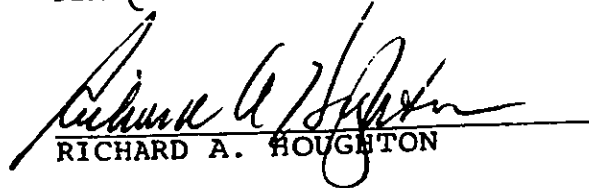

DANIEL J. SIGBAND



RICHARD B. DOERING


DONALD F. WILLIAMS

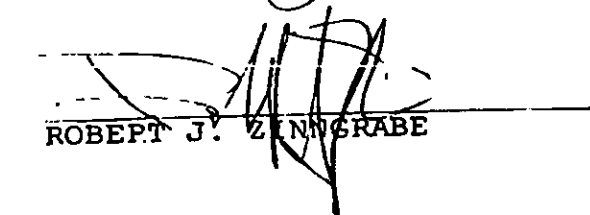

TIANG HUA GAN


MICHITARO YAMAMOTO


RICHARD A. HOUGHTON


ALLAN J. T. YIN

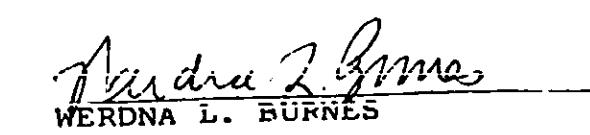

JAMES C. ROBERTSON, JR.


ROBERT J. ZINNERABE


LAURENCE KORN


JAY R. ROTHMAN


GEORGE A. KEMPOTICH


WERDNA L. BURNES

84-117818

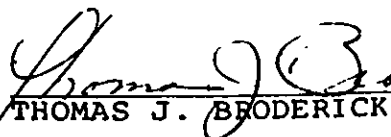
EXHIBIT "A"

DONN R. BRAVENDER

FRANK R. LAW

JAMES A. BRINTON

JOHN W. LEE


THOMAS J. BRODERICK


HAROLD E. SANFORD

SAMUEL M. COHEN

RALPH M. SHER

RAYMOND C. DIXON

MICHAEL H. SIGBAND

BURR J. DALTON

DANIEL J. SIGBAND

RICHARD B. DOERING

DONALD F. WILLIAMS

TIANG HUA GAN

MICHITARO YAMAMOTO

RICHARD A. HOUGHTON

ALLAN J. T. YIN

THOMAS C. HOUGHTON, JR.

ROBERT J. ZINNGRABE

LAURENCE KORN

JAY A. ROTHMAN

GEORGE A. KRMPOTICH

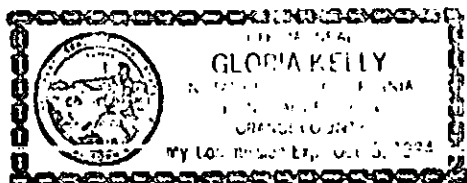
WERNER L. BURNES

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 16, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
DONN R. BRAVENDER, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

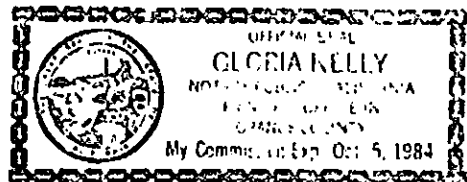


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
JAMES A. BRINTON, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
THOMAS J. BRODERICK, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

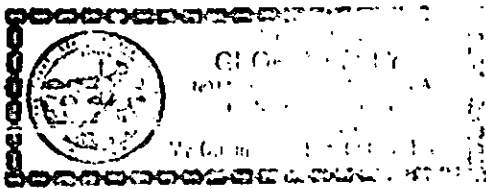
Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared SAMUEL M. COHEN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

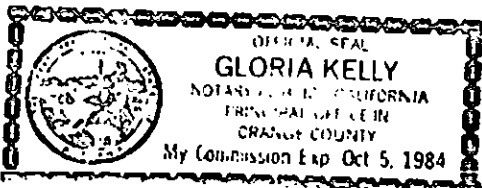


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared RAYMOND C. DIXON, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

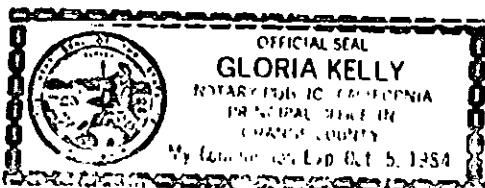


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared BURR J. DALTON, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



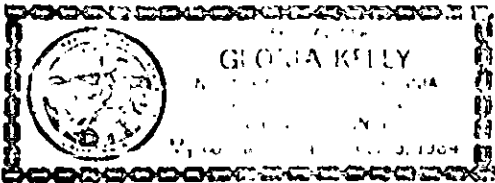
Gloria Kelly
Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 14, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
RICHARD B. DOERING, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

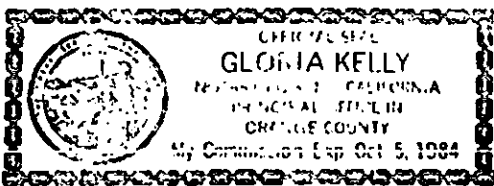


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
TIANG HUA GAN, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

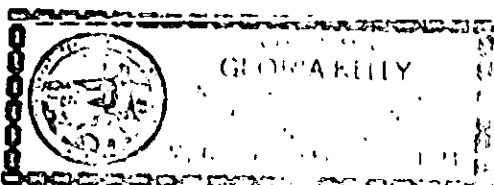


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 16, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
RICHARD A. HOUGHTON, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



Gloria Kelly
Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
THOMAS C. HOUGHTON, JR. _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
LAURENCE KORN _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

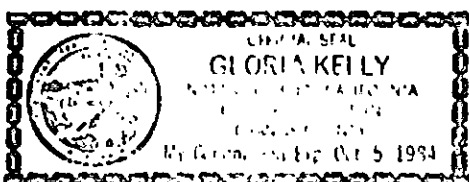
WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
GEORGE A. KRMPOTICH _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



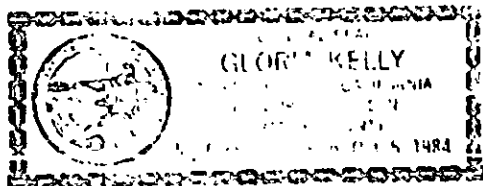
Gloria Kelly
Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 14, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
FRANK R. LAW, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

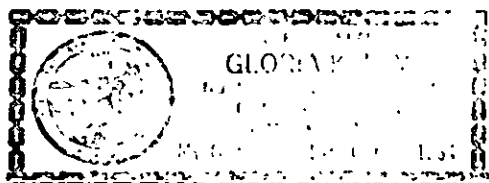


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
JOHN W. LEE, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
HAROLD E. SANFORD, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

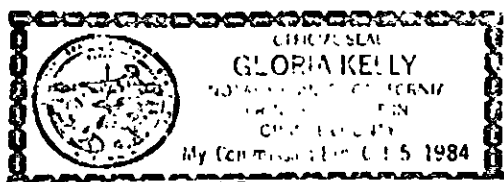
Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
RALPH M. SHER, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

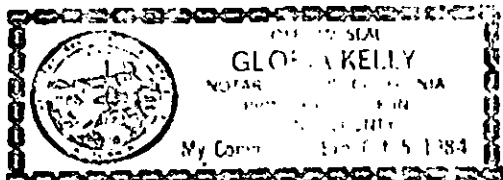


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
MICHAEL H. SIGBAND, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

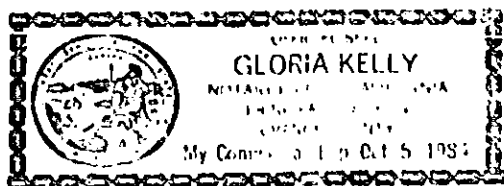


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
DANIEL J. SIGBAND, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



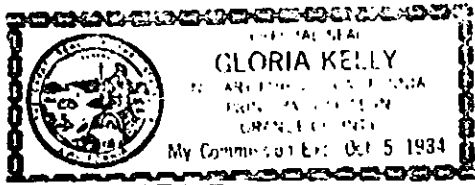
Gloria Kelly
Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 16, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
DONALD F. WILLIAMS, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

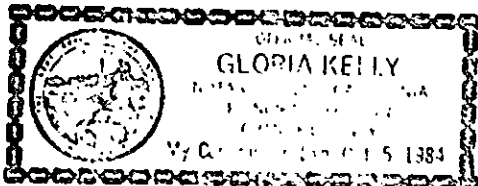


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
MICHITARO YAMAMOTO, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

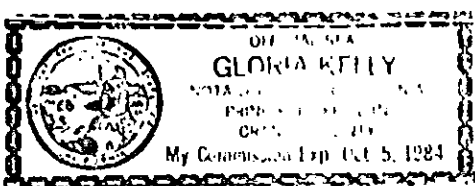


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
ALAN J. T. YIN, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



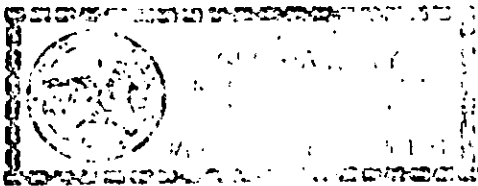
Gloria Kelly
Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
ROBERT J. ZINNGRABE, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

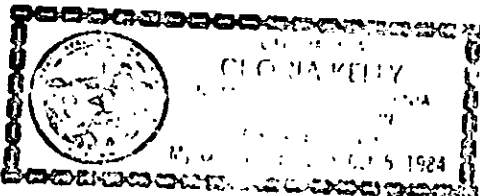


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
JAY A. ROTHMAN, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

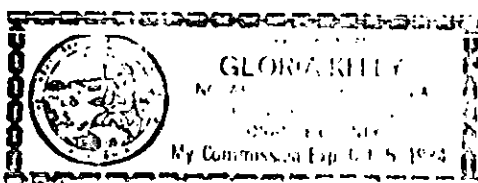


Gloria Kelly
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
WERDNA L. BURNES, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



Gloria Kelly
Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
FRANK R. LAW _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
JOHN W. LEE _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

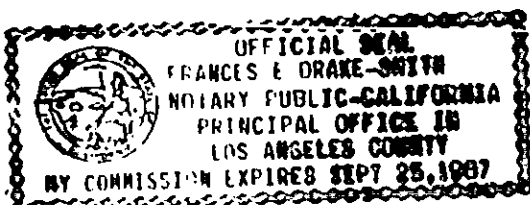
WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
HAROLD E. SANFORD _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.



Frances E. Drake-Smith
Notary Public in and for said State

GOVERNMENT CODE 27361.7

84-117818

I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary Florian E. Drake-Smith

Date Commission Expires Sept. 15, 1987

County where bond is filed Los Angeles

Place of Execution

Santa Ana, Ca

Date

9/20/87

Estelle Carter-T. J.
Signature (firm name if any)

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
DONN R. BRAVENDER, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
JAMES A. BRINTON, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

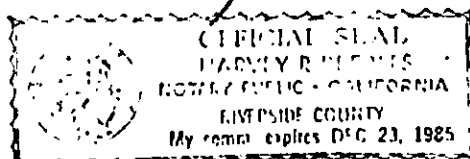
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF Riverside)
ORANGE)

On March 15, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
THOMAS J. BRODERICK, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Harvey R. Leeb
Notary Public in and for said State



LS

84-117810

GOVERNMENT CODE 27361.7

I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary Harvey R. P. bks

Date Commission Expires Dec. 23, 1985

County where bond is filed Riverside

Place of Execution

Santa Ana Ca

Date

3/20/81

Esther C. Miller - T. or
Signature (firm name if any)

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 1984, before me, the undersigned,
a Notary Public in and for said State, personally appeared
_____, and
_____, personally known to me (or proved to me on
the basis of satisfactory evidence) to be the persons who executed
the within instrument as _____ President and Secretary, on
behalf of PACIFICA COMMUNITY HOSPITAL INC., a California corpora-
tion, the corporation therein named, and acknowledged to me that
the corporation executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 1984, before me, the undersigned,
a Notary Public in and for said State, personally appeared
ANTHONY C. MORAN, personally known to me (or proved to me on the
basis of satisfactory evidence) to be the person whose name is
subscribed to the within instrument, and acknowledged that he
executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

84-117818

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
Richard F. Davis, Esq.
Memel, Jacobs, Pierno & Gersh
1801 Century Park East
Los Angeles, California 90067

ASSIGNMENT OF LEASE

THIS ASSIGNMENT OF LEASE ("Assignment") is entered into on the ____ day of _____, 1984, by and between MAIN MEDICAL ARTS ASSOCIATES, a partnership ("Assignor"), and PACIFICA COMMUNITY HOSPITAL, INC., a California corporation ("Assignee").

RECITALS

A. PATRICK C. MORAN, as lessor, and R. J. ZINNGRABE, T. J. BRODERICK, and RICHARD A. HOUGHTON, as lessee, did enter into a certain lease dated April 9, 1968 (hereinafter sometimes referred to as the "Lease"), pursuant to which Lessee leased from Lessor that certain parcel of real property, (herein sometimes referred to as the "Premises"), which parcel of real property is described as follows:

The North one-half of Lot 6 in Block G of Tract No. 7 as per map recorded in Book 9, Page 8 of Miscellaneous Maps, in the office of the County Recorder of Orange County.

B. The lessee's interest in said Lease was thereafter assigned to the Assignor, who is now possessed of said leasehold estate.

C. The interest of said PATRICK C. MORAN is now vested in ANTHONY C. MORAN.

D. Assignor desires to assign all of its right, title and interest in the Lease to Assignee, and Assignee desires to accept the assignment.

E. As of the date of this Assignment, certain improvements have been made to the Premises. Without limiting the generality of the foregoing, said improvements include the following:

(a) A sign on the western portion of the Premises which is visible from Delaware Avenue (hereinafter sometimes rereferred to as the "Sign").

(b) A concrete block wall between the Premises and real property of the Assignee (hereinafter sometimes referred to as the "block wall").

(c) A brick wall on a portion of the Premises fronting on Delaware Avenue (hereinafter sometimes referred to as the "brick wall").

(d) Light stanchions used for purposes of illuminating the premises (hereinafter sometimes referred to as the "stanchions").

NOW, THEREFORE, in accordance with Paragraph 12 of the Lease, and in consideration of the mutual promises and covenants contained herein, the parties hereby agree as follows:

1. Assignment and Assumption.

Assignor assigns and transfers to Assignee all of its right, title and interest in the Lease, and Assignee accepts the assignment and assumes and agrees to perform, from the date this Assignment becomes effective, as a direct obligation to the lessor, all of the provisions of the Lease. The individual partners of Assignor are hereby made third party beneficiaries of this Paragraph 1.

2. Effective Date of Assignment.

84-117818

This Assignment shall take effect on _____, 1984, and Assignor shall surrender possession of the Premises on that date.

3. The Sign and Other Improvements.

The parties hereto agree that the "Sign" is and has always been the property of Assignee. The parties further agree that all other improvements existing on the Premises as of the date of this Assignment, including without limitation the "block wall," "brick wall," and "stanchions," shall become Assignee's property upon the effective date of this Assignment, subject, however, to the terms of the Lease.

4. Payment of Obligation to Lessor.

Assignee shall pay the obligation to the lessor referred to in that certain Consent to Assignment by and among Anthony C. Moran, Assignor and Assignee, a copy of which is attached hereto and incorporated herein by this reference, in the sum of Four Thousand Five Hundred Dollars (\$4,500.00), or if Assignor pays said sum, Assignee agrees to forthwith reimburse Assignor said amount.

5. Legal Capacity to Execute Assignment.

Assignor warrants and represents that it has the legal capacity to execute this Assignment and all partners who are necessary to execute this Assignment have in fact executed same.

84-117818

6. Counterparts.

This Assignment may be executed in a number of counterparts, each of which executed counterparts shall be deemed an original, and all such counterparts shall together constitute one and the same agreement.

7. Expenses of Dispute.

In the event any dispute arises between Lessee and Assignee as to the subject matter of this Assignment, in addition to such other relief to which either party may be entitled, whether or not a suit or proceeding is commenced, the prevailing party or parties to such dispute shall be entitled to recover their reasonable expenses, including attorney's fees, arising from such dispute.

MAIN MEDICAL ARTS ASSOCIATES,
a Partnership

By: SEE EXHIBIT "A" ATTACHED
HERETO AND INCORPORATED
HEREIN

PACIFICA COMMUNITY HOSPITAL,
INC., a California corporation

By: _____

By: _____

84-117818

EXHIBIT "A"

DONN R. BRAVENDER

FRANK R. LAW

JAMES A. BRINTON

JOHN W. LEE

THOMAS J. BRODERICK

HAROLD E. SANFORD

SAMUEL M. COHEN

RALPH M. SHER

RAYMOND C. DIXON

MICHAEL H. SIGBAND

BURR J. DALTON

DANIEL J. SIGBAND

RICHARD B. DOERING

DONALD F. WILLIAMS

TIANG HUA GAN

MICHITARO YAMAMOTO

RICHARD A. HOUGHTON

ALLAN J. T. YIN

THOMAS C. HOUGHTON, JR.

ROBEPT J. ZINNGRABE

LAURENCE KORN

JAY A. ROTHMAN

GEORGE A. KRMPOTICH

WERDNA L. BURNES

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
DONN R. BRAVENDER _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
JAMES A. BRINTON _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
THOMAS J. BRODERICK _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
SAMUEL M. COHEN _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
RAYMOND C. DIXON _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
BURR J. DALTON _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
RICHARD B. DOERING _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
TIANG HUA GAN _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
RICHARD A. HOUGHTON _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
THOMAS C. HOUGHTON, JR. _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
LAURENCE KORN _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
GEORGE A. KRMPOTICH _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

84-117310

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
FRANK R. LAW _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
JOHN W. LEE _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
HAROLD E. SANFORD _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared RALPH M. SHER, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared MICHAEL H. SIGBAND, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared DANIEL J. SIGBAND, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as one of the partners, on behalf of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
DONALD F. WILLIAMS _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
MICHITARO YAMAMOTO _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
ALAN J. T. YIN _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
ROBERT J. ZINNGRABE _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
JAY A. ROTHMAN _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On _____, 1984, before me, the under-
signed, a Notary Public in and for said State, personally appeared
WERDNA L. BURNES _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person who
executed the within instrument as one of the partners, on behalf
of MAIN MEDICAL ARTS ASSOCIATES, the partnership therein named,
and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

84-117818

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 1984, before me, the undersigned,
a Notary Public in and for said State, personally appeared
_____, and
_____, personally known to me (or proved to me on
the basis of satisfactory evidence) to be the persons who executed
the within instrument as _____ President and Secretary, on
behalf of PACIFICA COMMUNITY HOSPITAL INC., a California corpora-
tion, the corporation therein named, and acknowledged to me that
the corporation executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

RECORDING REQUESTED BY:

California First Bank

WHEN RECORDED MAIL TO:

NAME: California First Bank

STREET 616 West Sixth Street

CITY Los Angeles, California 90017
ZIP CODE

Attn: Thomas T. Ego, AVP

84-117825

RECORDING REQUESTED BY
TICOR TITLE INS CO OF CALIF.

RECORDED IN OFFICIAL RECORDS
OF ORANGE COUNTY, CALIFORNIA

-325 PM MAR 21 '84

\$7.00
C14

See A Branch COPIES
1-15 39/118

SPACE ABOVE THIS LINE FOR RECORDERS USE

DEED OF TRUST

WITH POWER OF SALE AND WITH ASSIGNMENT OF RENTS

This Deed of Trust, is made this 7th day of February, 19 84.

between H.B.M., Ltd., a limited partnership

Trustor, CALIFORNIA FIRST BANK a California Banking Corporation, with its principal place of business at San Francisco, California, Trustee, and CALIFORNIA FIRST BANK, Beneficiary.

Trustor hereby irrevocably GRANTS, TRANSFERS and ASSIGNS to Trustee, IN TRUST WITH POWER OF SALE, all that property in

Huntington Beach

, County of Orange

State of California, described as:

PARCEL 1:

LOTS 1 AND 2, BLOCK "G", TRACT 7, IN THE CITY OF HUNTINGTON BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 9 PAGE 8 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

A non-exclusive easement over THE NORTH ONE-HALF OF LOT 6 IN BLOCK G OF TRACT NO. 7, IN THE CITY OF HUNTINGTON BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 9 PAGE 8 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

including all buildings, fixtures and improvements thereon and that may hereafter be erected thereon, all appurtenances and privileges relating thereto, all easements in connection therewith, all water and water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant), in connection therewith, all shares of stock evidencing the same, pumping stations, engines, machinery, pipes and ditches. TOGETHER WITH the rents, issues and profits thereof, SUBJECT HOWEVER, to the right, power and authority hereinafter given to Beneficiary to collect and apply such rents, issues and profits.

FOR THE PURPOSE OF SECURING: (1) Payment of indebtedness, including such interest as may be agreed, of the obligor named below to Beneficiary, now existing or hereafter arising, under or evidenced by, the documents set forth after the boxes initialed by the Trustor and the notary hereunder and extensions, renewals or replacements thereof:

Trustor	Notary	
<input type="checkbox"/>	<input type="checkbox"/>	... Application and Agreement of Trustor. dated: _____ (Commercial Letter of Credit)
<input type="checkbox"/>	<input type="checkbox"/>	... Application and Agreement of Trustor. dated: _____ (Standby Letter of Credit)
<input type="checkbox"/>	<input type="checkbox"/>	... Business Loan Agreement of Trustor. dated: _____
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	... Note of Trustor dated: <u>February 7, 1984</u>
<input type="checkbox"/>	<input type="checkbox"/>	... Advance Account/Acceptance Agreement of Trustor dated: _____
<input type="checkbox"/>	<input type="checkbox"/> dated: _____
<input type="checkbox"/>	<input type="checkbox"/> dated: _____

(2) payment of all additional sums, including advances, with interest at the rate specified, becoming due or payable under the provisions hereof or under the documents initialed in (1) above, and performance of each agreement of Trustor herein contained; (3) payment of any other indebtedness, including such interest as may be agreed, of H.B.M., Ltd. to Beneficiary, now existing or hereafter arising, under or evidenced by another document or documents, each reciting it is secured hereby, and, (4) performance of all other obligations in this Deed of Trust mentioned or referred to (the documents described in (1), (2), and (3) above hereinafter called the "Document(s)").

Continued

Page 2 (continued from reverse)

(On the sale, conveyance, alienation, lease, succession, assignment or other transfer (other than to a spouse or to an inter vivos trust in which the Trustor is a beneficiary) of all or any part of the property subject to the Deed of Trust without the prior written consent of Beneficiary, Beneficiary shall have the right to declare all sums secured by the Deed of Trust immediately due and payable.

Trustor agrees

(1) To keep said property in good condition and repair, not to remove or demolish any building or improvement thereon, to complete or restore promptly and in good and workmanlike manner any building or improvement constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, not to commit or permit waste of said property, to comply with all laws, covenants, conditions and restrictions affecting said property or requiring any alterations or improvements to be made thereon, not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably proper or necessary, the specific enumerations herein not excluding the general

(2) To provide, maintain and deliver to Beneficiary insurance against loss by fire and such other hazards as may be required by Beneficiary, satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary on any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including costs of evidence of title and attorneys' fees in a reasonable sum, of Trustor, Beneficiary and Trustee in any such action or proceeding in which Beneficiary or Trustee may appear, and in any action brought by Beneficiary to foreclose this Deed of Trust.

(4) To pay at least ten days before delinquency, all taxes, assessments and charges affecting said property, including assessments on water stocks when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, and all costs, fees and expenses of this trust.

(5) That Beneficiary or Trustee may, but without obligation so to do and without notice to or demand on Trustor and without releasing Trustor or from any obligation hereof: (a) make any payment and do any act in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter said property for such purpose, (b) commence, maintain, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and (c) pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such power, Beneficiary or Trustee may incur any liability, expend whatever amount in its discretion it may deem necessary therefor, including costs of evidence of title and attorneys' fees in a reasonable sum. Trustor agrees to pay all such disbursements which shall be secured hereby.

(6) That Beneficiary shall be entitled at any time, without notice, at its option, either by itself, by agent, or by a receiver appointed by a court: to enter and take possession of said property or any part thereof, and to do and perform such acts of repair, cultivation or protection as Beneficiary deems proper to conserve the value thereof; and to rent or lease the same or any part thereof for such rental, term and on such condition as it deems proper, and to collect and receive the rents, issues and profits thereof, which rents, issues and profits, present and future, are hereby assigned to Beneficiary as further security, but which assignment Beneficiary agrees not to enforce so long as Trustor is not in default hereunder. Beneficiary shall apply such rents, issues and profits on any indebtedness secured hereby, and in such order as Beneficiary may determine. If Beneficiary exercises the option hereby granted, Trustor shall surrender to Beneficiary peaceable possession of said property and not interfere in any manner with the exercise of the rights granted hereunder, and the expenses incurred, including compensation to Beneficiary and the receiver, and attorneys' fees and costs and disbursements, shall be deemed to be expenses of this trust and secured hereby. The entering and taking possession of said property, the collection of such rents, issues and profits, and the application thereof as aforesaid shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(7) To pay immediately and without demand all sums expended by Beneficiary or Trustee hereunder, with interest from date of expenditure at the rate of 10% per annum, and to pay for any statement regarding the obligation secured hereby any amount demanded by Beneficiary not in excess of the maximum allowed by law at the time such statement is demanded.

(8) If said property becomes subject to any lien to secure the payment of any taxes levied on personal property other than household goods and furniture located on said property, Beneficiary shall have the right, at its option, to declare all sums secured hereby immediately due and payable.

(9) That any payment in connection with any condemnation of or injury to said property or any part thereof shall be paid to Beneficiary who may apply or release such moneys in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(10) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(11) That from time to time, without liability therefor and without notice, on written request of Beneficiary and presentation of this Deed of Trust and the Document(s) for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may, reconvey any part of said property; consent to the making of any subdivision or other map thereof; join in granting any easement thereon; join in any extension agreement or any agreement subordinating the lien or charge hereof; and join in any application for governmental approval respecting use of said property.

(12) That on written request of Beneficiary stating that all sums secured hereby have been paid, and on surrender of this Deed of Trust and Document(s) to Trustee for cancellation and retention and on payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy the Document(s) and this Deed of Trust.

(13) That whenever an obligation secured hereby is or is deemed to be in default, or whenever Trustor or the obligor of any obligation secured hereby defaults in payment of any other indebtedness owed to Beneficiary, Beneficiary may declare all sums secured hereby immediately due and payable.

(14) That the happening of an event provided for in the Document(s) secured hereby making, according to the provisions of such Document(s), the entire balance of principal and interest thereunder immediately due and payable without demand, shall be deemed a default by Trustor. On such a default, or on Beneficiary declaring all indebtedness secured hereby immediately due and payable (a) because of a default by Trustor or the obligor in payment of any such indebtedness or in performance of any agreement hereunder, or (b) because of the happening of an event provided for in the Document(s) secured hereby giving Beneficiary the right to declare all sums payable thereunder immediately due and payable, Beneficiary may deliver to Trustee a written declaration of default and demand for sale and a written notice of default and of election to cause said property to be sold, which notice Trustee shall cause to be duly filed of record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Document(s) secured hereby, and documents evidencing expenditures secured hereby. After lapse of such time as is required by law following recordation of such notice of default, and notice of sale having been given as required by law, Trustee or its agent, without demand on Trustor, shall sell said property at the time and place fixed in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale. After deducting all costs, fees and expenses of Trustee and of this trust, including costs of evidence of title in connection with such sale and documentary transfer taxes or other charges on Trustee's deed, Trustee shall apply the proceeds of sale first, to payment of all sums expended under the terms hereof and not then repaid, with accrued interest at the rate of 10% per annum, next, to payment of all other sums then secured hereby, and the remainder, if any, shall be paid to the person or persons legally entitled thereto.

(15) That this Deed of Trust, applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall include not only the original Beneficiary hereunder but also any future owner or holder, including pledgees, of the Document(s) secured hereby. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter, and the neuter gender includes the masculine and feminine, and the singular number includes the plural.

(16) THAT TRUSTEE ACCEPTS THIS TRUST WHEN THIS DEED OF TRUST, DULY EXECUTED AND ACKNOWLEDGED, IS MADE A PUBLIC RECORD AS PROVIDED BY LAW. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party, unless brought by Trustee.

(17) That the pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived for the maximum period of time and to the full extent permissible by law.

(18) That any Trustor who is married and who has joined in the execution of any Document(s) secured hereby agrees and assents to the liability of his or her separate property for all indebtedness secured hereby. Such agreement and assent, however, shall not be deemed to create a present lien or encumbrance on any separate property not herein described.

84-117825

(19) If Beneficiary shall so request, Trustor shall, to the extent permitted by law, pay to Beneficiary each month an installment of the taxes and assessments payable respecting said property and required by paragraph (4) above to be paid by Trustor, and of the premiums needed to provide the insurance required by Beneficiary under paragraph (2) above. The amount of such installment shall be the amount estimated by Beneficiary to be necessary so that the amount of such taxes, assessments and premiums shall have been paid to Beneficiary in advance of their becoming due, and Trustor shall deliver promptly to Beneficiary all bills and notices therefor. If the amounts paid to Beneficiary under the provisions of this paragraph are insufficient to discharge the obligation of Trustor to pay such taxes, assessments and premiums as the same become due, Trustor shall pay to Beneficiary on its demand the amount of the insufficiency. All moneys paid to Beneficiary under this paragraph may be commingled with other moneys of Beneficiary, but a separate "impound account" shall be maintained therefor, on which interest at the rate of _____% per annum shall be credited for the benefit of Trustor. If at any time, Trustor or any obligor under any Document secured hereby shall tender to Beneficiary, in accordance with the provisions of such Document (s), full payment of the entire indebtedness secured hereby together with any applicable prepayment charge, Beneficiary shall, in computing the amount of indebtedness, credit to the account of Trustor any balance in the impound account.

(20) In the event Trustor is not the maker of any promissory note secured hereby or is otherwise held to be a surety for indebtedness secured hereby, Trustor authorizes Beneficiary without notice and without affecting Trustor's liability hereunder from time to time to:

- (a) renew, compromise, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of, any such indebtedness, including increase or decrease the rate of interest thereon;
- (b) take and hold other security for payment of such indebtedness and exchange, enforce, waive and release any such security;
- (c) exercise any right or remedy it may have against any person obligated on any such indebtedness or any other security, including without limitation the right to apply such security and direct the manner of sale thereof; and
- (d) release or substitute any one or more makers, endorsers or guarantors of any such indebtedness.

Trustor also waives

- (i) any right to require Beneficiary to proceed against any person obligated on any such indebtedness, to proceed against or exhaust any other security or to pursue any other remedy in Beneficiary's power whatsoever;
- (ii) any defense resulting from the absence, impairment or loss of any right of reimbursement or subrogation or other right or remedy of Trustor against any person obligated on any such indebtedness or any security, whether resulting from an election by Beneficiary to foreclose upon security by nonjudicial sale or otherwise;
- (iii) any defense which results from any disability or other defense of any person obligated on any such indebtedness or the cessation or stay of enforcement from any case whatsoever of the liability of any such person;
- (iv) any right to exoneration of sureties which would otherwise be applicable;
- (v) until all indebtedness secured hereby shall have been paid in full, any right of reimbursement or subrogation and, if there are any co-sureties, any right of contribution, any right to enforce any remedy which Beneficiary now has or may hereafter have against any person obligated on such indebtedness and any benefit of, and right to participate in, any other security now or hereafter received by Beneficiary; and
- (vi) all presentments, demands for performance, notices of non-performance, protests, notices of protests, notices of dishonor, notices of acceptance and notices of the existence, creation or incurrence of new or additional indebtedness.

Trustor assumes the responsibility for being and keeping informed of the financial position of any person obligated on the indebtedness secured hereby and of all other circumstances bearing upon the risk of nonpayment of such indebtedness and agrees that Beneficiary shall have no duty to advise Trustor of information known to it regarding any such condition or circumstance.

THE UNDERSIGNED TRUSTOR REQUESTS that a copy of any notice of default and of any notice of sale hereunder be mailed to the mailing address given opposite Trustor's signature below. Failure to insert such address shall be deemed a waiver of any request hereunder for a copy of any such notice.

H.B.M., Ltd., a limited partnership
BY: HURRICANE INVESTMENT CORP., PARTNER

Street and Number

City

State

2029 Century Park East #2600
LOS Angeles

90067

Signature of Trustor

Stephen Meadow, President

STATE OF CALIFORNIA

County of Los Angeles

ss.

On this twenty-ninth day of February, 1984.

before me, Helen M. Nakano, a Notary Public in and for said State,

personally appeared Stephen Meadow, President

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me

that he executed the same.

WITNESS my hand and official seal.



Helen M. Nakano

Notary Public in and for said State

STATE OF CALIFORNIA
COUNTY OF Los Angeles
February 29, 1984

WITNESS my hand and official seal
Signature *Helen M. Nakano*
Helen M. Nakano
Name (Typed or Printed)



(This area for official notarial seal)

84-117822

RECORDING REQUESTED BY
TICOR TITLE INS. CO. OF CALIF.

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
Richard F. Davis, Esq.
Memel, Jacobs, Pierno & Gersh
1801 Century Park East
Los Angeles, California 90067

RECORDED IN OFFICIAL RECORDS
OF ORANGE COUNTY, CALIFORNIA

-325 PM MAR 21 '84

\$12.00
C14

Life & Branch COUNTY
RECORDERS

Interpret Recording

AMENDED AND RESTATED AGREEMENT AMONG LANDOWNERS

THIS AMENDED AND RESTATED AGREEMENT AMONG LANDOWNERS ("Agreement") is made this 21 day of March, 1984, by and among HBM LTD, a California limited partnership, hereinafter called "HBM", PACIFICA COMMUNITY HOSPITAL, INC., a California corporation, hereinafter called "Pacifica", ROBERT J. Zinngrabe an individual, hereinafter called "Zinngrabe", and DELMA CONSTRUCTION CORPORATION, a California corporation, hereinafter called "Delma," with reference to the following facts:

A. On July 2, 1970, Main Medical Arts Associates, Huntington Convalescent Associates and Safecare Company, Inc., entered into that certain Agreement (the "Prior Agreement") with respect to the same subject matter as herein. Said agreement was amended by that certain Amendment to Parking Agreement (the "First Amendment") dated August 1, 1975. By various and mesne assignments, the parties hereto have been assigned and transferred certain right, title and interest of the prior parties in the Prior Agreement and the First Amendment. The parties hereto desire to amend and restate the Prior Agreement and the First Amendment and supersede all agreements, oral or written, among the parties with respect to the subject matter hereof.

B. HBM is the fee title owner of the real property located in the County of Orange, State of California, described as follows (the "HBM Parcel"):

Lots 1 and 2 of Block G of Tract No. 7 as per map recorded in Book 9, Page 8 of Miscellaneous Maps, in the office of the County Recorder of said County.

C. Pacifica is the owner of the leasehold estate under that certain lease dated June 15, 1970, between H.B.H. Incorporated, a California corporation, lessee, and Safecare Company, Inc., a Washington corporation, lessor, affecting the real property located in the County of Orange, State of California, described as follows (the "Hospital Parcel"):

The South one-half of Lot 6 in Block G of Tract No. 7, as per map recorded in Book 9, Page 8 of Miscellaneous Maps, in the office of the County Recorder of said County;

and, is the owner of the leasehold estate by that certain Assignment of Lease dated Mar. 21, 1984 from Main Medical Arts Associates to Pacifica, under that certain Assignment of Lease dated October 29, 1968 from R.J. Zinngrabe, T.J. Broderick, and Richard A. Houghton to Main Medical Arts Associates, under that certain lease dated April 9, 1968, between Patrick C. Moran, lessor, and R.J. Zinngrabe, a married man, T.J. Broderick, a married man, and Richard A. Houghton, a single man, lessee, affecting the real property located in the County of Orange, State of California, described as follows (the "Moran Parcel"):

The North one-half of Lot 6 in Block G of Tract No. 7 as per map recorded in Book 9,

Page 8 of Miscellaneous Maps, in the office of the County Recorder of said County.

D. Zinngrabe is the owner of the leasehold estate under those certain leases dated July 9, 1971 and May 1, 1971 respectively between Safecare Company, Inc., lessor, and Walter Lee Brown Jr., Avis Brown, Robert J. Zinngrabe and Carol Ann Zinngrabe, lessee and pertaining respectively to the north one-half and south one-half of the real property located in the County of Orange, State of California, described as follows ("Lot 9"):

Lot 9 in Block C of Tract No. 7, as per map recorded in Book 9, Page 8 of Miscellaneous Maps, in the office of the County Recorder of said County;

and, is the owner of the subleasehold estate under that certain lease dated June 8, 1964, between Violet E. Buckmaster, lessor, and Walter Lee Brown, Jr., and Robert J. Zinngrabe, lessee, that certain sublease dated July 23, 1971 between Safecare Company, Inc., sublessor, and Walter Lee Brown, Jr., Avis Brown, Robert J. Zinngrabe and Carol Ann Zinngrabe, sublessees, and that certain modification of such sublease dated October 24, 1972 affecting the real property located in the County of Orange, State of California, described as follows ("Lot 7"):

Lot 7 in Block G of Tract No. 7, as per map recorded in Book 8, Page 9 of Miscellaneous Maps, in the office of the County Recorder of said County, excepting therefrom the westerly 50 feet of the southerly 180 feet of Lot 7 in Block G of Tract No. 7 as per map recorded in Book 9, Page 8 of Miscellaneous Maps in the Office of the County Recorder of Orange County.

E. Delma is the fee title owner of the real property located in the County of Orange, State of California, described as follows (the "Delma Parcel"):

Parcels 1 and 2 in the City of Huntington Beach, County of Orange, California, as per map filed in Book 175, Pages 7 and 8 of Parcel Maps in the office of the County Recorder of said County.

F. As of the date of this Agreement, the below-referenced parcels contain the following number of parking spaces:

- (a) The HBM Parcel contains 86 parking spaces.
- (b) The Moran Parcel contains 113 parking spaces.
- (c) Lot 9 and Lot 7 contain 195 parking spaces.
- (d) The Delma Parcel contains 101 parking spaces.

G. As of the date of this Agreement, a sign which is visible from Main Street is located on the northern portion of the HBM Parcel ("Sign 1"). As of the date of this Agreement, a sign which is visible from Delaware Avenue is located on the western portion of the Moran Parcel ("Sign 2"). As of the date of this Agreement, a sign which is visible from Florida Avenue is located on the eastern portion of Lot 7 ("Sign 3").

H. Each party hereto desires (i) to grant to all other parties hereto a nonexclusive right to use the existing

parking spaces contained on their respective parcels, including the right of ingress and egress therefrom and (ii) to create certain rights and obligations among the parties with respect to the rights to use said real property covered by said grant pursuant to Section 1468 of the California Civil Code.

1. Pacifica desires that (i) HBM grant to Pacifica the right to retain, maintain and repair Sign 1 including the right of ingress and egress therefrom; (ii) that certain rights and obligations be created with respect to that portion of the HBM Parcel covered by said grant pursuant to Section 1468 of the California Civil Code; (iii) that Zinngrabe grant to Pacifica the right to retain, maintain and repair Sign 3, including the right of ingress and egress therefrom; and (iv) that certain rights and obligations be created with respect to that portion of Lot 7 covered by said grant pursuant to Section 1468 of the California Civil Code.

NOW, THEREFORE, in consideration of the mutual promises, covenants, agreements and understandings contained herein, the parties hereto agree as follows:

1. Term and Expiration. The term of this Agreement shall commence as of _____, 1984 and shall expire on the 30th day of September, 2021.

2. Grant by HBM to Pacifica, Zinngrabe and Delma. HBM hereby covenants and grants to Pacifica, Zinngrabe and Delma the nonexclusive right, in common with HBM, to use the parking spaces on the HBM Parcel for the purpose of the parking of automobiles and similar vehicles of the agents, servants, guests, employees, physicians, licensees, patients and business visitors of Pacifica, Zinngrabe and Delma, including the right of ingress and egress from and to said HBM Parcel.

3. Grant by Pacifica to HBM, Zinngrabe and Delma. Pacific hereby covenants and grants to HBM, Zinngrabe and Delma a nonexclusive right, in common with Pacifica, to use the parking spaces on the Moran Parcel for the purpose of the parking of automobiles and similar vehicles of the agents, servants, guests, employees, physicians, licensees, patients and business visitors of HBM, Zinngrabe and Delma, including the right of ingress and egress from and to said Moran Parcel.

4. Grant by Zinngrabe to HBM, Pacifica and Delma. Zinngrabe hereby covenants and grants to HBM, Pacifica and Delma the nonexclusive right, in common with Zinngrabe, to use the parking spaces on Lot 9 and Lot 7 for the purpose of the parking of automobiles and similar vehicles of the agents, servants, guests, employees, physicians, licensees, patients and business visitors of HBM, Pacifica and Delma, including the right of ingress and egress from and to said Lot 9 and Lot 7.

5. Grant by Delma to HBM, Pacifica and Zinngrabe. Delma hereby covenants and grants to HBM, Pacifica and Zinngrabe a non-exclusive right, in common with Delma, to use the parking spaces on the Delma Parcel for the purpose of the parking of automobiles and similar vehicles of the agents, servants, guests, employees, physicians, licensees, patients and business visitors of HBM, Pacifica and Zinngrabe, including the right of ingress and egress from and to said Delma Parcel.

6. Maintenance of Parking Spaces. HBM shall maintain and keep in good repair, at its sole cost and expense, all parking areas located on the HBM Parcel. Pacific shall maintain and keep in good repair, at its sole cost and expense, all parking areas located on the Moran Parcel. Zinngrabe shall maintain and keep in good repair, at its sole cost and expense, all parking areas located on Lot 9 and Lot 7. Delma shall maintain

and keep in good repair, at its sole cost and expense, all parking areas located on the Delma Parcel.

7. Reduction or Change in Parking Spaces. The parties hereto agree that (i) there shall be no reduction or change in the number of parking spaces as exist on the HBM Parcel and the Moran Parcel as of the date of this Agreement and no party shall take any action which in any way reduces or changes such number of parking spaces without the express written consent of HBM and Pacifica, which consent shall not be unreasonably denied or delayed; (ii) there shall be no reduction or change in the total number of parking spaces as exist on all parcels as of the date of this Agreement and no party shall take any action which in any way reduces or changes such total number of parking spaces without the express written consent of all parties to this Agreement, which consent shall not be unreasonably denied or delayed; (iii) there shall be no temporary or permanent alteration of the parking spaces or parking facilities as exist on each individual parcel as of the date of this Agreement and no party shall take any action which shall in any way alter such parking spaces or parking facilities without the express written consent of all parties to this Agreement, which consent shall not be unreasonably denied or delayed; and (iv) there shall be no temporary or permanent impairment of the use by any party of the number of parking spaces as exist on each individual parcel as of the date of this Agreement and no party shall take any action which in any way impairs the use of such number of parking spaces without the express written consent of all parties to this Agreement, which consent shall not be unreasonably denied or delayed.

8. Grant of Right to Maintain Sign 1. HBM hereby covenants and grants to Pacifica the right to use the HBM Parcel for the purpose of retaining, maintaining and repairing Sign 1, including the right of ingress and egress therefrom so long as said ingress and egress does not interfere with HBM's use of the HBM Parcel. HBM shall take no action which in any way effects the utility and visibility of Sign 1 without the express written consent of Pacifica, which consent shall not be unreasonably denied or delayed. The parties hereto agree that Sign 1 is and has always been the property of Pacifica.

9. Sign 2. The parties hereto agree that Sign 2 is and has always been the property of Pacifica and that the use of the Moran Parcel for retaining, maintaining and repairing Sign 2 shall not be limited or affected by the rights of any of the parties hereunder.

10. Grant of Right to Maintain Sign 3. Zinngrabe hereby covenants and grants to Pacifica the right to use Lot 7 for the purpose of retaining, maintaining and repairing Sign 3, including the right of ingress and egress therefrom. Zinngrabe shall take no action which in any way effects the utility and visibility of Sign 3 without the express written consent of Pacifica, which consent shall not be unreasonably denied or delayed. The parties hereto agree that Sign 3 is and has always been the property of Pacifica.

11. Property Benefited and Burdened by Covenants. The land of HBM to be benefited and burdened by the covenants of this Agreement is the HBM Parcel. The land of Pacifica to be benefited and burdened by the covenants of this Agreement is the Hospital Parcel and the Moran Parcel. The land of Zinngrabe to be benefited and burdened by the covenants of this Agreement is Lot 9 and Lot 7. The land of Delma to be benefited and burdened by the covenants of this Agreement is the Delma Parcel. Any successor in interest or ownership of the HBM Parcel, the Hospital Parcel, the Moran Parcel, Lot 9, Lot 7 and the Delma

Parcel, inclusive, is hereby expressly bound by the covenants set forth herein for the benefit of each of said parcels.

12. Enforcement of this Agreement. The parties hereto may employ any lawful means whatsoever to enforce the provisions of this Agreement. In the event of the bringing of any action or suit by any party hereto against any other party hereunder by reason of any breach of any of the agreements or provisions on the part of such other party arising out of this Agreement, then in that event the party or parties in whose favor final judgment shall be entered shall be entitled to have and recover of and from the other party or parties all costs and expenses of suit, including reasonable attorneys' fees.

13. Best Efforts. Any party, and the successors and assignees of any party, holding less than a fee ownership interest in its respective parcel, agrees to utilize its best efforts to prevent the occurrence of any event of default under any lease by which it holds title to its respective parcel.

14. Recordation. The parties hereto shall cause this Agreement to be recorded in the office of the County Recorder of Orange County, California.

15. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto for the benefit of the land owned or controlled by each of the parties hereto; provided, however, that with respect to any party, or its successor or assign, having less than a fee ownership interest in any of the subject parcels, the burdens and benefits of this Agreement with respect to such parcel shall continue only so long as such party, or its successor or assign, retains a possessory interest in such parcel. Notwithstanding the unenforceability of this Agreement with respect to any such party, or its successor or assign, or any parcel, this Agreement shall continue in full force and effect with respect to the remaining parcels.

16. Time of the Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

17. Severability. In the event any portion of this Agreement shall be declared by any court of any jurisdiction to be invalid, illegal, or unenforceable, such portion shall be deemed separate from this Agreement, and the remaining parts hereof shall remain in full force and effect, as though such invalid, illegal or unenforceable portion had never been a part of this Agreement.

18. Waiver of Breach. No assent or waiver, express or implied, of any breach of any one or more of the covenants, conditions or provisions hereof shall be deemed or taken to be a waiver of any other covenant, condition or provision hereof, or a waiver of any subsequent breach of the same covenant, condition or provision hereof.

19. Captions and Construction. The captions used herein as headings for the various paragraphs hereof are for convenience only, and such captions shall not be construed to be part of this Agreement or be used in determining or construing the intent or context of this Agreement.

20. Counterparts. This Agreement may be executed in a number of counterparts, each of which executed counterparts shall be deemed an original, and all such counterparts shall together constitute one and the same agreement.

21. Expenses of Dispute. In the event any dispute arises as to the subject matter of this Agreement, in addition to such other relief to which any party may be entitled, whether

or not a suit or proceeding is commenced, the prevailing party or parties to such dispute shall be entitled to recover their reasonable expenses, including attorneys' fees, arising from such dispute.

22. Entire Agreement. This Agreement supersedes the Prior Agreement and the First Amendment and any and all other agreements, either oral or in writing, among the parties hereto with respect to the subject matter hereof, and contains the entire agreement among the parties hereto relating to said subject matter; provided, however, that this Agreement does not supersede the Prior Agreement and the First Amendment with respect to any individual, partnership, corporation or other entity, including but not limited to Safecare Company, Inc., which is neither a party to this Agreement nor a successor or assign of any party to this Agreement; provided, further, that notwithstanding anything to the contrary contained herein, this Agreement does not supersede any contracts, agreements or arrangements which have been made between Zinngrabe and Pacifica or any of Pacifica's affiliated entities and individuals with respect to the payment of real property taxes, maintenance expense and related expense on Lot 7. This Agreement may not be modified except by an instrument in writing executed by the parties hereto.

IN WITNESS WHEREOF, and for the purposes of the complying with the provisions of Section 1468 of the California Civil Code, the parties hereto have executed this Agreement as of the date and year first above written.

HBM LTD., a California limited partnership

By: Hurricane Investment Corporation,
a general partner

By: Samuel D. [Signature]
Its: AM. SECY

PACIFICA COMMUNITY HOSPITAL, INC.,
a California Corporation

By: _____

Its: _____

ROBERT J. ZINNGRABE

DELMA CONSTRUCTION CORPORATION,
a California corporation

By: _____

Its: _____

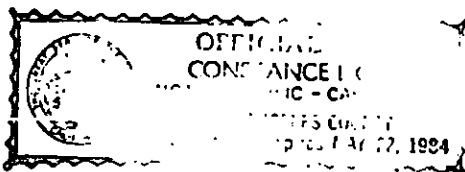
84-117822

STATE OF CALIFORNIA)

COUNTY OF Los Angeles)

On March 20, 1984, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared John K. Kane, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Asst. Secretary of the Corporation, personally known to me or proved to me on the basis of satisfactory evidence to be the Corporation that executed the within instrument pursuant to its bylaws or a resolution of its board of directors on behalf of the Partnership and acknowledged to me that such Partnership executed the within instrument.

WITNESS my hand and official seal.



Constance L. Gale
Notary Public



STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the _____ of the Corporation that executed the within instrument and acknowledged to me that such Corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

Notary Public

Corporate as a Partner or Partnership

STATE OF CALIFORNIA
COUNTY OF

} ss

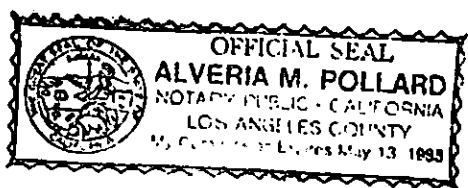
84-117822

On this 30th day of March, 1984, before me the undersigned a Notary Public in and for said county and state personally appeared Samuel Grace personally known to me (or proved to me on the basis of satisfactory evidence) to be the President, and Art personally known to me (or proved to me on the basis of satisfactory evidence) to be the Secretary of Murcan Investment Corp. the corporate that executed the within instrument and known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument on behalf of said corporation said corporation being known to me to be one of the partners of H.B.M. Inc.

the partnership that executed the within instrument and acknowledged that such corporation executed the same as such partner and that such partnership executed the same

WITNESS my hand and official seal

Signature Alveria M. Pollard



Name (Typed or Printed)

(This area for official seal)

84-117822

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 1984 before me, the undersigned, a
Notary Public in and for said State, personally appeared
_____, personally known to me or proved to
me on the basis of satisfactory evidence to be the person who
executed the within instrument as the _____
of the Corporation, that executed the within instrument and
acknowledged to me that such Corporation executed the within
instrument pursuant to its bylaws or a resolution of its board
of directors.

WITNESS my hand and official seal.

Notary Public

84-117817

RECORDING REQUESTED BY
TICOR TITLE INS. CO. OF CALIF.

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
Richard F. Davis, Esq.
Memel, Jacobs, Pierno & Gersh
1801 Century Park East
Los Angeles, California 90067

RECORDED IN OFFICIAL RECORDS
OR ORANGE COUNTY, CALIFORNIA

-325 PM MAR 21 '84

\$9.00
C14

See a Branch COUNTY
RECORDER

Counterpart Recording

ASSIGNMENT OF LEASE

THIS ASSIGNMENT OF LEASE ("Assignment") is entered
into on the 21 day of March, 1984, by and between
MAIN MEDICAL ARTS ASSOCIATES, a partnership ("Assignor"), and
PACIFICA COMMUNITY HOSPITAL, INC., a California corporation
("Assignee").

RECITALS

A. PATRICK C. MORAN, as lessor, and R. J. ZINNGRABE,
T. J. BRODERICK, and RICHARD A. HOUGHTON, as lessee, did enter
into a certain lease dated April 9, 1968 (hereinafter sometimes
referred to as the "Lease"), pursuant to which Lessee leased
from Lessor that certain parcel of real property, (herein some-
times referred to as the "Premises"), which parcel of real
property is described as follows:

The North one-half of Lot 6 in Block G of Tract
No. 7 as per map recorded in Book 9, Page 8 of
Miscellaneous Maps, in the office of the County
Recorder of Orange County.

B. The lessee's interest in said Lease was thereafter
assigned to the Assignor, who is now possessed of said leasehold
estate.

AP 154-121-26
City of Huntington Beach

documentary Trans.
tax paid on cover. ter
for recording

84-117817

C. The interest of said PATRICK C. MORAN is now vested in ANTHONY C. MORAN.

D. Assignor desires to assign all of its right, title and interest in the Lease to Assignee, and Assignee desires to accept the assignment.

E. As of the date of this Assignment, certain improvements have been made to the Premises. Without limiting the generality of the foregoing, said improvements include the following:

(a) A sign on the western portion of the Premises which is visible from Delaware Avenue (hereinafter sometimes rereferred to as the "Sign").

(b) A concrete block wall between the Premises and real property of the Assignee (hereinafter sometimes referred to as the "block wall").

(c) A brick wall on a portion of the Premises fronting on Delaware Avenue (hereinafter sometimes referred to as the "brick wall").

(d) Light stanchions used for purposes of illuminating the premises (hereinafter sometimes referred to as the "stanchions").

NOW, THEREFORE, in accordance with Paragraph 12 of the Lease, and in consideration of the mutual promises and covenants contained herein, the parties hereby agree as follows:

1. Assignment and Assumption.

Assignor assigns and transfers to Assignee all of its right, title and interest in the Lease, and Assignee accepts the assignment and assumes and agrees to perform, from the date this Assignment becomes effective, as a direct obligation to the lessor all of the provisions of the Lease. The individual partners of Assignor are hereby made third party beneficiaries of this Paragraph 1.

84-117817

2. Effective Date of Assignment.

This Assignment shall take effect on _____, 1984, and Assignor shall surrender possession of the Premises on that date.

3. The Sign and Other Improvements.

The parties hereto agree that the "Sign" is and has always been the property of Assignee. The parties further agree that all other improvements existing on the Premises as of the date of this Assignment, including without limitation the "block wall," "brick wall," and "stanchions," shall become Assignee's property upon the effective date of this Assignment, subject, however, to the terms of the Lease.

4. Payment of Obligation to Lessor.

Assignee shall pay the obligation to the lessor referred to in that certain Consent to Assignment by and among Anthony C. Moran, Assignor and Assignee, a copy of which is attached hereto and incorporated herein by this reference, in the sum of Four Thousand Five Hundred Dollars (\$4,500.00), or if Assignor pays said sum, Assignee agrees to forthwith reimburse Assignor said amount.

5. Legal Capacity to Execute Assignment.

Assignor warrants and represents that it has the legal capacity to execute this Assignment and all partners who are necessary to execute this Assignment have in fact executed same.

6. Counterparts.

This Assignment may be executed in a number of counterparts, each of which executed counterparts shall be deemed an original, and all such counterparts shall together constitute one and the same agreement.

7. Expenses of Dispute.

In the event any dispute arises between Lessee and Assignee as to the subject matter of this Assignment, in addition to such other relief to which either party may be entitled, whether or not a suit or proceeding is commenced, the prevailing party or parties to such dispute shall be entitled to recover their reasonable expenses, including attorney's fees, arising from such dispute.

MAIN MEDICAL ARTS ASSOCIATES,
a Partnership

By: SEE EXHIBIT "A" ATTACHED
HERETO AND INCORPORATED
HEREIN

PACIFICA COMMUNITY HOSPITAL,
INC., a California corporation

By: W. L. (John) [Signature]

By: _____

84-117817

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument on behalf of the Partnership and acknowledged to me that such Partnership executed the within instrument.

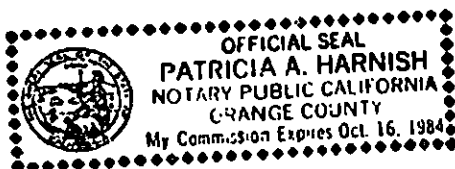
WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On MARCH 16, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared WENDELL WITE, M.D., personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the PRESIDENT of the Corporation that executed the within instrument and acknowledged to me that such Corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Patricia A. Harnish
Notary Public

84-117817

EXHIBIT "A"

DONN R. BRAVENDER

FRANK R. LAW

JAMES A. BRINTON

JOHN W. LEE

THOMAS J. BRODERICK

HAROLD E. SANFORD

SAMUEL M. COHEN

RALPH M. SHER

RAYMOND C. DIXON

MICHAEL H. SIGBAND

BURR J. DALTON

DANIEL J. SIGBAND

RICHARD B. DOERING

DONALD F. WILLIAMS

TIANG HUA GAN

MICHITARO YAMAMOTO

RICHARD A. HOUGHTON

ALLAN J. T. YIN

THOMAS C. HOUGHTON, JR.

ROBEPT J. ZINNGRABE

LAURENCE KORN

JAY A. ROTHMAN

GEORGE A. KRMPOTICH

WERDNA L. BURNES

84-117820

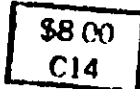
RECORDING REQUESTED BY
TICOR TITLE INS. CO. OF CALIF.

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:
Richard F. Davis, Esq.
Memel, Jacobs, Pierno & Gersh
1801 Century Park East
Los Angeles, California 90067

RECORDED IN OFFICIAL RECORDS
OR ORANGE COUNTY CALIFORNIA

-325 PM MAR 21 '84

Life A Branch COUNTY
RECORDER



*Counterpart
Recording*

CONSENT TO ASSIGNMENT

THIS CONSENT TO ASSIGNMENT ("Consent") is entered into on the 21 day of March, 1984, by and among Anthony C. Moran, an individual, Main Medical Arts Associates, a partnership, and Pacifica Community Hospital, Inc. (a California corporation).

RECITALS

A. ANTHONY S. MORAN (sometimes referred to herein as the "Lessor", or as "MORAN") is the present lessor in that certain lease dated April 9, 1968 by and between Patrick C. Moran and R.J. Zinngrabe, T.J. Broderick and Richard A. Houghton (the "Lease").

B. Main Medical Arts Associates, a partnership, the present lessee under the Lease, and Pacifica Community Hospital, Inc., a California corporation, have entered into that certain Assignment of Lease whereby Main Medical Arts Associates ("Assignor") has assigned all of its right, title and interest in the Lease to Pacifica Community Hospital, Inc. ("Assignee"), a copy of which is attached hereto and incorporated herein by this reference (the "Assignment").

C. MORAN desires to consent to the foregoing Assignment subject to the terms and conditions hereinafter set forth.

TI 649422 EC

D. MORAN acknowledges and represents the following with the knowledge that the Assignor and Assignee are relying upon such representations:

1. MORAN has examined the leased premises on March 9, 1984, and from time to time during the Lease term;

2. That the Lease is in full force and effect as of the date hereof, that Assignor is not in default in the performance of any of the terms, conditions or covenants of the Lease, that Assignor has not committed any breach of the Lease, or if so, that in consideration of the payment of Four Thousand Five Hundred Dollars (\$4,500.00) by Assignor or Assignee to Moran, that Moran agrees to waive any such breach of the Lease; that no notice of default has been given to Assignor.

3. That, in consideration of the payment of Four Thousand Five Hundred Dollars (\$4,500.00) by Assignor or Assignee to Moran, the continued existence and maintenance on the leased premises of any improvements existing upon the premises as of the date of this Consent, including without limitation the "sign," "block wall," "brick wall" and light "stanchions" referred to in the Assignment, shall not be deemed a default under or breach of the terms of the Lease, nor shall the providing of electric power to the "sign" or light "stanchions" by the Assignee or any other person be considered a breach of the Lease.

4. MORAN has succeeded to all rights of the original lessor under the Lease, is the owner of the underlying fee in the leased real property, and has the legal capacity to execute this Consent.

NOW THEREFORE, in consideration of the mutual terms and conditions herein set forth, Assignor, Assignee and MORAN, agree as follows:

1. Assignor or Assignee agree to pay the sum of FOUR THOUSAND FIVE HUNDRED DOLLARS (\$4,500.00) to MORAN. This obligation of Assignor or Assignee shall be a joint and several obligation of Assignor and Assignee.

2. MORAN warrants and represents that each of the representations set forth in Paragraph D, above, are true and correct.

3. MORAN consents to the assignment of the lease to the Assignee.

4. Assignor waives any claim to the reversionary rights in and to the Lease.

5. MORAN releases Assignor from any further liability or obligation under the terms of the Lease.

6. Any improvements placed upon the leased premises are expressly subject to Paragraph 19 of the Lease, provided, however, nothing herein shall be construed as a waiver by Assignee of any rights under the terms of the Lease, this Consent or the Assignment pertaining to improvements on the leased premises.

7. This Consent may be executed in a number of counterparts, each of which executed counterparts shall be deemed an original, and all such counterparts shall together constitute one and the same agreement.

ANTHONY S. MORAN

MAIN MEDICAL ARTS ASSOCIATES,
a Partnership

By: SEE EXHIBIT "A" ATTACHED
HERE TO AND INCORPORATED HEREIN

PACIFICA COMMUNITY HOSPITAL,
INC., a California corporation

By: *[Signature]*

By: _____

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument on behalf of the Partnership and acknowledged to me that such Partnership executed the within instrument.

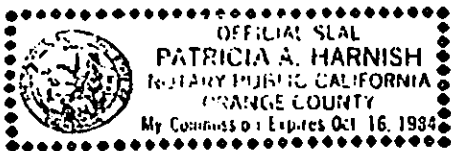
WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On MARCH 16, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared WENDEL WITTE, M.D., personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the PRESIDENT of the Corporation that executed the within instrument and acknowledged to me that such Corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Patricia A. Harnish
Notary Public

84-117820

EXHIBIT "A"

DONN R. BRAVENDER

FRANK F. LAW

JAMES A. BRINTON

JOHN W. LEE

THOMAS J. BRODERICK

HAROLD E. SANFORD

SAMUEL M. COHEN

RALPH M. SHER

RAYMOND C. DIXON

MICHAEL H. SIGBAND

BURR J. DALTON

DANIEL J. SIGBAND

RICHARD B. DOERING

DONALD F. WILLIAMS

TIANG HUA GAN

MICHITARO YAMAMOTO

RICHARD A. HOUGHTON

ALLAN J. T. YIN

THOMAS C. HOUGHTON, JR.

ROBERT J. ZINNGRABE

LAURENCE KORN

JAY A. ROTHMAN

GEORGE A. KRMPOTICH

WERNER L. BURNES

84-117819

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:
Richard F. Davis, Esq.
Memel, Jacobs, Pierno & Gersh
1801 Century Park East
Los Angeles, California 90067

RECORDING REQUESTED BY
TICOR TITLE INS CO. OF CALIF.

RECORDED IN OFFICIAL RECORDS
OR ORANGE COUNTY, CALIFORNIA

-325 PM MAR 21 '84

Count. p. rt
Recording

\$9 00
C14

See a Branch COUNTY
RECORDING

CONSENT TO ASSIGNMENT

THIS CONSENT TO ASSIGNMENT ("Consent") is entered into on
the 21 day of March, 1984, by and among Anthony C.
Moran, an individual, Main Medical Arts Associates, a partner-
ship, and Pacifica Community Hospital, Inc. (a California
corporation).

RECITALS

A. ANTHONY S. MORAN (sometimes referred to herein as the
"Lessor", or as "MORAN") is the present lessor in that certain
lease dated April 9, 1968 by and between Patrick C. Moran and
R.J. Zinngrabe, T.J. Broderick and Richard A. Houghton (the
"Lease").

B. Main Medical Arts Associates, a partnership, the
present lessee under the Lease, and Pacifica Community Hospital,
Inc., a California corporation, have entered into that certain
Assignment of Lease whereby Main Medical Arts Associates
("Assignor") has assigned all of its right, title and interest
in the Lease to Pacifica Community Hospital, Inc. ("Assignee"),
a copy of which is attached hereto and incorporated herein by
this reference (the "Assignment").

C. MORAN desires to consent to the foregoing Assignment
subject to the terms and conditions hereinafter set forth.

D. MORAN acknowledges and represents the following with the knowledge that the Assignor and Assignee are relying upon such representations:

1. MORAN has examined the leased premises on March 9, 1984, and from time to time during the Lease term;

2. That the Lease is in full force and effect as of the date hereof, that Assignor is not in default in the performance of any of the terms, conditions or covenants of the Lease, that Assignor has not committed any breach of the Lease, or if so, that in consideration of the payment of Four Thousand Five Hundred Dollars (\$4,500.00) by Assignor or Assignee to Moran, that Moran agrees to waive any such breach of the Lease; that no notice of default has been given to Assignor.

3. That, in consideration of the payment of Four Thousand Five Hundred Dollars (\$4,500.00) by Assignor or Assignee to Moran, the continued existence and maintenance on the leased premises of any improvements existing upon the premises as of the date of this Consent, including without limitation the "sign," "block wall," "brick wall" and light "stanchions" referred to in the Assignment, shall not be deemed a default under or breach of the terms of the Lease, nor shall the providing of electric power to the "sign" or light "stanchions" by the Assignee or any other person be considered a breach of the Lease.

4. MORAN has succeeded to all rights of the original lessor under the Lease, is the owner of the underlying fee in the leased real property, and has the legal capacity to execute this Consent.

NOW THEREFORE, in consideration of the mutual terms and conditions herein set forth, Assignor, Assignee and MORAN, agree as follows:

1. Assignor or Assignee agree to pay the sum of FOUR THOUSAND FIVE HUNDRED DOLLARS (\$4,500.00) to MORAN. This obligation of Assignor or Assignee shall be a joint and several obligation of Assignor and Assignee.

2. MORAN warrants and represents that each of the representations set forth in Paragraph D, above, are true and correct.

3. MORAN consents to the assignment of the lease to the Assignee.

84-117819

4. Assignor waives any claim to the reversionary rights in and to the Lease.

5. MORAN releases Assignor from any further liability or obligation under the terms of the Lease.

6. Any improvements placed upon the leased premises are expressly subject to Paragraph 19 of the Lease, provided, however, nothing herein shall be construed as a waiver by Assignee of any rights under the terms of the Lease, this Consent or the Assignment pertaining to improvements on the leased premises.

7. This Consent may be executed in a number of counterparts, each of which executed counterparts shall be deemed an original, and all such counterparts shall together constitute one and the same agreement.

Anthony S. Moran
ANTHONY S. MORAN

MAIN MEDICAL ARTS ASSOCIATES,
a Partnership

By: SEE EXHIBIT "A" ATTACHED
HERETO AND INCORPORATED HEREIN

PACIFICA COMMUNITY HOSPITAL,
INC., a California corporation

By: _____

By: _____

84-117819

EXHIBIT "A"

DONN R. BRAVENDER

FRANK R. LAW

JAMES A. BRINTON

JOHN W. LEE

THOMAS J. BRODERICK

HAROLD E. SANFORD

SAMUEL M. COHEN

RALPH M. SHER

RAYMOND C. DIXON

MICHAEL H. SIGBAND

BURR J. DALTON

DANIEL J. SIGBAND

RICHARD B. DOERING

DONALD F. WILLIAMS

TIANG HUA GAN

MICHITARO YAMAMOTO

RICHARD A. HOUGHTON

ALLAN J. T. YIN

THOMAS C. HOUGHTON, JR.

ROBERT J. ZINNGRABE

LAURENCE KORN

JAY A. ROTHMAN

GEORGE A. KRMPOTICH

WERNER L. BURNES

84-117819

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 1984, before me, the undersigned,
a Notary Public in and for said State, personally appeared
_____, and
_____, personally known to me (or proved to me on
the basis of satisfactory evidence) to be the persons who executed
the within instrument as _____ President and Secretary, on
behalf of PACIFICA COMMUNITY HOSPITAL INC., a California corpora-
tion, the corporation therein named, and acknowledged to me that
the corporation executed it.

WITNESS my hand and official seal.

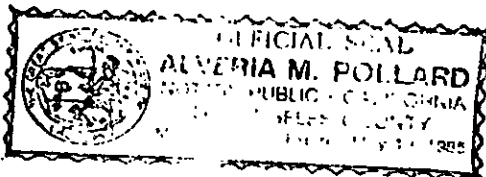
Notary Public in and for said State

STATE OF CALIFORNIA)
COUNTY OF Los Angeles) ss.

On March 19, 1984, 1984, before me, the undersigned,
a Notary Public in and for said State, personally appeared
ANTHONY S. MORAN, personally known to me (or proved to me on the
basis of satisfactory evidence) to be the person whose name is
subscribed to the within instrument, and acknowledged that he
executed it.

WITNESS my hand and official seal.

Alveria M. Pollard
Notary Public in and for said State



GOVERNMENT CODE 27361.7

84-117819

I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary Alveria M. Pothard

Date Commission Expires May 12, 1985

County where bond is filed Los Angeles

Place of Execution San Antonio, Texas

Date 3/20/84

Estelle P. Pothard
Signature (firm name if any)

84-117824

RECORDING REQUESTED BY
TICOR TITLE INS. CO. OF CALIF.

RECORDED IN OFFICIAL RECORDS
OR ORANGE COUNTY, CALIFORNIA

-325 PM MAR 21 '84

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
Richard F. Davis, Esq.
Memel, Jacobs, Pierno & Gersh
1801 Century Park East
Los Angeles, California 90067

\$11.00
C14

Lee A. Branch COUNTY
RECORDERS

Counterpart Recording

AMENDED AND RESTATED AGREEMENT AMONG LANDOWNERS

THIS AMENDED AND RESTATED AGREEMENT AMONG LANDOWNERS ("Agreement") is made this 21 day of March, 1984, by and among HBM LTD, a California limited partnership, hereinafter called "HBM", PACIFICA COMMUNITY HOSPITAL, INC., a California corporation, hereinafter called "Pacifica", ROBERT J. Zinngrabe an individual, hereinafter called "Zinngrabe", and DELMA CONSTRUCTION CORPORATION, a California corporation, hereinafter called "Delma," with reference to the following facts:

A. On July 2, 1970, Main Medical Arts Associates, Huntington Convalescent Associates and Safecare Company, Inc., entered into that certain Agreement (the "Prior Agreement") with respect to the same subject matter as herein. Said agreement was amended by that certain Amendment to Parking Agreement (the "First Amendment") dated August 1, 1975. By various and mesne assignments, the parties hereto have been assigned and transferred certain right, title and interest of the prior parties in the Prior Agreement and the First Amendment. The parties hereto desire to amend and restate the Prior Agreement and the First Amendment and supersede all agreements, oral or written, among the parties with respect to the subject matter hereof.

B. HBM is the fee title owner of the real property located in the County of Orange, State of California, described as follows (the "HBM Parcel"):

Lots 1 and 2 of Block G of Tract No. 7 as per map recorded in Book 9, Page 8 of Miscellaneous Maps, in the office of the County Recorder of said County.

C. Pacifica is the owner of the leasehold estate under that certain lease dated June 15, 1970, between H.B.H. Incorporated, a California corporation, lessee, and Safecare Company, Inc., a Washington corporation, lessor, affecting the real property located in the County of Orange, State of California, described as follows (the "Hospital Parcel"):

The South one-half of Lot 6 in Block G of Tract No. 7, as per map recorded in Book 9, Page 8 of Miscellaneous Maps, in the office of the County Recorder of said County;

and, is the owner of the leasehold estate by that certain Assignment of Lease dated Mar. 21, 1984 from Main Medical Arts Associates to Pacifica, under that certain Assignment of Lease dated October 29, 1968 from R.J. Zinngrabe, T.J. Broderick, and Richard A. Houghton to Main Medical Arts Associates, under that certain lease dated April 9, 1968, between Patrick C. Moran, lessor, and R.J. Zinngrabe, a married man, T.J. Broderick, a married man, and Richard A. Houghton, a single man, lessee, affecting the real property located in the County of Orange, State of California, described as follows (the "Moran Parcel"):

The North one-half of Lot 6 in Block G of Tract No. 7 as per map recorded in Book 9,

Page 8 of Miscellaneous Maps, in the office of the County Recorder of said County.

D. Zinngrabe is the owner of the leasehold estate under those certain leases dated July 9, 1971 and May 1, 1971 respectively between Safecare Company, Inc., lessor, and Walter Lee Brown Jr., Avis Brown, Robert J. Zinngrabe and Carol Ann Zinngrabe, lessee and pertaining respectively to the north one-half and south one-half of the real property located in the County of Orange, State of California, described as follows ("Lot 9"):

Lot 9 in Block G of Tract No. 7, as per map recorded in Book 9, Page 8 of Miscellaneous Maps, in the office of the County Recorder of said County;

and, is the owner of the subleasehold estate under that certain lease dated June 8, 1964, between Violet E. Buckmaster, lessor, and Walter Lee Brown, Jr., and Robert J. Zinngrabe, lessee, that certain sublease dated July 23, 1971 between Safecare Company, Inc., sublessor, and Walter Lee Brown, Jr., Avis Brown, Robert J. Zinngrabe and Carol Ann Zinngrabe, sublessees, and that certain modification of such sublease dated October 24, 1972 affecting the real property located in the County of Orange, State of California, described as follows ("Lot 7"):

Lot 7 in Block G of Tract No. 7, as per map recorded in Book 8, Page 9 of Miscellaneous Maps, in the office of the County Recorder of said County, excepting therefrom the westerly 50 feet of the southerly 180 feet of Lot 7 in Block G of Tract No. 7 as per map recorded in Book 9, Page 8 of Miscellaneous Maps in the Office of the County Recorder of Orange County.

E. Delma is the fee title owner of the real property located in the County of Orange, State of California, described as follows (the "Delma Parcel"):

Parcels 1 and 2 in the City of Huntington Beach, County of Orange, California, as per map filed in Book 175, Pages 7 and 8 of Parcel Maps in the office of the County Recorder of said County.

F. As of the date of this Agreement, the below-referenced parcels contain the following number of parking spaces:

- (a) The HBM Parcel contains 86 parking spaces.
- (b) The Moran Parcel contains 113 parking spaces.
- (c) Lot 9 and Lot 7 contain 195 parking spaces.
- (d) The Delma Parcel contains 101 parking spaces.

G. As of the date of this Agreement, a sign which is visible from Main Street is located on the northern portion of the HBM Parcel ("Sign 1"). As of the date of this Agreement, a sign which is visible from Delaware Avenue is located on the western portion of the Moran Parcel ("Sign 2"). As of the date of this Agreement, a sign which is visible from Florida Avenue is located on the eastern portion of Lot 7 ("Sign 3").

H. Each party hereto desires (i) to grant to all other parties hereto a nonexclusive right to use the existing

parking spaces contained on their respective parcels, including the right of ingress and egress therefrom and (ii) to create certain rights and obligations among the parties with respect to the rights to use said real property covered by said grant pursuant to Section 1468 of the California Civil Code.

1. Pacifica desires that (i) HBM grant to Pacifica the right to retain, maintain and repair Sign 1 including the right of ingress and egress therefrom; (ii) that certain rights and obligations be created with respect to that portion of the HBM Parcel covered by said grant pursuant to Section 1468 of the California Civil Code; (iii) that Zinngrabe grant to Pacifica the right to retain, maintain and repair Sign 3, including the right of ingress and egress therefrom; and (iv) that certain rights and obligations be created with respect to that portion of Lot 7 covered by said grant pursuant to Section 1468 of the California Civil Code.

NOW, THEREFORE, in consideration of the mutual promises, covenants, agreements and understandings contained herein, the parties hereto agree as follows:

1. Term and Expiration. The term of this Agreement shall commence as of _____, 1984 and shall expire on the 30th day of September, 2021.

2. Grant by HBM to Pacifica, Zinngrabe and Delma. HBM hereby covenants and grants to Pacifica, Zinngrabe and Delma the nonexclusive right, in common with HBM, to use the parking spaces on the HBM Parcel for the purpose of the parking of automobiles and similar vehicles of the agents, servants, guests, employees, physicians, licensees, patients and business visitors of Pacifica, Zinngrabe and Delma, including the right of ingress and egress from and to said HBM Parcel.

3. Grant by Pacifica to HBM, Zinngrabe and Delma. Pacific hereby covenants and grants to HBM, Zinngrabe and Delma a nonexclusive right, in common with Pacifica, to use the parking spaces on the Moran Parcel for the purpose of the parking of automobiles and similar vehicles of the agents, servants, guests, employees, physicians, licensees, patients and business visitors of HBM, Zinngrabe and Delma, including the right of ingress and egress from and to said Moran Parcel.

4. Grant by Zinngrabe to HBM, Pacifica and Delma. Zinngrabe hereby covenants and grants to HBM, Pacifica and Delma the nonexclusive right, in common with Zinngrabe, to use the parking spaces on Lot 9 and Lot 7 for the purpose of the parking of automobiles and similar vehicles of the agents, servants, guests, employees, physicians, licensees, patients and business visitors of HBM, Pacifica and Delma, including the right of ingress and egress from and to said Lot 9 and Lot 7.

5. Grant by Delma to HBM, Pacifica and Zinngrabe. Delma hereby covenants and grants to HBM, Pacifica and Zinngrabe a non-exclusive right, in common with Delma, to use the parking spaces on the Delma Parcel for the purpose of the parking of automobiles and similar vehicles of the agents, servants, guests, employees, physicians, licensees, patients and business visitors of HBM, Pacifica and Zinngrabe, including the right of ingress and egress from and to said Delma Parcel.

6. Maintenance of Parking Spaces. HBM shall maintain and keep in good repair, at its sole cost and expense, all parking areas located on the HBM Parcel. Pacific shall maintain and keep in good repair, at its sole cost and expense, all parking areas located on the Moran Parcel. Zinngrabe shall maintain and keep in good repair, at its sole cost and expense, all parking areas located on Lot 9 and Lot 7. Delma shall maintain

and keep in good repair, at its sole cost and expense, all parking areas located on the Delma Parcel.

7. Reduction or Change in Parking Spaces. The parties hereto agree that (i) there shall be no reduction or change in the number of parking spaces as exist on the HBM Parcel and the Moran Parcel as of the date of this Agreement and no party shall take any action which in any way reduces or changes such number of parking spaces without the express written consent of HBM and Pacifica, which consent shall not be unreasonably denied or delayed; (ii) there shall be no reduction or change in the total number of parking spaces as exist on all parcels as of the date of this Agreement and no party shall take any action which in any way reduces or changes such total number of parking spaces without the express written consent of all parties to this Agreement, which consent shall not be unreasonably denied or delayed; (iii) there shall be no temporary or permanent alteration of the parking spaces or parking facilities as exist on each individual parcel as of the date of this Agreement and no party shall take any action which shall in any way alter such parking spaces or parking facilities without the express written consent of all parties to this Agreement, which consent shall not be unreasonably denied or delayed; and (iv) there shall be no temporary or permanent impairment of the use by any party of the number of parking spaces as exist on each individual parcel as of the date of this Agreement and no party shall take any action which in any way impairs the use of such number of parking spaces without the express written consent of all parties to this Agreement, which consent shall not be unreasonably denied or delayed.

8. Grant of Right to Maintain Sign 1. HBM hereby covenants and grants to Pacifica the right to use the HBM Parcel for the purpose of retaining, maintaining and repairing Sign 1, including the right of ingress and egress therefrom so long as said ingress and egress does not interfere with HBM's use of the HBM Parcel. HBM shall take no action which in any way effects the utility and visibility of Sign 1 without the express written consent of Pacifica, which consent shall not be unreasonably denied or delayed. The parties hereto agree that Sign 1 is and has always been the property of Pacifica.

9. Sign 2. The parties hereto agree that Sign 2 is and has always been the property of Pacifica and that the use of the Moran Parcel for retaining, maintaining and repairing Sign 2 shall not be limited or affected by the rights of any of the parties hereunder.

10. Grant of Right to Maintain Sign 3. Zinngrabe hereby covenants and grants to Pacifica the right to use Lot 7 for the purpose of retaining, maintaining and repairing Sign 3, including the right of ingress and egress therefrom. Zinngrabe shall take no action which in any way effects the utility and visibility of Sign 3 without the express written consent of Pacifica, which consent shall not be unreasonably denied or delayed. The parties hereto agree that Sign 3 is and has always been the property of Pacifica.

11. Property Benefited and Burdened by Covenants. The land of HBM to be benefited and burdened by the covenants of this Agreement is the HBM Parcel. The land of Pacifica to be benefited and burdened by the covenants of this Agreement is the Hospital Parcel and the Moran Parcel. The land of Zinngrabe to be benefited and burdened by the covenants of this Agreement is Lot 9 and Lot 7. The land of Delma to be benefited and burdened by the covenants of this Agreement is the Delma Parcel. Any successor in interest or ownership of the HBM Parcel, the Hospital Parcel, the Moran Parcel, Lot 9, Lot 7 and the Delma

Parcel, inclusive, is hereby expressly bound by the covenants set forth herein for the benefit of each of said parcels.

12. Enforcement of this Agreement. The parties hereto may employ any lawful means whatsoever to enforce the provisions of this Agreement. In the event of the bringing of any action or suit by any party hereto against any other party hereunder by reason of any breach of any of the agreements or provisions on the part of such other party arising out of this Agreement, then in that event the party or parties in whose favor final judgment shall be entered shall be entitled to have and recover of and from the other party or parties all costs and expenses of suit, including reasonable attorneys' fees.

13. Best Efforts. Any party, and the successors and assignees of any party, holding less than a fee ownership interest in its respective parcel, agrees to utilize its best efforts to prevent the occurrence of any event of default under any lease by which it holds title to its respective parcel.

14. Recordation. The parties hereto shall cause this Agreement to be recorded in the office of the County Recorder of Orange County, California.

15. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto for the benefit of the land owned or controlled by each of the parties hereto; provided, however, that with respect to any party, or its successor or assign, having less than a fee ownership interest in any of the subject parcels, the burdens and benefits of this Agreement with respect to such parcel shall continue only so long as such party, or its successor or assign, retains a possessory interest in such parcel. Notwithstanding the unenforceability of this Agreement with respect to any such party, or its successor or assign, or any parcel, this Agreement shall continue in full force and effect with respect to the remaining parcels.

16. Time of the Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

17. Severability. In the event any portion of this Agreement shall be declared by any court of any jurisdiction to be invalid, illegal, or unenforceable, such portion shall be deemed separate from this Agreement, and the remaining parts hereof shall remain in full force and effect, as though such invalid, illegal or unenforceable portion had never been a part of this Agreement.

18. Waiver of Breach. No assent or waiver, express or implied, of any breach of any one or more of the covenants, conditions or provisions hereof shall be deemed or taken to be a waiver of any other covenant, condition or provision hereof, or a waiver of any subsequent breach of the same covenant, condition or provision hereof.

19. Captions and Construction. The captions used herein as headings for the various paragraphs hereof are for convenience only, and such captions shall not be construed to be part of this Agreement or be used in determining or construing the intent or context of this Agreement.

20. Counterparts. This Agreement may be executed in a number of counterparts, each of which executed counterparts shall be deemed an original, and all such counterparts shall together constitute one and the same agreement.

21. Expenses of Dispute. In the event any dispute arises as to the subject matter of this Agreement, in addition to such other relief to which any party may be entitled, whether

or not a suit or proceeding is commenced, the prevailing party or parties to such dispute shall be entitled to recover their reasonable expenses, including attorneys' fees, arising from such dispute.

22. Entire Agreement. This Agreement supersedes the Prior Agreement and the First Amendment and any and all other agreements, either oral or in writing, among the parties hereto with respect to the subject matter hereof, and contains the entire agreement among the parties hereto relating to said subject matter; provided, however, that this Agreement does not supersede the Prior Agreement and the First Amendment with respect to any individual, partnership, corporation or other entity, including but not limited to Safecare Company, Inc., which is neither a party to this Agreement nor a successor or assign of any party to this Agreement; provided, further, that notwithstanding anything to the contrary contained herein, this Agreement does not supersede any contracts, agreements or arrangements which have been made between Zinngrabe and Pacifica or any of Pacifica's affiliated entities and individuals with respect to the payment of real property taxes, maintenance expense and related expense on Lot 7. This Agreement may not be modified except by an instrument in writing executed by the parties hereto.

IN WITNESS WHEREOF, and for the purposes of the complying with the provisions of Section 1468 of the California Civil Code, the parties hereto have executed this Agreement as of the date and year first above written.

HBM LTD., a California limited
partnership

By: Hurricane Investment Corporation,
a general partner

By: _____

Its: _____

PACIFIC COMMUNITY HOSPITAL, INC.,
a California Corporation

By: C. C. White, Jr.

Its: _____

ROBERT J. ZINNGRABE

DELMA CONSTRUCTION CORPORATION,
a California corporation

By: _____

Its: _____

STATE OF CALIFORNIA)
)
 COUNTY OF _____)

On _____, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the _____ of the Corporation, personally known to me or proved to me on the basis of satisfactory evidence to be the Corporation that executed the within instrument pursuant to its bylaws or a resolution of its board of directors on behalf of the Partnership and acknowledged to me that such Partnership executed the within instrument.

WITNESS my hand and official seal.

 Notary Public

STATE OF CALIFORNIA)
)
 COUNTY OF _____)

On _____, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the _____ of the Corporation that executed the within instrument and acknowledged to me that such Corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

 Notary Public

STATE OF CALIFORNIA)
)
 COUNTY OF _____)

On _____, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

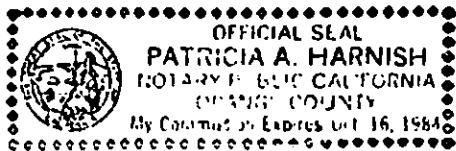
 Notary Public

84-117824

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On MARCH 16, 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared WENDELL WHITE, M.D., personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the PRESIDENT of the Corporation, that executed the within instrument and acknowledged to me that such Corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Patricia A. Harnish
Notary Public

EXHIBIT C

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, address, and State Bar number):
After recording, return to:
Todd F. Nevell, State Bar No. 170054
SCOLINOS, SHELDON & NEVELL
301 North Lake Avenue, 7th Floor
Pasadena, California 91101

☒ ATTORNEY FOR ☒ JUDGMENT CREDITOR ☐ ASSIGNEE OF RECORD

BRANCH NAME Central Justice Center

DEFENDANT: Edward J. Pelochino, et al.

112.00

0.00 0.00 0.00 0.00 18.00 10.00 0.000.0075.00 3.00

FOR RECORDER'S USE ONLY

☐ **Amended**

(SIGNATURE OF APPLICANT OR ATTORNEY)

FOR COURT USE ONLY

Pursuant to California Government Code § 68150(f), the Clerk of the Court hereby certifies this document accurately reflects the official court record. The electronic signature and seal on this document have the same validity and legal force and effect as an original clerk's signature and court seal. California Government Code § 68150(g).

Page 1 of 2
Code of Civil Procedure, §§ 488.480,
674, 700.190

π
 $7p$
 $1d$
 $1f$
 $3d$
 $4f$

PLAINTIFF: Gary Bean DEFENDANT: John F. Pelochino	COURT CASE NO.: 30-2015-00825538-CU-PO-CJC
--	---

NAMES AND ADDRESSES OF ADDITIONAL JUDGMENT CREDITORS:

13. Judgment creditor (*name and address*):

14. Judgment creditor (*name and address*):

15. ☐ Continued on Attachment 15.

INFORMATION ON ADDITIONAL JUDGMENT DEBTORS:

16. Name and last known address

Driver's license no. [last 4 digits] and state: ☐ Unknown

Social security no. [last 4 digits]: ☐ Unknown

Summons was personally served at or mailed to (*address*):

17. Name and last known address

Driver's license no. [last 4 digits] and state: ☐ Unknown

Social security no. [last 4 digits]: ☐ Unknown

Summons was personally served at or mailed to (*address*):

18. Name and last known address

Driver's license no. [last 4 digits] and state: ☐ Unknown

Social security no. [last 4 digits]: ☐ Unknown

Summons was personally served at or mailed to (*address*):

19. Name and last known address

Driver's license no. [last 4 digits] and state: ☐ Unknown

Social security no. [last 4 digits]: ☐ Unknown

Summons was personally served at or mailed to (*address*):

20. ☐ Continued on Attachment 20.

3-19-2019
NO OBJECTIONS FILED

1 Todd F. Nevell, State Bar No. 170054
Daniel G. Sheldon, State Bar No. 166793
2 SCOLINOS, SHELDON & NEVELL
301 North Lake Avenue, 7th Floor
3 Pasadena, California 91101
Telephone: (626) 793-3900
4 Facsimile: (626) 568-0930

5 Attorneys for Plaintiff, GARY BEAN
6
7

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF ORANGE**
10

11 GARY BEAN,

12 Plaintiff,

13 vs.

14 JOHN F. PELOCHINO

15 Defendants.
16
17
18

CASE NO.: 30-2015-00825538-CU-PO-CJC

Hon. Glenn Salter, Dept. C22

~~PROPOSED~~ JUDGMENT ON SPECIAL
VERDICT

19 This action came on regularly for jury trial on February 19, 2019, in Department C22 of
20 the Orange County Superior Court, the Honorable Glenn Salter, Judge presiding. The plaintiff
21 Gary Bean appearing by attorneys Todd F. Nevell and Daniel G. Sheldon of Scolinos, Sheldon &
22 Nevell. The defendant John F. Pelochino appearing by attorney Calvin Schneider of Viefhaus &
23 Schneider.

24 A jury of 12 persons was regularly impaneled and sworn. Witnesses were sworn and
25 testified. After hearing the evidence and arguments of counsel, the jury was duly instructed by the
26 Court and the cause was submitted to the jury with directions to return a special verdict. The jury
27 deliberated and thereafter returned into court with its verdict as follows:
28

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE

MAR 20 2019

DAVID H. YAMASAKI, Clerk of the Court

By: K. Nordin, Deputy Clerk

COPIES TO THE
SUPERIOR COURT OF CALIFORNIA

2 | ~~2005~~ We, the jury in the above-entitled case, answer the questions submitted to us as follows:

33 **Was John Pelochino's violation of the Building Code set forth in Jury Instruction**

4 CACI No. 419, a substantial factor in causing harm to Gary Bean?

5 Answer: X Yes . No

6 If your answer to question 1 is "yes", do not answer question 2, skip ahead and answer
7 question 4. If you answered "no", then answer question 2.

8 2. Was John Pelochino negligent in the use or maintenance of the property?

9 Answer: Yes No

10 If your answer to question 2 is yes, then answer question 3. If you answered no, stop here,
11 answer no further questions, and have the presiding juror sign and date this form.

12 3. Was John Pelochino's negligence a substantial factor in causing harm to Gary
13 Bean?

14 Answer: Yes No

15 If your answer to question 3 is yes, then answer question 4. If you answered no, stop here,
16 answer no further questions, and have the presiding juror sign and date this form.

17 4. What are Gary Bean's damages?

18 a. Economic loss

19	Past Medical Expenses:	\$	45,719.98
----	------------------------	----	-----------

20	Future Medical Expenses:	\$	454,664.00
----	--------------------------	----	------------

21 b. Past noneconomic loss, including

22	physical pain/mental suffering:	\$	250,000.00
----	---------------------------------	----	------------

23 **c. Future noneconomic loss, including**

24 physical pain/mental suffering: \$300,000.00

25	'—TOTAL:	\$.	1,050,383.98
----	----------	-----	--------------

26 If you answer question 4 with an amount of money, then answer question 5. If you answer
27 question 4 "no damages", stop here, answer no further questions, and have the presiding juror sign
28 and date this form.

1 5. Was Gary Bean negligent?
2 X Yes No
3 If your answer to question 5 is yes, then answer question 6. If you answered no, then skip
4 to question 8 and do not answer questions 6 and 7.

5 6. Was Gary Bean's negligence a substantial factor in causing his harm?
6 X Yes No
7 If your answer to question 6 is yes, then answer question 7. If you answered no,
8 then skip to question 8 and do not answer question 7.

9 7. What percentage of responsibility for Gary Bean's harm do you assign to the
10 following?

11	John F. Pelochino	80 %
12	Gary Bean	<u> 20 </u> %
13	TOTAL	100 %

14 8. Did John F. Pelochino engage in the conduct with malice, oppression or fraud?
15 X Yes No

16
17 Signed: Lori Jo Salle .
18 Presiding Juror

19 Dated: March 1, 2019

20 **PHASE TWO**

21 "9. What amount of punitive damages, if any, do you award Gary Bean?
22 \$ 150,000.00

23
24
25 Signed: Lori Jo Salle .
26 Presiding Juror

27 Dated: March 1, 2019

28

1 It appearing by reason of said verdict that plaintiff Gary Bean is entitled to judgment
2 against Defendant John Pelochino.

3 NOW, THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED as follows:

4 That Plaintiff Gary Bean have and recover from Defendant John Pelochino the sum of
5 \$ 990,307.18, with interest thereon at a lawful rate to be determined, together with recoverable
6 costs as the prevailing party pursuant to *Code of Civil Procedure* §1032, et seq., in the amount of
7 \$ ~~TBD~~ and expert witness fees, costs and interest pursuant to *Code of Civil*
8 *Procedure* section 998 in the amount of \$ ~~TBD~~.

9
10 DATED: 20 March 2019.

11
12 
13 GLENN SALTER
14 JUDGE OF THE SUPERIOR COURT
15
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27
28

I hereby certify the foregoing instrument consisting of 4 page(s)
is a true and correct copy of the original on file in this court.

MAR 22 2019



ATTEST: (DATE) _____
DAVID H. YAMASAKI, EXECUTIVE OFFICER AND CLERK OF THE
SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE

BY *[Signature]* DEPUTY

SONIA ROMAN

EXHIBIT D



Cesar C <cesarc@kennedycommission.org>

19601 Beach Blvd., Huntington Beach, CA 92648**Cesar C** <cesarc@kennedycommission.org>

Wed, Oct 23, 2019 at 12:29 PM

To: alma.villanueva@dot.ca.gov

Hi Ms. Villanueva,

My name is Cesar Covarrubias, I am with the Kennedy Commission. The Kennedy Commission is a nonprofit that advocates for increasing affordable housing in Orange County. www.kennedycommission.org

Please see the following email as a follow up to our conversation on Cal Trans District 12 site at 19601 Beach Blvd., Huntington Beach, CA 92648 (see map link below. Site is on Beach Blvd. close to Yorktown)

The site has been identified by the city as a potential site that may transition to another use in the near future. We are inquiring to understand if Cal Trans has plans to transition or dispose of this site as surplus in the near future. If not, we would like to hear that. If so, is there a timeline.

Thank you for your help.

Cesar Covarrubias

<https://www.google.com/maps/place/19601+Beach+Blvd/@33.678519,-117.9893981,228m/data=!3m1!1e3!4m6!3m5!1s0x80dd213358006ae7:0x3a8971b0c64ab504!4b1!8m2!3d33.6780929!4d-117.9892683>

Cesar Covarrubias
Executive Director**Villanueva, Alma H@DOT** <alma.villanueva@dot.ca.gov>

Wed, Oct 23, 2019 at 3:35 PM

To: Cesar C <cesarc@kennedycommission.org>

Hello Cesar, I spoke to our Office Chief and we both called and left you a voice message earlier today advising that Caltrans does not foresee the site at 19601 Beach Blvd. in Huntington Beach, CA ever becoming an area to sell or to use as potential Affordable Housing.

10/24/2019

The Kennedy Commission Mail - 19601 Beach Blvd., Huntington Beach, CA 92648

As mentioned, I can have your agencies information added to our distribution list should any excess land properties become available for public sale. I'm not sure your agency is looking to purchase properties so if you rather I not add you to that list, please let me know.

Alma Villanueva, *Branch Chief*

Relocation Assistance, Excess Lands, Property Management

1750 E. 4th Street, Suite 100

Santa Ana, CA 92705

(657) 328-6543

[Quoted text hidden]

From: [Ted Ross](#)
To: [Villasenor, Jennifer](#)
Subject: Housing Element Amendment - Public Comment
Date: Thursday, November 14, 2019 9:00:47 PM

A quote from Forest Gump appears appropriate "Stupid is as Stupid does". Exactly what you get when the Inmates (city Government) are running the Asylum! Can anybody bring common sense and community values to bear on this proposed absurdity? Perhaps it's time to clean out our city management!

Sent from my iPhone.....Ted

From: [Dave Simpson](#)
To: [Villasenor, Jennifer](#)
Subject: Stop Housing Growth
Date: Monday, November 18, 2019 9:35:58 AM

Please STOP the housing growth in Huntington Beach. We are becoming wall-to-wall houses! Enough is enough!

Barbara Simpson

From: [Taylor Haug](#)
To: [CITY COUNCIL](#); [Villasenor, Jennifer](#)
Subject: Housing Element Amendment - Draft
Date: Friday, November 15, 2019 9:56:56 AM

Good morning,

THE CUP requirement was put in place in 2015 in order to get the residents of Huntington Beach, the people you all serve, a voice in what is being built in their backyard.

Issue #1: The proposed amendment to "In order to mitigate this constraint, a program action has been added to the Housing Element to establish an "Affordable Housing Overlay" within the BECSP and to designate sufficient sites with the Overlay to offset the RHNA shortfall, and replace the CUP requirement on these sites with an administrative Site Plan Review process (i/e-no Planning Commission or City Council Hearing)".

This amendment is extremely alarming as a HB resident and homeowner, as now the Administration can simply pass HDD (albeit for VL housing) without the input of THE PEOPLE YOU ALL SERVE. The City and the Administration should work with its residents, not work around them.

Issue#2: Mitigating the constraint of increased parking spaces that reduces spillover into neighborhoods..."the Housing Element program action to establish an "Affordable Housing Overlay" will include replacing the coastal zone parking requirement in the amended BECSP with the City wide parking standard on sites designated within the Overlay that propose to provide 20 percent affordable units. Additionally, projects can request parking reductions through the density bonus ordinance."

Wasn't this amended BECSP for increased parking a result of your residents voicing their concerns about the spillover affect of homes into their neighborhood? Now, you will no longer listen to your residents original concerns, and revert back to the original issue.

Unfortunately this isn't how Government should work. You should work WITH your constituents, not work around them. And this draft simply works around your constituents in order to get the funds for the Homeless. Disgusting.

Thanks,

Taylor Haug

From: [CT Burns](#)
To: [Villasenor, Jennifer](#)
Subject: Housing
Date: Friday, November 15, 2019 5:22:48 AM

Good morning,

I OPPOSE the Housing Element Amendment and wish it to be recorded as such.

A reply will be appreciated.

Sincerely,
CT Freely

From: [Cesar C](#)
To: [Villasenor, Jennifer](#)
Subject: Re: Comments on HB HE Nov. 2019 Draft
Date: Thursday, December 12, 2019 5:31:36 PM
Attachments: [HB121219JV.pdf](#)

 Thu, Dec 5, 2:31 PM (7 days ago)

Ms. Villasenor,

Please see attached the Kennedy Commission's supplemental comments on Nov. 2019 Housing Elem...

Sincerely

On Fri, Dec 6, 2019 at 5:11 PM Cesar C <cesarc@kennedycommission.org> wrote:

Ms. Villasenor,

As a follow up please see attached the exhibits and the Kennedy Commission's public comments on Nov. 2019 Housing Element Draft for the City of Huntington Beach. My apologies for not including the exhibit on the original email.

Thank you,

Cesar Covarrubias

On Thu, Dec 5, 2019 at 2:31 PM Cesar C <cesarc@kennedycommission.org> wrote:

Ms. Villasenor,

Please see attached the Kennedy Commission's public comments on Nov. 2019 Housing Element Draft for the City of Huntington Beach.

Sincerely,

--

Cesar Covarrubias
Executive Director

--

Cesar Covarrubias
Executive Director

--

Cesar Covarrubias
Executive Director

December 12, 2019



17701 Cowan Ave., Suite 200
Irvine, CA 92614
949 250 0909
Fax 949 263 0647

SENT VIA EMAIL

Jennifer Villaseñor
Deputy Director of Community Development
Community Development Department
2000 Main Street
Huntington Beach, CA 92648
jvillaseñor@surfcity-hb.org

RE: Supplemental Comments, November 2019 Draft Housing Element

Dear Ms. Villaseñor,

Thank you for the opportunity to provide supplemental comments on the November 2019 Draft Housing Element ("Draft") of the City of Huntington Beach. In response to the City's request for public comments, the Kennedy Commission (the "Commission") submitted comments on December 5, 2019, in advance of a scheduled stakeholder meeting with the City. We continue to have additional questions and concerns regarding the Draft, and we set those forth below for your consideration.

MAND Constraint

The adopted 2013 housing element set the Beach and Edinger Corridors Specific Plan ("BECSP") as the exclusive program to accommodate the City's lower-income RHNA.¹ The Draft acknowledges that the remaining development potential in the BECSP is limited by the Maximum Amount of New Development ("MAND") constraint included in the 2015 BECSP amendments.² The MAND places a limit of just 200 additional dwelling units within the BECSP, while the Regional Housing Need Allocation ("RHNA") shortfall for very low- and low-income households during the current planning period is 413 units. The Commission raised this issue at the December 5, 2019 stakeholder meeting. From that meeting, we understood that the City does not intend to apply the MAND so long as a RHNA shortfall exists. However, while the programmatic commitment in Program 8 of the Draft includes the five bullet point action items and a "2013-2021 Objective" with four action items, none of these make any mention of amending the MAND at all.³

Accordingly, the City must modify Program 8 to clarify what steps it will take to amend the MAND, including when it will make the amendment and how the proposed exemption would function. For example, would there only be a MAND exemption for 100% affordable projects? If so, what level of affordability must be provided to allow an exemption? If applied to a mixed

¹ See Adopted Housing Element, Section V. Housing Plan at page V-22.

² November 2019 Draft Housing Element, Section IV. Housing Resources at page IV-12. We note that the draft references the MAND in various ways, including "Maximum Amount of Net New Development," "Maximum Amount of New Development," and "Maximum Amount of Net Development."

³ Draft, Section V. Housing Plan at page V-30.

project that has both affordable units and market-rate units, would the entire project be exempted from the MAND, or just the affordable units? If mixed projects are exempted, what is the threshold level of affordability required? Pursuant to the City's representations at the December 5th stakeholder meeting, what event would trigger the City ultimately finding that the 413 unit RHNA shortfall has been met? Without answers to these questions, it is impossible to tell whether the MAND will prevent the City from accommodating the RHNA.

Program 8 provides that it will "allow capacity for the development of the entire 413-unit lower income RHNA shortfall within the Overlay;"⁴ however, it does not commit the City to amending the MAND nor does it answer the foregoing questions. In its current form, the Draft leaves in place a constraint that would numerically prohibit the City from accommodating its remaining lower-income RHNA. Without detailing the specific actions to which the City is committing, the MAND will continue to pose a constraint on housing development that will leave the City without adequate sites available to accommodate its remaining RHNA.

Timing for the Implementation of the Affordable Housing Overlay and MAND Amendment

California Government Code Section 65583(c) provides that the housing element must include a "program that sets forth a schedule of actions during the planning period, *each with a timeline for implementation*, that may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period ..." (emphasis added.) The Draft does not include a timeline for implementation of the Affordable Housing Overlay ("Overlay") zone in the BECSP. Instead, the Draft provides a "2013-2021 Objective" that the Overlay and amendments will be completed "concurrently with adoption of the Housing Element Amendment."⁵ By including only an "objective" to complete the needed actions sometime during the planning period, without committing to a date the Housing Element Amendment will be adopted by the City, the Draft does not propose a specific timeline as required by the statute. This timing deficiency is true for all the steps in Program 8, including any possible amendments to the MAND.

The City has lacked adequate sites for its RHNA shortfall since the BECSP was amended in May 2015—that is, for over four years and over half the planning period. When a housing element identifies a shortfall of sites to meet the RHNA, the sites must be rezoned within three years from the date the housing element is adopted,⁶ in this case September 2016. With the next planning period beginning in October 2021, less than two years from now, the City must make a stronger programmatic commitment to implement the Overlay on a specific timeline.

Appropriate Zoning and Development Standards

Government Code Section 65583(c)(1) requires the City to identify "actions that will be taken to make sites available during the planning period with appropriate zoning and development standards." The applicable development standards for the seven sites within the Overlay are not set forth in the Draft. Rather, the zoning for each of the seven sites is listed as SP-14, generally

⁴ Draft, Section V. Housing Plan at page V-31.

⁵ *Id.*

⁶ Government Code Section 655583(c)(1)(A).

referring to the BECSP. Currently, however, there are not uniform development standards for those seven Overlay sites. In fact, the BECSP has separate development standards for eight different “Segment” areas, as defined in the plan.⁷ Based on the Assessor’s Parcel Number for each of the seven sites within the Overlay, it appears that these sites sit across three Segments: Town Center Neighborhood (governed by BECSP Section 2.1.4), Neighborhood Boulevard (governed by BECSP Section 2.1.7), and Neighborhood Parkway (governed by BECSP Section 2.1.8). The Draft does not identify which development standards apply for each of the seven sites. As such, the Draft cannot properly analyze whether certain standards, such as building setbacks and height limits, will pose constraints on the development of affordable housing that must be remediated through program actions.

Setback Analysis and Constraints

The 2015 BECSP Amendments substantially increased the front yard setback requirement, for example, generally eliminating maximum setbacks ranging from 5 to 15 feet, and expanding the minimum from 5 to 30 feet in the three Segments identified above (with certain exceptions).⁸ The Draft does not propose changing this amendment. The analysis in the Draft⁹ does not identify the earlier 5-foot setback in the original 2010 BECSP, which was in place when HCD previously reviewed the 2013 adopted Housing Element. Furthermore, the cumulative effect of the increased front yard setback would have different impacts in each of the three Segments, which have different standards for side yard setbacks (0, 5 and 10 feet) and rear yard setbacks (10, 15 or 25 feet). Absent a complete analysis, the Draft should include a program to return to the 5-foot minimum and 15-foot maximum front yard setback.

Building Height Analysis and Constraints

The 2015 BECSP Amendments decreased the height limit from six to four stories in two Segments of the BECSP, including the Town Center Neighborhood (which includes three of the Overlay sites). Again, the Draft proposes keeping this decreased height along with the increased 30-foot setback. The analysis includes review of the four-story height of the 100 percent affordable Oceana project, which was developed in 2013—prior to the 2015 BECSP Amendments.¹⁰ Thus, the Draft does not analyze the cumulative effect of the increased 30-foot front yard setback along with the decreased building height constraints. Absent a complete analysis, the draft should return to the six-story limit in the core areas of the BECSP, as adopted in 2010, where more intensive development is anticipated.

⁷ See 2015 Amended BECSP, available at <https://www.huntingtonbeachca.gov/files/users/planning/Beach-Edinger-Corridors-Specific-Plan2015-Amended-Final-Adopted.pdf>, Book 2, Page 11, Figure 2.1.

⁸ We recognize that certain aspects of the 2010 BECSP were very specific, making this expansion of the front yard setback requirements less than uniform. For example, on sites with the front yard on Beach Blvd., there was no maximum in the Neighborhood Parkway Segment, and it was 25 feet in the Neighborhood Boulevard Segment.

⁹ Draft, Section III. Constraints, at pages III-11 – III-12.

¹⁰ Draft, Section III. Constraints, at page III-11.

Conclusion

We look forward to continuing to work with the City to develop revisions to the Draft to address these issues. If you have any questions or would like to discuss the issues raised here, please feel free to contact me at (949) 250-0909 or cesarc@kennedycommission.org.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cesar', with a long, sweeping horizontal line extending to the right.

Cesar Covarrubias
Executive Director

cc: Ms. Melinda Coy, California Department of Housing and Community Development



December 13, 2019

VIA EMAIL AND U.S. MAIL

Jennifer Villaseñor
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648
Email: jvillaseñor@surfcity-hb.org

RE: Proposed Housing Element Amendment

Dear Ms. Villaseñor:

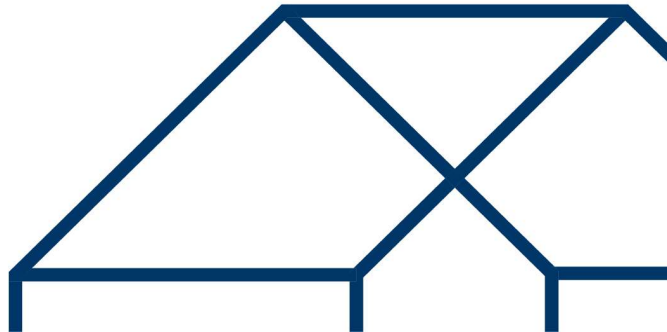
Californians for Homeownership is a 501(c)(3) non-profit organization devoted to using legal tools to address California's housing crisis. We appreciate the opportunity to comment on the City's proposed Amendment to its Housing Element, which aims to solve the City's site identification shortfall through the adoption of a rezoning program under Government Code Sections 65583(c)(1) and 65583.2.

The proposed Amendment purports to identify sites for the development of affordable housing. As we explain below, however, the City's proposed Affordable Housing Overlay does not provide adequate assurances that the City will ever allow the development of housing on those sites. And the City's own recent interpretation of its land use rules would bar the development of housing on those sites, at the configurations and densities identified in the proposed Amendment.

In order to address this concern, the City should adjust the Affordable Housing Overlay to guarantee by-right approval to any development that meets a specific, small, enumerated list of quantified, measurable standards, such as height and density standards, without any reference to any other City development standard. And the City should commit not to use concerns about public health and safety to justify rejecting any project on any site within the Overlay. Unless the City makes these additional commitments, the Department of Housing and Community Development should reject the City's proposed Amendment.

Denial of the 8041 Ellis Avenue Project

In September, the City rejected a 48-unit, 4-story, 50 du/acre mixed-income condominium



project planned for 8041 Ellis Avenue, within the Beach and Edinger Corridors Specific Plan (BECSP) area. The City's Findings of Denial identified reasons for denying the project's land use entitlements and separate reasons for denying it a conditional use permit. The City also separately found that both the land use entitlements and the conditional use permit should be denied because the project would "have a negative impact to health and safety." For reference, the City's Findings of Denial are attached to this letter as Exhibit A.

In October, we sued the City to overturn its denial of the 8041 Ellis Avenue project. In press interviews following the lawsuit, the City Attorney provided additional color regarding the City's reasons for denying the project, saying "[i]t was too large of a project for too small of a space. . . . The space could not offer the necessary infrastructure for traffic safety."¹

You can imagine our surprise when, just two weeks later, the City announced its intention to come into compliance with its Housing Element obligations by identifying sites to be developed at about the same densities as the 8041 Ellis Avenue project (or higher), all in the BECSP, some of which are almost identical in configuration to the rejected project.

More recently, the City has agreed to reconsider 8041 Ellis Avenue project, which it has said it intends to do in early 2020.

The City's Proposed Affordable Housing Overlay

The City has identified seven sites for rezoning. Rather than engaging in a traditional rezoning, the City's is proposing to place these sites into an Affordable Housing Overlay that excuses proposed development on these sites from certain City procedures. Specifically, the Overlay would (1) excuse such developments from the requirement to obtain a Conditional Use Permit, which will be replaced by an administrative Site Plan Review process, (2) provide a reduction in required parking, and (3) allow for residential-only use.

As we understand the City's proposal, the proposed Overlay will not exempt developments from any of the other standards in the BECSP or in the City's General Plan or zoning laws, nor will it limit the City's power to bar a development based on concerns about public health or safety.

The City's Likely Rejection of Housing Projects at the Identified Sites

The City's rejection of the 8041 Ellis Avenue project raises questions about the value of the proposed Affordable Housing Overlay as a means for facilitating the development of affordable housing. The proposed Overlay leaves most of the rules that led to that denial in place. As we detail below, if interpreted in the same way as the City Council interpreted them in rejecting the 8041 Ellis Avenue, the very same standards would likely result in the rejection of mixed-income or affordable housing projects on the sites identified by the City, in the configurations and at the densities identified by the City.

¹

<https://www.ocregister.com/2019/10/28/huntington-beach-sued-for-rejecting-48-unit-condo-complex/>

The Overlay's replacement of a discretionary conditional use permit process with an administrative site plan review is little comfort. The City Council is charged with interpreting the City's land use policies, and their rejection of the 8041 Ellis Avenue project reflects their interpretation of the rules cited in the Findings of Denial. City staff would need to assess any future project with those interpretations (or any changed interpretations rendered during the reconsideration) in mind.

Based on the City's rejection of the 8041 Ellis Avenue project, we believe the City will likely reject projects in the configurations and at the densities identified in the Amendment, for the following reasons:

"Long and narrow" parcels and sites with only a single point of vehicular access. The 8041 Ellis Avenue project was rejected based on the City's finding that "[t]he long and narrow parcel is not physically suitable for the proposed mass, bulk, and intensity of the proposed four story mixed use project." The City found that project was incompatible with the BECSP because the BECSP "encourages building to orient towards streets . . . [h]owever, in the proposed project, approximately five percent of the building length" is street-oriented. The City also found that the project violated the access and connectivity standards in the BECSP because "insufficient vehicular access is provided via a single driveway." All of these same issues would necessarily arise for potential developments on several of the sites identified in the Amendment. Identified site number 5, in particular, is nearly identical to the 8041 Ellis Avenue site; but the other sites would suffer from the same purported inadequacies in varying degrees.

Incompatibility with neighboring uses. The 8041 Ellis Avenue project abuts a Jack In The Box fast food restaurant and a lot containing utility equipment along its Ellis Avenue frontage, with some multi-family and single-family residential uses and a car wash on other neighboring lots. According to the Findings of Denial, based on these neighboring uses, the project would "not complement the adjoining uses in that the proposed four story mixed use development is significantly more intense than the adjacent one-story commercial and two-story multi-family residential developments," in violation of the BECSP. This same standard would likely result in the rejection of proposed developments at the listed densities for all seven sites listed in the Amendment.

Traffic safety. Based on a traffic study, it was determined that the 8041 Ellis Avenue project would generate 20-30 cars per hour, during peak hours, with lower rates at other hours. Because vehicular traffic would only be permitted to turn in one direction when exiting the project and would only be able to enter the project from one side, and despite the low overall levels of traffic to and from the site, the City determined that the project would result in an unacceptable number of additional u-turns at a nearby intersection. The City determined that this would result in an incompatibility with the BECSP because it would result in "inefficient vehicular movements." The City also determined that motorists who chose to exit or enter the project in an illegal manner "may create vehicular hazards and conflicts due to frequent congestion and queuing on Ellis Ave," causing an incompatibility with the BECSP. The City also determined that the public safety impact of these concerns was so high that it would independently justify rejecting

December 13, 2019

Page 4

the project. Because of the configuration of Beach Boulevard, all of these same concerns would exist for each of the sites identified in the Amendment.

Lack of bicycle infrastructure. The City faulted the 8041 Ellis Avenue project because it would not advance the BECSP's goal to "create continuity with new and existing development along the beach Boulevard corridor because the project does not propose to augment or expand the existing bikeways." Since the City's standard appears to be that projects in the BECSP must affirmatively "augment or expand" the City's bikeways, that standard will likely be used to reject residential-only developments on all of the identified sites.

A Path Forward

The City's plan to get its act together and come into compliance with its Housing Element obligations is commendable. In order to provide an Affordable Housing Overlay that actually works to enable the development of affordable housing, the City should (within the Overlay) guarantee by-right approval to any development that meets a specific, small, enumerated list of quantified, measurable standards, such as height and density standards, without any reference to any other City development standard.

Sincerely,



Matthew Gelfand

Attachment

cc: Ursula Luna-Reynosa, Community Development Director
By email to: ursula.luna-reynosa@surfcity-hb.org

Melinda Coy, Senior Policy Specialist
By email to: mcoy@hcd.ca.gov

EXHIBIT A

SUGGESTED FINDINGS FOR DENIAL
TENTATIVE TRACT MAP NO. 18157 CONDITIONAL USE PERMIT NO. 17-042

SUGGESTED HEALTH AND SAFETY FINDINGS FOR DENIAL - TENTATIVE TRACT
MAP NO. 18157 AND CONDITIONAL USE PERMIT NO. 17-042:

The City Council finds and determines that the project will have a negative impact to health and safety for reasons more particularly described herein:

1. In light of the evidence in the record, the project would have a specific, adverse impact on public health and safety due to unsafe ingress/egress conditions caused by the project. Vehicular access is provided via a single driveway along Ellis Avenue. Due to the proximity of the project access driveway to the Beach and Ellis intersection, the project will require right turns only in and out of the project site. This would prohibit motorists from exiting the project site to turn left onto Ellis Avenue. Residents and visitors also cannot access the project site from eastbound Ellis Avenue without continuing past the project to make a u-turn at Patterson Lane to make a right turn into the project site. The Ellis/Patterson intersection is currently unsignalized. According to the project Traffic Impact Analysis, prepared by a licensed traffic engineering firm, the project will generate 222 additional u-turns at the Ellis/Patterson intersection. Based on accident data provided by the Transportation Division of the Huntington Beach Public Works Department, the Ellis/Patterson intersection has experienced an increase in traffic accidents within the last few years, while other intersections and street segments near the project site have had a decrease in accidents. The increase in approximately 222 u-turns at this intersection as a result of the project will exacerbate accident rates at this intersection causing an adverse public safety impact. Furthermore, the Traffic Impact Analysis discloses that motorists entering and exiting the site may experience significant delays during the PM peak hour due to westbound vehicular queuing along Ellis Avenue. Traffic delays on Ellis Avenue will contribute to motorists attempting to turn left to enter and exit the project site. The Traffic Impact Analysis recommends installation of a "STOP" sign and signage restricting outbound movements to right turns only in an effort to improve safe ingress and egress at the site. However, these measures are not adequate enough to improve safety and the study also recommends additional driveway treatments to further regulate the turn restrictions, such as the installation of raised pavement to physically prevent left turns out of the site. This suggests that is a reasonable assumption that motorists will lose patience and attempt left turns out of the site onto Ellis Avenue creating an unsafe condition, particularly during the PM peak hour when there is a long vehicular queue of traffic on Ellis Avenue in front of the project driveway. Additionally, motorists may attempt to avoid having to make a u-turn at the unsignalized Ellis/Patterson intersection resulting in additional delay due to vehicular queuing on westbound Ellis Avenue. These motorists entering the site from eastbound Ellis Avenue will attempt left turns from a through lane across traffic into the project driveway creating unsafe conditions on both eastbound and westbound sides of Ellis Avenue.
2. There is no feasible method to satisfactorily mitigate the adverse impact. The site cannot accommodate an alternative access point or an additional access point to mitigate the negative safety impacts caused by project generated traffic. The project site does not have access to another street or alley. The appellant proposed a raised "porkchop" design at the

driveway entrance to prevent left turns out of the project site as recommended by the Traffic Impact Analysis. This could potentially address the adverse health and safety impact to an uncertain degree. However, this design does not meet Fire Department access standards and would result in the project failing to comply with all applicable code requirements. Huntington Beach Fire Department Specification No. 401 contains minimum standards for fire apparatus access and No. 403 has additional requirements for driveway width when there are multiple lanes of travel with an "island divider", like the proposed driveway with the raised "porkchop" design. Each lane of travel must be a minimum of 14 ft. wide. Two lanes of travel require a minimum 28 ft. wide driveway, without counting additional width required for an "island divider". The proposed project driveway is 24 ft. wide total. Since the proposed raised "porkchop" design would take up a portion of the driveway width, it will result in a driveway that is less than 24 ft. wide. Since the proposed driveway is only 24 ft. wide when there is a 28 ft. minimum width (excluding additional width required for the raised "porkchop"), there is no feasible mitigation available for the adverse health and safety condition resulting from the proposed "porkchop" driveway design. The raised "porkchop" design would impede Fire Department access to the site resulting in an additional adverse health and safety impact caused by the project. Therefore, insufficient access to the project site and project generated traffic will have a direct adverse impact to health and safety which cannot be mitigated.

SUGGESTED FINDINGS FOR DENIAL - TENTATIVE TRACT MAP NO. 18157:

The City Council finds and determines that certain conditions (b), (c) and (d) listed in Government Code Section 66474 would result as a consequence of approval of Tentative Tract Map No. 18157, for reasons more particularly described herein:

1. Approval of the project would result in a design of the proposed subdivision that is not consistent with the General Plan and Beach and Edinger Corridors Specific Plan (BECSP) in that the project design fails to further a number of goals and policies contained within the General Plan and BECSP. More particular detail and analysis is contained below.
2. Approval of the project would result in a site that is not physically suitable for the type of development in that the site will not function as an integrated development compatible with the vision of the BECSP by merging three existing lots into a single long and narrow 0.95 acre parcel. The long and narrow parcel is not physically suitable for the proposed mass, bulk, and intensity of the proposed four story mixed use project and does not complement the scale and proportion of surrounding one and two-story developments. The project will generate conflicts with vehicular circulation on Ellis Ave. and there will be no connectivity for bicyclists to continue onto Beach Blvd.
3. Approval of the project would result in a site that is not physically suitable for the proposed density of development in that the proposed project results in a density of approximately 50 dwelling units per acre while the adjacent residential property is built at an aggregate density of 13 dwelling units per acre.

The design and improvement of proposed Tentative Tract Map No. 18157 does not further the goals and policies of the General Plan or the BECSP as follows:

Land Use Element

Goal LU-1: New commercial, industrial, and residential development is coordinated to ensure that the land use pattern is consistent with the overall goals and needs of the community.

Policy LU-1D: Ensure that new development projects are of compatible proportion, scale and character to complement adjoining uses.

Goal LU-3: Neighborhoods and attractions are connected and accessible to all residents, employees, and visitors.

Policy LU-3A: Ensure that future development and reuse projects are consistent with the Land Use Map to provide connections between existing neighborhoods and city attractions.

Policy LU-3C: Ensure connections are well maintained and safe for users.

Circulation Element

Goal CIRC-1c: Through ongoing evaluation of jurisdiction, efficient transportation management provides the highest level of safety, service and resources.

Policy CIRC-1F: Require development projects to provide circulation improvements to achieve stated City goals and to mitigate to the maximum extent feasible traffic impacts to adjacent land uses and neighborhoods as well as vehicular conflicts related to the project.

Policy CIRC – 1G: Limit driveway access points, require driveways to be wide enough to accommodate traffic flow from and to arterial roadways, and establish mechanisms to consolidate driveways where feasible and necessary to minimize impacts to the smooth, efficient, and controlled flow of vehicles, bicycles, and pedestrians.

The proposed lot consolidation, subdivision, design and improvement is not consistent with the above goals and policies of the General Plan or the BECSP because the infill project is not compatible in density, intensity, proportion, scale, and character with the surrounding land uses and does not complement the adjoining uses in that the proposed four story mixed use development is significantly more intense than the adjacent one-story commercial and two-story multi-family residential developments.

The BECSP encourages buildings to orient towards streets and provide enhancements to the pedestrian and public experience. However, in the proposed project, approximately five percent of the building length is oriented towards Ellis Ave. while the remainder is oriented to the established residences to the east and commercial uses to the west. Further, the project architectural design and scale is not compatible with the vision of the BECSP. The adjacent properties will be impacted by the height and massing of the proposed project. The length and height of the proposed building is not compatible with the long, narrow characteristics of the 0.95 acre site because it is too bulky and too intense for the available land area. The project does not support the vibrant commercial corridor envisioned in the BECSP Five Points District because only one and a half percent (1.5%) of the total square footage of the project is allocated to commercial use.

The proposed project does not create continuity with new and existing development along the Beach Boulevard corridor because the project does not propose to augment or expand the existing bikeways. Furthermore, ingress and egress to the project site generates conflicts with the flow of traffic on Ellis Ave. There is no access or connectivity to the project site from Beach Blvd and insufficient vehicular access is provided via a single driveway along Ellis Avenue. Motorists exiting the project site will be unable to safely turn left onto Ellis Ave. from the driveway and motorists entering the project site from eastbound Ellis Ave. will be unable to turn left into the project site due to congestion and narrow roadway widths. Residents and visitors cannot directly access the project site from eastbound Ellis Ave. and must continue past the project to Patterson Ln. to make a u-turn on Ellis Ave., resulting in inefficient vehicular movements. Additionally, even though motorists will be required to exit the project via a right hand turn onto Ellis Ave., motorists who do not abide by this restriction may create vehicular hazards and conflicts due to frequent congestion and queuing on Ellis Ave.

SUGGESTED FINDINGS FOR DENIAL - CONDITIONAL USE PERMIT NO. 17-042:

The City Council finds and determines that it is unable to make all of the required findings, contained in Section 241.10(A) of the HBZSO, for reasons more particularly described below:

1. Conditional Use Permit No. 17-042 for the development of a mixed-use building consisting of 48 condominium residences and 891 sf. of retail space will not comply with the provisions of the base district and other applicable provisions in Titles 20 through 25 and any specific condition required for the proposed use in the district in which it would be located in that the project does not further the vision of the Town Center Neighborhood Segment of the BECSP, which envisions a vibrant commercial corridor within the Five Points District of the BECSP. The proposed project is located within the Five Points District and does not further a vibrant commercial corridor because only one and a half percent (1.5%) of the total square footage of the project is allocated to commercial use, there is insufficient vehicular ingress and egress to the site, and the project proposes marginal public open space that does not contribute to the BECSP's vision of walkability and pedestrian connections between public and private property.

January 7, 2020



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SENT VIA EMAIL

Jennifer Villasenor
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Community Development Department
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RE: Comments on December 2019 Draft Housing Element

Dear Ms. Villasenor,

Thank you for the opportunity to provide further supplemental comments on the November 2019 Draft Housing Element ("November Draft") of the City of Huntington Beach. In response to the City's request for public comments, the Kennedy Commission (the "Commission") submitted comments on December 5, 2019 and supplemental comments on December 12, 2019. On December 19, 2019, the Commission received further revisions submitted by the City to HCD ("Draft"). While the December amendments to the Draft address some of the concerns we raised in our comment letters, the majority of the issues remain unresolved. The Commission continues to have concerns regarding compliance of the Draft, and we set those forth below.

Lack of Adequate Sites

The changes proposed in the December Draft do not include any additional sites to accommodate the City's lower-income RHNA in the 5th Cycle. As set forth in our prior comments, the sites proposed for the Affordable Housing Overlay ("Overlay") are insufficient to accommodate this RHNA. Furthermore, new language added in the December Draft confirms that the limited sites include market rate development plans that will render the City's inventory of sites inadequate, by the City's own count. The Draft now acknowledges that, "as development within the Overlay occurs, if the remaining capacity of the sites cannot accommodate the remaining lower income RHNA," there is capacity to add sites to the Overlay within the Beach Edinger Corridor Specific Plan ("BECSP").¹ As the Draft does not currently identify sufficient sites to accommodate the City's RHNA for lower income households, it should identify additional sites *now* in order to avoid further violation of the state No Net Loss law.²

The anticipated development of a single project on Sites 3/4 will place the City in a deficit, by its own count. The Draft states that the City anticipates a development project proposal would be submitted "in the first half of 2020" on Sites 3/4.³ There is no indication that this proposal

¹ December 2019 Draft Housing Element, Section IV. Housing Resources at page IV-12.

² California Government Code § 65863.

³ December 2019 Draft Housing Element, Section IV. Housing Resources at page IV-13.

would include anything more than the potential 20% affordability requirement of the Overlay. With the anticipated capacity of 271 units, according to the City's own count, the lower income RHNA would be reduced by only 54 to 359 units, but the capacity remaining in the other sites would be just 336 units, creating a deficit in violation of the adequate sites and No Net Loss statutes. This deficit is actually much larger given the element continues to include a capacity of 105 units in Site 7, owned by Caltrans, which has stated in writing that it is not available for affordable housing.

Less than two years remain in the 5th Cycle and the City will soon need to accommodate its 6th Cycle RHNA. Given that the City has failed to identify adequate sites for over four and a half years, it is imperative that the City take steps now to ensure it will have adequate sites in the 6th Cycle. The Southern California Association of Governments ("SCAG") has submitted a proposed RHNA to HCD that would allocate 13,321 units to Huntington Beach, of which 5,826 units would need to accommodate lower income households.⁴ This is similar range as the 4,500 units allowed by the original BECSP,⁵ indicating that future housing development should focus on affordable units. While we understand the City disputes the allocation SCAG has proposed to HCD, yet even under the original proposal considered by SCAG, the City's 3,612 unit allocation require more than triple the 413 lower-income RHNA capacity addressed by the Draft. (See attached summary of SCAG figures by City staff for the November 18, 2019 City Council meeting.) While the 6th Cycle RHNA is not yet final, the order of magnitude is clear: the City must provide substantially more sites than are included in the Draft to comply with state law.

In sum, the inventory of sites for lower-income housing is inadequate in many ways. (1) The zoning is only an overlay that requires 20% affordability. (2) This Draft is late in the planning period. (3) The City had virtually no sites for most of the planning period. (4) The known market rate development plans for development renders the existing sites unavailable for 100% affordable use. And (5) the 6th Cycle planning period will soon mandate substantially more sites. For all of these reasons, the City must propose substantially more sites to satisfy its lower income RHNA obligation.

MAND Constraint in the Adequate Sites Program

The Draft continues to acknowledge that the remaining development potential in the BECSP is limited by the Maximum Amount of New Development ("MAND") constraint created by the 2015 BECSP Amendments.⁶ However, the program to mitigate this constraint is needlessly vague, allowing the City to continue using the MAND as a constraint as it chooses. Prior to the December 2019 revisions, Program 8, which lays out the City's Adequate Sites Program, did not commit to amending the MAND. The new language in Program 8 now includes a reference to the MAND, providing that "Residential development proposed pursuant to the Affordable Housing Overlay shall allow for the construction of 413 lower income units (i.e. – the current

⁴ See SCAG website on RHNA, figures from November 14, 2019 revised methodology, <http://scag.ca.gov/programs/Documents/RHNA/SCAG-RHNA-Methodology-Worksheet-Nov19-Adopted.xlsx>

⁵ 2010 BECSP, Section 2.1.1, MAND at page 10.

⁶ December 2019 Draft Housing Element, Section IV. Housing Resources at page IV-12.

2,100 unit MAND shall not apply).”⁷ This language does not commit to amending the MAND nor does it explain how the MAND exception will work.

Consistent with the proposed language in Program 8, the City could choose to leave the MAND in place and make ad hoc decisions to allow residential development on a project-by-project basis. In that case, the City would not be allowing residential development by right, as required by Housing Element Law. The Commission views any such finding and actions as flawed and contrary to state law. However, the current language of the Draft allows the City such latitude.

As set forth in our December 12, 2019 comment letter, the City must modify Program 8 to clarify what steps it will take to amend the MAND, including when it will make the amendment and how any proposed exemption would function. The Draft continues to link the time to amend the MAND (or a new policy of exceptions) with the adoption of the Housing Element revision, yet there is no commitment as to when such changes will take place. Furthermore, the new program language does not describe how the MAND exception would function. As previously raised in our December 12 comment letter, would a MAND exemption apply only for 100% affordable projects? If so, what level of affordability must be provided to allow an exemption? If applied to a mixed project that has both affordable units and market-rate units, would the entire project be exempted from the MAND, or just the affordable units? If mixed projects are exempted, what is the threshold level of affordability required? Pursuant to the City’s representations at the December 5 stakeholder meeting, what event would trigger the City ultimately finding that the 413-unit RHNA shortfall has been met? If additional sites are added to the Overlay, will those new sites also be exempt from the MAND?

Without answers to these questions—as well as a clear program describing how the MAND will be enforced and a commitment by when the City will begin implementing its updated MAND policy—it is impossible to evaluate whether the MAND will prevent the City from accommodating its RHNA. As currently drafted, the MAND will continue to pose a constraint on housing development that will leave the City without adequate sites available to accommodate its remaining RHNA.

Timing for the Implementation of the Affordable Housing Overlay and MAND Amendment

The Draft still does not include any time commitments to adopt the proposed amendments to the BECSP, only including an “objective” to do so “concurrently” with adopting the draft. The City may delay or elect not to adopt the Draft, resulting in further non-compliance. As set forth in our prior comments, this is inconsistent with California Government Code Section 65583(c) which requires that the housing element must include a “program that sets forth a schedule of actions during the planning period, *each with a timeline for implementation*, that may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period ...” (Emphasis added.) The Draft must address this deficiency.

⁷ December 2019 Draft Housing Element, Section V. Housing Plan at page V-30.

Appropriate Zoning and Development Standards

The December Draft continues to leave in the two other key constraints adopted by the 2015 Amendments to the BECSP, setbacks and building height. The addition to the Draft of density figures for the Oceana project, built in 2013 does not analyze why the additional constraints in the 2015 BECSP Amendments will not continue to be a constraint. As explained in our prior comments, there is no analysis of the separate “Segment” areas of the BECSP that would demonstrate adequate capacity, as there are different standards for each. If these constraints do not prevent affordable housing development the Draft must demonstrate with actual developments and figures, subject to the 2015 Amendments, or actual calculations with the applicable Segment that show such feasibility.

Conclusion

In addition to the above comments, the Commission reiterates the issues raised in its two previous comment letters which the December 2019 Draft does not address, including our concerns regarding the Affordable Housing Overlay as fully described in our December 5, 2019 comment letter to you.

We look forward to continuing to work with the City to develop revisions to the Draft to address these issues, including those in our prior letters. If you have any questions or would like to discuss the issues raised here, please feel free to contact me at (949) 250-0909 or cesarc@kennedycommission.org.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Cesar', followed by a long, sweeping horizontal line that extends across the page.

Cesar Covarrubias
Executive Director

cc: Ms. Melinda Coy, California Department of Housing and Community Development

6TH CYCLE RHNA UPDATE

COMMUNITY DEVELOPMENT DEPARTMENT

November 18, 2019

NOVEMBER 7, 2019 SCAG REGIONAL COUNCIL MEETING

- SCAG staff recommended RHNA methodology was not approved
- Voted 43-19 to approve a substitute motion for an alternative RHNA methodology proposed by Mayor Rusty Bailey of Riverside
- Substitute motion included various changes during the vote
- "Riverside" methodology = 13,300 units (approx.) City of Huntington Beach
- SCAG staff recommended methodology = 3,612 units City of Huntington Beach

SUPPLEMENTAL COMMUNICATION

Meeting Date: 11-18-2019

Agenda Item No.: #22(19-1145)

RHNA METHODOLOGY

SCAG Staff Recommendation

"Riverside" Methodology



- Removes local input from existing need calculations
- Shifts units from Inland Counties (Riverside, San Bernardino, Imperial) and places them in Orange and L.A. Counties
- Not consistent with growth forecast (RTP/SCS) as required by SB 375 (State law)
- Results in growth that exceeds General Plan

DRAFT OC RHNA: TOP 13 JURISDICTIONS BY UNIT COUNT

CITY	2019 Population	SCAG Staff Recommendation	11/7/19 Substitute Motion	Difference	% Change
Irvine	280,202	20,774	22,803	2,029	10%
Garden Grove	175,155	5,592	19,252	13,660	244%
Anaheim	359,339	17,412	17,412	0	0%
Huntington Beach	203,761	3,612	13,321	9,709	269%
Fullerton	142,824	7,507	13,272	5,765	77%
Costa Mesa	115,830	4,309	11,734	7,425	172%
Unincorporated OC	129,128	12,224	10,234	-1,990	-16%
Westminster	92,610	2,784	9,823	7,039	253%
Buena Park	83,384	5,387	9,004	3,617	67%
Tustin	81,369	4,820	6,853	2,033	42%
Newport Beach	87,180	2,751	4,832	2,081	76%
Fountain Valley	56,652	1,371	4,756	3,385	247%
Cypress	49,833	915	3,967	3,052	334%

RHNA NEXT STEPS

RHNA Methodology

- November 2019 – January 2020: HCD review RHNA methodology
- February 2020: SCAG staff reviews HCD comments to develop final RHNA methodology recommendation
- Feb/March 2020: SCAG staff final RHNA methodology must be approved by RHNA Subcommittee, CEHD Committee, and Regional Council

RHNA Allocation

- Feb./March 2020: SCAG distributes RHNA allocation to all jurisdictions
- Summer 2020: Appeal period for RHNA allocations follows jurisdictional allocation pursuant to RHNA Subcommittee requirements
- October 2020: Final RHNA allocation vote by Regional Council

RHNA APPEALS

- RHNA Subcommittee
 - Dec.'19/Jan.'20: Adopt appeals process guidelines
 - Feb./Mar.'20: RHNA Allocation to Jurisdictions
 - Jurisdictions have 45 days to file an appeal
 - Subsequent 45 day comment period on appeals received
 - SCAG has 30 days to review after close of comment period
 - July '20: Appeals Hearings
- New for 6th Cycle
 - Any jurisdiction can appeal another jurisdiction's RHNA
 - HCD can appeal a jurisdiction's RHNA