

September 12, 2024

Via E-Mail

Chris Schaefer
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City of Fullerton
303 W. Commonwealth Ave.
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E-Mail: Chris.Schaefer@cityoffullerton.com

Re: Draft Housing Element Update for City of Fullerton (June 2024 Draft)
Comments of Housing Action Coalition

Dear Mr. Schaefer:

On behalf of the Housing Action Coalition,¹ we write to comment on the draft 2021-2029 Housing Element for the City of Fullerton. The draft Housing Element does not meet the City's obligation to plan and provide for affordable housing. Absent substantial revisions before adoption, it may be found to be in violation of state law.

Below, we identify three significant issues to be addressed as Fullerton continues to work on formulating a valid Housing Element. First, Fullerton has included a number of sites that do not have a realistic likelihood of becoming housing during the next eight years, as required to meet its share of the regional need. Second, Fullerton's capacity estimates fail to take into account the realistic capacity because they do not adjust for the probability of nonresidential development. Third, Fullerton's approach of keeping higher density sites away from residential areas through height limits – and therefore siting most of the housing counted towards the lower income categories of the RHNA in industrial parks and lower resourced areas of the city – is also in violation of the obligation to affirmatively further fair housing (“AFFH”).

¹ The Housing Action Coalition is a nonprofit that advocates for building more homes at all levels of affordability to alleviate California's housing shortage, displacement, and affordability crisis.

A. The Draft Site Inventory Includes Sites That Are Not “Suitable And Available” Because They Do Not Have A “Realistic And Demonstrated Potential” For Redevelopment During The Planning Period To Meet The Need For Housing.

One of the most concrete aspects of any housing element is the inventory of land “suitable and available” for residential development to meet the city’s regional housing need by income level. Government Code § 65583(a)(3); HCD Housing Element Site Inventory Guidebook at p. 1 (https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf). The list is a specific means of evaluating whether the City has adequately planned for development of housing for all income levels.

Where nonvacant sites are listed on the sites inventory, there must be a “realistic and demonstrated potential for redevelopment” during the next eight years. Government Code § 65583(a)(3). To address past abuses – including where cities list unrealistic sites in order to avoid required rezoning – the California Legislature created a high standard for listing sites that are currently being used for something other than housing. Where nonvacant sites are used to address over 50% of the need for affordable housing for those with lower incomes, the City must show the realistic and demonstrated potential for redevelopment by making formal findings that the existing use does not impede residential development “based on substantial evidence that the use is likely to be discontinued” during the planning period. Government Code § 65583.2(g)(2) (final sentence). The City must analyze the evidence: existing leases, market demand for the existing uses, and anything else that would indicate whether existing uses will continue. Government Code § 65583.2(g)(1).

HCD has given guidance on what this requirement means in its June 2020 technical guidance “Housing Element Site Inventory Guidebook.” At page 27, it explains:

The housing element should describe the findings and include a description of the substantial evidence they are based on.

In general, substantial evidence includes facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts. An example of substantial evidence would be a nonvacant site with a grocery store and with a building lease expiring in a year, and evidence that the store has entered into a lease to relocate to another site subsequent to the lease expiring.

Examples of substantial evidence that an existing use will likely be discontinued in the current planning period include, but are not limited to:

- The lease for the existing use expires early within the planning period,
- The building is dilapidated, and the structure is likely to be removed, or a demolition permit has been issued for the existing uses,

- There is a development agreement that exists to develop the site within the planning period,
- The entity operating the existing use has agreed to move to another location early enough within the planning period to allow residential development within the planning period.
- The property owner provides a letter stating its intention to develop the property with residences during the planning period.

If multiple sites make up a common existing use and the same factors affect each of the sites, the same findings can be used for each of the sites (e.g., an abandoned shopping mall with sites under common ownership that will not be restored to commercial use located in an area where there is recent residential development). The “substantial evidence” would indicate the existing use will not impede further residential development or that the existing use will be discontinued during the planning period. In this type of situation, use of the same findings for each of the multiple sites would be appropriate.

However, the same finding for multiple sites in a specific area may not be appropriate if their characteristics widely vary. For example, nonvacant sites with differing existing uses and lacking in common ownership, whether contiguous or located in the same general area, may not rely on a generalized analysis. While the sites may be located in an area with common economic issues, individual owners may not wish to sell their property or redevelop their site with residential uses. In addition, each site’s existing use, e.g., grocery store, retail shop, parking lot, and offices, may have lease agreements of different lengths of time or the owner may not wish to relocate or redevelop the site with a more intensive residential use. In this type of situation, use of the same findings for the multiple sites would not be appropriate.

As explained below, the current draft prepared by Fullerton identifies a number of non-vacant sites that are not realistic, suitable and available for redevelopment. The City relies heavily on the speculative and unlikely assumption that well-established, successful existing uses will cease during the sixth cycle – which now has only five years left – in favor of affordable housing.

1. 512 N. State College: Chapman Avenue Shopping Center
(APN 338-101-12)

This 8.02 acre site is described as a “small retail strip” in the site inventory, but that’s not exactly right. In fact, the Chapman Avenue Shopping Center is a busy and successful shopping center at a major intersection near the university, and contains a number of prominent chains, including an Office Depot, a Smart & Final Extra! grocery store, a Panera Bread sandwich shop, a Philz Coffee, a Picology pizza restaurant, a ShareTea boba place, a Dollar Tree discount store,

an ice cream shop, a skateboard shop, and a Japanese quick-serve restaurant, and some other businesses.



Source: Google StreetView, May 2024 photo; State College side



Source: Google StreetView, May 2024 photo; E. Chapman side

Fullerton lacks evidence that these existing uses are all likely to discontinue during the sixth cycle. The existing uses are presumed to be an obstacle to meeting the RHNA need.

2. 104, 136, 172 N. Raymond: Grocery Outlet and other businesses
(APN 033-212-11, -12, -15, -16)

The shopping center at 104-172 N. Raymond has a Grocery Outlet grocery store, a Planet Fitness gym, and an AutoZone auto-related retail shop. It also contains a popular restaurant (“Polly’s Pies,” part of a regional chain), and a Goodwill store. A pediatric dentist occupies a standalone building in one corner of the lot; a check cashing service the other far corner. The entire center had a major renovation in 2018, when Grocery Outlet (2018) and Planet Fitness (2019) moved in.² The Housing Element provides no basis for concluding that these existing

² The building department records show the 18,000+ square feet of plumbing, re-roofing, electrical, and sprinkler work done as the tenant improvements for Grocery Outlet in 2018. Google StreetView shows the before and after, with January 2019 being the first “after” date for photos, a major upgrade after an earlier grocery store shut down.

uses are all likely to discontinue during the planning period so that housing could be built to meet the need before 2029.

3. 1930 N. Placentia: Albertson's and other businesses
(APN 339-161-02, -01)



Source: Google Maps, photo dated January 2020

This 10.88 acre shopping center site is anchored by an Albertson's/Sav-On (photo above), and has several other businesses, including my favorite barbecue restaurant in Fullerton (Brian's Sports Bar and "Big B's" BBQ). The BBQ place has been there since 1986; the sports bar for longer. This site should not be listed for two major reasons.

First, there is no sign that Brian's and Big B's are going to shut down or move, much less the Albertson's grocery store/Sav-on Pharmacy. Fullerton lacks evidence that the existing uses are likely to discontinue, and so they are deemed to preclude residential development. (This also includes the new bakery business on the small corner parcel at 1974 N. Placentia, APN 339-161-01, for 0.74 acres).

Second, under Government Code section 65583.2(c)(2), a site larger than 10 acres is presumed not to be suitable for lower income housing, absent an evidentiary showing that Fullerton's draft does not attempt to make.

4. 904, 914, and 926 W. Orangethorpe: Food 4 Less and other businesses
(APNs 073-310-04, -12, -22, and -23)

At 904, 914, and 926 W. Orangethorpe is a shopping center anchored by a Food4Less supermarket. In the northwest corner, there is an O'Reilly auto parts, a Subway sandwich shop, a laundromat, and a dentist's office; in the southeast corner is a Chinese restaurant, a pizza/sports bar, a beauty supply, a nail salon, and another dentist. On the eastern edge is another bar.



Fullerton lacks evidence that all of these existing uses are likely to discontinue before the end of the sixth cycle, just five years from now. Indeed, there is evidence that they are likely to continue beyond that. While HCD’s site inventory guidebook instructs that a lease ending “early in the planning period” with plans by the retailer to relocate would constitute “substantial evidence,” here the current Food4Less lease is publicly reported to run until 2027,³ and Fullerton lacks information about whether there are plans to renew.

5. 1250 E. Chapman: Walgreen’s
(APN 033-211-03)

As City records show,⁴ the Walgreens pharmacy and store was custom-built for Walgreens in 2006. These kinds of projects require long-term leases to repay the owner for the

³ <https://property.compstak.com/914-West-Orangethorpe-Avenue-Fullerton/p/50309> (showing lease from 2006-2027 for Food 4 Less).

⁴ See, e.g., Building Department permit numbers ZON03-0078 (December 2003: request to demolish existing restaurant and market to construct drive-through pharmacy); PRJ04-00674 (July 2004: commercial building permit to create Walgreens);

cost of having built the building just for the tenant. Only eighteen years later, it's very unlikely that anyone plans to have Walgreens move out so that the building can be demolished to build housing; as the City's own analysis concludes, the useful life of a retail building is considerably longer. Without evidence that the existing use is likely to discontinue, this site should be removed from the inventory.

6. 2501 E. Chapman: "University Office Park"
(APN 338-101-13)

The building named "University Office Park" at 2501 E. Chapman was renovated in 2018 and subdivided in a condominium conversion.⁵ It now consists of 34 separate parcels, with Assessor Parcel Numbers 933-44-401 through 933-44-434.



Photo source: Google StreetView, May 2024

The building is occupied by a large number of professionals: doctors, lawyers, and real estate agents, many of whom now own their office separately from the other owners of the building. The City does not attempt to show that the individual owners of condominium units have a joint plan to demolish the office building and replace it with housing in the next five years. Without evidence that the existing uses are likely to discontinue during the planning period, the existing uses are presumed to preclude this property from meeting the need for housing.

⁵ See, e.g., <https://www.rodeore.com/commercial/crm/1021338316/2501-e-chapman-avenue-106-fullerton-ca-92831> ("University Office Park is a 2-story office building built in 1986 and recently renovated in 2018 when it was entitled for office condominium conversion.").

7. 4101 and 4201 Bonita: Wine Country Gift Baskets
(APNs 296-202-02 and -04)

Located in a district characterized by large warehouses – the FedEx distribution center is next door – 4201 Bonita and 4101 Bonita fit right in. These two warehouses, sitting on 4.46 and 3.11 acres respectively, are both used by the same business: Houdini, Inc., dba Wine Country Gift Baskets. The company has been here since 1984. Fullerton lacks evidence that the existing use of these two warehouses is likely to discontinue during the next five years.

8. 4111 N. Palm: C&L Refrigeration
(APN 296-203-13)

The large industrial building at 4111 N Palm, on 4.25 acres, is the California headquarters of the privately held and family operated business C&L Refrigeration. The business makes industrial-sized cooling systems (for example, the refrigerated section of grocery stores), and so needs a large industrial space to do its work. The property is majority-owned by an entity named “CL Investments, LLC” (with Ronald Cassell, one of the founders of C&L Refrigeration signing documents for it⁶): in other words, the family running the business also owns the property, making it less likely that the property owner will change the existing use. Fullerton lacks evidence that C&L Refrigeration is likely to discontinue use of this site during the next five years.

9. 4141 N. Palm: Adams Rite Aerospace
(APN 296-203-12)

The industrial building at 4141 N Palm is the headquarters of Adams Rite Aerospace. The company, founded in 1896, makes over 4500 parts for the aviation industry, such as the faucets used for airplane bathrooms, and the latches for their doors. They continue to announce new contracts with major US airlines, and show no signs of going out of business. They recently agreed to a 70% rent increase, and renewed their lease for an additional 75 months (6 years, three months), running well into 2028 at the earliest.⁷ This is not a case where the lease is expiring early in the planning period and the tenant plans to move out; it’s a case where the lease was renewed early in the planning period and runs almost to the end of it. Fullerton lacks substantial

⁶ See Exh. 1 (recorded document in 2019, borrowing against rental income, signed by Ron Cassell); and <https://www.clrefrigeration.com/company-history> (“C&L is founded by Ronald and Jean Cassell”).

⁷ <https://hefnervernickteam.com/4141-n-palm-st-fullerton/> (April 18, 2022 press release: “The Hefner Vernick Team represented the Lessor, Link Logistics Real Estate, in securing a 75-month lease renewal for the 100,000 sq. ft. manufacturing facility with Adams Rite Aerospace, Inc.”). The press release also notes that the rent increase is effective “14 months in advance of the natural lease expiration,” which may mean that the 75 month term didn’t start until mid-2023, which would put the lease expiration into mid-to-late 2029.

evidence that Adams Rite Aerospace is likely to discontinue using its headquarters during the next five years.

10. 1500 E. Walnut
(APN 033-221-08)

The site inventory incorrectly asserts that a warehouse at 1500 E. Walnut was built in 1971. There was in fact a warehouse built in 1971 (visible on Google StreetView as recently as January 2021), but the old one was torn down in late 2021, and a new one constructed in 2022-2024.⁸ This is a photo of 1500 E. Walnut as it is today; it has a recently built, brand new warehouse:



Source: Google StreetView, November 2023

⁸ The demolition permit was finalized by the City of Fullerton Building Department on October 6, 2021. *See* Permit # DEMOC-2021-0002 (https://easydev.cityoffullerton.com/energov_prod/selfservice#/permit/c9725d01-7757-427f-b8e4-b5143f2ca44b). More recently, the warehouse racks for the new warehouse are being installed, as of June 2024. *See* Permit # BLDC-2024-0074 (https://easydev.cityoffullerton.com/energov_prod/selfservice#/permit/2f377362-c627-4a78-96ab-bd683bb84c4b). Loopnet indicates that the warehouse was constructed in 2022: <https://www.loopnet.com/Listing/1500-E-Walnut-Ave-Fullerton-CA/25751733/>

Indeed, the property has already been leased, as of November 2023, to electric vehicle manufacturer Mullen Automotive, which plans to use the “state of the art” facility to manufacture EV batteries, and move operations there from a facility in Monrovia.⁹

This newly constructed building and new use has three implications for the Housing Element:

1. Fullerton should validate, or perhaps update, its site inventory information. The Fullerton Building Department had the accurate information; it’s unclear whether the mistake here comes from using a site inventory that was drafted early in the process and hasn’t been updated to current conditions, or whether there was some inaccurate source of information used.
2. The site is not likely to redevelop in the next four-and-a-half years, because people don’t usually tear down brand new warehouses, or abandon brand-new manufacturing facilities.
3. This is an example of the fact that there remains demand for uses other than residential for the sites on the inventory, and Fullerton should adjust its capacity numbers to take into account the probability of nonresidential development. *See* section B below.

11. 2030, 2116, 2200, and 2340 E. Walnut : Walnut Business Center
(APNs 269-141-01, -02, -03, and 269-151-09)

The sites listed as 2030 E. Walnut, 2116 E. Walnut, 2200 E. Walnut, and 2340 E. Walnut are operated as a single massive industrial park known as the Walnut Business Center. (It also uses the street addresses 315-340 S. Hale, the small entrance road from Walnut). The industrial park consists of large industrial buildings backing up to the active railroad tracks separating the site from Valencia Road to the rear.

The existing uses are industrial, and ongoing. An air conditioning contractor, in business since 1969 and employee-owned, fronts onto Walnut at 2100 E. Walnut (on parcel 269-141-02, labeled 2116 E. Walnut on the site inventory).¹⁰ Further back, in the much larger buildings on the larger parcel APN 269-151-09, are (1) Cove West, a metal wire parts manufacturing facility;¹¹ (2) Cybertech Lighting, a 40+ year old company which makes a range of lighting products from compact fluorescent bulbs and LED bulbs to the “exit” signs seen in commercial

⁹ See <https://news.mullenusa.com/mullen-expands-us-battery-operations-moves-to-solid-state-polymer-pack-testing-as-ev-business-scales>.

¹⁰ See <https://aac-ams.com/about-anderson-air-conditioning/> (describing history of Anderson Air Conditioning L.P., located at this address).

¹¹ See <https://covewestusa.com/>. The home page has a video of a metal-wire bending machine that is fun to watch. “Custom wire products” manufactured in the facility for a range of applications from irrigation to airplanes are shown here: <https://covewestusa.com/custom-products/>.

buildings, and which moved into this facility in 2018¹²; and a radiator manufacturer named OSC Automotive.

The next big parcel over, APN 269-141-03, with a street address of 2200 E. Walnut, is a Nordstrom Design Center in one building, a household appliance wholesaler in another (JB International), a screen printing supply store, and a company that sells highly technical sampling equipment for various chemicals (e.g., bioaerosols, particulates, gases and vapors).

Without evidence that the existing uses are likely to discontinue during the planning period, the existing uses are presumed to preclude this property from meeting the need for housing.

12. 360 S. Acacia: Bimbo Bakeries – Sara Lee USA; Good Water Warehouse (APN 269-131-01)

There are two buildings on APN 269-131-01. One is occupied by Bimbo Bakeries – Sara Lee USA, which supplies various bread and bakery products to local supermarkets; the other is used by Good Water Warehouse, Inc., which sells water softeners, reverse osmosis systems, filters, and other components. The latter was founded by Jim Good, its president, in 1989, and is the headquarters of the company, which has operations in the U.S. and Canada. It appears that Good Water Warehouse has occupied the building continuously since 1989, when a large number of tenant improvements were done.

Without evidence that the existing uses are likely to discontinue during the planning period, the existing uses are presumed to preclude this property from meeting the need for housing.

13. 2251 N. Harbor, 141, 220 and 270 Laguna, 141 and 301 W. Bastanchury: Medical offices comprising/surrounding The Providence St. Jude Medical Center (APNs 292-071-04, -08, and -16 (220, 270 Laguna and 301 W. Bastanchury); (APNs 292-072-01 and -07 (2251 N. Harbor, 141 W. Bastanchury))

The Providence St. Jude Medical Center, located at the intersection of Bastanchury and N. Harbor, comprises a sprawling hospital and medical office complex. A big hospital like this is often surrounded by medical practices co-located in the neighborhood, and this one is no different. The sites on the inventory that immediately surround the Providence St. Jude Medical Center contain a mix of medical uses that are either part of the Medical Center itself (such as its urgent care, or other doctor's offices) or from medical professionals that benefit from being close by to other medical care.

¹² See <http://www.cybertechlighting.com/about-us/>



- The inventory site at 2251 N. Harbor is near the top of the map above, with St. Jude Heritage Medical Group “Urgent Care” at that address.
- The parcel labeled as 141 Laguna on assessor’s records has the street address 101 Laguna (on the map, it’s immediately below the building marked “St. Jude Medical Plaza – Fullerton”); this property has a two story building with a sign indicating St. Jude Heritage Medical Center on the outside of the building.
- 220 Laguna Road has four buildings named “Sunny Hills Medical Dental Building”; it is labeled “Potter Orthodontics” on the Google map image above.
- 270 Laguna Road has a three story building with several ophthalmology practices, including one associated with the Providence St. Jude website.

- 301 W. Bastanchury is located on the left hand side of the map (but not labeled because it doesn't have St. Jude in its name); it is a sprawling three story medical office building filled with medical practices that looks like this:



Photo Source: Google StreetView, August 2022

- Closer to the hospital, 141 W. Bastanchury has a Wells Fargo branch, a standalone ophthalmologist building, and a multi-tenant two story building of small offices, including a chiropractor, several dentists, and an endodontics practice. Next door to that, at 105 W. Bastanchury, almost directly across the intersection from the hospital complex, is a pharmacy.

St. Jude Medical Center is not likely to discontinue use of its own buildings, and the doctors and other medical professionals that surround the hospital are likewise unlikely to discontinue their current uses. The City lacks substantial evidence that the existing uses of these sites are likely to discontinue during the next five years.

14. 2810 E. Imperial Highway: Wendy's, 7-11, and a dry cleaner
(APN 337-082-13)

The 2.07 acre site listed as 2810 E. Imperial Highway contains two buildings: a standalone restaurant building which has contained a Wendy's fast food restaurant since 1986, and a 7-11 in a strip-mall style building facing Associated Road. Absent evidence that Wendy's or 7-11 are planning to close or move in the next five years, the existing uses are presumed to impede residential re-development.

15. 910 S. Euclid: the Subaru/Ford dealership parking lot
(APN 073-263-54)

The parking lot at 910 S. Euclid might look at first glance like a good place to build housing: there is no building to demolish or other improvements. But on second look, there's something interesting about this parking lot: all of the cars in this photo from Google Street view, taken in May 2024, are 2024 model year Subarus.



Source: Google StreetView, May 2024

It's no coincidence. In fact, there's a Subaru dealership two doors down. 910 S. Euclid is where the Ocean Subaru car dealership parks its inventory. Without evidence that the Subaru dealership is likely to stop using the parking lot during the sixth cycle,¹³ Fullerton should not claim that it meets the need for housing.

16. 1751 Hughes: Raytheon
(APN 280-012-10)

This site was once part of Hughes Aircraft, but is now a portion of a major office campus for Southern California's second largest defense contractor Raytheon, which has occupied the site for decades. Attached in the Appendix as Exhibit 2 is a news article dated September 11, 2023 from the Orange County Business Journal about the site.

The Raytheon campus in Fullerton consists of two parcels: APN 280-012-10 and 280-012-09 (which surrounds it on three-and-a-half sides). The two parcels were conveyed together to a developer that may be interested in residential or office use in the long-term, but which in the medium term is constrained by Raytheon's long-term lease. According to the Orange County Business Journal article last year, sources indicate that Raytheon will stay until 2042. (*See* Exh. 2). We did a title search and located a memorandum of lease (a short form description of terms filed with the County Recorder) and have attached it as Exhibit 3): it has four 5-year extension options. Based on Raytheon's continued occupancy, it has exercised the first of these, so the lease now runs until a minimum of March 31, 2027; if it exercises all of the options Raytheon can stay, just as the article reports, until March 31, 2042. This is not a situation as provided for in the HCD site inventory guidebook, where "[t]he lease for the existing use expires early within the planning period"; it is instead one where the existing use, including an analysis of the lease,

¹³ A second row of cars in the photo are all Fords; the Fullerton Ford dealership is less than a mile away.

show that the existing use is likely to continue, and precludes residential development to meet the 2021-2029 housing need.

B. The Draft Housing Element Does Not Adequately Consider The Probability Of Non-Residential Uses, And Thus Overstates The Capacity Of The Site Inventory To Meet The RHNA.

Fullerton's primary approach to rezoning to meet the RHNA is the Housing Incentive Opportunity Zone ("HIOZ"), an overlay on existing commercial and industrial zones. Because this approach allows owners to choose between residential and non-residential development, the city is required to assess the probability of non-residential development, and to adjust its capacity numbers to take the non-residential zoning into account. *See* Government Code § 65583.2(c). As the HCD site inventory guidebook explains:

Realistic development capacity for nonresidential, nonvacant, or overlay zoned sites

The capacity calculation must be adjusted to reflect the realistic potential for residential development capacity on the sites in the inventory. Specifically, when the site has the potential to be developed with nonresidential uses, requires redevelopment, or has an overlay zone allowing the underlying zoning to be utilized for residential units, these capacity limits must be reflected in the housing element.

. . . For example, if past production trends indicate that two out of three similar sites were developed for residential use, and one out of three similar sites was developed for commercial use, an initial estimate of the proportion of new development which is expected to be residential would be two-thirds, *i.e.*, 0.67.

HCD Site Inventory Guidebook (May 2020) at pp. 19-20.

Unlike many other Housing Elements certified by HCD, Fullerton's does not address the realistic capacity by providing information about the likelihood of nonresidential development of the sites on the inventory. In doing so, Fullerton should note that many of the industrial sites on the inventory are similar to ones that have recently been redeveloped for industrial uses: for example, a warehouse building being torn down to erect a new more modern warehouse building (*see, e.g.*, 1501 E. Walnut, above).

The city planning department's online list of current major development projects shows a number of nonresidential re-developments of properties similar to the ones on the inventory, including (1) a new industrial warehouse building at 1901 Via Burton, (2) demolition of a hotel to erect an industrial building and office at 1500 S. Raymond, (3) the "tilt-up speculative warehouse" proposed at 801 S. Acacia (a block away from sites on the inventory), (4) demolition of industrial buildings at 301 S. Acacia to create a truck yard (adjacent to sites on the inventory), and (5) the massive Goodman Logistics project at 2001 E. Orangethorpe, approved by the City

Council in November 2020, which will replace existing industrial uses with a four building, 65 acre logistics campus.¹⁴

Meanwhile, the limited discussion in section B.2.7 of non-residential development in commercial zones – specifically, listing five residential/mixed-use projects since 1991 in the C-3 zone – has an important omission. The “Fox Block” project in the downtown (the “Fox Block” is bounded by Harbor, Ellis, Pomona, and Chapman) will demolish several small retail buildings and parking lots to build new retail/restaurant uses and a multi-story parking structure. This project is in the C-3 zoning designation The City Council chose to develop city land (which comprises a portion of the project) with nonresidential uses even though residential is a permitted use in the C-3 zone, and even though there was public comment in favor of considering a residential use. This significant nonresidential project within the C-3 zone, as with the industrial zone projects listed in the prior paragraph, shows that there is continued demand for non-residential uses in Fullerton, even for sites where the zoning designation permits both residential and non-residential uses.

In order to properly assess the realistic capacity of the HIOZ sites, Fullerton therefore should determine the probability that re-development of HIOZ sites could be non-residential instead of residential. The current draft does not do this. *See* Housing Element draft June 2024 at B.2.7 (discussing ratio of residential to retail in mixed-use projects, but not likelihood of non-residential development).

C. The Draft Housing Element Does Not Affirmatively Further Fair Housing.

A six lane highway (State Highway 90, known as the Imperial Highway) separates single-family houses from an industrial park in the far northern portion of Fullerton. Measured from the intersection of the Imperial Highway and North Palm Street (where the site inventory suggests high density housing could be built), the industrial zone stretches over a mile north to Euclid in La Habra, and over a mile south to Brea Creek in Brea.



Source: Google Maps

¹⁴ *See* <https://www.cityoffullerton.com/government/departments/community-and-economic-development/planning-zoning/development-activity>

Not a single Fullerton resident lives north of the Imperial Highway. But under Fullerton’s Housing Element proposed site inventory, hundreds of the lower income units to meet the RHNA would be built in this industrial park. As described in section A, this is unrealistic to expect during the sixth cycle: the companies that use this industrial zone, like Wine Country Gift Baskets, Adams Rite Aerospace, and C&L Refrigeration, aren’t likely to discontinue using the large warehouse and industrial buildings where they are headquartered. And as described in section B, the Housing Element fails to adjust for the probability that even if the sites here were redeveloped, they could be redeveloped for another industrial use. Indeed, no one has proposed or built high density residential in this part of Fullerton, or any residential housing at all.

But there is yet another legal problem with the heavy reliance on these sites in the Housing Element: proposing to put the lower income housing in an industrial park does not affirmatively further fair housing. If the sites are built as projected, Fullerton would have succeeded in creating a neighborhood consisting entirely of lower income housing, separated from the rest of Fullerton by a six lane highway, and given the lack of any through street connecting it to the city’s street grid (because of the drainage canal and east-west ridge a few hundred yards to the south), one that can’t even reach the rest of Fullerton without first leaving the city. The “neighborhood” is low resource, *see* Housing Element June 2024 Draft at H-E-95, but it might be more accurate to say that as a neighborhood of Fullerton it lacks any residential resources at all. While the HCD site inventory guidebook instructs that a city should consider the availability of services in siting lower income units, here the inventory proposes a significant number of lower income units in an industrial zone isolated from literally every other part of the city. Instead of decreasing patterns of segregation, this plan would create an entirely new lower income neighborhood.

Meanwhile, Fullerton proposes to retain a zoning code that keeps affordable apartments away from the high and highest resource single-family residential neighborhoods. As HCD has commented and the draft acknowledges, Fullerton’s special height limits near single-family zones constrain production of multi-family housing and can render it infeasible. Because single-family zones are closely correlated with high resources, this law has the direct effect of limiting lower income housing (even under the Mullen law of 30 units/acre), including in particular in a Racially Concentrated Area of Affluence (the high resource, mostly white, Byerrum Park neighborhood, which has only a few small sites on the inventory). Fullerton’s own consultant has concluded that the densities that are realistic for properties near the single-family zones (22 du/ac) are unlikely to be built. In its memorandum proposing the HIOZ program, Dudek reiterated its past recommendation that 45 du/ac is a “minimum density to achieve affordability,” and that it “may limit the affordability yield under the HIOZ program.”¹⁵ Yet, in the Housing Element, the City proposes to continue maintaining its height limits near residential, constraining realistic yields to 20 du/ac (for most parcels on the inventory) and 35 du/ac (for many others). *See, e.g.*, Draft Housing Element June 2024 at H-3-6 (“Development Standards”); *id.* at H-3-8,

¹⁵ Available here: https://fullertonobserver.com/wp-content/uploads/2023/10/HIOZ-Initial-Study_Public-.pdf. Quotes are from page 4 of the April 2023 Dudek memo, at p. 96 of the pdf.

Table 3-3 (height limits under HIOZ are one story within 50 feet of R-1 property, and 2 stories if within 100 feet); H-3-25 (explaining that this rule leads to density assumptions for the site inventory of 20 du/ac for sites within 100 feet [sic] of R-1, and 35 du/ac for sites less than one acre within 100 feet of R-1). Fullerton should consider changing this law, at least for properties in the HIOZ, to allow more housing affordable to those with lower incomes to be built in more parts of the city.

* * *

Based on the analysis above, Fullerton's draft Housing Element does not comply with state law, because it proposes to meet more than 50% of the need for affordable housing with sites that are not vacant, and does so without substantial evidence that many of the sites are likely to be redeveloped. Second, the capacity analysis fails to account for the ongoing demand for non-residential uses. Finally, the Housing Element appears to violate the obligation to affirmatively further fair housing.

Given the substantial need for suitable, available, and realistic housing sites zoned to meet Fullerton's share of the regional need, we suggest that additional sites will need to be identified and potentially rezoned to ensure compliance with state housing law, and that Fullerton should reconsider its constraints that limit affordable apartment construction near single-family zones. Such changes could avoid the possibility that the Housing Element will be invalidated in the event that HCD or a court agrees with the arguments above.

Respectfully submitted,



Thomas B. Mayhew



Charles J. Higley

Property Detail Report

4111 N Palm St, Fullerton, CA 92835-1025

APN: 296-203-13

Reference ID: 36615
Orange County Data as of: 08/28/2024

Owner Information

Owner Name: CL Investments LLC
Vesting:
Mailing Address: 4111 N Palm St, Fullerton, CA 92835-1025
Occupancy: Owner Occupied

Location Information

Legal Description: P Bk 56 Pg 28 Par 12
APN: 296-203-13
Munic / Twnshp:
Subdivision:
Neighborhood:
Elementary School: Sierra Vista Eleme...
Latitude: 33.91905
County: Orange, CA
Census Tract / Block: 001404 / 1034
Legal Lot / Block:
Legal Book / Page: 56 / 28
Tract #:
School District: Fullerton Joint Union High School District
Middle School: Washington Middle...
High School: Sonora High School
Longitude: -117.92517

Last Transfer / Conveyance - Current Owner

Transfer / Rec Date: 01/15/2019 / 01/18/2019
Buyer Name: CL Investments LLC / Mparent Investments LLC
Price:
Seller Name: Cassell JR Ronald J
Transfer Doc #: 2019.17998
Deed Type: Quit Claim Deed

Last Market Sale

Sale / Rec Date:
Multi / Split Sale:
1st Mtg Amt / Type:
2nd Mtg Amt / Type:
Seller Name:
Lender:
Sale Price / Type:
Price / Sq. Ft.:
1st Mtg Rate / Type:
2nd Mtg Rate / Type:
Deed Type:
New Construction:
1st Mtg Doc #: N/A
Sale Doc #: N/A
Title Company:

Prior Sale Information

Sale / Rec Date:
1st Mtg Amt / Type:
Prior Lender:
Sale Price / Type:
1st Mtg Rate / Type:
Prior Deed Type:
Prior Sale Doc #: N/A

Property Characteristics


Gross Living Area:
Living Area:
Total Adj. Area:
Above Grade:
Basement Area:
Style:
Foundation:
Quality:
Condition:
Total Rooms: 0
Bedrooms:
Baths (F / H):
Pool:
Fireplace:
Cooling:
Heating:
Exterior Wall:
Construction Type:
Year Built / Eff:
Stories:
Parking Type:
Garage #:
Garage Area:
Porch Type:
Patio Type:
Roof Type:
Roof Material:

Site Information

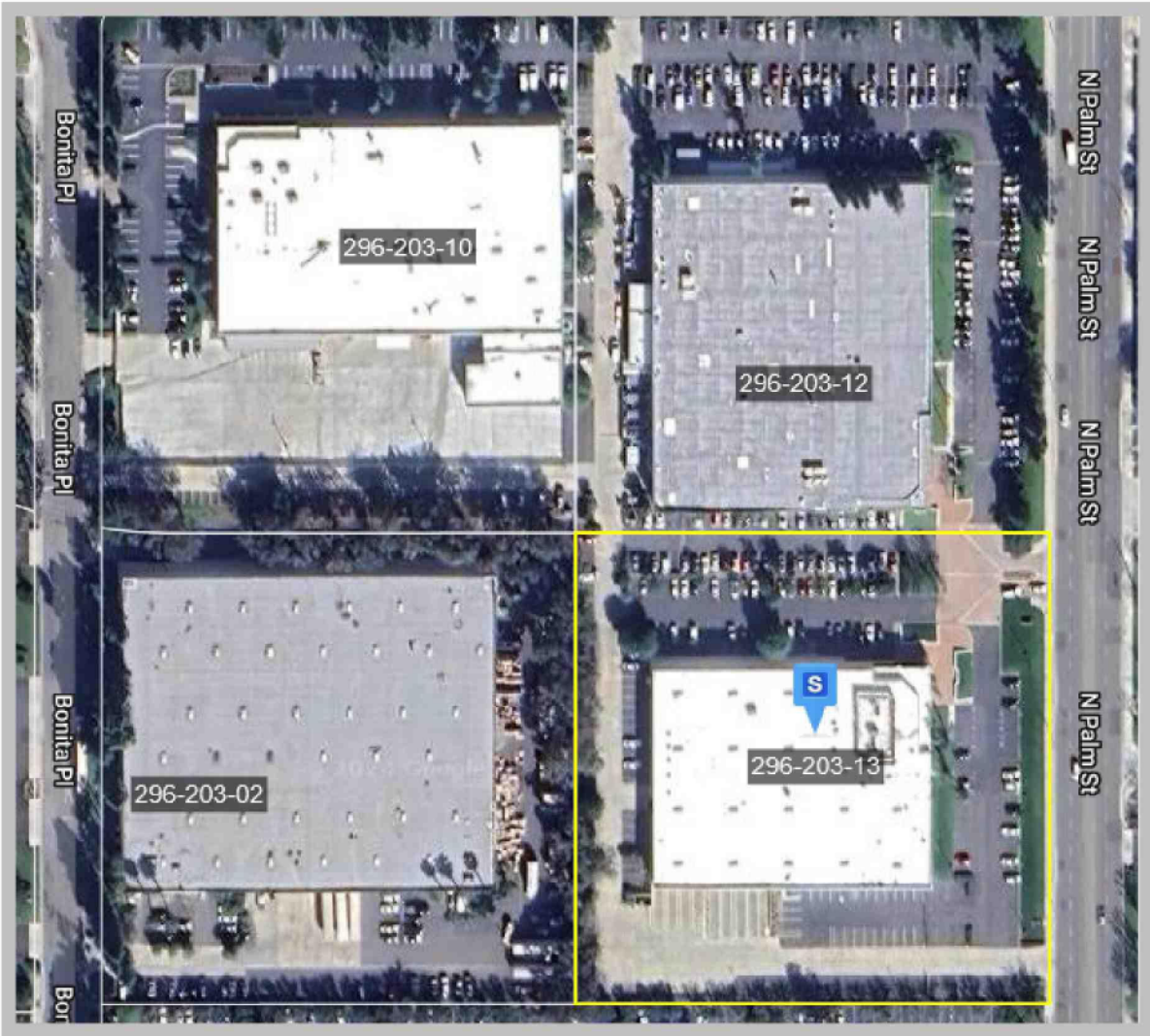
Land Use: Industrial (NEC)
State Use:
County Use: 4 - Industrial
Site Influence:
Flood Zone Code: X
Community Name: City Of Fullerton
Lot Area: 185,061 Sq. Ft.
Lot Width / Depth:
Usable Lot:
Acres: 4.248
Flood Map #: 06059C0041J
Flood Panel #: 0041J
Zoning:
of Buildings: 1
Res / Comm Units:
Water / Sewer Type:
Flood Map Date: 12/03/2009
Inside SFHA: False

Tax Information

Assessed Year: 2024
Tax Year: 2023
Tax Area: 03-032
Property Tax: \$120,954.98
Exemption:
Assessed Value: \$10,538,787
Land Value: \$8,590,612
Improvement Value: \$1,948,175
Improved %: 18.49%
Delinquent Year:
Market Total Value:
Market Land Value:
Market Imprv Value:
Market Imprv %:

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ASSIGNMENT (2)

DEED (1)

DEED OF TRUST (1)

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MORE

YEARS

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2019 (1)

2017 (4)

36615

Order

5 documents found (searched 7,290,705,548 images in 1.404 seconds)

Assignment

The Assessor's Parcel Number for the Property is 295-203-13 APN: 295-203-13 CA ORANGE

Order

Assignment

The Assessor's Parcel Number for the Property is 295-203-13 APN: 295-203-13 CA ORANGE

Order

Assignment Of Rents

The Assessor's Parcel Number for the Property is 295-203-13 APN: 295-203-13 CA ORANGE

View Document

Deed

The Assessor's Parcel Number for the Real Property is 295-203-13 APN: 295-203-13 CA ORANGE

Order

View Property

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The Assessor's Parcel Number for the Real Property is 295-203-13 APN: 295-203-13 CA ORANGE

Per Page: 20 30 40 50 Select all | Deselect all

DOCUMENT TYPE ASSIGNMENT ADDRESS OWNER / BORROWER SELLER / LENDER

RECORDING DATE 2017

APN #

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DOCUMENT TYPE ASSIGNMENT ADDRESS OWNER / BORROWER SELLER / LENDER

RECORDING DATE 2017

APN #

DOCUMENT TYPE DEED OF TRUST ADDRESS OWNER / BORROWER SELLER / LENDER

RECORDING DATE 2019

APN #

DOCUMENT TYPE DEED

4111 N PALM ST FULLERTON CA 92835 OWNER / BORROWER RONALD J CASSELL JR FAMILY TRUST & CASSELL RONALD J SELLER / LENDER GEMS HOLDINGS LLC & ZB NA

RECORDING DATE 05/06/2017

APN # 295-203-13

DOCUMENT TYPE UNDETERMINED

4111 N PALM ST FULLERTON CA 92835 OWNER / BORROWER

RECORDING DATE 06/08/2017

APN # 295-203-13





195.00

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2019000018000 9:46 am 01/18/19

9 406 A36 A34 10

0.00 0.00 0.00 0.00 27.00 0.00 0.000.00150.00 6.00

RECORDING REQUESTED BY
FIRST AMERICAN TITLE INSURANCE CO.
NATIONAL COMMERCIAL SERVICES

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Zions Bancorporation, N.A. dba California Bank & Trust
Commercial - Tustin
17752 East 17th Street
Tustin, CA 92780

WHEN RECORDED MAIL TO:
Zions Bancorporation, N.A. dba California Bank & Trust
Enterprise Loan Operations UT RDWG 1970
PO Box 25007
Salt Lake City, UT 84125-0007

FOR RECORDER'S USE ONLY

NCS-849155-E

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS dated December 20, 2018, is made and executed between CL Investments, LLC, a California limited liability company, as to an undivided 67% interest, and MParent Investments, LLC, a California limited liability company, as to an undivided 33% interest, as tenants-in-common, whose address is 4111 N. Palm Street, Fullerton, CA 92835 (referred to below as "Grantor") and Zions Bancorporation, N.A. dba California Bank & Trust, whose address is 17752 East 17th Street, Tustin, CA 92780 (referred to below as "Lender").

ASSIGNMENT. For valuable consideration, Grantor hereby assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Leases and Rents from the following described Property located in Orange County, State of California:

See the exhibit or other description document which is attached to this Modification and made a part of this Modification as if fully set forth herein (collectively, the "Real Property").

The Property or its address is commonly known as 4111 N. Palm Street, Fullerton, CA 92835. The Assessor's Parcel Number for the Property is 296-203-13.

This is an absolute assignment of Leases and Rents made in connection with an obligation secured by property pursuant to California Civil Code section 2938.

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BORROWER AND GRANTOR UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Except as prohibited by applicable law, Grantor waives any right to require Lender to (a) make any presentment, protest, demand, or notice of any kind, including notice of change of any terms of repayment of the Indebtedness, default by Borrower or any other guarantor or surety, any action or nonaction taken by Borrower, Lender, or any other guarantor or surety of Borrower, or the creation of new or additional Indebtedness; (b) proceed against any person, including Borrower, before proceeding against Grantor; (c) proceed against any collateral for the Indebtedness, including Borrower's collateral, before proceeding against Grantor; (d) apply any payments or proceeds received against the Indebtedness in any order; (e) give notice of the terms, time, and place of any sale of any collateral pursuant to the Uniform Commercial Code or any other law governing such sale; (f) disclose any information about the Indebtedness, Borrower, any collateral, or any other guarantor or surety, or about any action or nonaction of Lender; or (g) pursue any remedy or course of action in Lender's power whatsoever.

Grantor also waives any and all rights or defenses arising by reason of (h) any disability or other defense of Borrower, any other guarantor or surety or any other person; (i) the cessation from any cause whatsoever, other than payment in full, of the Indebtedness; (j) the application of proceeds of the Indebtedness by Borrower for purposes other than the purposes understood and intended by Grantor and Lender; (k) any act of omission or commission by Lender which directly or indirectly results in or contributes to the discharge of Borrower or any other guarantor or surety, or the Indebtedness, or the loss or release of any collateral by operation of law or otherwise; (l) any statute of limitations in any action under this Assignment or on the Indebtedness; or (m) any modification or change in terms of the Indebtedness, whatsoever, including without limitation, the renewal, extension, acceleration, or other change in the time payment of the Indebtedness is due and any change in the interest rate.

Grantor waives all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies, such as non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Grantor's rights of subrogation and reimbursement against Borrower by the operation of Section 580d of the California Code of Civil Procedure, or otherwise.

Grantor waives all rights and defenses that Grantor may have because Borrower's obligation is secured by real property. This means among other things: (1) Lender may collect from Grantor without first foreclosing on any real or personal property collateral pledged by Borrower. (2) If Lender forecloses on any real property collateral pledged by Borrower: (A) The amount of Borrower's obligation may be reduced only by the price for which the collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price. (B) Lender may collect from Grantor even if Lender, by foreclosing on the real property collateral, has destroyed any right Grantor may have to collect from Borrower. This is an unconditional and irrevocable waiver of any rights and defenses Grantor may have because Borrower's

LEASES ARE UNRECORDED

ASSIGNMENT OF LEASES AND RENTS (Continued)

Loan No: 9001

Page 2

obligation is secured by real property. These rights and defenses include, but are not limited to, any rights and defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

Grantor understands and agrees that the foregoing waivers are unconditional and irrevocable waivers of substantive rights and defenses to which Grantor might otherwise be entitled under state and federal law. The rights and defenses waived include, without limitation, those provided by California laws of suretyship and guaranty, anti-deficiency laws, and the Uniform Commercial Code. Grantor acknowledges that Grantor has provided these waivers of rights and defenses with the intention that they be fully relied upon by Lender. Grantor further understands and agrees that this Assignment is a separate and independent contract between Grantor and Lender, given for full and ample consideration, and is enforceable on its own terms. Until all Indebtedness is paid in full, Grantor waives any right to enforce any remedy Grantor may have against Borrower's or any other guarantor, surety, or other person, and further, Grantor waives any right to participate in any collateral for the Indebtedness now or hereafter held by Lender.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Lender need not tell Borrower about any action or inaction Lender takes in connection with this Assignment. Borrower assumes the responsibility for being and keeping informed about the Property. Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Property, or any delay by Lender in realizing upon the Property. Borrower agrees to remain liable under the Note with Lender no matter what action Lender takes or fails to take under this Assignment.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Assignment or any Related Documents, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Leases and Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Leases and Rents, provided that the granting of the right to collect the Leases and Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE LEASES AND RENTS. With respect to the Leases and Rents, Grantor represents and warrants to Lender that:

Ownership. Grantor is entitled to receive the Leases and Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

Right to Assign. Grantor has the full right, power and authority to enter into this Assignment and to assign and convey the Leases and Rents to Lender.

No Prior Assignment. Grantor has not previously assigned or conveyed the Leases and Rents to any other person by any instrument now in force.

No Further Transfer. Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Leases and Rents except as provided in this Assignment.

LENDER'S RIGHT TO COLLECT LEASES AND RENTS. Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Leases and Rents. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

Notice to Tenants. Lender may send notices to any and all tenants of the Property advising them of this Assignment and directing all Leases and Rents to be paid directly to Lender or Lender's agent.

Enter the Property. Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Leases and Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Leases and Rents and remove any tenant or tenants or other persons from the Property.

Maintain the Property. Lender may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Property.

Compliance with Laws. Lender may do any and all things to execute and comply with the laws of the State of California and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property.

Lease the Property. Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

Employ Agents. Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's name, to rent and manage the Property, including the collection and application of Leases and Rents.

Other Acts. Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above.

No Requirement to Act. Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

APPLICATION OF LEASES AND RENTS. All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender may pay such costs and expenses from the Leases and Rents. Lender, in its sole discretion, shall determine the application of any and all Leases and Rents received by it; however, any such Leases and Rents received by Lender which are not applied to such costs and expenses shall be applied to the Indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Leases and Rents shall become a part of the Indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

FULL PERFORMANCE. If Grantor pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Grantor

ASSIGNMENT OF LEASES AND RENTS (Continued)

Loan No: 9001

Page 3

under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Leases and Rents and the Property. Any termination fee required by law shall be paid by Grantor, if permitted by applicable law.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Assignment or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Assignment or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Leases and Rents or the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Assignment also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Assignment:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Assignment or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Default on Other Payments. Failure of Grantor within the time required by this Assignment to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Borrower, any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's, any guarantor's or Grantor's property or ability to perform their respective obligations under this Assignment or any of the Related Documents.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with the Property.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Assignment or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Assignment or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution or termination of the Trust, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against the Leases and Rents or any property securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Property Damage or Loss. The Property is lost, stolen, substantially damaged, sold, or borrowed against.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Grantor has not been given a notice of a breach of the same provision of this Assignment within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment fee that Borrower would be required to pay.

Collect Leases and Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and

ASSIGNMENT OF LEASES AND RENTS (Continued)

Loan No: 9001

Page 4

collect the Leases and Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender shall have all the rights provided for in the Lender's Right to Receive and Collect Leases and Rents Section, above. If the Leases and Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Leases and Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Other Remedies. Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Assignment, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Assignment, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

DOCUMENT IMAGING. Lender shall be entitled, in its sole discretion, to image or make copies of all or any selection of the agreements, instruments, documents, and items and records governing, arising from or relating to any of Borrower's loans, including, without limitation, this document and the Related Documents, and Lender may destroy or archive the paper originals. The parties hereto (i) waive any right to insist or require that Lender produce paper originals, (ii) agree that such images shall be accorded the same force and effect as the paper originals, (iii) agree that Lender is entitled to use such images in lieu of destroyed or archived originals for any purpose, including as admissible evidence in any demand, presentment or other proceedings, and (iv) further agree that any executed facsimile (faxed), scanned, or other imaged copy of this document or any Related Document shall be deemed to be of the same force and effect as the original manually executed document.

DISPUTE RESOLUTION PROVISION. This Dispute Resolution Provision contains a jury waiver, a class action waiver, and an arbitration clause (or judicial reference agreement, as applicable), set out in four Sections. **READ IT CAREFULLY.**

SECTION 1. GENERAL PROVISIONS GOVERNING ALL DISPUTES.

1.1 PRIOR DISPUTE RESOLUTION AGREEMENTS SUPERSEDED. This Dispute Resolution Provision shall supersede and replace any prior "Jury Waiver," "Judicial Reference," "Class Action Waiver," "Arbitration," "Dispute Resolution," or similar alternative dispute agreement or provision between or among the parties.

1.2 "DISPUTE" defined. As used herein, the word "Dispute" includes, without limitation, any claim by either party against the other party related to this Agreement, any Related Document, and the Loan evidenced hereby. In addition, "Dispute" also includes any claim by either party against the other party regarding any other agreement or business relationship between any of them, whether or not related to the Loan or other subject matter of this Agreement. "Dispute" includes, but is not limited to, matters arising from or relating to a deposit account, an application for or denial of credit, warranties and representations made by a party, the adequacy of a party's disclosures, enforcement of any and all of the obligations a party hereto may have to another party, compliance with applicable laws and/or regulations, performance or services provided under any agreement by a party, including without limitation disputes based on or arising from any alleged tort or matters involving the employees, officers, agents, affiliates, or assigns of a party hereto.

If a third party is a party to a Dispute (such as a credit reporting agency, merchant accepting a credit card, junior lienholder or title company), each party hereto agrees to consent to including that third party in any arbitration or judicial reference proceeding for resolving the Dispute with that party.

1.3 Jury Trial Waiver. Each party waives their respective rights to a trial before a jury in connection with any Dispute, and all Disputes shall be resolved by a judge sitting without a jury. If a court determines that this jury trial waiver is not enforceable for any reason, then at any time prior to trial of the Dispute, but not later than 30 days after entry of the order determining this provision is unenforceable, any party shall be entitled to move the court for an order, as applicable: (A) compelling arbitration and staying or dismissing such litigation pending arbitration ("Arbitration Order") under Section 2 hereof, or (B) staying such litigation and compelling judicial reference under Section 3 hereof.

1.4 CLASS ACTION WAIVER. If permitted by applicable law, each party waives the right to litigate in court or an arbitration proceeding any Dispute as a class action, either as a member of a class or as a representative, or to act as a private attorney general.

1.5 SURVIVAL. This Dispute Resolution Provision shall survive any termination, amendment or expiration of this Agreement, or any other relationship between the parties.

ASSIGNMENT OF LEASES AND RENTS (Continued)

Loan No: 9001

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SECTION 2. Arbitration IF JURY WAIVER UNENFORCEABLE (EXCEPT CALIFORNIA). If (but only if) a state or federal court located outside the state of California determines for any reason that the jury trial waiver in this Dispute Resolution Provision is not enforceable with respect to a Dispute, then any party hereto may require that said Dispute be resolved by binding arbitration pursuant to this Section 2 before a single arbitrator. An arbitrator shall have no authority to determine matters (i) regarding the validity, enforceability, meaning, or scope of this Dispute Resolution Provision, or (ii) class action claims brought by either party as a class representative on behalf of others and claims by a class representative on either party's behalf as a class member, which matters may be determined only by a court without a jury. By agreeing to arbitrate a Dispute, each party gives up any right that party may have to a jury trial, as well as other rights that party would have in court that are not available or are more limited in arbitration, such as the rights to discovery and to appeal.

Arbitration shall be commenced by filing a petition with, and in accordance with the applicable arbitration rules of, National Arbitration Forum ("NAF") or Judicial Arbitration and Mediation Service, Inc. ("JAMS") ("Administrator") as selected by the initiating party. However, if the parties agree, arbitration may be commenced by appointment of a licensed attorney who is selected by the parties and who agrees to conduct the arbitration without an Administrator. If NAF and JAMS both decline to administer arbitration of the Dispute, and if the parties are unable to mutually agree upon a licensed attorney to act as arbitrator with an Administrator, then either party may file a lawsuit (in a court of appropriate venue outside the state of California) and move for an Arbitration Order. The arbitrator, howsoever appointed, shall have expertise in the subject matter of the Dispute. Venue for the arbitration proceeding shall be at a location determined by mutual agreement of the parties or, if no agreement, in the city and state where Lender or Bank is headquartered. The arbitrator shall apply the law of the state specified in the agreement giving rise to the Dispute.

After entry of an Arbitration Order, the non-moving party shall commence arbitration. The moving party shall, at its discretion, also be entitled to commence arbitration but is under no obligation to do so, and the moving party shall not in any way be adversely prejudiced by electing not to commence arbitration. The arbitrator: (i) will hear and rule on appropriate dispositive motions for judgment on the pleadings, for failure to state a claim, or for full or partial summary judgment; (ii) will render a decision and any award applying applicable law; (iii) will give effect to any limitations period in determining any Dispute or defense; (iv) shall enforce the doctrines of compulsory counterclaim, res judicata, and collateral estoppel, if applicable; (v) with regard to motions and the arbitration hearing, shall apply rules of evidence governing civil cases; and (vi) will apply the law of the state specified in the agreement giving rise to the Dispute. Filing of a petition for arbitration shall not prevent any party from (i) seeking and obtaining from a court of competent jurisdiction (notwithstanding ongoing arbitration) provisional or ancillary remedies including but not limited to injunctive relief, property preservation orders, foreclosure, eviction, attachment, replevin, garnishment, and/or the appointment of a receiver, (ii) pursuing non-judicial foreclosure, or (iii) availing itself of any self-help remedies such as setoff and repossession. The exercise of such rights shall not constitute a waiver of the right to submit any Dispute to arbitration.

Judgment upon an arbitration award may be entered in any court having jurisdiction except that, if the arbitration award exceeds \$4,000,000, any party shall be entitled to a de novo appeal of the award before a panel of three arbitrators. To allow for such appeal, if the award (including Administrator, arbitrator, and attorney's fees and costs) exceeds \$4,000,000, the arbitrator will issue a written, reasoned decision supporting the award, including a statement of authority and its application to the Dispute. A request for de novo appeal must be filed with the arbitrator within 30 days following the date of the arbitration award; if such a request is not made within that time period, the arbitration decision shall become final and binding. On appeal, the arbitrators shall review the award de novo, meaning that they shall reach their own findings of fact and conclusions of law rather than deferring in any manner to the original arbitrator. Appeal of an arbitration award shall be pursuant to the rules of the Administrator or, if the Administrator has no such rules, then the JAMS arbitration appellate rules shall apply.

Arbitration under this provision concerns a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq. If the terms of this Section 2 vary from the Administrator's rules, this Section 2 shall control.

SECTION 3. JUDICIAL REFERENCE IF JURY WAIVER UNENFORCEABLE (CALIFORNIA ONLY). If (but only if) a Dispute is filed in a state or federal court located within the state of California, and said court determines for any reason that the jury trial waiver in this Dispute Resolution Provision is not enforceable with respect to that Dispute, then any party hereto may require that Dispute be resolved by judicial reference in accordance with California Code of Civil Procedure, Sections 638, et seq., including without limitation whether the Dispute is subject to a judicial reference proceeding. By agreeing to resolve Disputes by judicial reference, each party is giving up any right that party may have to a jury trial. The referee shall be a retired judge, agreed upon by the parties, from either the American Arbitration Association (AAA) or Judicial Arbitration and Mediation Service, Inc. (JAMS). If the parties cannot agree on the referee, the party who initially selected the reference procedure shall request a panel of ten retired judges from either AAA or JAMS, and the court shall select the referee from that panel. (If AAA and JAMS are unavailable to provide this service, the court may select a referee by such other procedures as are used by that court.) The referee shall be appointed to sit with all of the powers provided by law, including the power to hear and determine any or all of the issues in the proceeding, whether of fact or of law, and to report a statement of decision. The parties agree that time is of the essence in conducting the judicial reference proceeding set forth herein. The costs of the judicial reference proceeding, including the fee for the court reporter, shall be borne equally by the parties as the costs are incurred, unless otherwise awarded by the referee. The referee shall hear all pre-trial and post-trial matters (including without limitation requests for equitable relief), prepare a statement of decision with written findings of fact and conclusions of law, and apportion costs as appropriate. The referee shall be empowered to enter equitable relief as well as legal relief, provide all temporary or provisional remedies, enter equitable orders that are binding on the parties and rule on any motion that would be authorized in a trial, including without limitation motions for summary adjudication. Only for this Section 3, "Dispute" includes matters regarding the validity, enforceability, meaning, or scope of this Section, and (ii) class action claims brought by either party as a class representative on behalf of others and claims by a class representative on either party's behalf as a class member. Judgment upon the award shall be entered in the court in which such proceeding was commenced and all parties shall have full rights of appeal. This provision will not be deemed to limit or constrain Bank or Lender's right of offset, to obtain provisional or ancillary remedies, to interplead funds in the event of a dispute, to exercise any security interest or lien Bank or Lender may hold in property or to comply with legal process involving accounts or other property held by Bank or Lender.

Nothing herein shall preclude a party from moving (prior to the court ordering judicial reference) to dismiss, stay or transfer the suit to a forum outside California on grounds that California is an improper, inconvenient or less suitable venue. If such motion is granted, this Section 3 shall not apply to any proceedings in the new forum.

This Section 3 may be invoked only with regard to Disputes filed in state or federal courts located in the State of California. In no event

ASSIGNMENT OF LEASES AND RENTS (Continued)

Loan No: 9001

Page 6

shall the provisions in this Section 3 diminish the force or effect of any venue selection or jurisdiction provision in this Agreement or any Related Document.

SECTION 4. Reliance. Each party (i) certifies that no one has represented to such party that the other party would not seek to enforce a jury waiver, class action waiver, arbitration provision or judicial reference provision in the event of suit, and (ii) acknowledges that it and the other party have been induced to enter into this Agreement by, among other things, material reliance upon the mutual waivers, agreements, and certifications in the four Sections of this DISPUTE RESOLUTION PROVISION.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Assignment:

Amendments. This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Caption Headings. Caption headings in this Assignment are for convenience purposes only and are not to be used to interpret or define the provisions of this Assignment.

Governing Law. This Assignment will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Assignment has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Orange County, State of California.

Joint and Several Liability. All obligations of Borrower and Grantor under this Assignment shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Assignment. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Assignment.

Merger. There shall be no merger of the interest or estate created by this Assignment with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Interpretation. (1) In all cases where there is more than one Borrower or Grantor, then all words used in this Assignment in the singular shall be deemed to have been used in the plural where the context and construction so require. (2) If more than one person signs this Assignment as "Grantor," the obligations of each Grantor are joint and several. This means that if Lender brings a lawsuit, Lender may sue any one or more of the Grantors. If Borrower and Grantor are not the same person, Lender need not sue Borrower first, and that Borrower need not be joined in any lawsuit. (3) The names given to paragraphs or sections in this Assignment are for convenience purposes only. They are not to be used to interpret or define the provisions of this Assignment.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Assignment unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Assignment shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Assignment. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Assignment, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Assignment shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Assignment. Any party may change its address for notices under this Assignment by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Powers of Attorney. The various agencies and powers of attorney conveyed on Lender under this Assignment are granted for purposes of security and may not be revoked by Grantor until such time as the same are renounced by Lender.

Severability. If a court of competent jurisdiction finds any provision of this Assignment to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Assignment. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Assignment shall not affect the legality, validity or enforceability of any other provision of this Assignment.

Successors and Assigns. Subject to any limitations stated in this Assignment on transfer of Grantor's interest, this Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Assignment and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Assignment.

Waiver of Right of Redemption. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS ASSIGNMENT, GRANTOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR

**ASSIGNMENT OF LEASES AND RENTS
(Continued)**

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Page 7

JUDGMENT OF FORECLOSURE ON GRANTOR'S BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF GRANTOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS ASSIGNMENT.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Assignment. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code:

Assignment. The word "Assignment" means this ASSIGNMENT OF LEASES AND RENTS, as this ASSIGNMENT OF LEASES AND RENTS may be amended or modified from time to time, together with all exhibits and schedules attached to this ASSIGNMENT OF LEASES AND RENTS from time to time.

Borrower. The word "Borrower" means Ronald J. Cassell, Jr. Family Trust dated December 29, 1992 ; Margaret A. Cassell Living Trust dated June 20, 2007; Margaret A. Parent; Ronald J. Cassell, Jr; CL Investments, LLC; and MParent Investments, LLC.

Default. The word "Default" means the Default set forth in this Assignment in the section titled "Default".

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Assignment in the default section of this Assignment.

Grantor. The word "Grantor" means CL Investments, LLC; and MParent Investments, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Assignment, together with interest on such amounts as provided in this Assignment.

Leases and Rents. The words "Leases and Rents" mean all of Grantor's present and future rights, title and interest in, to and under any and all present and future leases, including, without limitation, all rents, revenue, income, issues, royalties, bonuses, accounts receivable, cash or security deposits, advance rentals, profits and proceeds from the Property, and other payments and benefits derived or to be derived from such leases of every kind and nature, whether due now or later, including without limitation Grantor's right to enforce such leases and to receive and collect payment and proceeds thereunder.

Lender. The word "Lender" means Zions Bancorporation, N.A. dba California Bank & Trust, its successors and assigns.

Note. The word "Note" means the Promissory Note executed by Ronald J. Cassell, Jr. Family Trust dated December 29, 1992; Ronald J. Cassell, Jr.; Margaret A. Cassell Living Trust dated June 20, 2007; and Margaret A. Parent in the original principal amount of \$6,200,000.00 dated June 1, 2017, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the Note or Credit Agreement or any other subsequent Notes evidencing further Indebtedness.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Assignment" section of this Assignment.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness; except that the words do not mean any guaranty or environmental agreement, whether now or hereafter existing, executed in connection with the Indebtedness.

THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT, AND NOT PERSONALLY BUT AS AN AUTHORIZED SIGNER, HAS CAUSED THIS ASSIGNMENT TO BE SIGNED AND EXECUTED ON BEHALF OF GRANTOR ON DECEMBER 20, 2018.

GRANTOR:

CL INVESTMENTS, LLC

By:


Ronald J. Cassell, Jr, Manager of CL Investments, LLC

MPARENT INVESTMENTS, LLC

By:


Margaret A. Parent, Manager of MParent Investments, LLC

ASSIGNMENT OF LEASES AND RENTS
(Continued)

Loan No: 9001

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CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

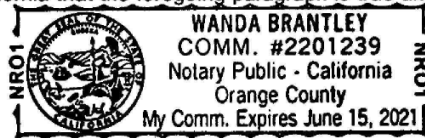
STATE OF California

COUNTY OF Orange

On January 15th, 2019 before me, Wanda Brantley - Notary Public
(here insert name and title of the officer)

personally appeared **Ronald J. Cassell, Jr**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

Signature Wanda Brantley

(Seal)

ASSIGNMENT OF LEASES AND RENTS
(Continued)

Loan No: 9001

Page 9

CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF California

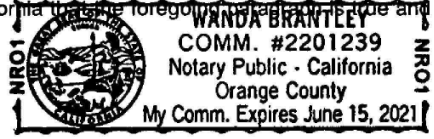
COUNTY OF Orange

On January 15th, 2019

)
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)
before me, Wanda Brantley - Notary Public
(here insert name and title of the officer)

personally appeared **Margaret A. Parent**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.



WITNESS my hand and official seal.

Signature Wanda Brantley

(Seal)

Exhibit "A"

Legal Description

Real property in the City of Fullerton, County of Orange, State of California, described as follows:

PARCEL A:

PARCEL 12, AS SHOWN ON A PARCEL MAP FILED IN BOOK 56, PAGES 28 THROUGH 30 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS AND PRECIOUS MINERALS AND OTHER HYDROCARBON SUBSTANCES IN THAT PART OF SAID LAND LYING BELOW A PLANE 500 VERTICAL FEET BELOW THE SURFACE OF SAID LAND BUT WITHOUT ANY RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND OR WITHIN SAID TOP 500 FEET FOR ANY PURPOSE, AS RESERVED BY JULIUS S. BRADFORD, AND OTHERS, IN DEEDS RECORDED JUNE 28, 1957 IN BOOK 3956, PAGE 517; IN BOOK 3956, PAGE 512; IN BOOK 4430, PAGE 557; IN BOOK 4549, PAGE 229 AND IN BOOK 4352, PAGE 48, ALL OF OFFICIAL RECORDS.

PARCEL B:

A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND DRIVEWAY PURPOSES AS MORE PARTICULARLY DESCRIBED IN THAT CERTAIN "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS" RECORDED DECEMBER 26, 1997 AS INSTRUMENT NO. 19970664457 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER ORANGE COUNTY.

APN: 296-203-13

Raytheon's Fullerton Campus Sells for \$77M

oc ocbj.com/real-estate/raytheons-fullerton-campus-sells-for-77m

September 11, 2023

Real Estate

By

Katie Murar

September 11, 2023



Raytheon has been the sole occupant of the Fullerton campus for decades

The 34-acre Raytheon campus in Fullerton has traded hands for nearly \$77 million, in a deal that could ultimately result in a sizeable commercial or residential redevelopment for one of the larger office campuses in North Orange County.

A venture between Hines and Oaktree Capital Management LP sold the property—which includes two large office buildings totaling more than 405,100 square feet and several smaller industrial and research buildings—that has been entirely occupied by the Arlington, Va.-based defense contractor for nearly three decades.

Records indicate the buyer is Prime Enterprises LLC, an affiliate of San Gabriel-based Diamond Development Group, which counts other area properties including the Diamond Jamboree shopping center in Irvine.

Raytheon is expected to remain in the facility through 2042, sources indicate, at which point the new owner may redevelop the site into different uses, such as education or housing.

The recent sale marks a nearly 113% premium over Hines' reported investment in the site. Hines had been considering a redevelopment of its own for the property, but those plans never moved forward.

"This was a great opportunity to acquire a rare office campus in Orange County with an existing Fortune 500, investment grade tenant, with attractive redevelopment options in the long term," Jeff Cole, executive vice chairman for the capital markets team of Cushman & Wakefield, told the Business Journal.

Cole and Nico Napolitano from Cushman & Wakefield represented Hines in the deal; the buyer's agent was undisclosed.

Long-Term Tenant

Hines in 2012 bought the buildings for a reported \$18 million, then paid an additional \$18 million in 2016 to buy the ground lease for the property, bringing its total investment to \$36 million.

The investor, which has made several sizeable investments in North OC over the past decade, had once eyed redeveloping the site into different uses, but was unable to buy out Raytheon's lease, sources indicate.

The Raytheon campus was built in 1986 at 1801 Hughes Drive, located about a mile north of the Riverside (91) freeway.

The site is nestled in the corner of what formerly was a larger complex used by Hughes Aircraft Co.; Raytheon has had operations in Fullerton since acquiring Hughes Aircraft in 1997.

The firm is Orange County's second-largest aerospace and defense contractor, with an estimated 2,000 local employees.

Retail Focus

Upon Raytheon's lease expiration in 2042, the buyer may demolish the campus to make way for different commercial uses, such as universities, to keep up with growing demand from local schools, or single-family housing, sources note.

The site is currently zoned for industrial. It backs up against Sunny Hills High School and Fullerton Chinese School, and is largely surrounded by residential uses. It's about 5 miles west of California State University, Fullerton's main campus.

Diamond Development is headed by Alethea Hsu, a doctor by trade who now owns several retail centers in OC and Los Angeles with an Asian focus.

The Diamond Jamboree shopping center, an H Mart-anchored mall along Alton Parkway, is among the company's most notable retail holdings, and is one of the busiest Pan-Asian shopping centers in the county.

The 114,000-square-foot mall is the third in the Diamond Development portfolio.

The Fullerton deal is the largest reported buy for Hsu.

A housing or education-focused redevelopment would mark a shift of sorts for the commercial real estate firm, whose last reported area investment was in 2017, when it paid \$12.4 million for land underneath the Newport Beach Tennis Club.

Office Conversion

Office campuses have been a source for new industrial developments in recent years, with investors favoring the logistics sector in the wake of pandemic-induced work-from-home trends.

Hines and Oaktree in 2021 sold off the 12.5-acre Volt Campus in Orange to Rexford Industrial Realty Inc. (NYSE: REXR) for \$70 million; Rexford is in the process of redeveloping the office campus into an industrial hub.

Hines is moving ahead on plans for a separate redevelopment project elsewhere in the county on behalf of South Coast Plaza; it recently submitted plans alongside the Segerstrom family to redevelop the South Coast Plaza Village shopping center into The Village Santa Ana, a mixed-use project that proposes homes, office and retail.

The Raytheon sale is the largest office transaction for Hines since it sold the Intersect office campus in June 2022 for \$235.3 million; that sale is tops for the OC office market since 2021.

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Allen Matkins Leck Gamble Mallory & Natsis LLP
1901 Avenue of the Stars, Suite 1800
Los Angeles, California 90067
Attn: John M. Tipton, Esq.

(Space Above For Recorder's Use)

This document is exempt from documentary transfer tax as a lease for a term (including all extension terms) of less than thirty-five (35) years.

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("**Memorandum**") is entered into as of the 8 day of September 2016, by and between RAYTHEON COMPANY, a Delaware corporation ("**Tenant**"), and HUGHES DRIVE ACQUISITION PARTNERS LLC, a Delaware limited liability company ("**Landlord**").

1. Defined Terms; Exhibits. Reference is made to that certain Lease dated as of September 8, 2016 (the "Lease") between Landlord and Tenant. Unless otherwise set forth herein, all defined terms used in this Memorandum shall have the same meanings ascribed thereto in the Lease. All Exhibits referenced herein are incorporated herein by this reference.

2. Premises. Landlord is leasing to Tenant and Tenant is leasing from Landlord those certain premises described in the Lease (the "**Premises**") consisting of the land described on Exhibit A attached hereto and incorporated herein, the easements, rights and appurtenances thereto and all buildings and other improvements thereon.

3. Term. The term of the Lease ("**Term**") is for a period commencing as of the date hereof and expiring on March 31, 2022.

4. Renewal. Tenant shall have four (4) options to extend the Term, each for a period of five (5) years.

5. Lease Incorporated. All the other terms, conditions and covenants of the Lease are incorporated herein by this reference. In the event of any inconsistency between the provisions of this Memorandum and the provisions of the Lease, the provisions of the Lease shall govern.

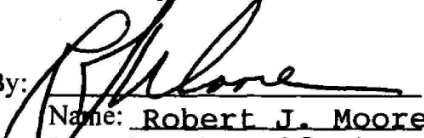
This Memorandum may be executed in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement. This Memorandum is solely for notice and recording purposes and shall not be construed to alter, modify, expand, diminish or supplement the provisions of the Lease.

[remainder of page intentionally left blank; signatures on following page]

IN WITNESS WHEREOF, this Memorandum has been duly executed by the parties hereto as of the day and year first above written.

"Tenant"

RAYTHEON COMPANY,
a Delaware corporation

By: 
Name: Robert J. Moore
Is: Vice President-
Business Services

"Landlord"

HUGHES DRIVE ACQUISITIONS PARTNERS LLC, a
Delaware limited liability company

By: Hines Hughes Drive Acquisitions Partners LLC,
a Delaware limited liability company,
its managing member

By: Hines Hughes Drive Associates Limited
Partnership, a Texas limited partnership,
its sole member

By: Hines Interests Limited Partnership,
a Delaware limited partnership,
its sole member

By: Hines Holdings, Inc.,
a Texas corporation,
its general partner

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, this Memorandum has been duly executed by the parties hereto as of the day and year first above written.

"Tenant"

RAYTHEON COMPANY,
a Delaware corporation

By: _____
Name: _____
Its: _____

"Landlord"

HUGHES DRIVE ACQUISITIONS PARTNERS LLC, a
Delaware limited liability company

By: Hines Hughes Drive Acquisitions Partners LLC,
a Delaware limited liability company,
its managing member

By: Hines Hughes Drive Associates Limited
Partnership, a Texas limited partnership,
its sole member

By: Hines Interests Limited Partnership,
a Delaware limited partnership,
its ~~sole member~~ *general partner*

By: Hines Holdings, Inc.,
a Texas corporation,
its general partner

WA

By: 
Name: Raymond Lawler
Title: Managing Director

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Massachusetts)
County of Middlesex)

On August 30, 2016, before me, Nancy L. Meagher
(insert name of notary)

Notary Public, personally appeared Robert J. Moore,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

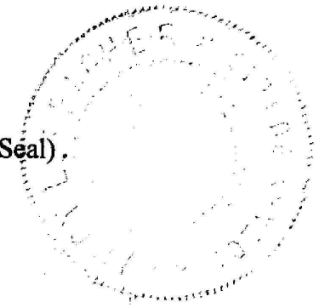
I certify under PENALTY OF PERJURY under the laws of the State of Massachusetts that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Nancy L. Meagher
Nancy L. Meagher

(Seal)



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of CALIFORNIA)
County of ORANGE)

On AUGUST 30, 2016, before me, JUDI LOWENTHAL,
(insert name of notary)

Notary Public, personally appeared RAYMOND LAWLER,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(~~ies~~), and that by his/~~her~~/their signature(~~s~~) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of CALIFORNIA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Judi Lowenthal

(Seal)

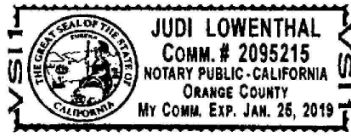


EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FULLERTON, IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 2 OF PARCEL MAP NO. 86-183, IN THE CITY OF FULLERTON, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP FILED IN BOOK 219, PAGES 8 THROUGH 11 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE ORANGE COUNTY RECORDER.

ASSESSOR'S PARCEL NO. 280-012-10

EXCEPT THEREFROM SAID PARCEL A CERTAIN RIGHTS TO MINERALS, ORES AND PRECIOUS OR USEFUL METALS, SUBSTANCES AND HYDROCARBONS OF GAS, ASPHALTUM AND TAR, SUCH RIGHTS HAVING BEEN RESERVED OR CREATED BY THE FOLLOWING INSTRUMENTS:

- A) AS RESERVED BY N. M. LAUNER AND RUTH D. LAUNER, HUSBAND AND WIFE, IN THE DEED RECORDED JUNE 19, 1947 IN BOOK 1529, PAGE 255, OF OFFICIAL RECORDS.
- B) AS RESERVED BY DELMAR C. WEESE AND CLEOLA ZINN WEESE, HUSBAND AND WIFE, IN THE DEED RECORDED AUGUST 11, 1950 IN BOOK 2054, PAGE 366, OF OFFICIAL RECORDS.
- C) AS RESERVED BY MABEL SCOTT ZINN, A WIDOW, IN THE DEED RECORDED SEPTEMBER 22, 1954 IN BOOK 2824, PAGE 83, OF OFFICIAL RECORDS.
- D) AS RESERVED BY WARREN WRIEDEN, INC., A CORPORATION, BY DEED RECORDED OCTOBER 10, 1957 IN BOOK 4064, PAGE 498, OF OFFICIAL RECORDS.
- E) AS GRANTED AND CONVEYED TO HUGHES AIRCRAFT COMPANY, A CORPORATION, BY DEED RECORDED OCTOBER 10, 1957 IN BOOK 4064, PAGE 527 OF OFFICIAL RECORDS.
- F) THE RIGHT TO ENTER THE SURFACE AND SUBSURFACE DOWN TO A DEPTH OF 100 FEET, MEASURED VERTICALLY FROM SURFACE OF THE LAND DESCRIBED THEREIN WAS CONVEYED BY TITLE INSURANCE AND TRUST COMPANY, A CORPORATION TO HUGHES AIRCRAFT COMPANY, A CORPORATION, BY DEED RECORDED DECEMBER 22, 1975 IN BOOK 11602, PAGE 765, OF OFFICIAL RECORDS.

PARCEL B:

A NON-EXCLUSIVE EASEMENT FOR VEHICULAR AND PEDESTRIAN INGRESS AND EGRESS OVER THAT PORTION OF THAT CERTAIN UNLOCATED ROAD KNOWN AS HUGHES DRIVE AS IT PRESENTLY EXISTS AND AS DISCLOSED ON AN AERIAL PHOTOGRAPH OF THE PROPERTY OWNED BY THE LESSOR DATED JULY 8, 1984, LYING WESTERLY OF THE WESTERLY BOUNDARY OF THE LOS ANGELES AND SALT LAKE RAILROAD RIGHT OF WAY AS SHOWN ON A PARCEL MAP IN THE CITY OF FULLERTON, COUNTY OF ORANGE, STATE

OF CALIFORNIA, FILED IN BOOK 77, PAGES 12 TO 28, INCLUSIVE, OF PARCEL MAPS, RECORDS OF SAID ORANGE COUNTY, AS FURTHER DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF FULLERTON, COUNTY OF ORANGE, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 1 AS SHOWN ON PARCEL MAP FILED IN BOOK 77, PAGES 12 TO 28, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND A PORTION OF PARCEL 4 AS SHOWN ON PARCEL MAP FILED IN BOOK 104, PAGES 14 TO 17, INCLUSIVE, OF SAID PARCEL MAPS, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHEASTERLY BOUNDARY OF SAID PARCEL 1, SAID POINT BEING THE MOST SOUTHERLY CORNER OF PARCEL 1 AS SHOWN ON PARCEL MAP NO. 86-183 FILED IN BOOK 219, PAGES 8 TO 11, INCLUSIVE, OF SAID PARCEL MAPS, SAID POINT BEING ON A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 432.00 FEET, A RADIAL LINE OF SAID CURVE TO SAID POINT BEARS NORTH 57° 05' 33" EAST; THENCE ALONG THE SOUTHWESTERLY BOUNDARY OF PARCEL 1 AS SHOWN ON SAID PARCEL MAP NO. 86-183, NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 39° 04' 05" AN ARC DISTANCE OF 294.65 FEET, TANGENT TO SAID CURVE, NORTH 71° 59' 12" WEST 756.49 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 171.25 FEET, NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9° 31' 38" AN ARC DISTANCE OF 28.48 FEET, TANGENT TO SAID CURVE, NORTH 62° 27' 34" WEST 30.42 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 191.25 FEET, NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9° 31' 38" AN ARC DISTANCE OF 31.80 FEET, AND TANGENT TO SAID CURVE, NORTH 71° 59' 12" WEST 58.22 FEET TO THE MOST WESTERLY CORNER OF PARCEL 1 AS SHOWN ON SAID PARCEL MAP NO. 86-183; THENCE ALONG THE NORTHWESTERLY LINE, AND ITS NORTHEASTERLY PROLONGATION, OF PARCEL 1 AS SHOWN ON SAID PARCEL MAP NO. 86-183, NORTH 17° 42' 25" EAST 623.22 FEET; THENCE SOUTH 72° 39' 37" EAST 204.76 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 419.50 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17° 01' 48" AN ARC DISTANCE OF 124.69 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 89° 41' 25" EAST 30.82 FEET, MORE OR LESS, TO THE LINE SHOWN ON SAID PARCEL MAPS AS HAVING A BEARING AND DISTANCE OF "N1° 32' 13"E 69.58"; THENCE ALONG SAID LINE, NORTH 1° 32' 13" EAST 30.01 FEET, MORE OR LESS, TO A LINE WHICH IS PARALLEL WITH AND 30.00 FEET NORTHERLY OF (MEASURED AT RIGHT ANGLES TO) THE LINE ABOVE MENTIONED HAVING A BEARING OF SOUTH 89° 41' 25" EAST; THENCE ALONG SAID PARALLEL LINE, NORTH 89° 41' 25" WEST 31.46 FEET, MORE OR LESS, TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 389.50 FEET, AND BEING CONCENTRIC WITH SAID CURVE HAVING A RADIUS OF 419.50 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17° 01' 48" AN ARC DISTANCE OF 115.77 FEET; THENCE TANGENT TO SAID CURVE, NORTH 72° 39' 37" WEST 204.76 FEET, MORE OR LESS, TO THE NORTHEASTERLY PROLONGATION OF PARCEL 1 AS SHOWN ON SAID PARCEL MAP NO. 86-183; THENCE ALONG SAID PROLONGATION, NORTH 17° 42' 25" EAST 14.36 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 132.00 FEET; THENCE NORTHERLY AND WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" AN ARC DISTANCE OF 207.35 FEET; THENCE TANGENT TO SAID CURVE, NORTH 72° 17' 35" WEST 351.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 1978.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1° 56' 11" AN ARC DISTANCE OF 66.85 FEET; THENCE TANGENT TO SAID CURVE, NORTH 70° 21' 24" WEST 715.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE

SOUTHWESTERLY AND HAVING A RADIUS OF 722.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 5° 31' 30" AN ARC DISTANCE OF 69.62 FEET; THENCE TANGENT TO SAID CURVE, NORTH 75° 52' 54" WEST 67.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 622.00 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16° 02' 43" AN ARC DISTANCE OF 174.19 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 88° 04' 23" WEST 709.23 FEET, MORE OR LESS, TO A POINT ON THE CURVED EASTERLY LINE OF NORTH GILBERT STREET, DESCRIBED AS PARCEL B IN DEED TO THE CITY OF FULLERTON RECORDED DECEMBER 27, 1982 AS INSTRUMENT NO. 82-453654 OF OFFICIAL RECORDS OF SAID ORANGE COUNTY, SAID EASTERLY LINE BEING A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 1050.00 FEET, A RADIAL LINE OF SAID CURVE TO SAID POINT BEARS NORTH 89° 39' 11" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 2° 17' 41" AN ARC DISTANCE OF 42.05 FEET, MORE OR LESS, TO A LINE WHICH IS PARALLEL WITH AND 42.00 FEET SOUTHERLY OF (MEASURED AT RIGHT ANGLES TO) THE LINE ABOVE MENTIONED HAVING A BEARING OF SOUTH 88° 04' 23" WEST; THENCE ALONG SAID PARALLEL LINE, NORTH 88° 04' 23" EAST 711.23 FEET, MORE OR LESS, TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 580.00 FEET, AND BEING CONCENTRIC WITH SAID CURVE HAVING A RADIUS OF 622.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16° 02' 43" AN ARC DISTANCE OF 162.43 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 75° 52' 54" EAST 67.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 680.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 5° 31' 30" AN ARC DISTANCE OF 65.57 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 70° 21' 24" EAST 715.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 2020.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1° 56' 11" AN ARC DISTANCE OF 68.27 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 72° 17' 35" EAST 351.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 90.00 FEET; THENCE EASTERLY AND SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" AN ARC DISTANCE OF 141.37 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 17° 42' 25" WEST 731.39 FEET; THENCE SOUTH 71° 59' 12" EAST 929.68 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 378.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 39° 00' 55" AN ARC DISTANCE OF 257.40 FEET, MORE OR LESS, TO THE SOUTHEASTERLY LINE OF PARCEL 1 AS SHOWN ON SAID PARCEL MAP FILED IN BOOK 77, PAGES 12 TO 28, INCLUSIVE, OF SAID PARCEL MAPS; THENCE ALONG SAID SOUTHEASTERLY LINE, NORTH 68° 48' 15" EAST 65.89 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPT THEREFROM, ANY PORTION OF SAID PARCEL B LYING WESTERLY OF THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF NICOLAS STREET.

PARCEL C:

NON-EXCLUSIVE EASEMENTS FOR ELECTRICAL, WATER, GAS, SEWER, TELEPHONE AND OTHER UTILITY ACCESS TO PARCEL A OVER UNLOCATED PORTIONS OF PARCEL 1, AS SHOWN ON A PARCEL MAP IN THE CITY OF FULLERTON, COUNTY OF ORANGE, STATE OF CALIFORNIA, FILED IN BOOK 77, PAGES 12 TO 28, INCLUSIVE, OF PARCEL MAPS, RECORDS OF SAID COUNTY AND OF PARCEL 4 AS SHOWN ON A PARCEL MAP FILED IN BOOK 104, PAGES 14 TO 17, INCLUSIVE, OF PARCEL MAPS, RECORDS OF SAID ORANGE COUNTY, AS FURTHER DESCRIBED AS FOLLOWS:

THAT PORTION OF PARCEL 4, IN THE CITY OF FULLERTON, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP FILED IN BOOK 104, PAGES 14 TO 17, INCLUSIVE, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID PARCEL, SAID POINT BEING THE BEGINNING OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 830.00 FEET, A RADIAL LINE OF SAID CURVE TO SAID POINT BEARS SOUTH 1° 32' 13" WEST; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 49' 02" AN ARC DISTANCE OF 229.13 FEET; THENCE NORTH 8° 46' 21" EAST 135.76 FEET; THENCE SOUTH 80° 35' 09" EAST 165.19 FEET; THENCE NORTH 81° 17' 09" EAST 54.98 FEET; THENCE SOUTH 71° 39' 11" EAST 33.65 FEET, MORE OR LESS, TO THE SOUTHEASTERLY LINE OF SAID PARCEL; THENCE ALONG THE SOUTHEASTERLY AND EASTERLY LINES OF SAID PARCEL, SOUTH 30° 26' 00" WEST 84.45 FEET AND SOUTH 1° 32' 13" WEST 69.58 FEET TO THE POINT OF BEGINNING.

THAT PORTION OF PARCEL 1, IN THE CITY OF FULLERTON, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP FILED IN BOOK 77, PAGES 12 TO 28, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHEASTERLY BOUNDARY OF SAID PARCEL 1, SAID POINT BEING THE MOST SOUTHERLY CORNER OF PARCEL 1 AS SHOWN ON PARCEL MAP NO. 86-183 FILED IN BOOK 219, PAGES 8 TO 11, INCLUSIVE, OF SAID PARCEL MAPS, SAID POINT BEING ON A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 432.00 FEET, A RADIAL LINE OF SAID CURVE TO SAID POINT BEARS NORTH 57° 05' 33" EAST; THENCE ALONG THE SOUTHWESTERLY BOUNDARY OF PARCEL 1 AS SHOWN ON SAID PARCEL MAP NO. 86-183, NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 39° 04' 45" AN ARC DISTANCE OF 294.65 FEET AND TANGENT TO SAID CURVE, NORTH 71° 59' 12" WEST 416.97 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 1° 59' 43" EAST 178.48 FEET; THENCE SOUTH 348.71 FEET; THENCE SOUTH 30° 50' 37" EAST 41.91 FEET, MORE OR LESS, TO THE CURVED SOUTHEASTERLY BOUNDARY OF PARCEL 1 AS SHOWN ON SAID PARCEL MAP FILED IN BOOK 77, PAGES 12 TO 28, INCLUSIVE, OF SAID PARCEL MAPS, SAID CURVE BEING CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 1462.69 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0° 23' 30" AN ARC DISTANCE OF 10.00 FEET, MORE OR LESS, TO A LINE WHICH IS PARALLEL WITH AND 10.00 FEET SOUTHWESTERLY OF (MEASURED AT RIGHT ANGLES TO) THE LINE ABOVE MENTIONED HAVING A BEARING OF SOUTH 30° 50' 37" EAST; THENCE ALONG SAID PARALLEL LINE, NORTH 30° 50' 37" WEST 44.78 FEET, MORE OR LESS, TO A LINE WHICH IS PARALLEL WITH AND 10.00 FEET WESTERLY OF (MEASURED AT RIGHT ANGLES TO) THE LINE ABOVE MENTIONED HAVING A BEARING OF SOUTH; THENCE ALONG SAID PARALLEL LINE, NORTH 351.29 FEET, MORE OR LESS, TO A LINE WHICH IS PARALLEL WITH AND 10.00 FEET WESTERLY OF (MEASURED AT RIGHT ANGLES TO) THE LINE ABOVE MENTIONED HAVING A BEARING OF SOUTH 1° 59' 43" EAST; THENCE ALONG SAID PARALLEL LINE, NORTH 1° 59' 43" WEST 181.94 FEET, MORE OR LESS, TO THE SOUTHWESTERLY BOUNDARY OF PARCEL 1 AS SHOWN ON SAID PARCEL MAP NO. 86-183; THENCE ALONG SAID BOUNDARY, SOUTH 71° 59' 12" EAST 10.64 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.