

# **APPENDIX B**

*Development Agreement and Amendment to the  
Development Agreement*



RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

CITY OF SANTA CLARITA  
23920 Valencia Boulevard  
Suite 300  
Santa Clarita, CA 91355  
Attn: City Clerk

EXEMPT FROM RECORDER'S FEES  
Pursuant to Government Code  
§ 6103  
ONLY

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**EXHIBIT A**

DEVELOPMENT AGREEMENT

by and between

THE CITY OF SANTA CLARITA  
a municipal corporation

and

HENRY MAYO NEWHALL MEMORIAL HOSPITAL,  
a California non-profit public benefit corporation

and

G&L VALENCIA, LLC  
a California limited liability company

THIS AGREEMENT SHALL BE RECORDED WITHIN TEN DAYS  
OF EXECUTION BY ALL PARTIES HERETO PURSUANT TO  
THE REQUIREMENTS OF GOVERNMENT CODE §65868.5

## DEVELOPMENT AGREEMENT

This Development Agreement (the “**Agreement**”) is made this 9th day of December, 2008, by and between the CITY OF SANTA CLARITA, a municipal corporation, organized and existing under the general laws of the State of California (the “**City**”) and HENRY MAYO NEWHALL MEMORIAL HOSPITAL, a California non-profit public benefit corporation (“**HMNMH**”) and G&L VALENCIA, LLC, a California limited liability company (“**G&L**”). HMNMH and G&L are hereinafter sometimes collectively referred to as the “**Developer**”. City and Developer are hereinafter sometimes collectively referred to as the “**Parties**” and each may be referred to as a “**Party**”.

### R E C I T A L S

A. Pursuant to Section 65864 through 65869.5 of the California Government Code (the “**Government Code**”) and Section 17.03.010 of the Santa Clarita Municipal Code (the “**Santa Clarita Code**”), the City is authorized to enter into binding development agreements with persons having legal or equitable interest in real property for the development of such real property.

B. The Hospital is the owner of certain real property located in the City of Santa Clarita, County of Los Angeles, State of California, that is legally described in Exhibit “A” to this Agreement and is diagrammed on Exhibit “C” to this Agreement (the “**HMNMH Property**”). G&L is the owner of certain real property, immediately adjacent to the HMNMH Property, located in the City of Santa Clarita, County of Los Angeles, State of California, that is legally described in Exhibit “B” to the Agreement and is diagrammed on Exhibit “C” to this Agreement (the “**G&L Property**”). The HMNMH Property and the G&L Property are sometimes collectively referred to as the “**Campus Property**”. The Campus Property contains approximately 30.4 acres.

C. As of the Effective Date (as hereinafter defined) of this Agreement:

(1) Existing Campus Facilities & Operations

HMNMH is a full-service community hospital that provides advanced life support services on approximately 30.4 acres of land. A number of medical office buildings, both on- and off-site, provide support to the hospital facility. Currently, there are six existing medical office buildings, along with the foundation building.

Specifically, the existing 340,071 square foot HMNMH medical campus is comprised of the following facilities:

- (a) The main hospital facility comprises approximately half of the on-site buildings with 146,000 square feet. There are 121 beds currently in this facility along with the Emergency Department. A basement expansion totals 5,286 square feet.

- (b) The Nursing Pavilion totals 63,800 square feet with a maximum capacity of 109 beds.
  - (c) The Mechanical Plant and Facilities Building comprise 11,703 square feet and include the mechanical operations of the hospital in these two structures.
  - (d) There are six medical office buildings on the western portion of the campus. These office buildings comprise 96,160 square feet of floor area.
  - (e) The Hospital Foundation currently occupies 8,000 square feet of modular office space on the far western portion of the site.
  - (f) A 9,122 square-foot hospital bridge which links the main hospital building to the Nursing Pavilion.
- (2) Constructed Improvements.

Certain improvements recently have been constructed (collectively, the **“Constructed Improvements”**), including: (a) the construction of a new facilities building; and (b) a remodel of the plant engineering building.

The Current Improvements and the Constructed Improvements, are hereinafter sometimes collectively referred to as the **“Existing Improvements”**. The Existing Improvements are depicted on the site plan that is attached as Exhibit “D” to this Agreement.

D. The following applications (collectively, the **“Project Applications”**) have been filed by Developer with the City for the proposed development on the Campus Property of approximately 327,363 net new square feet of additional inpatient, outpatient, medical office and associated medical facilities and a new central plant building, as well as the provision of adequate parking facilities (the **“Project”**) in order to provide enhanced inpatient and outpatient treatment capacity:

- (1) An Application for a Master Plan (the **“Master Plan”**) pursuant to Santa Clarita Municipal Code Section 17.03.025.
- (2) An application for a Development Agreement, pursuant to Santa Clarita Code Section 17.03.010.

Developer has paid all necessary costs and fees associated with the filing and the City’s processing of the Project Applications.

E. The locations of the new buildings (sometimes collectively, the **“Project Buildings”**) and the parking structures (sometimes, collectively, the **“Parking Structures”**) of the Project along with the maximum heights for each are depicted on the site plan that is attached

as Exhibit "E" to this Agreement (the "**Site Plan**"). The Project Buildings and the Parking Structures are hereinafter sometimes collectively referred to as the "**Project Improvements**". The Project Buildings consist of a new central plant building, three medical buildings labeled as "MOB1", "MOB2" and "MOB3" on the Site Plan, and an inpatient hospital building labeled as "Inpatient Building" on the Site Plan. The Parking Structures consist of four structures labeled as "PS1", "PS2", "PS3", and "PS4" on the Site Plan. The "**Medical Buildings**" consist of the three medical buildings labeled as "MOB1", "MOB2" and "MOB3" on the Site Plan.

F. The Project is more fully described in the Henry Mayo Newhall Memorial Hospital Master Plan Final Environmental Impact Report (the "**EIR**") prepared by RBF Consulting pursuant to the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*) and the Guidelines thereunder (14 California Code of Regulations Section 15000, *et seq.* (collectively, "**CEQA**").

G. Based upon representations of the Developer, the new Inpatient Building and three new Medical Buildings contemplated as Project Improvements will allow HMNMH to provide expanded and additional medical services not currently provided on the Campus Property.

H. The Planning Commission and the City Council of the City have given notice of their intention to consider the Project Applications, have conducted public hearings thereon pursuant to the Government Code and the Santa Clarita Code, and the City Council has found that the Project Approvals and the Project are (i) consistent with the General Plan, adopted plans, codes, ordinances and policies of the City, (ii) consistent with all other ordinances, resolutions, rules, regulations, laws, plans and policies applicable to the Campus Project, and (iii) in the best interest of the health, safety and general welfare of the City, its residents, and the general public.

I. On February 6, 2007, at a public meeting and after considering all appropriate documentation and circumstances, the Planning Commission of the City adopted resolutions recommending that the City Council: (a) certify the EIR for the Project; (b) approve the Master Plan; and (c) adopt a Statement of Overriding Considerations pursuant to Section 21081(a)(3) of CEQA with respect to Aesthetic, Light and Glare, Traffic and Circulation, Solid Waste and Air Quality. At that same meeting, the Planning Commission voted to reject an applied for Development Agreement, which denial was subsequently appealed by the Developer to the City Council.

J. On November 20, 2008 and December 9, 2008, at a public meeting and after considering all appropriate documentation and circumstances, and making all required findings, the City Council of the City adopted the following measures (collectively, the "**Project Approvals**"):

- (1) Resolution No. 08-101 (adopted November 20, 2008), certifying the EIR for the Project and adopting a Statement of Overriding Considerations pursuant to Section 21081(a)(3) of CEQA with respect to Solid Waste, Air Quality, Cumulative Global Climate Change and Construction Noise;

- (2) Resolution No. 08-102 (adopted November 20, 2008), approving the Master Plan with the Conditions of Approval that are attached as Exhibit "A" thereto (the "Conditions of Approval"); and
- (3) Ordinance No. 08-17 (adopted December 9, 2008), adopting this Agreement (as modified subsequent to denial by the Planning Commission, consistent with Santa Clarita Municipal Code Section 17.03.010F) for the Project.

K. The Hospital is a full-service community hospital. It is the only hospital in the Santa Clarita Valley and serves a population of more than 250,000 people within a 680 square-mile trauma service area. The Hospital currently operates the only 24-hour Emergency Department and trauma service in the Santa Clarita Valley.

L. The City Council has determined that a development agreement is appropriate for the proposed development of the Campus Property. This Agreement shall: (1) eliminate uncertainty in planning for, and securing orderly development of, the Project; (2) assure installation of necessary on-site and off-site improvements; (3) provide for public infrastructure and services appropriate to development of the Project; (4) allow the development of new, needed medical services in cardiac care, neonatal and high risk pregnancy care, intensive care and surgical care; (5) create new long-term employment opportunities in high paying healthcare jobs to add to the 1,200 people currently employed by HMNMH, creating a positive economic benefit to the community; (6) improve the community's readiness for disaster by adding capability for support of other first responder agencies and dedicating additional permanent physical assets for emergency services; and (7) otherwise achieve the goals and purposes for which Government Code Sections 65864 et seq., and Section 17.03.010 of the Santa Clarita Municipal Code were enacted.

M. The City Council, in its adoption of Ordinance No. 08-17, has made all of the findings with respect to this Agreement that are required under Section 17.03.010E of the Santa Clarita Municipal Code.

NOW, THEREFORE, with reference to the above Recitals, and in consideration of the mutual covenants and agreements contained in this Agreement, the City and the Developer agree as follows:

#### A G R E E M E N T

1. Interest of Developer. HMNMH represents to the City that, as of the Effective Date of this Agreement, HMNMH owns the HMNMH Property in fee, subject only to encumbrances, easements, covenants, conditions, restrictions, and other matters of record. G&L represents to the City that, as of the Effective Date of this Agreement, G&L owns the G&L Property in fee, subject only to encumbrances, easements, covenants, conditions, restrictions, and other matters of record.

2. Binding Effect. All the terms and conditions of this Agreement shall bind and run with the Campus Property and shall be binding upon and inure to the benefit of the Parties and

their respective assigns and other successors in interest. Nothing in this Agreement is a dedication or transfer of any right or interest in, or creating a lien upon, the Campus Property.

3. Negation of Agency. The development of the Project is a private and not a public sector development nor is it receiving public funding, neither party is acting as the agent of the other in any respect hereunder, and each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and the Developer is that of a government entity regulating the development of private property by the owner of such property.

4. Development of the Project.

4.1 Applicable Rules. Except for such changes as may in the future be mutually agreed upon between the City and Developer or as specified in Section 4.4, Developer shall have the right to develop the Project during the Term (as hereinafter defined) of this Agreement in accordance with the following (collectively, the “**Applicable Rules**”): (a) the terms and conditions of the Project Approvals; (b) the terms and conditions of this Agreement; (c) the Santa Clarita Code and all rules, regulations and official policies of the City governing development, subdivision and zoning (sometimes, collectively, the “**City Requirements**”), that are in effect as of December 9, 2008, the date on which the Ordinance approving this Agreement was adopted by the City Council (the “**Effective Date**”). The City Requirements include requirements governing building height, maximum floor area, permitted and conditionally permitted uses, maximum lot coverage, building setbacks and stepbacks, landscaping, exactions and dedications, and design criteria. In the event of any conflict between the provisions in this Agreement, the Project Approvals and the City Requirements, such conflict shall be resolved in the following order of priority: (i) first, this Agreement; (ii) then, the Project Approvals; and (iii) finally, the City Requirements. Notwithstanding the foregoing, Applicable Rules shall include building code provisions in effect at the time of construction and subdivision map act provisions in effect at the time of any map application submittal. The rules of the City as of the Effective Date shall be subject to the reasonable interpretation of the City’s Director of Community Development.

4.2 Administrative Changes and Amendments. The parties acknowledge that further planning and development of the Project may demonstrate that refinements and changes are appropriate with respect to the details and performance of the parties under this Agreement. The parties desire to retain a certain degree of flexibility with respect to the details of the development of the Project and with respect to those items covered in general terms under this Agreement. If and when the parties find that Minor Changes (as hereinafter defined) are necessary or appropriate, they shall, unless otherwise required by law, effectuate such changes or adjustments through administrative amendments executed by the Developer and the City Manager or his or her designee, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary, with approval by the City Manager and the Developer. In the event that the Developer and the City Manager cannot agree on whether certain changes proposed by Developer constitute Minor Changes or whether such proposed changes are necessary or appropriate, the Developer shall

have the right to appeal the determination of the City Manager to the Planning Commission and shall have the further right to appeal any determination of the Planning Commission to the City Council. The term “**Minor Changes**” means changes, modifications or adjustments which are consistent with the overall intent of the Project Approvals and which do not materially alter the overall nature, scope, or design of the Project, including, without limitation, minor changes in locations of the Project Improvements or infrastructure, the construction or provision of additional parking spaces within the building envelope of any Parking Structure shown on the Project Approval, and the configuration of internal circulation elements. In effecting these modifications, the City shall fully cooperate with the Developer, provided that the aggregate total density and intensity of the Project are not increased, the permitted uses are not modified from those in the Project Approvals and any changes to the Project Improvements are in accordance with the Applicable Rules. Minor Changes shall not be deemed to be an amendment to this Agreement under Government Code Section 65868, and unless otherwise required by law, no such administrative amendments shall require prior notice or hearing by the Planning Commission and City Council. The following matters shall not be considered Minor Changes, but shall be considered substantive amendments which shall be reviewed by the Planning Commission and approved by the City Council:

4.2.1 Any addition of permitted uses not substantially similar to those set forth in the Project Approvals;

4.2.2 Any increase in the maximum height of any permitted Project Improvements;

4.2.3 Any amendment or change requiring a subsequent or supplemental environmental impact report pursuant to CEQA.

4.2.4 Any reduction in the minimum building setbacks and setbacks for any of the Project Improvements.

4.2.5 Any increase in the overall aggregate square footage of the Project Buildings.

4.3 Material Project Modifications. The Developer reserves the right to apply to the City for permits, variances or other approvals to develop portions of the Project in a manner which may be materially inconsistent with the Project Approvals. In such event, such portions of the Project shall be reviewed and approved pursuant to the rules, regulations, and procedures of the City in effect at the time the Developer makes application to the City for such development, and to the extent any such application is inconsistent with this Agreement, such application shall include an application to amend this Agreement.

4.4 New Rules. This Agreement shall not prevent the City from applying to the Project the following new rules, regulations and policies, if uniformly applied on a City-wide basis:

4.4.1 Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports,

recommendations, appeals and any other matter of procedure, provided that the City's Director of Community Development makes an affirmative finding that such changes in procedural regulations do not have the effect of materially interfering with the substantive benefits conferred to Developer by this Agreement.

4.4.2 Regulations which are not in conflict with this Agreement provided that the City's Director of Community Development makes an affirmative finding that such new regulations would not, alone or in the aggregate, cause development of the Project to be materially different, more burdensome, time consuming or expensive.

4.4.3 Regulations which are necessary to avoid serious threats to the public health and safety, provided that the City's Director of Community Development makes an affirmative finding that, to the maximum extent possible, such regulations have been construed and applied in a manner to preserve the substantive benefits to the Developer of this Agreement.

4.4.4 Mandatory regulations of the County of Los Angeles, State of California and the United States of America applicable to the Project, provided that the City's Director of Community Development makes an affirmative finding that, to the maximum extent possible, such regulations have been construed and applied in a manner to preserve to the Developer the substantive benefits of this Agreement.

If the Developer does not agree with a determination by the City's Director of Community Development under this Section 4.4, the Developer may appeal such determination to the Planning Commission. If the Developer does not agree with the determination of the Planning Commission, Developer may appeal to the City Council. If Developer does not agree with a determination of the City Council, Developer shall have the right to contest or challenge such determination.

4.5 Discretionary Approvals. The development of the Project for specified allowable uses and as described in this Agreement shall require no subsequent discretionary approvals other than the Project Approvals, and no ministerial approvals by the City except for: (a) review and approval by the Community Development Director of the exterior elevations of any Project Building or Parking Structure for a determination as to consistency with the architecture of MOB1 and PS1; (b) design review, plan checking, grading and building permits solely to evaluate the proposed development for conformity to the Applicable Rules; and (c) any subdivision or parcel map approvals with respect to the Campus Property that may be requested or required by the Developer subsequent to the Effective Date of this Agreement. Prior to the issuance of a building permit for MOB2/PS2 and MOB3/PS3, the Director of Community Development shall conduct a review of the compliance by Developer with its obligations under this Agreement and shall report the findings of that review to the City Council. If the Developer is found to not be in compliance with its obligations under this Agreement, the building permit

for MOB2/PS2 or MOB3/PS3, as applicable, shall not be issued until Developer cures or corrects the items of non-compliance.

4.6 No Obligation to Develop. Nothing in this Agreement is intended, should be construed nor shall require Developer to proceed with the construction of any Project Improvements on the Campus Property; provided that any Project Improvements constructed shall comply with the requirements for timing and usage set forth in Sections 4.7 and 5 herein. The decision to proceed or to forbear or delay in proceeding with the implementation or construction of the Project or any Project Improvements shall be in the sole discretion of Developer and the failure of Developer to proceed with construction of any Project Improvements shall not (i) give rise to any rights of the City to terminate this Agreement or (ii) constitute an event of default or give rise to any liability, claim for damages or cause of action against Developer.

4.7 Timing of Construction of Project Improvements.

4.7.1 Developer shall not be required to construct the Project Improvements in any particular order or pursuant to any particular schedule, provided, however, that the following prerequisites to the Project Improvements as described in the table below are met:

Prior To:	Developer Must:
<p>Issuance of a Certificate of Occupancy for MOB1</p>	<p>Complete the construction of the traffic mitigation improvements identified in the EIR (collectively, the “<b>Traffic Mitigation Improvements</b>”) that are listed in Paragraph 1 on <u>Exhibit “F”</u> attached hereto.</p> <p>Complete the construction of the Realignment Improvements (as hereinafter defined) that are listed in Paragraph 1 on <u>Exhibit “K”</u> attached hereto.</p> <p>Obtain the issuance of a Certificate of Occupancy for PS1.</p> <p>Complete all (i) Conditions of Approval that are required for the construction of MOB1 and PS1, and (ii) CEQA mitigation measures identified in the EIR that are associated with the construction of MOB1 and PS1.</p>

<p>Issuance of a Certificate of Occupancy for the Inpatient Building</p>	<p>Obtain the issuance of Certificates of Occupancy for PS1 and MOB1.</p> <p>Complete the construction of the Traffic Mitigation Improvements that are listed in Paragraph 2 on <u>Exhibit "F"</u> attached hereto.</p> <p>Complete the construction of the Realignment Improvements that are listed in Paragraph 2 on <u>Exhibit "K"</u> attached hereto.</p> <p>Provide City Required Parking (as hereinafter defined) on the Campus Property for (i) the Existing Improvements, (ii) any Prior Project Buildings (as hereinafter defined) and (iii) the Inpatient Building.</p> <p>Complete all (i) Conditions of Approval that are required for the construction of the Inpatient Building, and (ii) CEQA mitigation measures identified in the EIR that are associated with the construction of the Inpatient Building and any related parking structures.</p>
<p>Issuance of a Building Permit for MOB2</p>	<p>Obtain the issuance of Certificates of Occupancy for PS1 and MOB1.</p> <p>Complete the relocation of hospital functions into MOB1 as specified in Section 5.6 herein.</p> <p>Provide City with written verification that plans for the Inpatient Building have been submitted to OSHPD for approval.</p>
<p>Issuance of a Certificate of Occupancy for MOB2</p>	<p>Provide City Required Parking on the Campus Property for (i) the Existing Improvements, (ii) any Prior Project Buildings and (iii) MOB2.</p> <p>Complete the construction of the Traffic Mitigation Improvements that are listed in Paragraph 2 on <u>Exhibit "F"</u> attached hereto.</p> <p>Complete the construction of the Realignment Improvements that are listed in Paragraphs 2 and 3 on <u>Exhibit "K"</u> attached hereto.</p>

	<p>Complete all (i) Conditions of Approval that are required for the construction of MOB2, and (ii) CEQA mitigation measures identified in the EIR that are associated with the construction of MOB2 and any related parking structures.</p> <p>Issuance of a Certificate of Occupancy for MOB2 shall be conditioned on Developer providing written documentation to the City Council that 20% of MOB2's leasable space has been leased to HMNMH for Centers of Excellence (as hereinafter defined) or other hospital-related uses.</p>
<p>Issuance of a Building Permit for MOB 3</p>	<p>Obtain issuance of Certificates of Occupancy for PS1 and MOB1.</p> <p>Complete the relocation of hospital functions into MOB1 as specified in Section 5.6 herein.</p> <p>Complete the construction of the Traffic Mitigation Improvements that are listed in Paragraph 2 on <u>Exhibit "F"</u> attached hereto.</p> <p>Complete the construction of the Realignment Improvements that are listed in Paragraphs 2 and 3 on <u>Exhibit "K"</u> attached hereto.</p> <p>Foundations for the Inpatient Building shall be complete. In addition, either vertical steel rebar must be in place for the first structural column section or, if a steel structural frame is to be used, the first vertical steel column section must be in place.</p> <p>Developer to provide proof that an agreement with a contractor(s) for completing the Inpatient Building has been entered into.</p> <p>Obtain issuance of a building permit for PS3 and provide written documentation satisfactory to the Director of Community Development that, upon issuance of a Certificate of Occupancy for PS3, Developer shall provide City Required Parking on the Campus Property for (i) the Existing Improvements, (ii) any Prior Project Buildings and (iii) MOB 3. The City shall impose as a condition to the issuance</p>

	of a certificate of occupancy for MOB3 that a certificate of occupancy has been issued for PS3.
Issuance of a Certificate of Occupancy for MOB3	<p>Complete all (i) Conditions of Approval that are required for the construction of MOB3, and (ii) CEQA mitigation measures identified in the EIR that are associated with the construction of MOB3.</p> <p>Complete the Traffic Mitigation Improvement that is listed in Paragraph 4 on <u>Exhibit "F"</u> attached hereto.</p>

4.7.2 For purposes of Section 4.7.1: (a) the term “**City Required Parking**” means the number of parking spaces set forth on Exhibit “G” to this Agreement ; and (b) the term “**Prior Project Buildings**” means any Project Buildings under this Agreement (i) for which a certificate of occupancy has been issued by the City or (ii) which are then under construction.

4.7.3 For purposes of Section 4.7.1, the term “**Centers of Excellence**” means the provision of highly specialized health care services via physician and/or hospital-authorized providers or hospital collaboration around a disease category (e.g. – cancer, heart, maternity or orthopedic or spine) or a service area (e.g. – outpatient imaging) in a central location. “Centers of Excellence” include diagnostics, treatment, rehabilitation, nursing, physician or community educational programs, clinical research and advanced medical technologies.

4.8 Additional Subterranean Parking Spaces. Developer shall be permitted to add additional subterranean parking spaces in any Parking Structure beyond the number of City Required Parking spaces required for that Parking Structure (the “**Additional Subterranean Spaces**”), without the necessity of an amendment to this Agreement or the modification of the Project Approvals, unless the exportation of dirt required for any such Additional Subterranean Spaces shall cause the aggregate cubic yards of dirt export in connection with the development of the Project to exceed 93,293 cubic yards. Should the Developer provide these Additional Subterranean Spaces in any Parking Structure, the Developer may reduce the number of City Required Parking spaces in a subsequently constructed Parking Structure by no more than the aggregate number of Additional Subterranean Spaces.

5. Restrictions on Use. Developer agrees that the use of the Campus Property shall be restricted as follows during the Term of this Agreement:

5.1 all Existing Improvements on the G&L Property and any Project Buildings developed on the G&L Property during the Term of this Agreement shall be used solely for the

purpose of (i) the erection, maintenance and operation of medical office buildings, which may include, but not be limited to, the operation of doctors' offices, pharmacies, diagnostic imaging facilities, lab specimen collection, doctor billing services, and such other health care services as may be provided by doctors or HMNMH or its affiliates, successors and assigns, and (ii) such other medical uses approved in writing in advance by the Hospital, its affiliates, successors and assigns; and

5.2 unless otherwise approved by HMNMH in writing (which approval may be given or withheld in HMNMH's sole and absolute discretion), all new tenants executing a new lease during the Term of this Agreement in any Existing Improvements and Project Buildings located on the G&L Property shall be limited to physicians who, or professional entities comprised of physicians the majority of whom, have privileges to admit and treat patients at HMNMH; and

5.3 HMNMH shall have a right of first offer to lease any space in any Existing Improvements and Project Buildings of the G&L Property in accordance with the procedures set forth in Exhibit "H"; and

5.4 HMNMH shall have a right of first refusal to purchase all or any part of the G&L Property and the Existing Improvements and the Project Buildings thereon in accordance with the procedures set forth in Exhibit "I"; and

5.5 The HMNMH Property and buildings located thereon (including the Existing Improvements thereon and the Inpatient Building, but excluding MOB1) shall be limited to hospital and hospital-related uses during the Term of this Agreement.

5.6 HMNMH shall relocate some or all of the following hospital functions to MOB1: administration, nursing administration, human resources, information technology, quality and medical staff services, education, board and educational conference rooms, business services including billing and collections, accounting services, material management and logistics; clinical case management, social services, risk management, medical library, medical staff conference rooms, marketing, public relations and community relations, security and safety and other support offices. These hospital functions will occupy 40,000 rentable square feet in MOB1 as part of the initial occupancy/leasing of MOB1.

5.7 Except for the Existing Gated Areas (as hereinafter defined) or as otherwise provided in the Conditions of Approval, all parking on the Campus Property shall be available for all uses on the Campus Property, and, where appropriate, reciprocal parking and access easements/agreements either have been or hereafter shall be executed by Developer prior to certificates of occupancy being issued for each parking structure to effectuate this requirement.

5.8 Subject to completion of the improvements referenced below, expanded services available on the Campus Property shall include:

5.8.1 A 50% increase in the current number of intensive care beds from

12 beds to 18 beds in an improved critical care center, to be located in the current Hospital facility within two years after issuance of a certificate of occupancy of MOB1.

5.8.2 Neonatal intensive care services to address medical needs of high risk pregnancies and high risk infants, to be developed within the main hospital building or located in the new Inpatient Building within two years following the issuance of the certificate of occupancy for the Inpatient Building, unless prior to this time another hospital has been located in the Santa Clarita Valley which duplicates full-service obstetric care.

5.8.3 A women's services unit to include private labor and delivery suites and dedicated operating rooms for scheduled and emergency c-section deliveries, along with post-operative and post-partum private rooms, to be located in the new Inpatient Building within two years following the issuance of the certificate of occupancy for the Inpatient Building.

5.8.4 A minimum 50% increase in inpatient operating room capacity from 4 operating rooms to at least 6 operating rooms. Additional operating rooms to occur upon the issuance of the certificate of occupancy for the new Inpatient Building.

5.8.5 Additional post coronary care private rooms to complement interventional cardiac services, to occur in the existing Hospital facility if services are able to be moved to the new Medical Buildings, or otherwise in the new Inpatient Building upon issuance of the certificate of occupancy for the Inpatient Building.

5.8.6 Expansion of post-surgical care services with additional private room accommodations in the new Inpatient Building, to occur within two years following the issuance of the certificate of occupancy for the Inpatient Building.

5.8.7 Replacement and expansion of campus educational and training facilities for both Hospital staff and community health education, to be provided in the new Medical Buildings within one (1) year of the certificate of occupancy of MOB1.

5.9 TCU Task Force. HMNMH will continue to actively participate in the City's Transitional Care Unit (TCU) Task Force designed to insure that a suitable location and operator for a TCU facility is provided within the Santa Clarita Valley. In addition, the Developer shall contribute Two Hundred and Fifty Thousand Dollars (\$250,000) to the City, to be used at the discretion of the City Council, following a recommendation of the City's TCU Task Force, for the feasibility, siting and construction of a facility or other senior health care needs. The sum of \$50,000 shall be paid upon the Effective Date of this Agreement. The

remaining balance shall be paid in equal installments of \$50,000 per year on the anniversary date of the Effective Date of this agreement until the entire amount is paid. If a facility is found and the funds are needed for the purchase and development of the facility, these funds shall be provided within 30 days upon a written request from the City Manager.

6. Parking. During the Term of this Agreement, Developer shall not (i) gate any entrances to surface parking areas (other than the Existing Gated Areas for physician parking) or Parking Structures on the Campus Property or (ii) charge any patients or visitors for parking on the Campus Property unless: (a) in the case of any proposed gating of parking entrances, Developer hereafter files an application with the City for a minor use permit of such gating, which application must be submitted to the City Council for its review and approval; and (b) in the case that Developer hereafter proposes to charge patients or visitors for parking on the Campus Property, Developer files an application with the City for approval of the right to institute such parking charges, which application must be submitted to the City Council for its review and approval. In conjunction with filing an application under either clause (a) or (b) above, such application shall be accompanied by a study that analyzes the potential impacts and benefits of the proposed actions that are the subject of the application. The term “**Existing Gated Areas**” means: (x) the existing surface lot for physician parking located adjacent to the north side of the new emergency room for the Hospital, which contains 25 parking spaces; and (y) the existing surface lot for physician parking located adjacent to the west side of the main Hospital building, which contains 24 parking spaces.

7. Exactions, Dedications, Assessments, Fees, Reservations, Dedications and Public Improvements.

7.1 Bridge and Thoroughfare District Fees. For purposes of this Agreement, the term “**B&T Fees**” means any Bridge and Thoroughfare District Fees that are established pursuant to Santa Clarita Code Section 16.21.190. During the Term of this Agreement, Developer shall be responsible for the payment of all B&T Fees that are imposed by the City in connection with the issuance by the City of a building permit for the construction of any Project Buildings. The B&T Fees with respect to each Project Building shall be calculated at the rates in effect on the date that Developer submits its application for the building permit for that Project Building, provided that such rates are uniformly applied throughout the District. Subject to section 7.3 herein, and subject to approval by the District of an application submitted by the Developer in accordance with the District’s guidelines and procedures, Developer shall be entitled to a credit against the B&T Fee for any eligible out-of-pocket costs incurred by Developer in the performance of any required Traffic Mitigation Improvements.

7.2 Exactions and Fees. The City agrees that no conditions, exactions, dedications, assessments, fees, reservations or public improvements whatsoever shall be imposed or required by the City in connection with any Project Approvals or the development of the Project or any portion thereof except for: (a) the B&T Fees, (b) the Conditions of Approval, (c) the Traffic Mitigation Improvements set forth on Exhibits “F” and “K”, (d) the obligations of Developer under Section 7.3, and (e) any fees or exactions that the City is mandated to impose under a law or regulation adopted after the Effective Date of this Agreement by the federal government, the State of California or the County of Los Angeles Where the Developer must

provide for construction of improvements or dedication of land, or both, in lieu of payment of a regulatory fee or development imposition, and such construction and/or dedication constitutes, by agreement of the City, full and complete discharge of the obligation of Developer and the Campus Property for the impact or matter at issue, no future development fee or regulatory imposition may be imposed upon the Campus Property or the development for all or any portion thereof for the same or similar purpose.

7.3 Realignment and Widening of McBean Parkway. The City desires to widen and realign McBean Parkway in the future in order to improve overall traffic circulation (the "**McBean Frontage Realignment**"). The City has requested that the Developer assist the City's efforts to effectuate the McBean Frontage Realignment. Consistent with Santa Clarita Municipal Code section 17.03.010(E)(4) (requirement that a development agreement provide for clear and substantial public benefit) and in addition to the other public benefits provided by Developer herein, Developer further agrees to provide assistance toward the McBean Frontage Realignment by taking the following actions and providing the following payments and dedications, pursuant to the terms and conditions set forth below:

7.3.1 Prior to the issuance of the building permit for MOB1 or PS1, Developer shall dedicate to the City, at no cost to the City, the portion of the Campus Property that fronts McBean Parkway which is depicted and legally described on Exhibit "J" to this Agreement for use by the City as right-of-way for the future McBean Frontage Realignment (the "**Dedicated Area**").

7.3.2 In addition to the required Traffic Mitigation Improvements listed on Exhibit "F" to this Agreement, Developer also shall complete the construction of the street improvements to McBean Parkway listed on Exhibit "K" to this Agreement (collectively, the "**Realignment Improvements**"), as and when required under Section 4.7 and Exhibit "K", at the respective locations and configurations (collectively, the "**Designated Configuration**") shown on that certain preliminary engineering plan depicting the McBean Frontage Realignment, prepared by DCA Engineers, dated July 24, 2008 (the "**Frontage Design Plan**"), which is attached as Exhibit "L" to this Agreement. The Frontage Design Plan has been reviewed by the City. Exhibit F to this Agreement sets forth the traffic improvements imposed by the City as mitigation measures pursuant to the EIR, which are to be performed by Developer as provided therein. Exhibit K sets forth the Realignment Improvements which Developer has agreed to perform pursuant to this Agreement Prior to the issuance by the City of any permit required for the construction of any Realignment Improvement, Developer shall submit to the City, for its review and approval, detailed street improvement plans for such Realignment Improvement based upon the Frontage Design Plan.

7.3.3 On or prior to the fifth (5<sup>th</sup>) anniversary of the Effective Date, Developer shall pay to the City the sum of \$500,000 to be utilized by the

City for the McBean Frontage Realignment.

In the event that the McBean Frontage Realignment is a project that is or becomes eligible for the use of B&T Fees pursuant to Santa Clarita Code Section 16.21.190 , Developer shall be entitled to a credit against the B&T Fee for eligible out-of-pocket costs as (as determined by the rules and regulations governing such credits that are then generally in effect in the City) for (i) those Traffic Mitigation Improvements described on Exhibit F as items 1(a) and 2(a), and (ii) those Realignment Improvements described on Exhibit K as items 1(d), 2(a) and 2(b), that are incurred by Developer.

7.4 No Eminent Domain. The City and Developer expressly acknowledge and agree that the City shall not initiate nor prosecute any condemnation or eminent domain action to acquire any residential real property in connection with the development of the Project or in order to facilitate the construction of any Traffic Mitigation Improvements identified on Exhibit "F" or "K" to this Agreement.

8. Cooperation and Implementation by the City and Developer.

8.1 Processing. Upon execution of this Agreement, the City shall commence and proceed to complete all steps required of the City necessary or appropriate for the implementation of this Agreement and the development of the Project in accordance with the terms of this Agreement, including, but not limited to, the processing and checking of any and all subdivision or plat maps, improvement plans, grading plans, building plans and specifications and any other plans necessary for the development of the Project and the issuance of all necessary building permits, occupancy certificates, or other required permits for the construction, use, and occupancy of the Project. The City acknowledges that HMNMH intends to apply to the City for approval to subdivide the HMNMH Property so as to create a separate legal parcel for MOB1 and the City agrees to process such application in accordance with this Section 8.1. The City's obligations pursuant to this Section 8.1 are conditioned upon the Developer providing the City with all documents, plans, fees and other information necessary for the City to carry out its obligations under this Agreement, consistent with the City's application procedures, codes, ordinances and standards.

8.2. Other Governmental Permits. City agrees to cooperate with Developer in Developer's endeavors to obtain permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Property or portions thereof (such as, for example, but not by way of limitation, public utilities or utility districts and agencies having jurisdiction over transportation facilities and air quality issues) so long as the cooperation by City will not require City to incur any cost, liability or expense without adequate indemnity against or right of reimbursement therefor from Developer.

9. Term of Agreement. This Agreement shall be binding as and when the ordinance approving this Agreement has been approved by the City Council and the Agreement has been executed by the City and Developer, and shall remain in effect until the fifteenth (15<sup>th</sup>) anniversary of the Effective Date (the "**Term**"). Expiration or termination of this Agreement shall not affect any right arising from permits or approvals on the Campus Property issued by the

City prior to such expiration or termination, nor shall such expiration affect any right the City may have by reason of the Developer's covenants to dedicate land or provide public improvements in conjunction with any portion of the Campus Property which is under construction at such time.

10. Vesting.

10.1 Existing Rules to Govern. Except as otherwise provided in this Agreement, no amendment to, revision of, or addition to any of the Applicable Rules without the Developer's written approval, whether adopted or approved by the City Council or any office, board, commission or other agency of the City, or by the people of the City through charter amendment, referendum or initiative measure, shall be effective or enforceable by the City with respect to the Project, and the design, density, intensity, signage, grading, zoning, construction, remodeling, or use of the Project. No future modification of City's codes or ordinances, or adoption of any code, ordinance, regulation or other action that purports to limit the rate of development over time or directly or indirectly limit the number of building permits issued or obtainable during any period within the Term (whether adopted or imposed by the City Council or through the initiative or referendum process) shall apply to the Project or any part thereof; nor shall any such modification or adoption of a code, ordinance or regulation modify the rights held by Developer hereunder.

10.2 Subsequent "Slow/No Growth" Measures. To the fullest extent legally permissible, any subsequently enacted initiatives, referenda, moratoria or amendments to the General Plan and/or ordinances which contain "slow/no growth" measures, or which by their terms are intended to or by operation have such effect, shall have no application to the Project.

11. OSHPD Regulations. The City and Developer mutually acknowledge and agree that Part 7 of the California Health and Safety Code and Part 1, Chapter 7 of Title 24 of the California Code of Regulations grant exclusive authority to the California Office of Statewide Health Planning & Development over the construction of the Inpatient Building and any other "hospital building" as defined in California Health and Safety Code Sections 129675-129680 and Section 7-111 of Part 1, Chapter 7 of Title 24 of the California Code of Regulations.

12. Review of Compliance. Developer shall request annual review of this Agreement in accordance with Government Code Section 65865.1, Santa Clarita Code Section 17.03.010.J., and this Agreement, in order to ascertain compliance by the Developer with the terms of this Agreement.

13. Mortgages.

13.1 Mortgagee Protection. No breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage or deed of trust made in good faith and for value affecting any portion of the Campus Property or any Existing Improvements or Project Improvements thereon (collectively, a "**Mortgage**"); and any acquisition or acceptance of title or any right or interest in or with respect to the Campus Property or any portion thereof pursuant to a Mortgage, foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise shall be subject to

all of the terms and conditions contained in this Agreement and entitled to all of its benefits. The Parties agree that they will make reasonable amendments to this Agreement to meet the requirements of any lender for the Project.

13.2 Mortgagee Not Obligated. No mortgagee under any Mortgage (collectively, a “**Mortgagee**”) shall have an obligation or duty under this Agreement to perform the Developer’s obligations or other affirmative covenants of either hereunder, or to guarantee such performance, except where such Mortgagee attempts to exercise any rights hereunder associated with any such obligation or duty.

13.3 Notice of Default to Mortgagee: Right of Mortgagee to Cure. If the City receives notice from a Mortgagee requesting a copy of any notice of default given hereunder and specifying the address for service thereof, and the said Mortgagee has recorded a copy of such request in the official records of Los Angeles County in the manner required under California Civil Code Section 2924b with respect to Requests for Notices of Default, then the City shall deliver to such Mortgagee, concurrently with service thereon to the applicable Party, any notice given to the applicable Party with respect to any claim by such Party that it has not complied in good faith with the terms of this Agreement or has committed an event of default. Each Mortgagee shall have the right (but not the obligation) for a period of ninety (90) days after the receipt of such notice from such Party to cure or remedy, or to commence to cure or remedy, the claimed default or act of noncompliance set forth in such Party’s notice. If the default is of a nature which can only be remedied or cured by such Mortgagee upon obtaining possession, such Mortgagee may (but is not obligated to) seek to obtain possession with diligence and continuity through foreclosure, a receiver or otherwise, and may (but is not obligated to) thereafter remedy or cure the default or noncompliance within thirty (30) days after obtaining possession. If any such default or noncompliance cannot, with diligence, be remedied or cured within such thirty (30) day period, then such Mortgagee shall have such additional time as may be reasonably necessary to remedy or cure such default or noncompliance if such Mortgagee commences cure during such thirty (30) day period, and thereafter diligently pursues and completes such cure.

13.4 Bankruptcy. Notwithstanding the foregoing provisions of this Section 13, if any Mortgagee is prohibited from commencing or prosecuting foreclosure, or other appropriate proceedings in the nature thereof, by any injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving the Developer, the times specified in Section 13.3 for commencing or prosecuting foreclosure or other proceedings shall be extended for the period of the prohibition.

14. Default and Remedies.

14.1 Notice and Cure.

14.1.1 In the event of failure by either party hereto substantially to perform any terms, covenant or condition of this Agreement which is required on its part to be performed (“**Default**”), the non-defaulting party shall have those rights and remedies provided in this Agreement, provided that such non-defaulting party has first sent a written notice of Default, in

the manner required by Section 18, by registered or certified mail, return receipt requested, identifying with specificity the nature of the alleged Default and the manner in which the alleged Default may be satisfactorily cured (“**Notice of Default**”). In the event of a Default by Developer, the Notice of Default shall also be provided to any Mortgagee of Developer which has delivered a Request for Notice to the City in accordance with Section 13.3.

14.1.2 In the case of a monetary Default by Developer, Developer shall promptly commence to cure the identified Default and shall complete the cure of such Default within ten (10) business days after receipt by Developer of the Notice of Default. In the case of a non-monetary Default by either party, the alleged defaulting party shall promptly commence to cure the identified Default and shall complete the cure within thirty (30) days after receipt of the Notice of Default. The thirty (30) day cure period for a non-monetary Default shall be extended as is reasonably necessary to remedy such Default, provided that the alleged defaulting party commences such cure promptly after receiving the Notice of Default and continuously and diligently pursues such remedy at all times until such Default is cured.

14.2 Remedies for Monetary Default. In the event of Default by Developer in the performance of any of its monetary obligations under this Agreement which remains uncured (i) ten (10) business days after receipt by Developer of a written notice of default from the City and (ii) after expiration of Mortgagee’s cure period under Section 13.3 (if a Mortgagee of Developer has delivered a Request for Notice to the City in accordance with Section 13.3), the City shall have available any right or remedy provided in this Agreement, at law or in equity. All of said remedies shall be cumulative and not exclusive of one another, and the exercise of any one or more of said remedies shall not constitute a waiver or election in respect to any other available remedy.

14.3 Remedies for Non-Monetary Default.

14.3.1 In the event of non-monetary Default by either party hereunder which remains uncured (i) after expiration of all applicable notice and cure periods and (ii) in the case of a Default by Developer, after the expiration of Mortgagee’s cure period under Section 13.3 (if a Mortgagee of Developer has delivered a Request for Notice to the City in accordance with Section 13.3), the non-defaulting party shall have available any right or remedy provided in this Agreement, or provided at law or in equity except as prohibited by this Agreement. All of said remedies shall be cumulative and not exclusive of one another, and the exercise of any one or more of said remedies shall not constitute a waiver or election in respect to any other available remedy.

14.3.2 The City and Developer acknowledge that monetary damages and

remedies at law generally are inadequate and that specific performance is an appropriate remedy for the enforcement of this Agreement. Therefore, the remedy of specific performance shall be available to both the City and Developer under this Agreement in the event of a non-monetary Default.

14.3.3 The City and Developer hereby stipulate that Developer shall be entitled to obtain relief in the form of a writ of mandate in accordance with Code of Civil Procedure Section 1085 or Section 1094.5, as appropriate, to remedy any non-monetary Default by the City of its obligations and duties under this Agreement.

14.3.4 Neither the City nor Developer shall have the right to sue for monetary damages as a result of a non-monetary Default under this Agreement.

#### 14.4 Termination of Agreement by City.

14.4.1 In the event that (i) the City finds and determines pursuant to Section 12, on the basis of substantial evidence, that Developer has not been in good faith compliance with the terms and conditions of this Agreement, or (b) the City finds and determines that there has been a Default by Developer of its obligations under this Agreement, the City may commence proceedings to terminate this Agreement pursuant to this Section 14.4.

14.4.2 The procedures for termination of this Agreement by the City for the grounds set forth in Section 14.4.1 are as follows:

14.4.2(a) The City shall provide a written notice to Developer (and to any Mortgagee of Developer which has delivered a Request for Notice to the City in accordance of Section 13.3) of its intention to terminate this Agreement unless Developer (or the Mortgagee) cures or corrects the acts or omissions that constitute the basis of such determinations by the City (the **“Hearing Notice”**). The Hearing Notice shall be delivered by the City to Developer in accordance with Section 18 and shall contain the time and place of a public hearing to be held by the City Council on the determination of the City to proceed with termination or modification of this Agreement. The public hearing shall not be held earlier than: (i) thirty-one (31) days after delivery of the Hearing Notice to Developer, or (ii) if a Mortgagee has delivered a Request for Notice in accordance with Section 13.3, the day following the expiration of the Mortgagee’s cure period.

14.4.2(b) If, following the conclusion of the public hearing, the City Council: (i) determines that Developer is in Default of its

obligations under this Agreement or has not been in good faith compliance with this Agreement pursuant to Section 12, as applicable; and (ii) further determines that Developer (or the Mortgagee, if applicable) has not cured the acts or omissions that constitute the basis of the determination under subsection (i) or, if those acts or omissions could not be reasonably remedied prior to the public hearing, that Developer (or the Mortgagee) has not in good faith commenced to cure or correct such acts or omissions prior to the public hearing or is not diligently and continuously proceeding therewith to completion, the City Council may terminate this Agreement.

15. Project Approvals Independent. If any provision of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid or unenforceable, or if this Agreement is terminated for any reason, then such invalidity, unenforceability or termination of this Agreement, or any part hereof, shall not affect the validity or effectiveness of any Project Approvals or land use approvals which have been issued or granted by the City prior to that time. In such cases, such Project Approvals or land use approvals will remain in effect pursuant to their own terms, provisions, and conditions of approval.

16. Required Actions of Parties; Further Assurances. The City and the Developer shall execute all such instruments and documents and take in good faith all actions necessary or convenient to consummate the transactions herein contemplated.

17. Assignment. The rights of the Developer under this Agreement may be transferred or assigned in whole or in part to any person acquiring all or any portion of the Campus Property or the Project subject only to the City's written approval of the assignee or transferee, which shall not be unreasonably withheld. Express assumption of any of the Developer's obligations under this Agreement by any such transferee or assignee shall release the Developer from the obligations so assigned and the City shall look solely to the transferee or assignee for performance of the assigned obligations under this Agreement.

18. Notices. All notices under this Agreement shall be in writing and shall be effective when personally delivered or upon receipt after deposit in the United States mail as registered or certified mail, postage prepaid, return receipt requested, to the following representatives of the Parties at the addresses indicated below or to such other addresses as one Party may provide to the other from time to time:

If to the City:

City of Santa Clarita  
23920 Valencia Boulevard, Suite 300  
Santa Clarita, California 91355  
Attention: City Manager

With a copy to:

Burke, Williams & Sorensen  
611 West Sixth Street, Suite 2500  
Los Angeles, California 90017  
Attention: Carl K. Newton, City Attorney

If to the Hospital:

Henry Mayo Newhall Memorial Hospital  
23845 McBean Parkway  
Valencia, CA 91355  
Attention: Roger E. Seaver, President & CEO

With a copy to:

Hooper, Lundy and Bookman, Inc.  
101 West Broadway, Suite 1330  
San Diego, CA 92101-3890  
Attention: Stephen Treadgold, Esq.

If to G&L:

G&L Valencia, LLC  
439 Bedford Drive  
Beverly Hills, CA 90210  
Attention: Steven D. Lebowitz

With a copy to:

Law Offices of Richard A. Lawrence  
2815 Townsgate Road, Suite 140  
Westlake Village, CA 91361  
Attention: Richard A. Lawrence, Esq.

19. Amendment or Cancellation. Subject to meeting the notice and hearing requirements of Section 65867 of the Government Code, this Agreement may be amended from time to time, or canceled in whole or in part, by mutual consent of the City and Developer, or their respective successors in interest in accordance with the provisions of Section 65868 of the California Government Code; provided, however, that any amendment which does not relate to the Term, permitted uses, density or intensity of use, height or size of Project Improvements, provisions for reservation and dedication of land, conditions, terms, restrictions and requirements relating to subsequent discretionary actions, or any conditions or covenants relating to the use of the Campus Property, shall not require notice or public hearing before the Parties may execute an amendment hereto.

20. Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought and referring expressly to this Section. No waiver of any right or remedy in respect of any occurrence or event shall be deemed a waiver of any right or remedy in respect of any other occurrence or event.

21. Successor and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties, and any subsequent owners of all or any portion of the Campus Property and their respective successors and assigns. Any successors in interest to the City shall be subject to the provisions set forth in Sections 65865.4 and 65868.5 of the Government Code.

22. Interpretation and Governing State Law. This Agreement and any dispute arising

hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objective and purposes of the Parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, both Parties having been represented by counsel in the negotiation and preparation hereof. All legal actions brought to enforce the terms of this Agreement shall be brought and heard in the Superior Court of the State of California, County of Los Angeles.

23. Constructive Notice and Acceptance. Every person who, now or hereafter, owns or acquires any right, title or interest in or to any portion of the Campus Property is, and shall be, conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Campus Property.

24. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

25. Attorneys' Fees. If either Party commences any action for the interpretation, enforcement, termination, cancellation or rescission hereof, or for specific performance of the breach hereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

26. Counterparts. This Agreement may be executed in two or more identical counterparts, each of which shall be deemed to be an original and each of which shall be deemed to be one and the same instrument when each Party signs each such counterpart.

27. Incorporation of Attachments. All recitals and attachments to this Agreement, including all Exhibits referenced herein, and all subparts thereto, are incorporated herein by this reference.

28. Determinations. Whenever in this Agreement the consent or approval of any party to this Agreement is required, such consent or approval shall not be unreasonably withheld or delayed. In addition, unless a contrary standard or right is set forth herein, whenever any party hereto is granted a right to take action, exercise discretion, or make an allocation, judgment or other determination, each party hereto shall act reasonably and in good faith and take no action which might result in the frustration of the expectations of the other Parties concerning the benefits to be enjoyed under this Agreement as expressed in this Agreement.

29. Defense of Actions.

29.1 If any legal action or other proceeding is instituted by a third party or parties (including without limitation, another governmental entity or official), challenging the validity of any provision of the Project Approvals, the EIR or other CEQA actions related to the Project, or this Agreement, Developer and the City shall cooperate in defending any such action. The City shall promptly notify Developer of any such legal action against City within five (5)

business days after the City receives service of process, except for any petition for injunctive relief, in which case the City shall notify Developer immediately upon receipt of notice thereof. Developer shall indemnify, hold harmless and defend the City, and any of its officers, employees or agents for any claim or lawsuit brought to challenge the validity or enforcement of the Project Approvals, the EIR or other CEQA actions related to the Project, or this Agreement, instituted by a third party or another governmental entity or official; provided, however, that if the City fails to cooperate in the defense, Developer shall not thereafter be responsible for the City's defense costs. Developer shall reimburse all of the City's defense costs including, without limitation, court costs, attorneys fees and expert witness fees. Developer shall promptly pay all monetary awards, judgments, verdicts, court costs and attorney's fees that may be awarded in such action. The City shall be entitled to select counsel to conduct its defense in any such action; provided, however, that the City shall instruct such counsel to cooperate with Developer as provided in this Section 29.1.

29.2 The filing of any lawsuit(s) by a third party (not a party to this Agreement) after the Effective Date against the City and/or Developer relating to this Agreement or to other development issues affecting the Project shall not delay or stop the processing or issuance of any permit or authorization necessary for development of the Project, unless the City in good faith determines that such delay is legally required.

30. Estoppel Certificate. Either party may, at any time, and from time to time, (but no more frequently than four (4) times in any calendar year) deliver written notice to the other party requesting such party to certify in writing that, to the knowledge of the certifying party, (i) this Agreement is in full force and effect and a binding obligation of the parties, (ii) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and amount of any such defaults. A party receiving a request hereunder shall execute and return such certificate or give a written detailed response explaining why it will not do so within thirty (30) days following the receipt thereof. Each party acknowledges that such a certificate may be relied upon by third parties acting in good faith. A certificate provided by City establishing the status of this Agreement with respect to the HMNMH Property or the G&L Property shall be in recordable form and may be recorded with respect to the affected parcels at the expense of the recording party. Failure to deliver such a certificate or a written denial within the time specified above shall constitute a conclusive presumption against the party failing to provide the certificate that this Agreement is in full force and effect, without modification, except as may be represented by the requesting party; and that there are no uncured defaults in the performance of the requesting party except as may be so represented. All costs incurred in providing the notice(s) anticipated by this section including reasonable attorney's fees shall be borne by the requesting party.

31. Authorized Delays. Performance by any Party of its obligations hereunder shall be excused during any period of Excusable Delay, as hereinafter defined, provided that the Party claiming the delay gives written notice of the delay to the other Parties as soon as possible after the same has been ascertained. For purposes hereof, "**Excusable Delay**" shall mean delay that directly affects, and is beyond the reasonable control of, the Party claiming the delay, including without limitation: (a) act of God; (b) civil commotion; (c) riot; (d) strike, picketing or

other labor dispute; (e) shortage of materials or supplies; (f) damage to work in progress by reason of fire, flood, earthquake or other casualty; (g) failure, delay or inability of City to provide adequate levels of public services, facilities or infrastructure to the Property including, by way of example only, the lack of water to serve any portion of the Property due to drought; (h) delay caused by a delay by other third party entities which are required to approve plans or documents for Developer to construct the Project, or restrictions imposed or mandated by such other third party entities or governmental entities other than City; or (i) litigation brought by a third party attacking the validity of this Agreement, a Project Approval, or any other action necessary for development of the Project. Except for an Excusable Delay under clause (i) above, the payment of fees or monies by Developer under this Agreement shall not be excused or delayed during any period of Excusable Delay.

32. Administration of Agreement. Any decision by City staff concerning the interpretation and administration of this Agreement and development of the Property in accordance herewith may be appealed by the Developer to the Planning Commission, provided that any such appeal shall be filed with the City Clerk of City within ten (10) days after the affected Developer receives written notice of the staff decision. The Planning Commission shall render its decision to affirm, reverse or modify the staff decision within thirty (30) days after the appeal was filed. Thereafter the Developer may appeal the decision of the Planning Commission to the City Council pursuant to the same deadlines. The Developer shall not seek judicial review of any staff decision without first having exhausted its remedies pursuant to this section.

SIGNATURES ON THE FOLLOWING PAGES

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

“City”

CITY OF SANTA CLARITA  
a municipal corporation

Dated: January 23, 2009

By: *Ken Pulskamp* Assistant City Manager  
for Ken Pulskamp  
City Manager

ATTEST:

*Sharon Dawson*  
Sharon Dawson  
City Clerk



APPROVED AS TO FORM:

*Carl R. Johnson*  
City Attorney

“HMNMH”

Henry Mayo Newhall Memorial Hospital,  
a California non-profit public benefit corporation

Dated: January 12, 2009

By: *Roger E. Seaver*  
Roger E. Seaver  
President/CEO

“G&L”

G&L Valencia, LLC,  
a California limited liability company

By: G&L Realty Partnership, L.P.,  
a Delaware limited partnership  
Its: Sole Member

By: G&L Realty Properties, LLC  
a Nevada limited liability company  
Its: General Partner

Dated: January 13, 2009

By: 

Steven D. Lebowitz  
Its: Member

ACKNOWLEDGEMENT

State of California )  
County of Los Angeles )

On January 23, 2009, before me, Sharon A. Dawson, City Clerk, personally appeared KEN BULSKAMP, 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~~ <sup>that</sup> 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.

STRIP LIN

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.

Sharon A. Dawson  
Signature of Notary CITY CLERK

(seal)





**ACKNOWLEDGEMENT**

State of California )  
 )  
County of Los Angeles )

On January 13, 2009, before me, Helen Little, Notary Public, personally appeared STEVEN D. LEBOWITZ, 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 the 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.



Helen Little  
Signature of Notary

(seal)

**EXHIBIT "A"**  
**Legal Description of HMNMH Property**

PARCELS 1 AND 2 OF PARCEL MAP NO. 3083, IN THE CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP FILED IN BOOK 45, PAGE 91 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID PARCEL 1, SAID CORNER LYING ON THE NORTHWESTERLY LINE OF MC BEAN PARKWAY, 100.00 FEET WIDE, SAID NORTHWESTERLY LINE ALSO BEING A CURVE, CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1950.00 FEET; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 1, NORTH 19 DEGREES 37 MINUTES 08 SECONDS WEST, 551.90 FEET, SAID SOUTHWESTERLY LINE ALSO BEING A RADIAL LINE TO SAID CURVE; THENCE NORTH 42 DEGREES 30 MINUTES 21 SECONDS EAST, 510.04 FEET; THENCE SOUTH 47 DEGREES 43 MINUTES 44 SECONDS EAST, 103.96 FEET; THENCE SOUTH 42 DEGREES 24 MINUTES 24 SECONDS EAST, 37.17 FEET; THENCE SOUTH 38 DEGREES 57 MINUTES 00 SECONDS EAST, 24.83 FEET; THENCE SOUTH 51 DEGREES 19 MINUTES 23 SECONDS WEST, 20.00 FEET; THENCE SOUTH 38 DEGREES 35 MINUTES 36 SECONDS EAST, 108.15; THENCE SOUTH 33 DEGREES 01 MINUTES 43 SECONDS EAST, 45.04 FEET; THENCE NORTH 51 DEGREES 32 MINUTES 59 SECONDS EAST, 18.85 FEET; THENCE SOUTH 38 DEGREES 36 MINUTES 22 SECONDS EAST, 118.74 FEET; THENCE NORTH 51 DEGREES 40 MINUTES 23 SECONDS EAST, 24.00 FEET; THENCE SOUTH 41 DEGREES 24 MINUTES 03 SECONDS EAST, 250.71 FEET; THENCE SOUTH 03 DEGREES 50 MINUTES 00 SECONDS EAST, 21.88 FEET TO A POINT ON SAID NORTHWESTERLY LINE OF MC BEAN PARKWAY, 100.00 FEET WIDE AND SAID CURVE, A RADIAL LINE TO SAID CURVE BEARS NORTH 41 DEGREES 08 MINUTES 36 SECONDS WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 21 DEGREES 31 MINUTES 28 SECONDS FOR AN ARC LENGTH OF 732.56 FEET TO THE POINT OF BEGINNING FOR THIS DESCRIPTION.

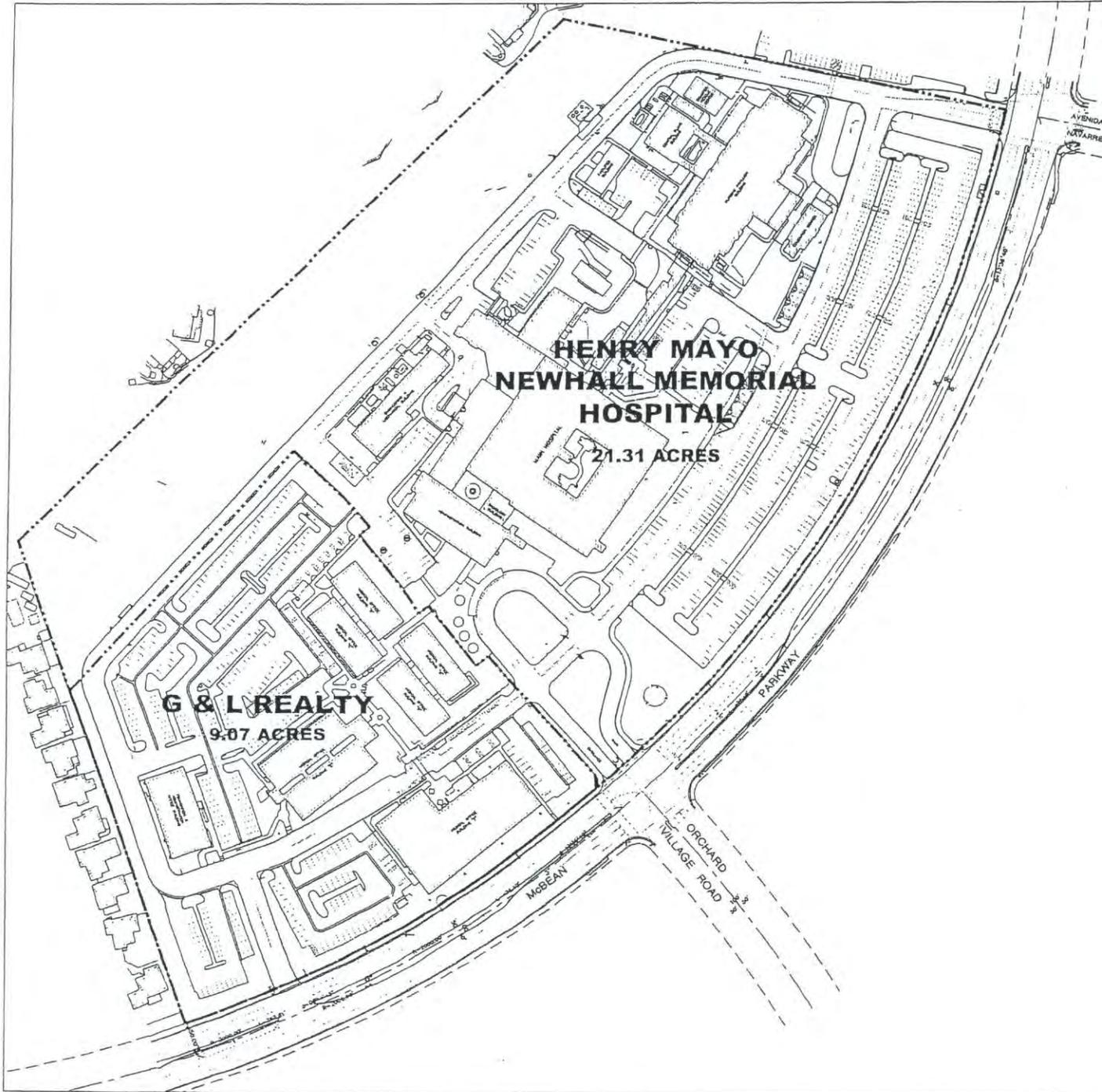
**EXHIBIT "B"**  
**Legal Description of G&L Property**

THOSE PORTIONS OF PARCELS 1 AND 2 OF PARCEL MAP NO. 3083, IN THE CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP FILED IN BOOK 45, PAGE 91 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID PARCEL 1, SAID CORNER LYING ON THE NORTHWESTERLY LINE OF MC BEAN PARKWAY, 100.00 FEET WIDE, SAID NORTHWESTERLY LINE ALSO BEING A CURVE, CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1950.00 FEET; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 1, NORTH 19 DEGREES 37 MINUTES 08 SECONDS WEST, 551.90 FEET, SAID SOUTHWESTERLY LINE ALSO BEING A RADIAL LINE TO SAID CURVE; THENCE NORTH 42 DEGREES 30 MINUTES 21 SECONDS EAST, 510.04 FEET; THENCE SOUTH 47 DEGREES 43 MINUTES 44 SECONDS EAST, 103.96 FEET; THENCE SOUTH 42 DEGREES 24 MINUTES 24 SECONDS EAST, 37.17 FEET; THENCE SOUTH 38 DEGREES 57 MINUTES 00 SECONDS EAST, 24.83 FEET; THENCE SOUTH 51 DEGREES 19 MINUTES 23 SECONDS WEST, 20.00 FEET; THENCE SOUTH 38 DEGREES 35 MINUTES 36 SECONDS EAST, 108.15; THENCE SOUTH 33 DEGREES 01 MINUTES 43 SECONDS EAST, 45.04 FEET; THENCE NORTH 51 DEGREES 32 MINUTES 59 SECONDS EAST, 18.85 FEET; THENCE SOUTH 38 DEGREES 36 MINUTES 22 SECONDS EAST, 118.74 FEET; THENCE NORTH 51 DEGREES 40 MINUTES 23 SECONDS EAST, 24.00 FEET; THENCE SOUTH 41 DEGREES 24 MINUTES 03 SECONDS EAST, 250.71 FEET; THENCE SOUTH 03 DEGREES 50 MINUTES 00 SECONDS EAST, 21.88 FEET TO A POINT ON SAID NORTHWESTERLY LINE OF MC BEAN PARKWAY, 100.00 FEET WIDE AND SAID CURVE, A RADIAL LINE TO SAID CURVE BEARS NORTH 41 DEGREES 08 MINUTES 36 SECONDS WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 21 DEGREES 31 MINUTES 28 SECONDS FOR AN ARC LENGTH OF 732.56 FEET TO THE POINT OF BEGINNING FOR THIS DESCRIPTION.

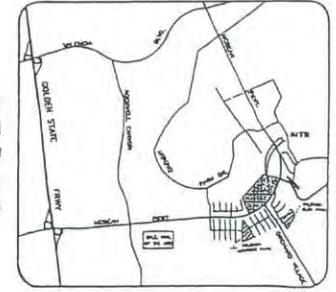
**EXHIBIT "C"**  
**Map of Campus Property**

The Map of the Campus Property is on the following page

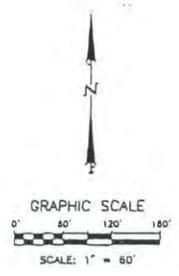


**HENRY MAYO  
NEWHALL MEMORIAL  
HOSPITAL**  
21.31 ACRES

**G & L REALTY**  
9.87 ACRES



VICINITY MAP  
NOT TO SCALE



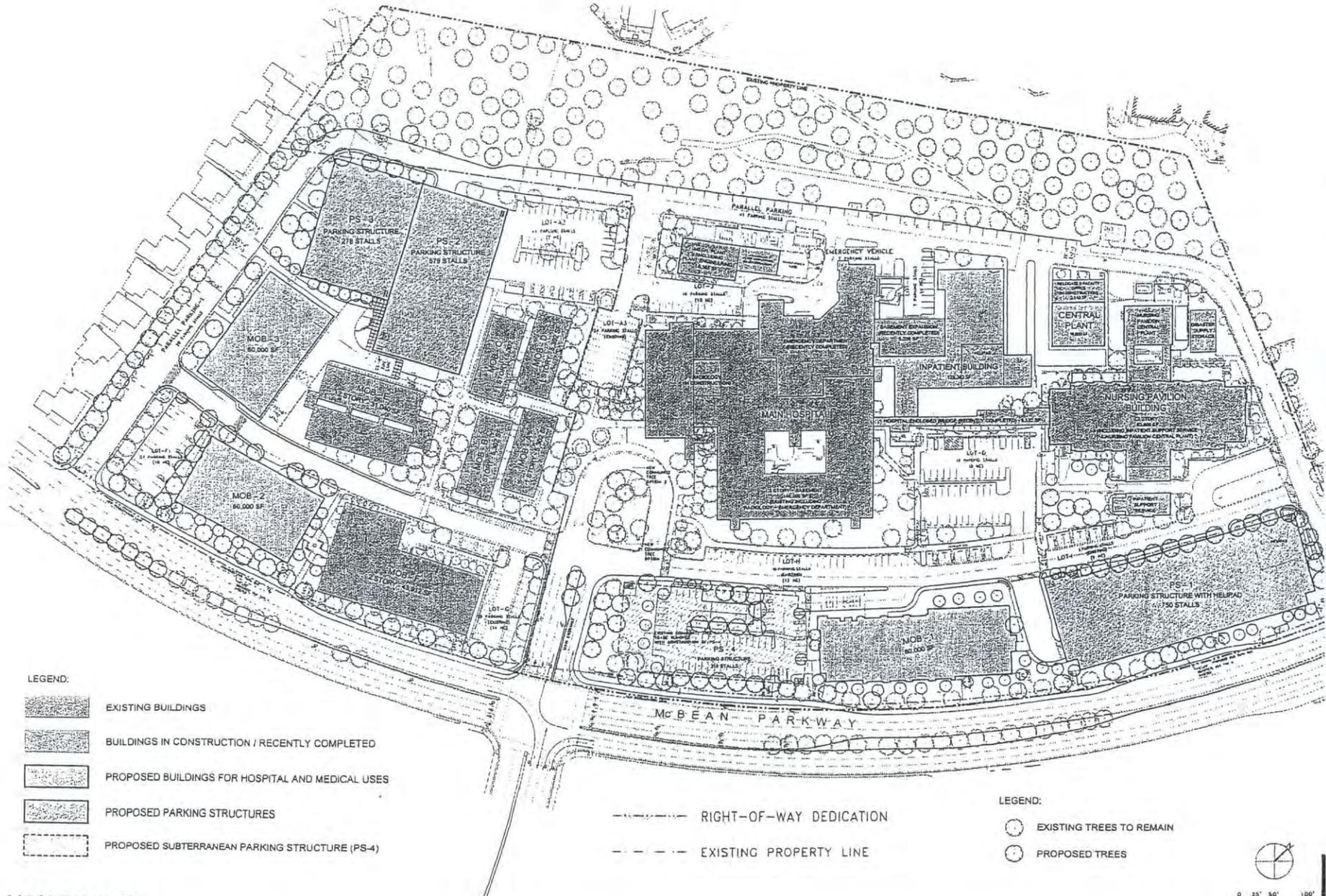
**EXHIBIT "D"**  
**Existing Improvements**

A Site Plan of the Campus Property depicting the Existing Improvements  
is on the following page.



**EXHIBIT "E"**  
**Master Plan**

The Master Plan for the Campus Property depicting the Project Improvements is on the following page.



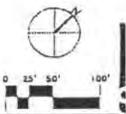
LEGEND:

- EXISTING BUILDINGS
- BUILDINGS IN CONSTRUCTION / RECENTLY COMPLETED
- PROPOSED BUILDINGS FOR HOSPITAL AND MEDICAL USES
- PROPOSED PARKING STRUCTURES
- PROPOSED SUBTERRANEAN PARKING STRUCTURE (PS-4)

- RIGHT-OF-WAY DEDICATION
- EXISTING PROPERTY LINE

LEGEND:

- EXISTING TREES TO REMAIN
- PROPOSED TREES



MASTER PLAN

HENRY MAYO NEWHALL MEMORIAL HOSPITAL - MASTER PLAN  
 23845 McBean Parkway, Santa Clara, CA 91355

SWA #: 060307 NOVEMBER 19, 2008

**EXHIBIT "F"**  
**EIR Traffic Mitigation Improvements**

1. **Prior to Issuance of the Certificate of Occupancy for MOB1.** The following traffic mitigations set forth in the EIR must be completed by Developer prior to the issuance by the City of a Certificate of Occupancy for MOB1:

- (a) **McBean Parkway at Magic Mountain (Intersection #45):** Add a third through lane to the westbound direction (by re-striping the lanes) and add right-turn overlap phasing for the westbound right-turn movement (by signal modification).
- (b) **Orchard Village Road at Wiley Canyon Road (Intersection #54):** Add a separate northbound right-turn lane with right-turn overlap phasing (within existing right-of-way between Wiley Canyon Road and the Santa Clara River South Fork Bridge).
- (c) **Orchard Village Road at McBean Parkway (Intersection #55):** Widen the southbound approach at the main driveway into the Campus Property to allow for a left-turn lane and a second through lane.

2. **Prior to Issuance of the Certificate of Occupancy for either the Inpatient Building or MOB2.** The following traffic mitigations set forth in the EIR must be completed by Developer prior to the issuance by the City of a Certificate of Occupancy for either the Inpatient Building or MOB2:

- (a) **McBean Parkway at Magic Mountain Parkway (Intersection #45):** Add a third through lane for eastbound direction (by re-striping the lanes).
- (b) **Orchard Village Road at McBean Parkway (Intersection #55):** Add a separate westbound right-turn lane for access to the Campus Property and a separate southbound right-turn lane at the main driveway to the Campus Property.
- (c) **Valencia Boulevard at Magic Mountain Parkway (Intersection #57):** Add a second westbound left-turn lane by removing the existing right-turn lane (by re-striping the westbound approach as a mirror image of the existing eastbound approach).

3. **Prior to Issuance of Building Permit for MOB3.** Satisfy the requirements of EIR mitigation measures TR7 and TR8.

4. **Prior to Issuance of Certificate of Occupancy for MOB3.** The following mitigations set forth in the EIR must be completed prior to issuance by the City of a Certificate of Occupancy for MOB3:

- (a) **Orchard Village Road at McBean Parkway (Intersection #55):** Restripe the hospital driveway to reconfigure the first through lane to be a shared left turn/through lane.

**EXHIBIT "G"**  
**City Required Parking**

The chart of the City Required Parking is on the following page.

MASTER PLAN PARKING SUMMARY

SWA ARCHITECTS

HENRY MAYO NEWHALL MEMORIAL HOSPITAL MASTER PLAN  
DATE: NOVEMBER 19, 2008

48 E. Holly Street  
Pasadena, CA 91103

REQUIRED PARKING				PARKING PER DESIGN	
BUILDING NAME	BUILDING AREA	BED COUNT	REQ'D PARKING STALLS	PARKING NAME/TYPE	PROVIDED PARKING STALLS
<b>MEDICAL BUILDINGS</b>					
MOB A (EXISTING)	5,302 / 4,567 SF	N/A	23	PS1 with 1 SUBTERRANEAN LEVEL	750
MOB B (EXISTING)	5,302 / 4,560 SF	N/A	23	PS2 with 1 SUBTERRANEAN LEVEL	579
MOB C (EXISTING)	5,302 / 4,561 SF	N/A	23	PS3 with 1 SUBTERRANEAN LEVEL	278
MOB D (EXISTING)	5,302 / 4,560 SF	N/A	23	PS4 with 2 SUBTERRANEAN LEVELS	316
MOB E (EXISTING)	31,040 / 25,508 SF	N/A	128	SURFACE (GENERAL)	253
MOB F (EXISTING)	43,912 / 43,912 SF	N/A	220	SURFACE (FOR PHYSICIANS-CURRENTLY GATED)	48
FOUNDATION BLDG. (EXISTING)	8,000 SF	N/A	32	SURFACE (FOR EMERGENCY)	7
MOB 1 (NEW)	80,000 / 78,400 SF	N/A	392	TOTAL PARKING PROVIDED	<b>2,237</b>
MOB 2 (NEW)	60,000 / 58,800 SF	N/A	294		
MOB 3 (NEW)	60,000 / 58,800 SF	N/A	294		
FOUNDATION BLDG. (REMOVED)	(8,000 SF)	N/A	-32		
<b>SUBTOTAL</b>				1,420	
<b>HOSPITAL BUILDINGS</b>					
MAIN HOSPITAL (EXISTING)	N/A	EXISTING: 121	242	PS1	15
		FUTURE ICU: 18	36	PS2	12
EMERGENCY DEPT, URGENT CARE (EXISTING)	5,518 SF	N/A	18	PS3	6
RADIOLOGY OUTPATIENT (EXISTING)	2,952 SF	N/A	8	PS4	7
RADIOLOGY (OUTPATIENT) (IN CONSTRUCTION)	2,905 SF	N/A	7	SURFACE	70
				TOTAL HANDICAP PARKING PROVIDED	<b>110</b>
NURSING PAVILION (EXISTING)	N/A	EXISTING: 100	200	Note: SF in bold reflects gross square footage per City of Santa Clarita Municipal Code, Chapter 17.07.010.	
		FUTURE SUB ACUTE UPGRADE: 9	18	"Floor area (gross)" shall mean the sum of the gross horizontal areas of the several floors of the building measured from the exterior faces of the exterior walls excluding exterior balconies and porches. Floor area shall not include interior parking spaces, loading spaces for motor vehicles, any space where the floor-to-ceiling height is less than six (6) feet, vertical shafts and attics and mechanical penthouses provided there are no usable rooms, no windows and the mechanical penthouse area is used exclusively for mechanical equipment. Floor area shall include any area used for storage and, for auto repair uses, any work area, or related facility, where vehicles are serviced and repaired.	
HOSPITAL ENCLOSED BRIDGE (RECENTLY COMPLETED)	9,122 SF	N/A	N/A		
FACILITY BUILDING (IN CONSTRUCTION)	OFFICE AREA 734 SF WAREHOUSING 2,384 SF	N/A	5		
INPATIENT BLDG (NEW)	N/A	120	240		
	OUTPATIENT SERVICES 4,000 SF	N/A	10		
<b>SUBTOTAL</b>				784	
<b>TOTAL PARKING REQUIRED</b>				<b>2,204</b>	

MASTER PLAN PARKING SUMMARY

HENRY MAYO NEWHALL MEMORIAL HOSPITAL - MASTER PLAN  
23845 McBean Parkway, Santa Clarita, CA 91355

SWA # 060307 NOVEMBER 19, 2008 ARCHITECT



38 east holly st  
pasadena, ca 91103  
913 793-0212

**EXHIBIT "H"**  
**Right of First Offer – Lease of Vacant Space**

For purposes of Section 5.3 of the Agreement, HMNMH shall have the right of first offer to lease any space in any Existing Improvement or Medical Building on the G&L Property that from time to time becomes vacant (the **"First-Offer Space"**). G&L shall provide HMNMH with written notice (the **"First-Offer Notice"**) when any First-Offer Space becomes available for lease (the **"Specific First-Offer Space"**), which notice will state the basic economic terms and conditions of such lease, including the rent. HMNMH shall have twenty (20) days after receipt of the First-Offer Notice to accept or decline to lease the Specific First-Offer Space on the same terms as contained in the First-Offer Notice. If HMNMH declines to lease the Specific First-Offer Space or fails to agree to lease the Specific First-Offer Space in writing within twenty (20) days following receipt of the First-Offer Notice, HMNMH's right of first offer with respect to such Specific First-Offer Space shall terminate until such right arises again pursuant to this Exhibit "H". Upon such termination, G&L may then lease the Specific First-Offer Space to any tenant, subject to the provisions of Section 5.2 of the Agreement; provided, however, that if G&L desires to lease the Specific First-Offer Space to another tenant at a rent that is less than ninety percent (90%) of the rental amount set forth in the First-Offer Notice, G&L shall provide HMNMH with a right of first offer on the revised terms (the **"Revised Lease Offer"**) and HMNMH may, within five (5) business days after receipt of the Revised Lease Offer, elect to lease the Specific First-Offer Space on the same terms as contained in the Revised Lease Offer. If G&L has not entered into a lease to lease the Specific First-Offer Space to a tenant other than HMNMH, within one hundred eighty (180) days after HMNMH's receipt of the First-Offer Notice, or if such Specific First-Offer is leased to a tenant but later becomes vacant, then G&L shall again offer such Specific First-Offer to HMNMH pursuant to the procedures set forth above in this Exhibit "H".

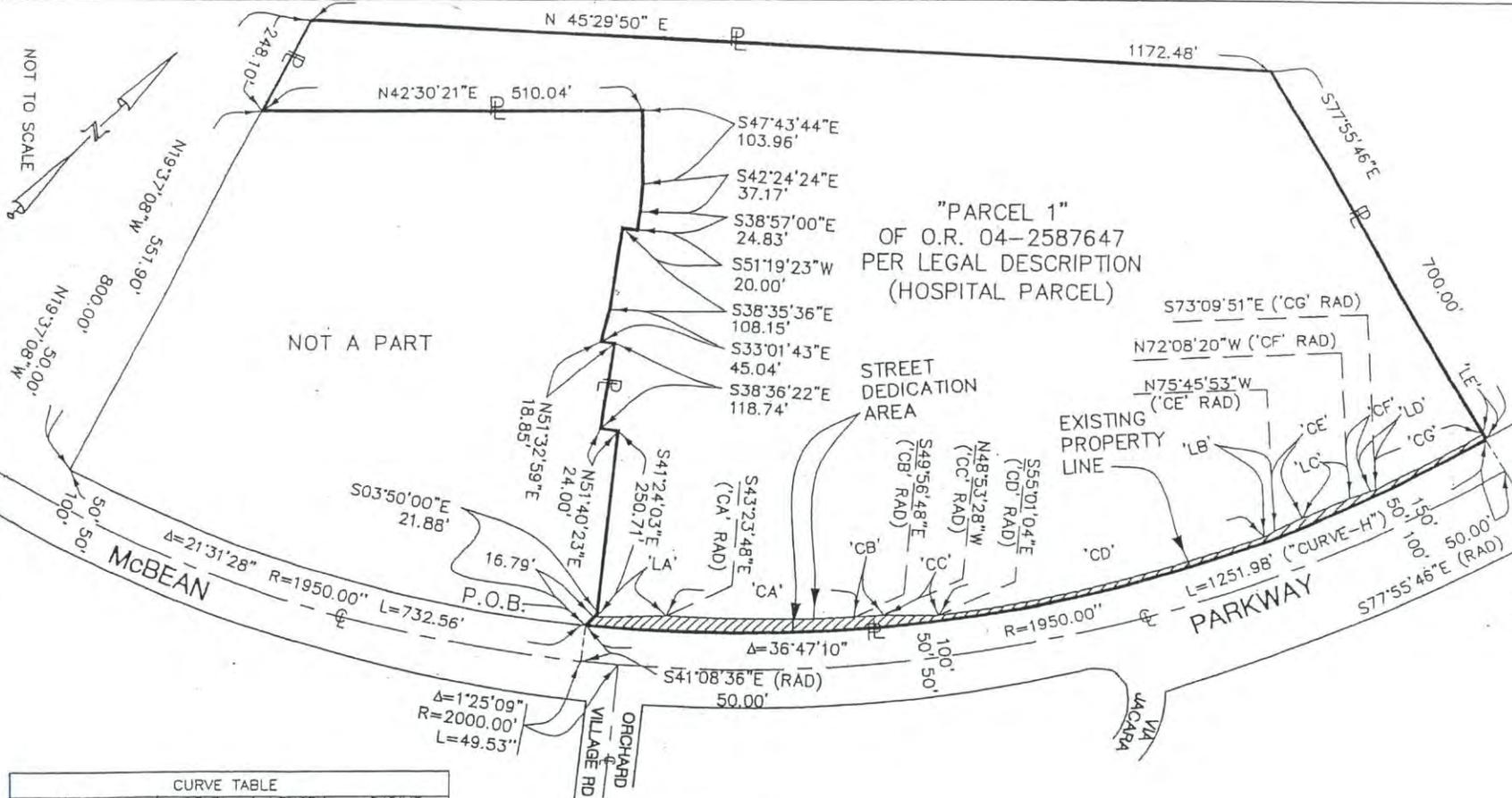
**EXHIBIT "I"**  
**Right to First of Offer – Sale of G&L Property**

For purposes of Section 5.4 of the Agreement, HMNMH shall have the right of first offer to purchase all or part of the G&L Property in accordance with the procedures in this Exhibit "I". If G&L decides to sell all or part of the G&L Property (the **Specific First-Offer Property**"), then G&L shall provide to HMNMH the specific terms upon which G&L is willing to sell the Specific First-Offer Property (the **"Offer Terms"**). HMNMH shall have forty-five (45) days after receipt of the Offer Terms to accept or decline to purchase the Specific First-Offer Property on the Offer Terms. If HMNMH declines to purchase the Specific First-Offer Property or fails to agree to purchase the Specific First-Offer Property in writing within forty-five (45) days following receipt of the Offer Terms, HMNMH's right of first refusal with respect to the Specific First-Offer Property shall expire and be null and void. G&L may then sell the Specific First-Offer Property to any purchaser; provided, however, that if G&L desires to sell the Specific First-Offer Property to another purchaser at a purchase price that is less than ninety percent (90%) of the purchase price set forth in the Offer Terms, G&L will provide HMNMH with a right of first offer on the revised terms (the **"Revised Offer Terms"**) and HMNMH may, within ten (10) days after receipt of the Revised Offer Terms elect to purchase the Specific First-Offer Property on the Revised Offer Terms. If G&L has not entered into a contract to sell the Specific First-Offer Property within one hundred eighty (180) days after HMNMH's election not to purchase as set forth above and G&L still desires to sell the Specific First-Offer Property, then G&L shall again offer such Specific First-Offer Property to HMNMH pursuant to the procedures set forth above, except that HMNMH shall only have fifteen (15) days, instead of forty-five (45) days, after receipt of the Offer Terms to elect to accept or decline to purchase the Specific First-Offer Property on the Offer Terms.

**EXHIBIT "J"**  
**Depiction and Description of Dedicated Area**

Maps depicting the Dedicated Area and legal descriptions of the Dedicated Area are on the following pages

P.O.B. = MOST S'LY SW CORNER, "PARCEL 1" PER LEGAL DESCRIPTION  
 CURVIT LEAD TO APPROPRIATE LINES



**EXHIBIT J1**  
 HOSPITAL PARCEL

"PARCEL 1"  
 OF O.R. 04-2587647  
 PER LEGAL DESCRIPTION  
 (HOSPITAL PARCEL)

NOT A PART

CURVE TABLE			
CURVE	DELTA	LENGTH	RADIUS
'CA' ("CURVE-A")	7°13'55"	250.97'	1988.33'
'CB' ("CURVE-B")	1°41'53"	40.68'	1372.66'
'CC' ("CURVE-C")	3°49'17"	72.13'	1081.49'
'CD' ("CURVE-D")	13°16'53"	448.66'	1935.52'
'CE' ("CURVE-E")	8°15'41"	41.08'	284.87'
'CF' ("CURVE-F")	8°53'16"	30.46'	196.33'
'CG' ("CURVE-G")	4°45'0"	163.32'	1970.03'

LINE TABLE		
LINE	LENGTH	BEARING
'LA' ("LINE-A")	95.82'	S41°44'49"E
'LB' ("LINE-B")	14.84'	N13°4'17"E
'LC' ("LINE-C")	69.75'	N19°2'28"E
'LD' ("LINE-D")	7.75'	N27°17'8"E
'LE' ("LINE-E")	7.99'	S77°55'46"E



EXHIBIT J1  
LEGAL DESCRIPTION FOR STREET DEDICATION  
HOSPITAL PARCEL

THAT PORTION OF "PROPOSED PARCEL 1", HEREINAFTER KNOWN AS "PARCEL 1", OF THAT CERTAIN "CERTIFICATE OF COMPLIANCE", IN THE CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS RECORDED OCTOBER 7, 2004 AS INSTRUMENT NO. 04-2587647, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

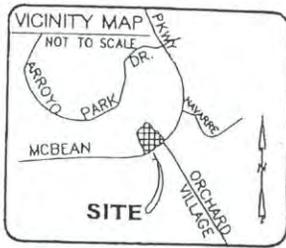
BEGINNING AT THE MOST SOUTHERLY SOUTHWEST CORNER OF SAID PARCEL 1, SAID SOUTHWEST CORNER BEING THE SOUTHERLY TERMINUS OF THE WESTERLY LINE OF SAID PARCEL 1 SHOWN AS HAVING A BEARING AND DISTANCE OF SOUTH 03E50'00" EAST 21.88 FEET ON EXHIBIT "B" OF SAID CERTIFICATE OF COMPLIANCE; THENCE ALONG SAID WESTERLY LINE OF PARCEL 1, NORTH 03E50'00" WEST, 16.79 FEET; THENCE LEAVING SAID WESTERLY LINE ON A LINE, HEREINAFTER KNOWN AS "LINE- A", BEARING NORTH 41E44'49"EAST, A DISTANCE OF 95.82 FEET TO A POINT ON A NON-TANGENT CURVE, HEREAFTER KNOWN AS "CURVE-A", CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1988.33 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 43E22'48" EAST; THENCE NORTHEASTERLY ALONG SAID "CURVE-A" AN ARC DISTANCE OF 250.97 FEET THROUGH A CENTRAL ANGLE OF 07E13'55" TO A POINT ON A NON-TANGENT CURVE, HEREAFTER KNOWN AS "CURVE-B", CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1372.66 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 49E56'48" EAST, THENCE NORTHEASTERLY ALONG SAID "CURVE-B" AN ARC DISTANCE OF 40.68 FEET THROUGH A CENTRAL ANGLE OF 01E41'53" TO A POINT ON A NON-TANGENT CURVE, HEREINAFTER KNOWN AS "CURVE-C", CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 1081.49 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 48E53'28" WEST; THENCE NORTHEASTERLY ALONG SAID "CURVE-C" AN ARC DISTANCE OF 72.13 FEET THROUGH A CENTRAL ANGLE OF 03E49'17" TO A POINT ON A NON-TANGENT CURVE, HEREINAFTER KNOWN AS "CURVE-D", CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1935.52 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 55E01'04" EAST; THENCE NORTHEASTERLY ALONG SAID "CURVE-D" AN ARC DISTANCE OF 448.66 FEET THROUGH A CENTRAL ANGLE OF 13E16'53" TO A POINT ON A NON-TANGENT LINE, HEREINAFTER KNOWN AS "LINE-B", HAVING A

EXHIBIT J1  
LEGAL DESCRIPTION FOR STREET DEDICATION  
HOSPITAL PARCEL

BEARING NORTH 13E04'17" EAST; THENCE ALONG SAID "LINE-B", NORTH 13E04'17" EAST, 14.84 FEET

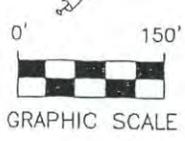
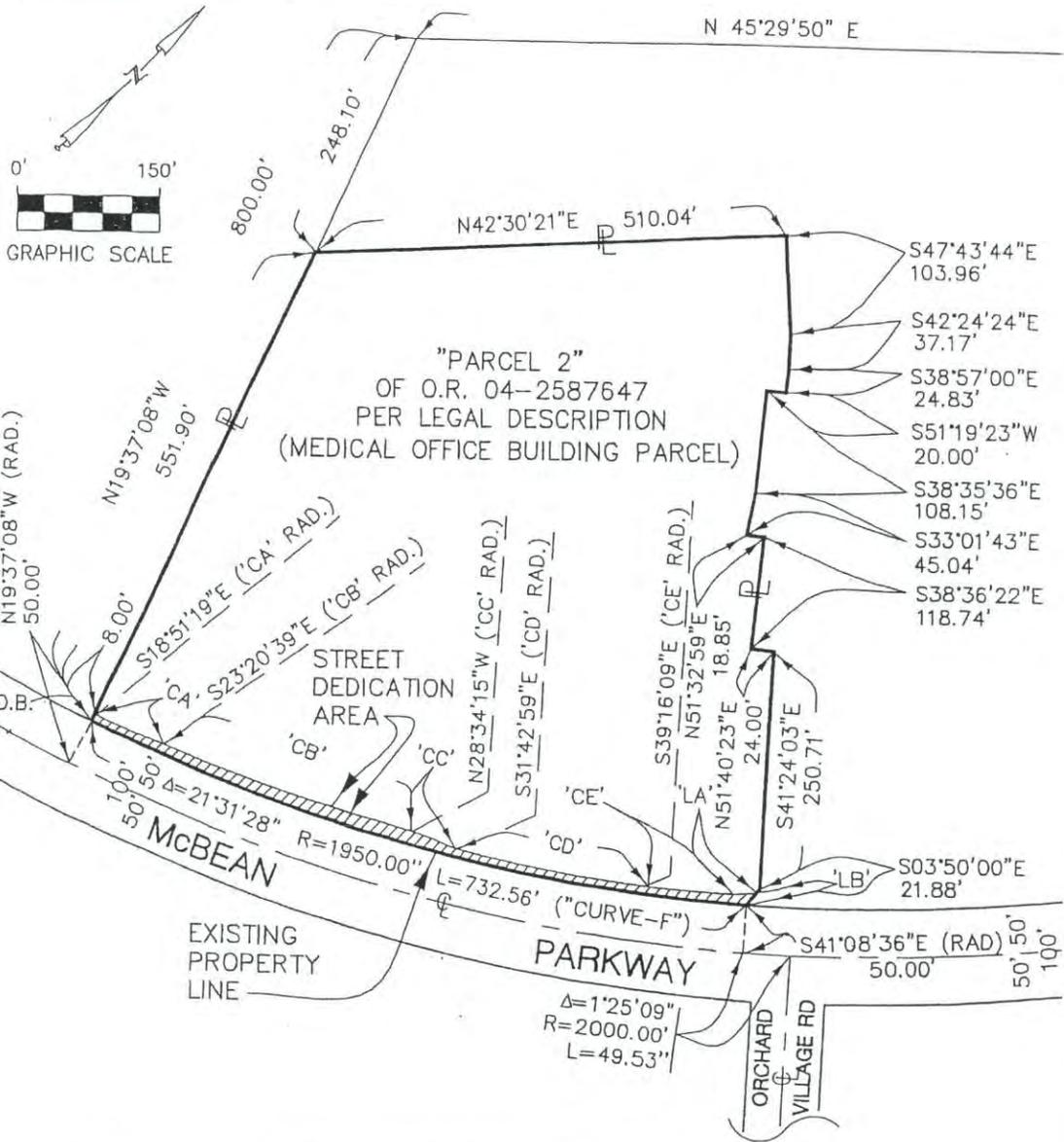
TO A POINT ON A NON-TANGENT CURVE, HEREINAFTER KNOWN AS "CURVE-E", CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 284.87 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 75E45'53" WEST; THENCE NORTHEASTERLY ALONG SAID "CURVE-E" AN ARC DISTANCE OF 41.08 FEET THROUGH A CENTRAL ANGLE OF 08E15'41" TO A POINT ON A NON-TANGENT LINE, HEREINAFTER KNOWN AS "LINE-C", HAVING A BEARING NORTH 19E02'28" EAST; THENCE ALONG SAID "LINE-C", NORTH 19E02'28" EAST, 69.75 FEET TO A POINT ON A NON-TANGENT CURVE, HEREINAFTER KNOWN AS "CURVE-F", CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 196.33 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 72E08'20" WEST; THENCE NORTHEASTERLY ALONG SAID "CURVE-F" AN ARC DISTANCE OF 30.46 FEET THROUGH A CENTRAL ANGLE OF 08E53'16" TO A POINT ON A NON-TANGENT LINE, HEREINAFTER KNOWN AS "LINE-D", HAVING A BEARING NORTH 27E17'08" EAST; THENCE ALONG SAID "LINE-D", NORTH 27E17'08" EAST, 7.75 FEET TO A POINT ON A NON-TANGENT CURVE, HEREINAFTER KNOWN AS "CURVE-G", CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1970.03 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 73E09'51" EAST; THENCE NORTHEASTERLY ALONG SAID "CURVE-G" AN ARC DISTANCE OF 163.32 FEET THROUGH A CENTRAL ANGLE OF 04E45'00" TO A POINT ON A NON-TANGENT LINE, HEREINAFTER KNOWN AS "LINE-E", HAVING A BEARING SOUTH 77E55'46" EAST, SAID "LINE-E" BEING THE NORTHEAST LINE OF SAID PARCEL 1, THENCE ALONG SAID "LINE-E", SOUTH 77E55'46" EAST, 7.99 FEET TO A POINT ON A NON-TANGENT CURVE, HEREINAFTER KNOWN AS "CURVE-H", CONCAVE NORTHWESTERLY HAVING A RADIUS OF 1950.00 FEET, SAID "CURVE-H" BEING A SOUTHEAST LINE OF SAID PARCEL 1, A RADIAL LINE TO SAID POINT BEARS SOUTH 77E55'46" EAST; THENCE SOUTHWESTERLY ALONG SAID "CURVE-H" AN ARC DISTANCE OF 1251.98 FEET THROUGH A CENTRAL ANGLE OF 36E47'10" TO THE POINT OF BEGINNING.

END OF LEGAL DESCRIPTION



# EXHIBIT J2

## MEDICAL OFFICE BUILDING PARCEL



CURVE TABLE			
CURVE	DELTA	LENGTH	RADIUS
'CA' ("CURVE-A")	06°59'20"	79.21'	649.37'
'CB' ("CURVE-B")	07°11'31"	278.29'	2217.05'
'CC' ("CURVE-C")	09°17'48"	52.32'	322.46'
'CD' ("CURVE-D")	06°14'54"	211.65'	1940.76'
'CE' ("CURVE-E")	02°56'45"	93.80'	1824.29'

LINE TABLE		
LINE	LENGTH	BEARING
'LA' ("LINE-A")	24.37'	N41°44'49"E
'LB' ("LINE-B")	16.79'	S03°50'00"E

P.O.B. = SW'LY CORNER, "PARCEL 2" PER LEGAL DESCRIPTION

EXHIBIT J2

LEGAL DESCRIPTION FOR STREET DEDICATION  
MEDICAL OFFICE BUILDING PARCEL

THAT PORTION OF "PROPOSED PARCEL 2", HEREINAFTER KNOWN AS "PARCEL 2", OF THAT CERTAIN "CERTIFICATE OF COMPLIANCE", IN THE CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS RECORDED OCTOBER 7, 2004 AS INSTRUMENT NO. 04-2587647, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID PARCEL 2; THENCE ALONG THE SOUTHWEST LINE OF SAID PARCEL 2, NORTH 19E 37' 08" WEST 8.00 FEET TO A POINT ON A NON-TANGENT CURVE, HEREAFTER KNOWN AS "CURVE-A", CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 649.37 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 18E51'19" EAST; THENCE NORTHEASTERLY ALONG SAID "CURVE-A" AN ARC DISTANCE OF 79.21 FEET THROUGH A CENTRAL ANGLE OF 06E59'20" TO A POINT ON A NON-TANGENT CURVE, HEREAFTER KNOWN AS "CURVE-B", CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 2217.05 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 23E20'39" EAST, THENCE NORTHEASTERLY ALONG SAID "CURVE-B" AN ARC DISTANCE OF 278.29 FEET THROUGH A CENTRAL ANGLE OF 07E11'31" TO A POINT ON A NON-TANGENT CURVE, HEREINAFTER KNOWN AS "CURVE-C", CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 322.46 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 28E34'15" WEST; THENCE NORTHEASTERLY ALONG SAID "CURVE-C" AN ARC DISTANCE OF 52.32 FEET THROUGH A CENTRAL ANGLE OF 09E17'48" TO A POINT ON A NON-TANGENT CURVE, HEREINAFTER KNOWN AS "CURVE-D", CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1940.76 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 31E42'59" EAST; THENCE NORTHEASTERLY ALONG SAID "CURVE-D" AN ARC DISTANCE OF 211.65 FEET THROUGH A CENTRAL ANGLE OF 06E14'54" TO A POINT ON A NON-TANGENT CURVE, HEREINAFTER KNOWN AS "CURVE-E", CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1824.29 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 39E16'09" EAST; THENCE NORTHEASTERLY ALONG SAID "CURVE-E" AN ARC DISTANCE OF 93.80 FEET THROUGH A CENTRAL ANGLE OF 02E56'45" TO A NON-TANGENT LINE, HEREINAFTER KNOWN AS "LINE-A", SAID "LINE-A" HAVING A BEARING OF

EXHIBIT J2

LEGAL DESCRIPTION FOR STREET DEDICATION  
MEDICAL OFFICE BUILDING PARCEL

NORTH 41E44'49" EAST; THENCE ALONG SAID "LINE-A", NORTH 41E44'49" EAST, 24.37 FEET TO POINT ON THE EASTERLY LINE OF SAID PARCEL 2, HEREINAFTER KNOWN AS "LINE-B", SAID "LINE-B" BEARS SOUTH 03E50'00" EAST; THENCE ALONG SAID "LINE-B", SOUTH 03E50'00" EAST, 16.79 FEET TO POINT ON A NON-TANGENT CURVE, HEREINAFTER KNOWN A "CURVE-F", CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1950.00 FEET, SAID "CURVE-F" BEING ON THE SOUTHEASTERLY LINE OF SAID PARCEL 2, A RADIAL LINE TO SAID POINT BEARS SOUTH 41E08'36" EAST; THENCE SOUTHWESTERLY ALONG SAID "CURVE-F" AN ARC DISTANCE OF 732.56 FEET THROUGH A CENTRAL ANGLE OF 21E31'28" TO THE POINT OF BEGINNING.

END OF LEGAL DESCRIPTION

**EXHIBIT "K"**  
**Realignment Improvements**

In addition to the EIR required Traffic Mitigation Improvements set forth in Exhibit "F" to the Agreement, Developer shall construct the following Realignment Improvements to McBean Parkway prior to the issuance of the applicable Certificates of Occupancy for the Project set forth below:

1. **Prior to Issuance of the Certificate of Occupancy for MOB1.** The following Realignment Improvements must be completed by Developer prior to the issuance by the City of a Certificate of Occupancy for MOB1:

- (a) Construct a turn-out lane for buses along westbound McBean Parkway, west of Avenue Navarre, including transition, at the location required for the Designated Configuration in accordance with the Frontage Design Plan.
- (b) In performing the Traffic Mitigation Improvements to the intersection of McBean Parkway and Orchard Village Road (Intersection #55) that are set forth in Paragraph 1(c) of Exhibit "F", the grades for the intersection shall be in accordance with the Designated Configuration for the intersection on the Frontage Design Plan.
- (c) Modify the eastbound left-turn pocket on McBean Parkway at Avenida Navarre to provide for a left-turn pocket with 300 lineal feet of storage plus 120 lineal feet of additional taper at the location required for the Designated Configuration in accordance with the Frontage Design Plan.
- (d) Modify the northbound left-turn pocket on McBean Parkway at Orchard Village Road (Intersection #55) to provide for a left-turn pocket with 300 lineal feet of storage plus 90 lineal feet of additional taper at the location required for the Designated Configuration in accordance with the Frontage Design Plan.

2. **Prior to Issuance of the Certificate of Occupancy for Inpatient Building or MOB2.** The following Realignment Improvements must be completed by Developer prior to the issuance by the City of a Certificate of Occupancy for the Inpatient Building or MOB2:

- (a) Move the existing traffic signals on the northern side of McBean Parkway at the intersection of McBean Parkway and Orchard Village Road (Intersection #55) to the location required for the Designated Configuration in accordance with the Frontage Design Plan.
- (b) In performing the Traffic Mitigation Improvements to the intersection of McBean Parkway and Orchard Village Road (Intersection #55) that are set forth in Paragraph 2(b) of Exhibit "F", construct the westbound right turn lane to provide 300 lineal feet of storage plus 120 lineal feet of additional taper at the location required for the Designated Configuration in accordance with the Frontage Design

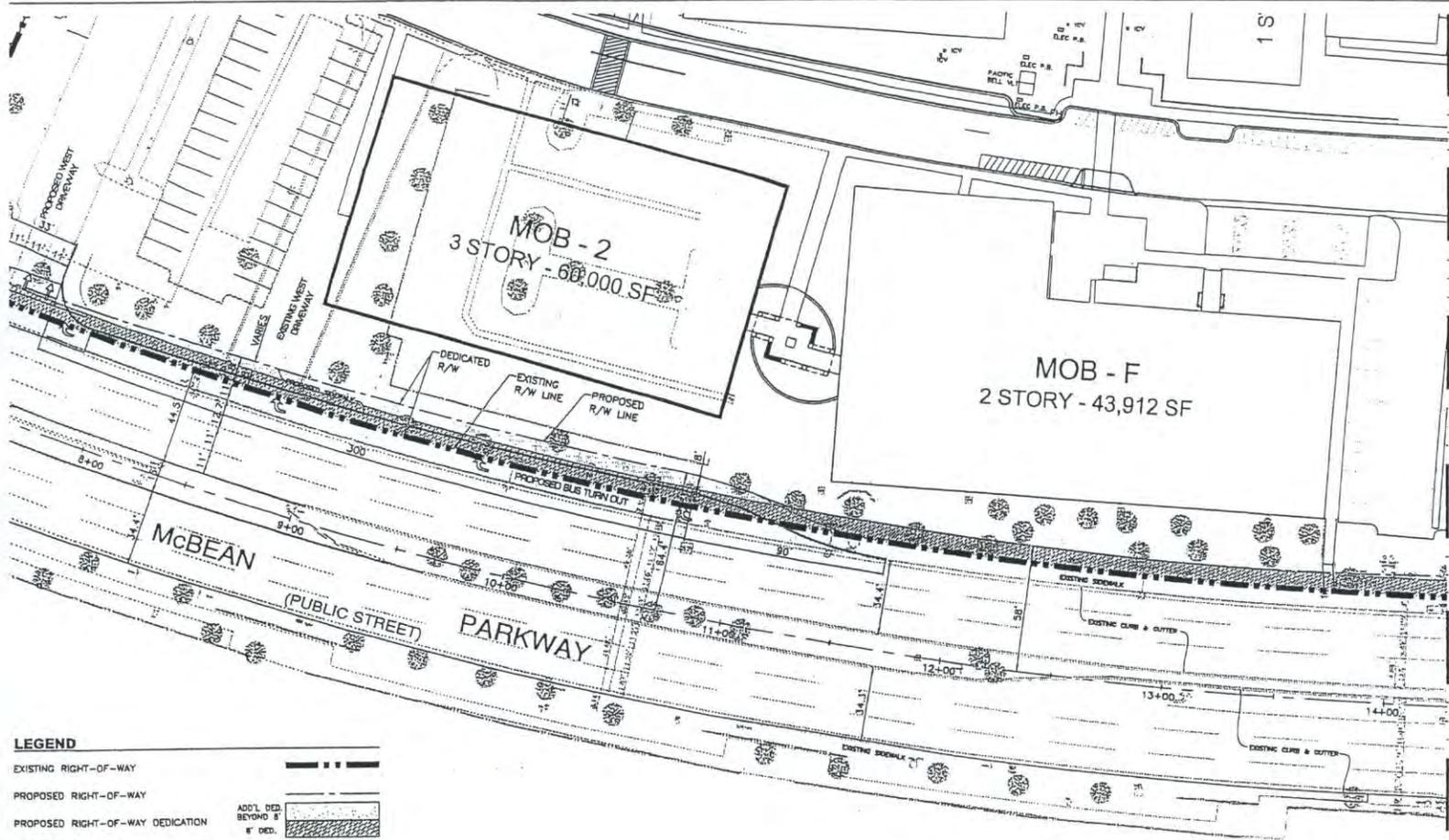
Plan.

3. **Prior to Issuance of the Certificate of Occupancy for MOB 2 Only.**
  - (a) Prior to the issuance by the City of a Certificate of Occupancy for MOB2, Developer shall complete the construction of a westerly driveway for the Campus Property and modify the existing median to include an eastbound left turn pocket on McBean Parkway with 300 lineal feet of storage plus 120 lineal feet of additional taper at the location required for the Designated Configuration in accordance with the Frontage Design Plan.
  - (b) Construct a bus turn-out lane and the right-turn lane at the westerly driveway for the Campus Property to provide for a right-turn pocket with 300 lineal feet of storage plus 90 lineal feet of additional taper at the location required for the Designated Configuration in accordance with the Frontage Design Plan.

**EXHIBIT "L"**  
Frontage Design Plan

The Frontage Design Plan is on the following pages





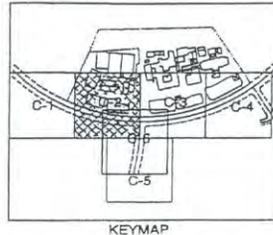
MATCHLINE-SEE SHEET C-3

**LEGEND**

- EXISTING RIGHT-OF-WAY
- PROPOSED RIGHT-OF-WAY
- PROPOSED RIGHT-OF-WAY DEDICATION
- NEW TRAFFIC SIGNALS
- NEW CURB
- NEW DIRECTIONAL ARROWS
- NEW STRIPING

ADD'L DED. BEYOND 8' DED.

GRAPHIC SCALE  
 0 20' 40'  
 SCALE: 1" = 20'

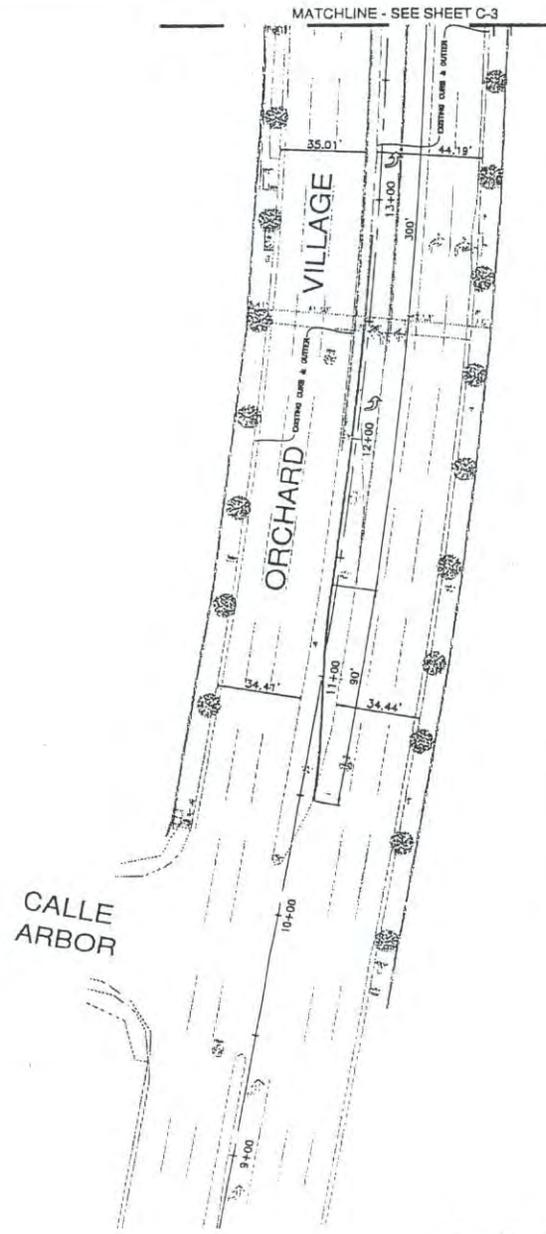


# EXHIBIT "L"

REVISION	
DATE	
BY	
APP'D	
DATE	
<b>DCA CIVIL ENGINEERING GROUP</b> <small>Civil, Mechanical, Electrical, Structural &amp; Surveying - ALL A, UPGRADES</small>	
<b>HENRY MAYO NEWHALL MEMORIAL HOSPITAL</b> 23845 McBEAN PARKWAY VALENCIA, CALIFORNIA 91355 CONCEPTUAL McBEAN PARKWAY PROPOSED IMPROVEMENT REALIGNMENT(ULTIMATE) EXHIBIT, 08-08-08 REVISION	
DATE	08/08/2008
SCALE	AS SHOWN
BY	SPV
DATE	
<b>C-2</b> SHEET 2 OF 5 <small>07-1773-1864-REV-003.DWG</small>	



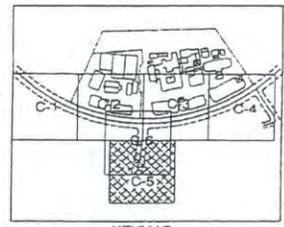
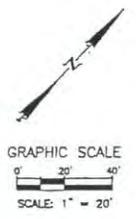




**LEGEND**

- EXISTING RIGHT-OF-WAY
- PROPOSED RIGHT-OF-WAY
- PROPOSED RIGHT-OF-WAY DEDICATION
- NEW TRAFFIC SIGNALS
- NEW CURB
- NEW DIRECTIONAL ARROWS
- NEW STRIPING

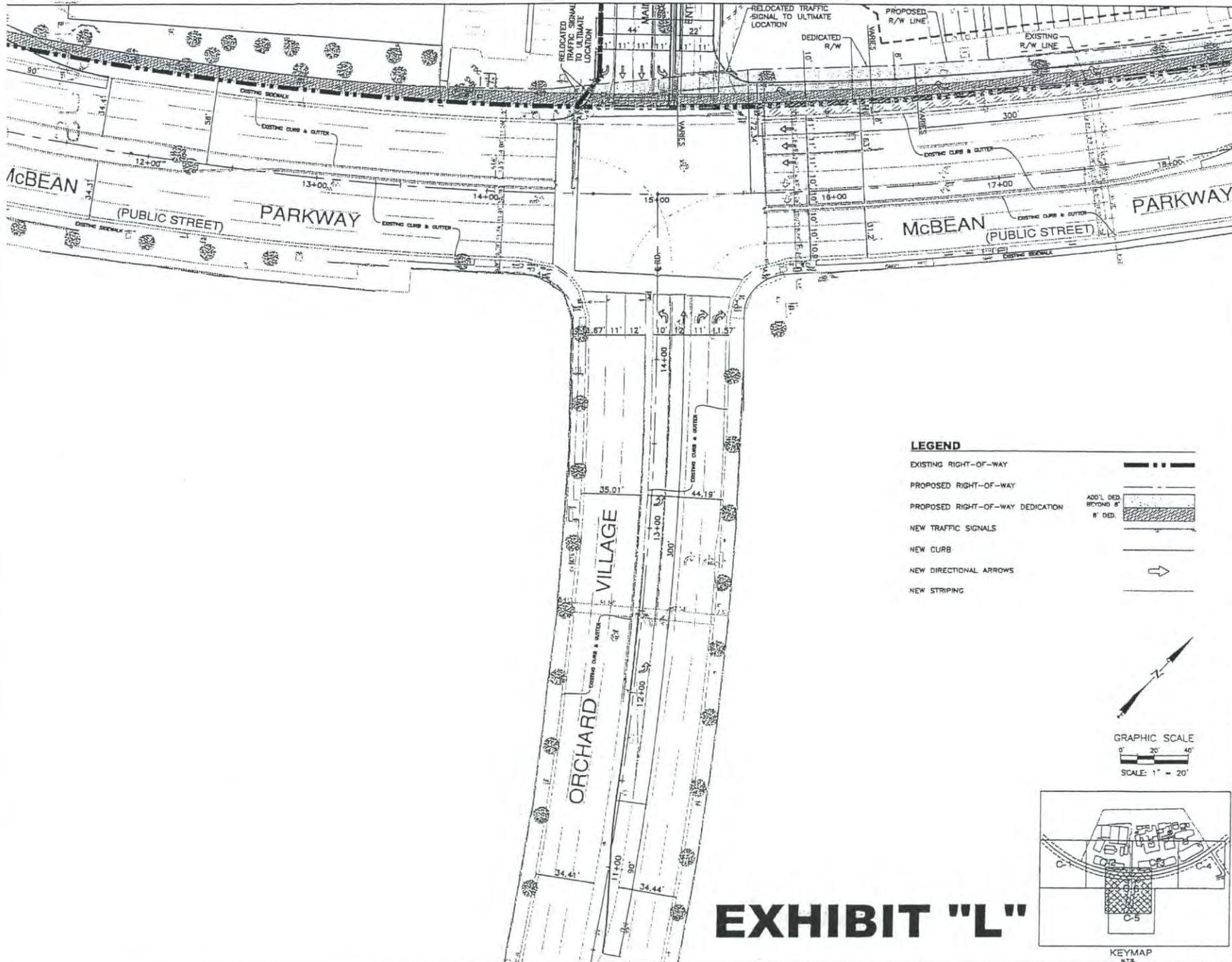
ADD'L DED.  
BEYOND 8'  
8' DED.



KEYMAP  
N.T.S.

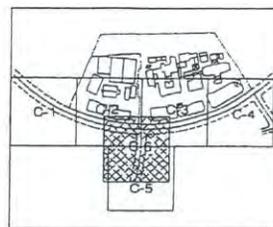
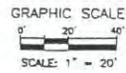
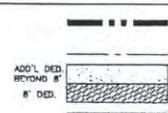
**EXHIBIT "L"**

NO.	DATE	BY	REVISION
<b>DCA CIVIL ENGINEERING GROUP</b> <small>CIVIL ENGINEERING • LAND PLANNING • SURVEYING &amp; SURVEYS • ALL U.S. REGISTRATION</small>			
<b>HENRY MAYO NEWHALL MEMORIAL HOSPITAL</b> 23845 McBEAN PARKWAY VALENCIA, CALIFORNIA 91355 CONCEPTUAL McBEAN PARKWAY PROPOSED IMPROVEMENT REALIGNMENT (ULTIMATE) EXHIBIT, 08-06-08 REVISION			
	DATE: 08/09/2008 TIME: 10:50 AM DRAWN BY: [Name] CHECKED BY: [Name]		
<b>C-5</b> SHEET 5 OF 6 <small>07-1373-1864-000-001-07</small>			



**LEGEND**

- EXISTING RIGHT-OF-WAY
- PROPOSED RIGHT-OF-WAY
- PROPOSED RIGHT-OF-WAY DEDICATION
- NEW TRAFFIC SIGNALS
- NEW CURB
- NEW DIRECTIONAL ARROWS
- NEW STRIPING



KEYMAP

DATE	BY	CHECKED	APPROVED	SCALE
<p><b>HENRY MAYO NEWHALL MEMORIAL HOSPITAL</b>          23845 McBEAN PARKWAY          VALERIA, CALIFORNIA 91355          CONCEPTUAL McBEAN PARKWAY PROPOSED IMPROVEMENT          REALIGNMENT(ULTIMATE) EXHIBIT, 08-06-08 REVISION</p>				
<p>08/06/2008          25 SDCM          C-6          SHEET 6 OF 8          07-1272-186-000-003-07</p>				

# EXHIBIT "L"

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

CITY OF SANTA CLARITA  
23920 Valencia Boulevard Suite 300  
Santa Clarita, CA 91355  
Attn: City Clerk

EXEMPT FROM RECORDERS FEES  
Pursuant to Government Code § 6103

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SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

FIRST AMENDMENT TO  
DEVELOPMENT AGREEMENT

by and among

THE CITY OF SANTA CLARITA  
a municipal corporation

and

HENRY MAYO NEWHALL MEMORIAL HOSPITAL,  
a California non-profit public benefit corporation

and

HCN G&L VALENCIA SUB, LLC,  
a Delaware limited liability company

THIS FIRST AMENDMENT SHALL BE RECORDED WITHIN TEN DAYS  
OF EXECUTION BY ALL PARTIES HERETO PURSUANT TO  
THE REQUIREMENTS OF GOVERNMENT CODE §65868.5

FIRST AMENDMENT TO  
DEVELOPMENT AGREEMENT

This First Amendment to Development Agreement (the "First Amendment") is made this \_\_\_\_ day of \_\_\_\_\_, 2016 (the "Reference Date"), by and among the CITY OF SANTA CLARITA, a municipal corporation, organized and existing under the general laws of the State of California (the "City") and HENRY MAYO NEWHALL HOSPITAL, a California non-profit public benefit corporation, formerly known as Henry Mayo Newhall Memorial Hospital ("HMNH") and HCN G&L VALENCIA SUB, LLC, a Delaware limited liability company ("HCN Valencia"). HMNH and HCN Valencia are hereinafter sometimes collectively referred to as the "Developer." City and Developer are hereinafter sometimes collectively referred to as the "Parties" and each may be referred to as a "Party." The Parties enter into this First Amendment with reference to the following facts:

RECITALS

A. On October 19, 2015, pursuant to filings with the Secretary of State of the State of California, Henry Mayo Newhall Memorial Hospital became known as Henry Mayo Newhall Hospital. HMNH is the owner of certain real property located in the City of Santa Clarita, County of Los Angeles, State of California, that is legally described in Exhibit "A" to this First Amendment (the "HMNH Property"). HCN Valencia is the owner of certain real property, immediately adjacent to the HMNH Property, located in the City of Santa Clarita, County of Los Angeles, State of California, that is legally described in Exhibit "B" to this First Amendment (the "G&L Property"). HCN Valencia is the current successor to G&L Valencia, LLC, a California limited liability company ("G&L") as the fee owner of the G&L Property. The HMNH Property and the G&L Property are hereinafter sometimes collectively referred to as the "Campus Property."

B. The City, HMNH and G&L are parties to that certain Development Agreement, dated as of December 9, 2008 with respect to the future development of the Campus Property (the "Development Agreement"). The Development Agreement was recorded in the Official Records of Los Angeles County (the "Official Records") on February 2, 2009 as Document No. 09-135039.

C. Pursuant to the following agreements, to which the City and HMNH consented in writing, all rights, title and interest of G&L in the Development Agreement with respect to the G&L Property have been transferred and assigned to HCN Valencia and all of terms, conditions, covenants and obligations required to be kept, performed and fulfilled by G&L under the Development Agreement with respect to the G&L Property have been assumed by HCN Valencia:

(1) That certain Assignment and Assumption Agreement (Development Agreement) between G&L, as assignor, and Health Care REIT, Inc., a Delaware corporation ("HCN"), as assignee, dated as of September 24, 2014, which was recorded in the Official Records on September 26, 2014 as Document No. 20141017733; and

(2) That certain Assignment and Assumption Agreement (Development Agreement) between HCN, as assignor, and HCN Valencia, as assignee, dated as of September 24, 2014, which was recorded in the Official Records on September 26, 2014 as Document No. 20141024132.

D. Pursuant to Section 4.1 of the Development Agreement, during the Term of the Development Agreement, Developer was granted the right to develop on the Campus Property an aggregate of approximately 327,363 net new square feet of additional inpatient, outpatient, medical office and associated medical facilities and a new central plant building, as well as the provision of adequate parking facilities (the "Project") in accordance with: (i) the terms and conditions of the Project Approvals (as defined in the Development Agreement) and the Development Agreement; and (ii) the City Requirements (as defined in the Development Agreement) in effect on the Effective Date (as defined in the Development Agreement) of the Development Agreement. The Project Approvals include, without limitation, a Master Plan and the Conditions of Approval attached as Exhibits "A" and "B" thereto for the Campus Property (the "Master Plan"), which was approved by the City Council of the City by the adoption of Resolution No. 08-104 on November 20, 2008.

E. In connection with the approval by the City Council of the Project Approvals for the Project and the adoption of the resolution approving the Development Agreement, the City Council of the City certified Environmental Impact Report SCH#2004111149 for the Master Plan and the Development Agreement on November 19, 2008 (the "EIR") pursuant to the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA").

F. As of the Reference Date of this First Amendment: (i) the Project Building (as defined in the Development Agreement) that is identified as "MOB1" in the Development Agreement has been developed and is fully occupied; (ii) the Project Structures (as defined in the Development Agreement) that are identified as "PS1" and "PS4" have been developed and are open for use; (iii) the Project Building identified as the "Central Plant" is under construction at 3,600 square feet, representing a 6,400 square foot reduction from that approved in the Master Plan, with a building height of 19 feet and 4 inches reduced from 26 feet; and (iv) a 8,872 square foot loading dock with an approximate height of 16 feet above ground is under construction.

G. One of the approved Project Buildings under the Development Agreement and the Master Plan includes an "Inpatient Building" on the HMNH Property at the location shown on the Site Plan attached as Exhibit "E" to the Development Agreement. The Master Plan provides that the Inpatient Building would have 125,363 square feet and a building in height of 85 feet to the top of the parapet and 100 feet in height to the top of the wind sock and elevator shaft. The Inpatient Building would also include a rooftop helipad (the "Helipad").

H. In 2011, the City adopted a General Plan Update, which resulted in a change in land use designation for the Campus Property from Residential Low (RL) to Public Institutional (PI).

I. In 2013, the City adopted a Zoning Code Update, which resulted in the Campus Property being rezoned from RL to PI.

J. Subsequent to approval of the Master Plan and Development Agreement, the California Building Standards Code was amended to impose mandatory new requirements related to design and construction of new hospitals. Compliance with the new regulations requires an increase in the square footage of the Inpatient Building to increase the number and width of exiting corridors between departments, provide two separate elevators for clean items delivered and soiled items hauled, and a dedicated corridor between food storage areas and the kitchen.

K. HMNH desires to expand its Obstetric Services Unit through construction of new Caesarean section rooms in order to accommodate the growing need for obstetric services in the Santa Clarita Valley and to better contract services from insurance providers. Two new Caesarean sections rooms are anticipated to be constructed. This expansion requires an increase in square footage of the Inpatient Building.

L. The Helipad is to be used for incoming flights for trauma and other transfers to HMNH and departing flights for specialty care, such as advanced neonatal intensive-care unit and seriously ill pediatric patients. HMNH desires to relocate the Helipad from the front to the rear of the roof of the Inpatient Building in order to accommodate direct elevator access between the Helipad and the emergency room and comply with Federal Aviation Administration (FAA) and State required airspace obstruction clearance criteria for operational safety.

M. In order to modify the Master Plan to implement the mandatory new California Building Standards Code requirements, permit the additional Caesarean section rooms and relocation of the Helipad, it was determined that as well as amending the Master Plan and the Development Agreement, a Specific Plan was needed to outline existing uses, including those approved under the Master Plan, as amended, future uses approved under the Master Plan, as amended, as well as to include the amendments to the Master Plan, and provide a cohesive set of standards and guidelines for how the amendments would occur on the Campus Property.

N. HMNH has submitted applications to the City (collectively, the "Project Applications"), with the consent of HCN Valencia, to (i) amend the General Plan to change the Campus Property's land use designation from Public Institutional (PI) to Specific Plan (SP), (ii) amend the Santa Clarita Zoning Code to change the Campus Property's zone from PI to SP, (iii) adopt a Specific Plan, (iv) amend the Master Plan, and (v) amend the Development Agreement, for the following purposes:

- (1) Increase the square footage of the Inpatient Building from 125,363 square feet to 162,329 square feet (an increase of 36,966 square feet);
- (2) Modify the aggregate square footage increase of the Project from 327,363 square feet to 357,929 square feet (a net increase of 30,566 square feet) to reflect the net increase in square footage in the Project that would result from the increase in the square footage of the Inpatient Building and the decrease in the square footage of the Central Plant.
- (3) Relocate the Helipad from the front to the rear of the roof of the Inpatient Building.

O. Under the Project Applications no increases in the permitted building height of the Inpatient Building is requested, and no new uses, increases in the density or intensity of existing uses or the number of programs, employees, licensed beds overall on campus or square footage allocated to administration uses in the Inpatient Building, are requested. HMNH has paid all necessary costs and fees associated with the filing and the City's processing of the Project Applications.

P. The Project Applications are more fully described in the Addendum to the Henry Mayo Newhall Memorial Hospital Master Plan Certified Environmental Impact Report SCH#2004111149, dated March \_\_, 2016 (the "EIR Addendum") prepared by Dudek. The EIR Addendum contains findings that: (i) the proposed Project Applications require only minor, technical changes in the EIR; and (ii) the proposed Project Applications do not trigger any of the conditions identified in Section 15162 of the CEQA Guidelines, 14 Cal. Code Regs. Section 15000 et seq., that would require a subsequent or supplemental EIR.

Q. Pursuant to Section 4.2.5 of the Development Agreement, any increase in the overall square footage of the Project requires an amendment to the Development Agreement which must be reviewed by the Planning Commission of the City and approved by the City Council of the City.

R. The Planning Commission of the City and the City Council of the City have given notice of their intention to consider the Project Applications and the Addendum, have conducted public hearings thereon pursuant to the California Government Code and the Santa Clarita Municipal Code, and the City Council has found that the Project Applications and the Project (as revised by the Project Applications) are: (i) consistent with the General Plan, adopted plans, codes, ordinances and policies of the City; (ii) consistent with all other ordinances, resolutions, rules, regulations, laws, plans and policies applicable to the Project; and (iii) in the best interest of the health, safety and general welfare of the City, its residents, and the general public.

S. On \_\_\_\_\_, 2016, after conducting a public hearing and after considering all evidence, both oral and written, submitted for the record, all appropriate documentation and circumstances, and making all required findings, the Planning Commission of the City adopted resolutions recommending that the City Council: (a) approve the EIR Addendum for the Project; and (b) approve the Project Applications.

T. On \_\_\_\_\_, 2016, after conducting a public hearing and after consideration of the Planning Commission's recommendation and all evidence, both written and oral, submitted for the record, all appropriate documentation and circumstances, and making all required findings, the City Council of the City adopted the following measures (collectively, the "Project Amendments"):

1. Resolution No. 16- \_\_\_\_\_ (adopted, \_\_\_\_\_ 2016),  
Approving the EIR Addendum for the Project Applications
2. Resolution No. 16- \_\_\_\_\_ (adopted, \_\_\_\_\_ 2016),  
Approving the General Plan Amendment.

3. Ordinance No 16- \_\_\_\_\_ (adopted, \_\_\_\_\_ 2016),  
Adopting the Zone Change.
4. Ordinance No. 16- \_\_\_\_\_ (adopted \_\_\_\_\_, 2016),  
Adopting the First Amendment to the Development Agreement.
5. Resolution No. 16- \_\_\_\_\_ (adopted \_\_\_\_\_, 2016),  
Approving the First Amendment to the Master Plan.

NOW, THEREFORE, with reference to the above Recitals, and in consideration of the mutual covenants and agreements contained in this First Amendment, the City and the Developer agree as follows:

### **AGREEMENT**

1. Recitals. Each and all of the foregoing recitals of background facts are incorporated herein by this reference as though set forth herein verbatim.

2. Definition of Terms Used Herein. The capitalized terms in this First Amendment shall have the meanings set forth in the Development Agreement unless otherwise expressly indicated herein.

3. Amendments to Development Agreement. The Development Agreement is hereby amended as follows:

3.1 The overall square footage of the Project is hereby increased to 357,929 square feet. The maximum square footage of the Inpatient Building is hereby increased to 162,329 square feet.

3.2 The Site Plan for the Project attached as Exhibit "C" to this First Amendment shall replace and supersede the Site Plan that was attached as Exhibit "E" to the Development Agreement.

4. Notices to HCN Valencia. Section 18 of the Development Agreement is hereby amended to delete the addresses for notices to G&L and to add the following addresses for notices to HCN Valencia:

If to HCN Valencia:  
HCN G&L Valencia Sub, LLC  
c/o Welltower Inc.  
4500 Dorr Street  
Toledo, OH 43615-4040  
Attn.: Charles W. Hiller, Esq.

With a copy to:  
Joseph A. Rideout, Esq.  
Shumaker, Loop & Kendrick LLP  
1000 Jackson Street  
Toledo, OH 43604

5. Successors and Assigns. The provisions of this First Amendment shall be binding upon and inure to the benefit of the Parties, and any subsequent owners of all or any portion of the Campus Property and their respective successors and assigns. Any successors in interest to the City shall be subject to the provisions set forth in Sections 65865.4 and 65868.5 of the Government Code.

6. Constructive Notice and Acceptance. Every person who, now or hereafter, owns or acquires any right, title or interest in or to any portion of the Campus Property is, and shall be, conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this First Amendment is contained in the instrument by which such person acquired an interest in the Campus Property.

7. Counterparts. This First Amendment may be executed in two or more identical counterparts, each of which shall be deemed to be an original and each of which shall be deemed to be one and the same instrument when each Party signs each such counterpart.

8. Incorporation of Attachments. All attachments to this First Amendment, including all Exhibits referenced herein, and all subparts thereto, are incorporated herein by this reference.

9. Full Force and Effect. Except to the extent specifically amended in this First Amendment, all other terms, provisions and conditions of the Development Agreement shall remain unmodified and in full force and effect. In the event of any conflict between the provisions of the Development Agreement and the provisions of this First Amendment, the provisions of this First Amendment shall control.

IN WITNESS WHEREOF, the Parties hereto have duly executed this First Amendment.

"CITY"  
CITY OF SANTA CLARITA,  
a municipal corporation

Dated: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
City Manager

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

"HMNH"  
HENRY MAYO NEWHALL HOSPITAL,  
a California nonprofit public benefit corporation

Dated: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
Roger E. Seaver  
President/CEO

"HCN VALENCIA"  
HCN G&L VALENCIA SUB, LLC,  
a Delaware limited liability company

Dated: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
Its: Authorized Signatory

**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 OHIO )  
 ) ss:  
COUNTY OF LUCAS )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2016, by \_\_\_\_\_, the Authorized Signatory of HCN G&L Valencia Sub, LLC, a Delaware limited liability company, on behalf of the company.

\_\_\_\_\_

Notary Public

My Commission Expires: \_\_\_\_\_

[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 )  
 ) ss:  
COUNTY OF LOS ANGELES )

On \_\_\_\_\_ before me, \_\_\_\_\_  
Notary Public (insert name and title of the officer),

personally appeared \_\_\_\_\_, 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: \_\_\_\_\_

[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 )  
 ) ss:  
COUNTY OF LOS ANGELES )

On \_\_\_\_\_ before me, \_\_\_\_\_  
Notary Public (insert name and title of the officer),

personally appeared \_\_\_\_\_, 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: \_\_\_\_\_

[Seal]

EXHIBIT "A"  
Legal Description of HMNH Property

PARCELS 1 AND 2 OF PARCEL MAP NO. 3083, IN THE CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP FILED IN BOOK 45, PAGE 91 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID PARCEL 1, SAID CORNER LYING ON THE NORTHWESTERLY LINE OF MC BEAN PARKWAY, 100.00 FEET WIDE, SAID NORTHWESTERLY LINE ALSO BEING A CURVE, CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1950.00 FEET; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 1, NORTH 19 DEGREES 37 MINUTES 08 SECONDS WEST, 551.90 FEET, SAID SOUTHWESTERLY LINE ALSO BEING A RADIAL LINE TO SAID CURVE; THENCE NORTH 42 DEGREES 30 MINUTES 21 SECONDS EAST, 510.04 FEET; THENCE SOUTH 47 DEGREES 43 MINUTES 44 SECONDS EAST, 103.96 FEET; THENCE SOUTH 42 DEGREES 24 MINUTES 24 SECONDS EAST, 37.17 FEET; THENCE SOUTH 38 DEGREES 57 MINUTES 00 SECONDS EAST, 24.83 FEET; THENCE SOUTH 51 DEGREES 19 MINUTES 23 SECONDS WEST, 20.00 FEET; THENCE SOUTH 38 DEGREES 35 MINUTES 36 SECONDS EAST, 108.15; THENCE SOUTH 33 DEGREES 01 MINUTES 43 SECONDS EAST, 45.04 FEET; THENCE NORTH 51 DEGREES 32 MINUTES 59 SECONDS EAST, 18.85 FEET; THENCE SOUTH 38 DEGREES 36 MINUTES 22 SECONDS EAST, 118.74 FEET; THENCE NORTH 51 DEGREES 40 MINUTES 23 SECONDS EAST, 24.00 FEET; THENCE SOUTH 41 DEGREES 24 MINUTES 03 SECONDS EAST, 250.71 FEET; THENCE SOUTH 03 DEGREES 50 MINUTES 00 SECONDS EAST, 21.88 FEET TO A POINT ON SAID NORTHWESTERLY LINE OF MC BEAN PARKWAY, 100.00 FEET WIDE AND SAID CURVE, A RADIAL LINE TO SAID CURVE BEARS NORTH 41 DEGREES 08 MINUTES 36 SECONDS WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 21 DEGREES 31 MINUTES 28 SECONDS FOR AN ARC LENGTH OF 732.56 FEET TO THE POINT OF BEGINNING FOR THIS DESCRIPTION.

EXHIBIT "B"  
Legal Description of [G&L Property]

THOSE PORTIONS OF PARCELS 1 AND 2 OF PARCEL MAP NO. 3083, IN THE CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP FILED IN BOOK 45, PAGE 91 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID PARCEL 1, SAID CORNER LYING ON THE NORTHWESTERLY LINE OF MC BEAN PARKWAY, 100.00 FEET WIDE, SAID NORTHWESTERLY LINE ALSO BEING A CURVE, CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1950.00 FEET; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 1, NORTH 19 DEGREES 37 MINUTES 08 SECONDS WEST, 551.90 FEET, SAID SOUTHWESTERLY LINE ALSO BEING A RADIAL LINE TO SAID CURVE; THENCE NORTH 42 DEGREES 30 MINUTES 21 SECONDS EAST, 510.04 FEET; THENCE SOUTH 47 DEGREES 43 MINUTES 44 SECONDS EAST, 103.96 FEET; THENCE SOUTH 42 DEGREES 24 MINUTES 24 SECONDS EAST, 37.17 FEET; THENCE SOUTH 38 DEGREES 57 MINUTES 00 SECONDS EAST, 24.83 FEET; THENCE SOUTH 51 DEGREES 19 MINUTES 23 SECONDS WEST, 20.00 FEET; THENCE SOUTH 38 DEGREES 35 MINUTES 36 SECONDS EAST, 108.15; THENCE SOUTH 33 DEGREES 01 MINUTES 43 SECONDS EAST, 45.04 FEET; THENCE NORTH 51 DEGREES 32 MINUTES 59 SECONDS EAST, 18.85 FEET; THENCE SOUTH 38 DEGREES 36 MINUTES 22 SECONDS EAST, 118.74 FEET; THENCE NORTH 51 DEGREES 40 MINUTES 23 SECONDS EAST, 24.00 FEET; THENCE SOUTH 41 DEGREES 24 MINUTES 03 SECONDS EAST, 250.71 FEET; THENCE SOUTH 03 DEGREES 50 MINUTES 00 SECONDS EAST, 21.88 FEET TO A POINT ON SAID NORTHWESTERLY LINE OF MC BEAN PARKWAY, 100.00 FEET WIDE AND SAID CURVE, A RADIAL LINE TO SAID CURVE BEARS NORTH 41 DEGREES 08 MINUTES 36 SECONDS WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 21 DEGREES 31 MINUTES 28 SECONDS FOR AN ARC LENGTH OF 732.56 FEET TO THE POINT OF BEGINNING FOR THIS DESCRIPTION.

EXHIBIT "C"  
Site Plan  
Page C-1

**LEGEND:**

- EXISTING BUILDINGS
- BUILDINGS IN CONSTRUCTION
- 2008 MASTER PLAN-APPROVED BUILDINGS FOR MEDICAL USES (UNBUILT)
- 2008 MASTER PLAN-APPROVED PARKING STRUCTURES (UNBUILT)
- 2008 MASTER PLAN-APPROVED INPATIENT TOWER (UNBUILT) WITH PROPOSED SPECIFIC PLAN MODIFICATIONS
- EXISTING PROPERTY LINE

**SPECIFIC PLAN**

HENRY MAYO NEWHALL HOSPITAL  
23845 McBean Parkway, Santa Clarita, CA 91355

MARCH 16, 2016

