

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

This PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (“Agreement”), is entered into as of _____ (“Effective Date”), by and between The Saiki Family LLC, a California Limited Liability Company (“Seller”), and the County of San Diego, a political subdivision of the State of California, as buyer (“County”) (collectively, “Parties”) with reference to the following facts:

RECITALS

A. Seller is the owner of Assessor’s Parcel Nos. 185-201-34 and 185-451-15, consisting of approximately 147.65 acres of vacant land (“Property”), as described in Exhibit “A,” attached hereto, and as shown on the map attached hereto as Exhibit “A-1,” both incorporated herein by these references.

B. County desires to purchase the Property from Seller and Seller desires to sell the Property to County for the price and under the terms and conditions specified herein.

C. This Agreement constitutes a purchase and sale agreement and joint escrow instructions to the Escrow Agent identified herein.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**ARTICLE 1
DEFINITIONS**

As used in this Agreement, the following terms shall have the following definitions:

“Close of Escrow” means the conveyance of the Property to the County and the closing of the transaction as described in this Agreement.

“Closing Date” means the date the grant deed for the conveyance of the Property to the County is recorded.

“Escrow Agent” means North American Title and Escrow Company Attn: Maria Jacobsen, 6 Hutton Centre Drive, Suite 550, Santa Ana, CA 92707, and also means “Title Insurer”.

“Exception” means any encroachment, overlap, boundary line dispute or other matter that materially or adversely affects title to the Property as shown on a Preliminary Title Report.

“Grant Deed” means that document that is in substantially the same form as Exhibit A.

“Public Non-Motorized Multi-Use Trail/Access Easement” means that document that is in substantially the same form as Exhibit “B”.

“Covenant of Restriction for Conservation” means that document which is in substantially the same form as Exhibit “C”.

“Hazardous Materials Laws” means any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Property, or soil or groundwater conditions, including, but not limited to, the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 142 U.S.C. Section 9601, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the California Hazardous Waste Control Act and the Carpenter-Presley-Tanner Hazardous Substance Account Act, Cal. Health & Safety Code Section 25100, et seq., and Section 25300, et seq., the Safe Drinking Water and Toxic Enforcement Act, Cal. Health & Safety Code Section 25249.5, et seq., the Porter-Cologne Water Quality Control Act, Cal. Water Code Section 13000, et seq., and any amendments to, and regulations implementing, the foregoing.

“Hazardous Materials” means substances which are flammable, explosive, asbestos, radioactive or toxic, and any substances defined or regulated as hazardous substances, hazardous materials, toxic substances or hazardous waste under any Hazardous Materials Laws.

“New Exception” means any encroachment, overlap, boundary line dispute or other matter that materially or adversely affects title to the Property shown on any Preliminary Title Report issued by Title Insurer subsequent to issuance of the 4th Amended Preliminary Title Report Number 1285757, dated October 27, 2015.

“Opening of Escrow” mean the date on which the Seller and County establish an escrow.

“Permitted Exceptions” mean those matters shown on the Preliminary Title Report approved under Section 4.1.2 and matters excepted or excluded from coverage by the printed terms of the Title Policy’s standard form.

“Title Policy” means a standard form California Land Title Association Title Insurance Policy.

ARTICLE 2 **PURCHASE PRICE**

2.1 Purchase Price. The total purchase price for the Property (“Purchase Price”)

shall be One Million Four Hundred Seventy Six Thousand Five Hundred (\$1,476,500) dollars.

2.2 Deductions from Seller's Proceeds. The Escrow Agent shall deduct from the proceeds payable to Seller on the Closing Date any amount necessary to satisfy:

(a) Any delinquent taxes, together with penalties and interest thereon, and any delinquent assessments or bonds.

(b) Seller's share of taxes and special assessments owed by the Seller up to the close of escrow date, in accordance with the tax demand received from the County Tax Collector's office.

(c) Demands of mortgagees and trustees in accordance with conditions of notes and other obligations secured by mortgages and deeds of trust.

(d) Demands, including charges and costs, of any other lien holders of record, including creditors with recorded abstracts of judgment.

(e) Reconveyance fees, trustee's fees, and forwarding fees for any full reconveyance of a deed of trust or full release of a mortgage.

(f) A deduction from sale proceeds in the amount of Seven Hundred Sixty Five Thousand dollars (\$765,000) in the form of an endowment, payable to the San Diego Foundation for the benefit of the County as referenced in attached Exhibit "D".

(g) Any amount required to clear title Exceptions related to water standby or water deferral charges identified in Article 4.1.2 below.

ARTICLE 3 ESCROW

3.1 Escrow Agent. Escrow Agent is designated, authorized and instructed to act in accordance with the terms of this Agreement.

3.2 Opening of Escrow. Opening of Escrow shall occur within five (5) days of approval of this Agreement by the San Diego County Board of Supervisors.

3.3 Escrow Instructions. This Agreement shall constitute initial escrow instructions to Escrow Agent. The Parties shall execute a copy of Escrow Agent's general conditions and any additional escrow instructions reasonably required by Escrow Agent to consummate the transaction provided for herein after Opening of Escrow; provided, however, such additional escrow instructions shall not modify the provisions of this Agreement, unless such instructions (a) state the modification in full, and (b) are signed by both Parties. In the event of any conflict between the terms of this Agreement and the terms of Escrow Agent's general conditions, the terms of this Agreement shall prevail.

3.4 Deliveries to Escrow. On or before the Closing Date, each Party shall timely deliver to Escrow Agent the funds and documents required to cause the Close of Escrow. Without limiting the generality of the foregoing, the Parties shall deliver to Escrow Agent the following:

3.4.1 Seller's Deliveries.

(a) The Grant Deed conveying the Property to County, duly executed by Seller and acknowledged in recordable form conveying to County good and marketable fee simple title to the Property, subject only to the Permitted Exceptions;

(b) An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445, as amended;

(c) Franchise Tax Board ("FTB") form 593C and any additional forms required by FTB, all completed by Seller; and

(d) Any and all additional documents which may be necessary to transfer title to the Property to County as specified in this Agreement or otherwise required by law.

3.4.2 County's Deliveries. County shall deliver or cause to be delivered to Escrow Agent cash in the amount of the Purchase Price, plus such additional sums as are required of County under this Agreement for special assessment proration, expenses and adjustments. Such amounts shall be deposited by County with Escrow Agent by wire transfer.

3.5 Completion of Documents. Escrow Agent is authorized to complete the documents deposited by the Parties into Escrow, when appropriate and consistent with this Agreement.

3.6 Taxes/Special Assessments, Escrow Fees and Costs.

3.6.1 Taxes/Special Assessments. Escrow Agent shall pay from Seller's proceeds, delinquent real estate taxes, current-year real estate taxes owed by Seller to the Close of Escrow, and special assessments owed by Seller to the Close of Escrow based on a tax demand obtained from the County Tax Collector's office. Said demand shall also show special assessments due from County from Close of Escrow to the end of the current tax year. Escrow shall forward payment for taxes and special assessments owed by Seller and County directly to the Office of the San Diego County Tax Collector at the Close of Escrow. If Seller has paid taxes and special assessments through the end of the current tax year and Seller is owed a refund, such refund shall be mailed to Seller directly by the County Tax Collector's Office and Escrow shall not be concerned with said tax refund.

3.6.2 Seller's Payments. Seller shall pay:

- (a) all government conveyance fees and taxes in the amount Escrow Agent determines to be due upon the transfer of the Property or otherwise required by law;
- (b) one-half of Escrow Agent's escrow fee or escrow termination charge;
- (c) one-half the cost of the Title Policy described in Section 4.2; and
- (d) other "seller's charges and expenses," in accordance with the customary practices of Escrow Agent. Seller shall pay all operating expenses for the Property up to and including the Closing Date, including, but not limited to, insurance, utilities, interest on encumbrances, taxes and maintenance costs.

3.6.3 County's Payments. County pay:

- (a) one-half of Escrow Agent's escrow fee or escrow termination charge;
- (b) one half the cost of the Title Insurance Policy described in section 4.2;
- (c) other "buyer's charges and expenses," in accordance with the customary practices of Escrow Agent; and
- (d) Special assessments from Close of Escrow through the end of the current tax year, in accordance with the tax demand received from the County Tax Collector's office.

3.6.4 Default. Notwithstanding the foregoing, in the event of a default by County or Seller hereunder, all cancellation and other escrow charges shall be paid by the defaulting party.

3.7 Existing Encumbrances. Escrow Agent is authorized to secure beneficiary demands and requests for reconveyance for those monetary liens which are not Permitted Exceptions. Seller has the right to approve all demands and statements described in this Section, but approval shall not be unreasonably withheld or delayed.

ARTICLE 4 **TITLE MATTERS**

4.1 Preliminary Title Report.

4.1.1 Delivery to County. County has received a 4th Amended Preliminary Title Report No. 1285757 dated as of October 27, 2015 ("PR"), issued by North American Title Company reflecting the status of title to the Property.

4.1.2 Approval of Condition of Title. County hereby approves the condition of title to the Property, as reflected in the Fourth Amended PR, as reported in Schedule B of the PR except for item No(s). 1-3, 14 - 21 and 24 that shall be cleared from the title prior to Close

of Escrow.

4.1.3 Amendment of PR. If any New Exceptions arises, then County may elect, at any time prior to Close of Escrow, to either (a) waive any objection it may have to such New Exception(s) and accept title to the Property subject to such New Exceptions; or (b) request that Seller remove such New Exception(s), or (c) terminate this Agreement.

4.2 Title Insurance. Title Insurer shall issue a Title Policy insuring County's title to the Property in the amount of the Purchase Price, subject only to the Permitted Exceptions.

ARTICLE 5 **CLOSE OF ESCROW**

5.1 Conditions to Close of Escrow. Close of Escrow shall be subject to satisfaction or waiver of each of the following conditions precedent for the benefit of County:

(a) The Title Insurer's written agreement to issue or issuance of the Title Policy described in Section 4.2, subject only to the Permitted Exceptions.

(b) The continued accuracy of the representations and warranties of Seller set forth in Article 6.

(c) Execution of a public Non-Motorized Multi-Use Recreational Public Trail Easement over Assessor's Parcel Number 185-201-33, as shown on attached Exhibit "B", granted by Left Coast Investments, Inc. for the benefit of County. Escrow shall record said Easement prior to the recordation of the Grant Deed for the County's purchase of the Property.

(d) Recordation of a document entitled "Covenant of Restrictions for Open Space Conservation", as shown on attached Exhibit "C". Escrow shall record said document immediately following the recordation of the Grant Deed.

(e) As referenced in the attached "Addendum #1 to Escrow Instructions", recordation of the "Agreement Terminating Agreement Providing for Deferral of Land from Water Standby Charges" between County and San Diego County Water Authority releasing property from all current and future liabilities relating to water availability standby charges.

(f) Written confirmation from the Valley Center Municipal Water District that the property is released from all current and future liabilities relating to water availability standby charges as outlined in document numbers 1996-0363468, 1996-0363469, 1996-0363470, 1996-0363471, 1996-0363472, 1996-0363474, 2003-0335390.

(g) Written confirmation from the Metropolitan Water District that the property is released from all current and future liabilities relating to water availability standby charges as outlined in document number 2003-0335390.

(h) Execution of an Endowment Fund Agreement for the Elsie Saiki

Memorial Endowment Fund between Seller and the San Diego Foundation as referenced in Article 2.2 (f) and attached as Exhibit "D" for reference.

(i) Seller's removal of all personal property and debris from the Property, if any, as identified by County in a written notice delivered to Seller at least one week before Close of Escrow. County has the right to access the Property to determine if personal property and debris have been removed from the Property pursuant to Section 7.1.

(j) Five (5) days advance notice from Escrow Agent before County is required to deliver the Purchase Price to Escrow Agent.

5.1.1 Waiver of Conditions. County may unilaterally waive, in writing, any or all of the conditions described in Section 5.1.

5.1.2 Failure of Conditions. If any of the foregoing conditions is neither satisfied nor waived County may terminate this Agreement and the escrow by giving written notice of termination to Seller and Escrow Agent. In the event of such termination, County shall be relieved of any obligation to purchase the Property and to pay any costs associated with this Agreement. Such termination shall not limit any other legal rights and remedies available to County if the failure of conditions is the result of a default by Seller.

5.2 Distribution of Funds and Documents. On the Closing Date, Escrow Agent shall:

5.2.1 Payment of Encumbrances. Pay the amount of those monetary liens which are not Permitted Exceptions to the obligees thereof, in accordance with the demands approved by Seller, and is not otherwise contrary to the terms of this Agreement, utilizing funds to which Seller shall be entitled upon Close of Escrow and funds (if any) deposited in escrow by Seller.

5.2.2 Recordation of Documents. Submit to the County Recorder of San Diego County the Grant Deed for the Property and any other document to be recorded under the terms of this Agreement or by general usage, and, after recordation, cause the County Recorder to mail the Grant Deed to the County, and any other document recorded pursuant hereto to that person acquiring rights thereunder for whose benefit said document was recorded.

5.2.3 Non-Recorded Documents. Deliver by United States mail (or hold for personal pickup, if requested):

- (a) The Title Policy to County;
- (b) One signed copy of Escrow Agent's closing statement showing all receipts and disbursements of the escrow to both the Seller and County;
- (c) As described in Section 3.4.1, the FIRPTA Affidavit, and the FTB form 593C; and

(d) Each other non-recorded document received hereunder to the payee or person acquiring rights thereunder or for whose benefit said document was acquired.

5.2.4 Distribution of Funds. Deliver by United States mail (or as otherwise instructed by the receiving party):

(a) to Seller, or order, the cash portion of the Purchase Price, adjusted for charges, credits and debits provided for herein; and

(b) to County, any excess funds delivered to Escrow Agent by County.

ARTICLE 6 **SELLER'S REPRESENTATIONS AND WARRANTIES**

6.1 Seller's Representations and Warranties. Seller warrants that as of the date of this Agreement and as of the Close of Escrow:

6.1.1 Authority. Seller has full legal right, power and authority to execute and fully perform its obligations under this Agreement, without the need for any further action; and the persons executing this Agreement and other documents required hereunder on behalf of Seller are the only persons required to execute such documents to legally effect the transactions contemplated hereby and are fully authorized to do so. Concurrently with execution of this Agreement, Seller shall deliver to County written evidence verifying that the persons executing this Agreement have the authority to execute all documents and grant all approvals required in connection with Seller's performance under this Agreement.

6.1.2 Title Matters. Following the Effective Date of this Agreement, Seller is prohibited from creating New Exceptions to title to the Property and from creating or permitting the creation of any exceptions to Seller's title to the Property, without County's prior written consent, which shall not be unreasonably withheld.

6.1.3 Claims, Litigation. To the best of Seller's knowledge, there is no pending litigation, proceeding or governmental investigation relating to the Property, and Seller has no knowledge of any material basis for any such claim, litigation, proceeding or governmental investigation.

6.1.4 Governmental Regulations. Seller has received no notice of violation of any applicable zoning regulation or ordinance or other law, order, ordinance, rule, regulation, code or requirement affecting or relating to the construction, use or occupancy of the Property (collectively, "Governmental Regulations"), nor any notice of violation of any covenant, condition or restriction affecting the Property. To the best of Seller's knowledge the Property is in material compliance with any such Governmental Regulations and covenants, conditions and restrictions.

6.1.5 Hazardous Materials.

(a) To the best of Seller's knowledge: (1) no Hazardous Materials (as defined herein) have been generated, treated, stored, deposited, disposed of or released on the Property, or within any surface or subsurface waters thereof; (2) no underground tanks have been located on the Property; and (3) there are no substances or conditions in or on the Property which may support a claim, cause of action or liability under any Hazardous Materials Laws (as defined herein) or to any third party.

6.1.6 Material Facts. No representation or warranty made by Seller contains any untrue statement of a material fact or omits a material fact necessary to make such statements not misleading.

6.2 Survival of Representations. The representations given by Seller in this Article 6 shall be true as of Close of Escrow and delivery of the Grant Deed to County.

ARTICLE 7
ADDITIONAL OBLIGATIONS

7.1 Access to Property. Seller shall allow County and its agents reasonable access to the Property, upon reasonable notice to Seller, for the purpose of inspecting, surveying and testing the same, including examination of soils, environmental factors, Hazardous Materials and archeological information, and for other purposes reasonably related to County's right to purchase the Property as provided herein; provided, however, in connection with any such entry, County shall perform all work in a safe manner, shall repair any damage to the Property, and shall indemnify Seller as provided in Section 7.2, below. County shall have up to sixty (60) days from the Opening of Escrow to object to the condition of the property based on the due diligence performed and shall have the unilateral right to terminate this Agreement with Seller if such condition is unacceptable to County.

7.2 County's Indemnity. County shall indemnify, hold harmless and defend Seller from and against any and all liens, claims, liabilities, losses, damages, costs, expenses, suits or judgments for labor performed or materials furnished to or for County, or for injuries to person or property damage, arising out of any accident or occurrence in any way connected with entry upon, testing or inspection of the Property by County or its agents pursuant to Section 7.1 of this Agreement.

7.3 Possession. Possession of the Property shall be delivered by Seller to County on the Closing Date upon recordation of the Grant Deed.

ARTICLE 8
GENERAL PROVISIONS

8.1 Assignment. Neither Seller nor County shall have the right to assign their respective rights or obligations under this Agreement without the written consent of the other

party.

8.2 Brokerage Commission. Each party hereby represents that it is unaware of any real estate commissions that are or might become due in connection with the sale of the Property pursuant to this Agreement. Each party agrees to indemnify, hold harmless and defend the other party from and against any obligation or liability to pay and such commission or compensation arising from the act or agreement of the indemnifying party.

8.3 Contingency. This Agreement shall bind the County only following its approval by the Board of Supervisors and execution by the authorized signatory.

8.4 Entire Agreement. This Agreement together with all exhibits attached hereto and other agreements expressly referred to herein, constitutes the entire agreement between the parties with respect to the subject matter contained herein. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded.

8.5 Exhibits. All exhibits referred to herein are attached hereto and incorporated herein by reference.

8.6 Further Assurances. The parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Agreement and the intentions of the parties.

8.7 Governing Law. This Agreement shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.

8.8 Headings. The captions and Section headings used in this Agreement are inserted for convenience of reference only and are not intended to define, limit or affect the construction or interpretation of any term or provision hereof.

8.9 Modification, Waiver. No modification, waiver, amendment or discharge of this Agreement shall be valid unless the same is in writing and signed by both parties.

8.10 No Other Inducement. The making, execution and delivery of this Agreement by the parties hereto has been induced by no representations, statements warranties or agreements other than those expressed herein.

8.11 Notices. Notice to either party shall be in writing and either personally delivered or sent by certified mail, postage prepaid, return receipt requested, addressed to the party to be notified at the address specified herein. Any such notice shall be deemed received on the date of personal delivery to the party (or such party's authorized representative) or three (3) business days after deposit in the U.S. Mail, as the case may be.

County's Address for Notice:
Department of General Services
Attn: Adam Weinberg, Chief
5560 Overland Avenue, Suite 410
San Diego, California 92123

Seller's Address for Notice:
The Saiki Family LLC
c/o Bill Farwell
8524 Roberta Drive
El Cerrito, CA 94530

Telephone: (858) 694-2290
Fax: (858) 694-2369

(510) 526-4255

Either party may change its address for notice by delivering written notice to the other party as provided herein.

8.12 Severability. If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

8.13 Specific Performance and Other Remedies. The parties understand that the Property is unique and for that reason, among others, the parties will be irreparably damaged in the event that this Agreement is not specifically enforced. Accordingly, in the event of any controversy concerning the obligations under this Agreement, such obligation shall be enforceable by a decree of specific performance or by injunction. Such remedies and all other rights and remedies set forth herein shall be cumulative and not exclusive, and shall be in addition to any and all other remedies which the parties may have hereunder at law or in equity.

8.14 Successors. Subject to the limitations on assignment set forth in Section 8.1, all terms of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, legal representatives, successors, and assigns.

8.15 Time. Time is of the essence of each provision of this Agreement.

8.16 Time Period Computation. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice or approval shall fall on a Saturday, Sunday or State or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday or State or national holiday.

8.17 Waiver. The waiver by one party of the performance of any term, provision, covenant or condition shall not invalidate this Agreement, nor shall it be considered as a waiver by such party of any other term, provision, covenant or condition. Delay by any party in pursuing any remedy or in insisting upon full performance for any breach or failure of any term, provision, covenant or condition shall not prevent such party from later pursuing remedies or insisting upon full performance for the same or any similar breach or failure.

This Agreement shall be effective as of the date of its approval by County Board of Supervisors.

SELLER: The Saiki Family LLC, a California Limited Liability Company

By: _____
WILLIAM R. FARWELL, Manager

Date: _____

By: _____

Date: _____

COUNTY: COUNTY OF SAN DIEGO, a political subdivision of the State of California

By: _____
APRIL F. HEINZE, P.E., Director

Date: _____

Approved as to form and legality:

Shiri Hoffman,
Senior Deputy County Counsel

RECORDING REQUESTED BY DEPARTMENT OF GENERAL SERVICES FOR THE BENEFIT OF THE COUNTY OF SAN DIEGO PER GOVERNMENT CODE SECTION 27383

EXHIBIT A

WHEN RECORDED, PLEASE RETURN THIS INSTRUMENT TO:

(MAIL STATION A45)

Clerk, Board of Supervisors
San Diego County Administration Center
1600 Pacific Highway
San Diego, California 92101

SPACE ABOVE FOR RECORDER'S USE ONLY

GRANT DEED

NO TRANSFER TAX DUE

Assessor's Parcel

No.: 185-201-34; 185-451-15

Project: SAIKI

W.A. No.: MSCP7312-00231

Parcel No.: 2015-0070-A

Fund: PARKS

THE SAIKI FAMILY LLC, a California Limited Liability Company,

for a valuable consideration, the receipt of which is hereby acknowledged, does hereby **GRANT** in FEE to the **COUNTY OF SAN DIEGO**, a political subdivision of the State of California all rights, title and interest to that real property in the County of San Diego, State of California described as follows:

Parcel No. 2015-0070-A

(11-23-2015)

(ERL:PET:erl)

PARCEL 1:

THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 1, TOWNSHIP 11 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, APPROVED JANUARY 26, 1891.

PARCEL 2:

THE EAST HALF OF THE NORTHWEST QUARTER, EXCEPTING THEREFROM THE SOUTH 990.00 FEET OF THE WEST 660.00 FEET; THE WEST HALF OF THE NORTHEAST QUARTER IN SECTION 12, TOWNSHIP 11 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, APPROVED JANUARY 26, 1891.

EXCEPTING FROM SAID WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 12, ALL THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE WEST HALF OF SAID NORTHEAST QUARTER; THENCE NORTH 45°10'45" WEST 570.00 FEET; THENCE SOUTH 39°04'15" WEST, 563.29 FEET, THENCE SOUTH 03°58'04" WEST TO THE EAST AND WEST CENTER LINE OF SAID SECTION 12; THENCE ALONG SAID CENTER LINE, NORTH 87°19'15" EAST TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM

THAT PORTION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 11 SOUTH, RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 12; THENCE SOUTH 1° 54' WEST ALONG THE WEST LINE OF THE EAST HALF OF SAID NORTHWEST QUARTER A DISTANCE OF 1245.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 88° 06' EAST 128.75 FEET; THENCE SOUTH 27° 27' 05" EAST 113.09 FEET; THENCE SOUTH 78° 38' 53" EAST 281.53 FEET; THENCE SOUTH 1° 54' WEST 367.12 FEET TO THE NORTH LINE OF THE SOUTH 990 FEET OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 12; THENCE SOUTH 87° 46' 45" WEST 463.08 FEET TO THE NORTHWESTERLY CORNER OF SAID SOUTH 990 FEET; THENCE ALONG THE WEST LINE OF SAID EAST HALF OF THE NORTHWEST QUARTER NORTH 1° 54' EAST 545.20 FEET TO THE TRUE POINT OF BEGINNING.

PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED DECEMBER 14, 2001 AS INSTRUMENT NO. 2001-921034 OF OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 11 SOUTH, RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 12; THENCE SOUTH 1° 54' WEST ALONG THE WEST LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 807.00 TO THE TRUE POINT OF BEGINNING; THENCE RETRACING NORTH 1° 54' EAST ALONG SAID WEST LINE A DISTANCE OF 582.00 FEET; THENCE SOUTH 88° 06' EAST 120.00 FEET; THENCE SOUTH 45° 06' 02" EAST 467.47 FEET; THENCE SOUTH 1° 54' WEST 263.19 FEET TO A POINT THAT BEARS SOUTH 88° 06' EAST FROM THE TRUE POINT OF BEGINNING; THENCE NORTH 88° 06' WEST 461.89 FEET TO THE TRUE POINT OF BEGINNING.

PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED DECEMBER 14, 2001 AS INSTRUMENT NO. 2001-921034 OF OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM THAT PORTION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 11 SOUTH, RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 12; THENCE SOUTH 1° 54' WEST ALONG THE WEST LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 807.00 TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 1° 54' WEST ALONG SAID WEST LINE A DISTANCE OF 438.00 FEET; THENCE SOUTH 88° 06' EAST 128.75 FEET; THENCE SOUTH 27° 27' 05" EAST 113.09 FEET; THENCE SOUTH 78° 38' 53" EAST 281.53 FEET; THENCE NORTH 1° 54' EAST 582.81 FEET TO A POINT THAT BEARS SOUTH 88° 06' EAST FROM THE TRUE POINT OF BEGINNING; THENCE NORTH 88° 06' WEST 461.89 FEET TO THE TRUE POINT OF BEGINNING.

PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED DECEMBER 14, 2001 AS INSTRUMENT NO. 2001-921034 OF OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM

THAT PORTION OF THE EAST HALF OF THE NORTHWEST QUARTER AND THAT PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, ALL IN SECTION 12, TOWNSHIP 11 SOUTH, RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 12; THENCE SOUTH 1° 54' WEST ALONG THE WEST LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 225.00 FEET; THENCE SOUTH 88° 06' EAST 120.00 FEET; THENCE SOUTH 45° 06' 02" EAST 467.47 FEET TO THE TRUE POINT OF BEGINNING THENCE SOUTH 1° 54' WEST 1213.12 FEET TO THE NORTH LINE OF THE SOUTH 990 FEET OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SPAN SECTION 12; THENCE NORTH 87° 46' 45" EAST 198.96 FEET TO THE NORTHEASTERLY CORNER OF THE SOUTH 990 FEET OF THE WEST 660 FEET OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THENCE SOUTH 1° 54' WEST ALONG THE EAST LINE OF SAID WEST 660 FEET A DISTANCE OF 992.56 FEET TO THE SOUTH LINE OF SAID NORTHWEST QUARTER OF SECTION 12; THENCE SOUTH 87° 47' 16. WEST 662.03 TO THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; THENCE ALONG THE WESTERLY LINE THEREOF SOUTH 2° 28' 46" WEST 367.78 FEET TO A POINT IN THE CENTERLINE OF THE COUNTY ROAD KNOWN AS ROAD SURVEY NO. 940 ACCORDING TO PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID COUNTY, BEING A POINT ON A 700 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 55° 51' 11" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE 54.52 FEET THROUGH AN ANGEL OF 4° 27' 44"; THENCE NORTH 75° 01' 30" EAST 1427.77 FEET TO THE EASTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; THENCE NORTH 16° 26' 21" EAST 99.14 FEET TO THE NORTHEAST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; THENCE NORTH 11° 13' 19" WEST 295.00 FEET; THENCE NORTH 3° 11' 46" EAST 437.29 FEET; THENCE NORTH 25° 34' 40" WEST 471.95 FEET; THENCE NORTH 14° 17' 07" EAST 365.00 FEET; THENCE NORTH 1° 54' EAST PARALLEL WITH THE WEST LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 597.62 FEET; THENCE NORTH 84° 55' 05" WEST 740.80 FEET TO THE TRUE POINT OF BEGINNING.

PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED DECEMBER 14, 2001 AS INSTRUMENT NO. 2001-921034 OF OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 11 SOUTH, RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 12; THENCE SOUTH 1° 54' WEST ALONG THE WEST LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 225.00 FEET; THENCE SOUTH 88° 06' EAST 120.00 FEET; THENCE SOUTH 45° 06' 02" EAST 467.47 FEET; THENCE NORTH 23° 12' 56" EAST 648.00 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 12 DISTANT THEREON 700.00 FEET EASTERLY FROM THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 12; THENCE SOUTH 86° 59' 39" WEST 700.00 FEET ALONG THE NORTH LINE OF SAID SECTION 12 TO THE POINT OF BEGINNING.

PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED DECEMBER 14, 2001 AS INSTRUMENT NO. 2001-921034 OF OFFICIAL RECORDS.

PARCEL 3:

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 11 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, APPROVED JANUARY 26, 1891, LYING WESTERLY OF A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 12, THENCE NORTH 45°10'45" WEST 570.00 FEET; THENCE SOUTH 39°04'15" WEST 563.29 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 03°58'04" WEST 620.00 FEET; THENCE SOUTH 12°05'24" EAST 747.08 FEET TO A POINT IN THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 12.

PARCEL 4:

AN EASEMENT AND RIGHT OF WAY FOR ROAD PURPOSES OVER A STRIP OF LAND 20.00 FEET IN WIDTH OVER A PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 11 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, APPROVED JANUARY 26, 1891, AS DESCRIBED IN THE FIRST EASEMENT RESERVATION IN DEED TO GEORGE C. ELLIS, ET UX, RECORDED JULY 15, 1959 IN BOOK 7770, PAGE 375 OF OFFICIAL RECORDS.

PARCEL 5:

AN EASEMENT AND RIGHT OF WAY FOR ROAD PURPOSES OVER A PORTION OF THE EAST HALF OF SECTION 12, TOWNSHIP 11 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, APPROVED JANUARY 26, 1891, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 12, THENCE NORTH 45°10'45" WEST TO AN INTERSECTION WITH A LINE THAT IS PARALLEL WITH AND 20.00 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES TO, THE WESTERLY LINE OF THE EASTERLY QUARTER OF SAID SECTION 12, THENCE SOUTHERLY ALONG SAID PARALLEL LINE, TO AN INTERSECTION WITH A LINE THAT IS PARALLEL WITH AND 20.00 FEET SOUTHERLY OF, MEASURED AT RIGHT ANGLES, TO THE NORTHERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION; THENCE EASTERLY ALONG SAID PARALLEL LINE APPROXIMATELY 320.00 FEET TO THE WESTERLY LINE OF THE ABOVE DESCRIBED PARCEL 4; THENCE NORTHERLY ALONG SAID WESTERLY LINE, APPROXIMATELY 20.00 FEET TO THE INTERSECTION WITH THE NORTHERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 12; THENCE WESTERLY ALONG SAID NORTHERLY, APPROXIMATELY 300.00 FEET TO THE POINT OF BEGINNING.

All as shown on **Exhibit 'A'** attached hereto for reference only.

TOGETHER WITH all tenements, hereditaments, water and other rights, easements and appurtenances thereunto belonging or appertaining, and all of Grantor's right, title and interest, if any, in and to any alleys, streets, ways, strips or gores or railroad rights-of-way abutting, adjoining or appurtenant to said land and in any means of ingress or egress appurtenant thereto.

Dated this _____ day _____, 20_____.

THE SAIKI FAMILY LLC, a California Limited Liability Company,

By: _____
Name Title

By: _____
Name Title

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 _____ }
COUNTY OF _____ } SS

On _____ before me, _____
_____, a Notary Public, 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 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.

FOR NOTARY SEAL OR STAMP

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: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing deed or grant to the **County of San Diego**, a political subdivision, is hereby accepted on behalf of the Board of Supervisors of said County of San Diego pursuant to authority conferred by Resolution No. 12-159 of said Board adopted on **October 10, 2012 (08)** and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

ADAM S. WEINBERG, CCIM
Chief, Real Estate Services Division
Department of General Services

Exhibit 'A-1'

PARCEL 1

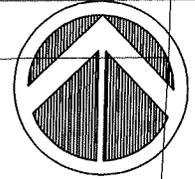
PARCEL 2

2015-0070-A

PARCEL 5

PARCEL 4

PARCEL 3



DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES
COUNTY OF SAN DIEGO

APPROVED BY: _____
DRAWN BY: E. LAZOVICH

DATE: 11/23/15
SCALE: Custom

1 SHEET No.
OF
1
PARCEL No.

SAIKI

2015-0070-A

EXHIBIT B

WHEN RECORDED, PLEASE RETURN THIS INSTRUMENT TO:

(MAIL STATION A45)

Clerk, Board of Supervisors
San Diego County Administration Center
1600 Pacific Highway
San Diego, California 92101

SPACE ABOVE FOR RECORDER'S USE ONLY

EASEMENT (NON-MOTORIZED MULTI-USE RECREATIONAL PUBLIC TRAIL)

NO TRANSFER TAX DUE

Assessor's Parcel No. 185-201-33

Project: Valley Center - SAIKI Trail
W.O. No.: MSCP7312-00229
Parcel No.: 2015-0087-A

LEFT COAST INVESTMENTS, INC., a California corporation

the undersigned, herein designated **GRANTOR**, being the owner of the hereinafter described lands, for a valuable consideration, the receipt of which is hereby acknowledged, does hereby **GRANT** and **CONVEY** to the **COUNTY OF SAN DIEGO**, a political subdivision of the State of California, herein designated **GRANTEE**, a perpetual easement and right-of-way upon, through, under, over and across the hereinafter described real property for the operation, maintenance and repair of a Non-Motorized Multi-Use Recreational Public Trail, together with the perpetual right to remove buildings, structures, trees, bushes, undergrowth, flowers, and any other obstructions interfering with the use of said easement and right-of-way by **GRANTEE**, its successors or assigns and in addition thereto, to remove soil and other materials within said right-of-way and to use the same in such manner and at such locations as said **GRANTEE** may deem proper, needful or necessary in the maintenance of said Non-Motorized Multi-Use Recreational Public Trail or structures incidental thereto.

To have and to hold said easement and right-of-way unto itself and unto its successors and assigns forever, together with the right to convey said easement, or any portion of said easement, to other public agencies.

The real property referred to herein and made subject to said easement and right-of-way by this grant is situated in the County of San Diego, State of California, and is particularly described as follows:

Parcel No. 2015-0087-A

(10/21/2015)

(WAR::war)

A 10 foot wide easement over existing paths and trails from a point near the intersection of Lilac Road and Via Piedra to the Easterly boundary of that portion of the East Half of the Northwest Quarter of the Northeast Quarter of Section 12, Township 11 South, Range 2 West, San Bernardino Meridian, in the County of San Diego, State of California, described in deed to Left Coast Investments, Inc. recorded April 29, 2008 as Document No. 2008-0226244.

The above described easement shall be limited to trails and paths existing as of December 31, 2015 and does not include the right to modify the alignment thereof.

If and when the Grantor herein develops the property described above and dedicates a fixed alignment trail easement from the Lilac Road and Via Piedra intersection to Grantor's Easterly boundary, this easement shall terminate and, at Grantors request, Grantee will provide a quitclaim deed for this easement.

The Grantor, for itself and its successors and assigns, hereby waives any claim for any and all damages to Grantor's remaining property contiguous to the easements and right-of-way hereby conveyed by reason of (a) the severance of the remainder from the part taken; and (b) the use of the Non-Motorized Multi-Use Recreational Public Trail for which the property is taken in the manner proposed by the County whether or not the damage is caused by a portion of the project located on the part taken.

Dated this _____ day of _____, 20_____.

LEFT COAST INVESTMENTS, INC

By: _____
Rudy P. Pacheco, President

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 _____)
COUNTY OF _____) } SS

On _____ before me, _____, a Notary Public in and for said State, 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 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.

FOR NOTARY SEAL OR STAMP

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: _____

Name (typed or printed), Notary Public in and for said County and State

This is to certify that the interest in real property conveyed by the foregoing deed or grant to the **County of San Diego**, a political subdivision, is hereby accepted on behalf of the Board of Supervisors of said County of San Diego pursuant to authority conferred by Resolution No. 12-159 of said Board adopted on **October 10, 2012 (08)** and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

ADAM S. WEINBERG, CCIM
Chief, Real Estate Services Division
Department of General Services
County of San Diego

EXHIBIT C

RECORDING REQUESTED BY DEPARTMENT OF GENERAL SERVICES FOR THE BENEFIT OF THE COUNTY OF SAN DIEGO PER GOVERNMENT CODE SECTION 27383

WHEN RECORDED, PLEASE RETURN THIS INSTRUMENT TO:

(MAIL STATION A45)

Clerk, Board of Supervisors
San Diego County Administration Center
1600 Pacific Highway
San Diego, California 92101

SPACE ABOVE FOR RECORDER'S USE ONLY

Covenant of Restrictions For Open Space Conservation

Project: Valley Center- Saiki
APN: 185-201-34, 185-451-15

WHEREAS: Concurrently with the recordation of the within Covenant of Restrictions for Open Space Conservation ("Covenant"), The Saiki Family LLC is conveying by Grant Deed to the County of San Diego ("County") the real property described as Assessor Parcel Numbers 185-201-34 and 185-451-15 and shown on attached Exhibit "A" ("Property"). The County and its successors and assigns hereby agree to use the Property as open space in perpetuity. Said Covenant will run with the land.

The Property shall only be used for open space purposes. The purpose and intent of the Covenant is to secure for perpetuity the educational, scientific, ecological, historical, recreational and scenic values of the Property.

County of San Diego, a political subdivision of the State of California

ADAM S. WEINBERG, CCIM
Chief, Real Estate Services Division
Department of General Services

Date

EXHIBIT "D"



ENDOWMENT FUND AGREEMENT

for the

Elsie Saiki Memorial Endowment Fund
Designated Endowment Fund

THIS AGREEMENT is made and entered into on _____ (the “**Effective Date**”), by and between THE SAN DIEGO FOUNDATION, a California nonprofit public benefit corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (“TSDF”) and Saiki Family LLC (hereinafter, “Founder”).

1. NAME OF THE FUND

Founder irrevocably transfers \$765,000 to TSDF to establish in TSDF the Elsie Saiki Memorial Endowment Fund (the “Fund”). TSDF may receive additional irrevocable gifts of property acceptable to TSDF from time to time from Founder and from any other source to be added to the Fund, all subject to the provisions hereof.

2. PURPOSE

Subject to the limitations of paragraph 4 below, the primary purpose of the Fund shall be to support the County of San Diego Department of Parks and Recreation (the “Designee”) for the maintenance and management of land in Valley Center, specifically 147.65 acres known as Assessor’s Parcel Nos. 185-201-34 and 185-451-15 a map of which is attached hereto (Exhibit “A”).

3. INVESTMENT OF FUNDS

TSDF shall have all powers necessary or desirable to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund in any manner within the “prudent person” standard and the power to commingle the assets of the Fund with those of other funds for investment purposes, subject however, to the requirements of Sections 5231 and 5240 of the California Corporations Code.

4. DISTRIBUTEES

Subject to paragraph 6, earnings allocated by TSDF to the Fund shall be distributed exclusively for charitable, scientific, literary or educational purposes or to organizations of the type to which an individual taxpayer may make deductible charitable contributions, gifts, and bequests under the income, gift and estate tax provisions of the Internal Revenue Code of 1986, as amended, and of the Revenue and Taxation Code of California. It is intended by the foregoing that at the time a distribution is made from the Fund, the distribution must be made for a charitable, scientific, literary or educational purpose as described in, or to an organization which is described in, Sections 170(c)(1) or (2), of the Internal Revenue Code of 1986, as amended, and Section 17201 of the Revenue and Taxation Code of California. Distributions from the Fund shall be within the purposes and procedures of TSDF as contained in its Articles of Incorporation and its Bylaws.

5. RECOMMENDATIONS FOR DISTRIBUTION

The Fund shall be administered in accordance with the Uniform Prudent Management of Institutional Funds Act, California Probate Code Section 18501, *et. seq.*, as amended. Distributions from the Fund may be made from income and so much of the net appreciation (realized and unrealized) in the fair value of the assets of the Fund as is prudent under the standard established by Section 18504 of the California Probate Code. Distributions shall be made to Designee annually or semi-annually per Distribution Election attached or per Designee request at such times and in such amounts as may be approved by the Board of Governors of TSDF. Designee is not required to accept income distributed each year; income may be accumulated and added to principal. Any amount added to principal shall not later be available for distribution, but will generate income for the fund. Distributions shall be made to Designee and restricted to the furtherance of the purpose described in paragraph 2.

6. CONTINUITY OF THE FUND

The Fund shall continue so long as assets are available in the Fund and the purpose described in paragraph 2 can be served by the Fund's continuation. If the Fund is terminated for either of the above reasons, TSDF shall devote any remaining assets in the Fund exclusively for charitable purposes that (i) are within the scope of the charitable purposes of TSDF's Articles of Incorporation, and (ii) most nearly approximate, in the good faith opinion of the Board of Governors, the original purpose of the Fund.

7. NOT A SEPARATE TRUST

The Fund shall be subject to the Articles of Incorporation and Bylaws of TSDF. All money and property in the Fund shall be assets of TSDF, and not a separate trust, and shall be subject only to the control of TSDF. Pursuant to Treasury Regulations, the Board of Governors of The San Diego Foundation has the power "to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if, in the sole discretion of the Board of Governors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served." Treas. Reg. §1.170A-9(e) (1) (v) (B) and (E).

8. ACCOUNTING

This Fund shall be accounted for separately and apart from other gifts to TSDF.

9. PROGRAM GUIDELINES

Founder acknowledges that he/she has reviewed and is familiar with the attached "Program Guidelines" and that the Fund will be administered in accordance with such policies.

IN WITNESS WHEREOF, Founder hereby executes this agreement as of the Effective Date.

William Farwell
Manager, Saiki Family LLC

Signature

Print Name

Approved by the President & CEO of The San Diego Foundation on _____.

By: _____
B. Kathlyn Mead
President & CEO

Attachment: The San Diego Foundation Program Guidelines



DESIGNATED ENDOWMENT DISTRIBUTION ELECTION
for

Elsie Saiki Memorial Endowment Fund

Allocation of earnings are made monthly to each Fund. Earnings are available for distribution semi-annually, annually, or on request after an allocation period. Distributable earnings will remain distributable unless it is requested that the earnings be reinvested. Earnings reinvested become a part of principal and cannot be accessed in the future for distribution.

Please check one of the following: (If no selection is made earnings will be held until distribution is requested by founder(s) or advisor(s)).

- Please distribute the earnings semi-annually.
(March and September)
- Please distribute the earnings annually.
Circle one: **March**
- Please hold the earnings until distribution is requested.
Please note distributable balance earnings are not credited to the fund.
- Please reinvest the earnings.

(This selection can be changed at any time, but becomes effective on July 1 and January 1.)

William Farwell
Manager, Saiki Family LLC

Date



PROGRAM GUIDELINES

The San Diego Foundation. The San Diego Foundation ("TSDF") is a California nonprofit public benefit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("IRC"). TSDF is recognized as a public charity under IRC Sections 509(a)(1) and 170(b)(1)(A)(vi) and operates as a "community trust" under U.S. Treasury Regulations Section 1.170A-9T(f)(11). All contributions to and assets of TSDF are subject to its Articles of Incorporation, Bylaws and Program Policies. TSDF reserves the right to modify the terms and conditions of its Articles of Incorporation, Bylaws and Program Policies at any time.

Donor Advised Funds. As a community foundation, TSDF may establish for its donors a "donor advised fund," which is separately identified by reference to the donor or donors. The fund is owned and controlled by TSDF and the donor or persons appointed by the donor have the privilege of providing advice with respect to the fund's investments or distributions. TSDF has final authority over the distribution of all grants from its donor advised funds, and reserves the right to decline or modify a grant recommendation that is not consistent with these policies or TSDF's charitable purposes. Gifts to a donor advised fund are irrevocable.

Other Funds. In addition to donor advised funds, TSDF also establishes scholarship funds (discussed below), agency funds (for the benefit of a specified charity), field of interest funds (for a specified charitable purpose) and habitat funds (to administer funds set aside to maintain ecological preserves). Gifts to these funds are irrevocable.

Fund Minimums. Generally, a minimum of \$50,000 is required to establish an agency fund and \$25,000 for all other funds.

Providing Grant Advice to Donor Advised Funds. Once a donor advised fund has been established and funded, the advisor(s) named in the agreement may recommend distributions to qualified charitable organizations. (TSDF staff will perform due diligence to verify that the organization is a current, qualified charity.) The following rules govern grant recommendations:

Minimums. Each recommended grant should be for at least \$250.00.

Procedure. Unless otherwise restricted as an endowment, grants may be recommended out of the original principal, as well as accumulated investment earnings, if any. Grant recommendations can be made at any time during the year, except for designated endowment funds, which make distributions in March and/or September. A maximum of four (4) grants may be made per year from Agency non-endowment funds. Recommendations can be submitted by mail, facsimile or electronic mail. Forms and instructions for making grant recommendations will be provided upon creation of a fund, as part of an advisor orientation process.

Grant Restrictions. The following restrictions apply to grants:

No Indirect Benefit. Grants from donor advised funds may not be used to secure any benefit from the grantee for the donor, the advisor or any persons related to them.

Enforceable Pledges. Grants from donor advised funds may not be used to discharge or satisfy a charitable pledge or obligation that is legally enforceable against the donor or any other person.

Event Tickets. Grants from donor advised funds may not be used to pay for goods or services of value received by the donor, advisor or their family members. For example, grants may not be used to support any charitable event, including fundraising dinners, concerts, auctions, or other benefit functions when the donor would receive a return benefit, such as the benefit of being able to attend a fundraising dinner or event. Further, no grants may be used to pay for any portion of a split or bifurcated disbursement to a charity. A split or bifurcated payment refers to the splitting of a payment to a charity, such as for tickets to an event, into two parts: the deductible portion and the non-deductible portion.

Giving to Individuals. Donors may not choose a specific individual to receive a benefit from a grant from a donor advised fund.

Prohibited Loans & Compensation. Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from donor advised funds.

Restricted Organizations and Purposes. TSDF will not approve grant recommendations that are for non-functionally integrated Type III supporting organizations; supporting organizations that provide support to organizations controlled by the donor, advisor or related persons; supporting organizations that are controlled by the donor, advisor, or related persons; private non-operating foundations; lobbying, political campaigns or other political activities; or any purpose that is not entirely charitable.

Remedial Action. TSDF will take remedial action if it discovers that grants have been made for improper purposes. Remedial actions may include, but are not limited to, a requirement that the recipient charity return the grant and/or termination of the donor's advisory privileges.

Anti-Terrorism Provisions. As part of the grant review process, TSDF checks all recommended grant recipients against the Treasury Department's List of Specially-Designated Nationals, other U.S. and foreign government watch lists, and the IRS list of organizations whose tax exemption has been suspended under IRC Section 501(p). TSDF will not approve grant recommendations to organizations that appear on such lists.

Scholarship Funds. Scholarship funds may have a scholarship advisory committee. All scholarship advisory committee members must be approved by the TSDF's Board of Governors prior to making the first scholarship awards and thereafter annually. The founder may participate on the scholarship advisory committee, provided that neither the founder nor the founder's designees (related parties) may chair the scholarship advisory committee or in any way control the selection process or constitute a majority of the scholarship advisory committee members. In the event the scholarship advisory committee shall cease to be in existence, the Board of Governors of TSDF shall serve as the advisor of the scholarship fund. All scholarships shall be awarded on an objective and nondiscriminatory basis using procedures that have been approved in advance by the Board of Governors of TSDF and that have been designed to ensure that all such grants meet the requirements of paragraphs (1), (2), or (3) of Section 4945(g) of the Internal Revenue Code of 1986.

Income and Estate Tax Deductions. TSDF does not provide any advice or assurance to its donors as to the income tax treatment of amounts deposited in a fund. Donors are advised to seek independent advice as to such income tax treatment.

Investments. The fund advisors for endowment funds will have the assets invested in TSDF's Endowment pool. The fund advisors for non-endowment funds with assets in excess of \$25,000 may recommend that the assets of the fund be invested in one of three investment pools (subject to liquidity requirements); information regarding the composition of each investment pool will be provided to the donor at the time the fund is established. Such recommendations are advisory, and TSDF has final authority over the investment of assets in its funds.

Fees and Costs. Each fund established at TSDF shall share a fair portion of the total administrative costs of TSDF. The administrative cost annually charged against each fund shall be determined in accordance with the then current fee policy of TSDF as the fee structure applicable to funds of its type. Administrative fees for charitable expenses will be negotiated and incurred based upon the complexity of the transaction. Charitable expenses apply exclusively to Field of Interest or Special Project Funds. In addition, upon receipt of assets upon the death of a donor, a onetime estate fee will be assessed in accordance with the then current fee policy of TSDF. Any costs to TSDF in accepting, transferring or managing property donated to TSDF for a fund shall also be paid from such fund.

Provision for Governing Law. These Program Policies, all fund agreements, and any program-related agreement executed by a Donor shall be governed by California law. All gift agreements are deemed to be entered into in the State of California, and all contributions to the TSDF are intended to be administered and managed in the State of California.

Confidentiality. All information concerning donors' or prospective donors' gifts, including names of beneficiaries, gift amounts, and other personal information shall be kept confidential unless permission is obtained from the donor to release such information.

Exhibit A - Site Map the Saiki Family 147.65 acres



Legend
 — Streets
 □ Parcels



1: 18,065



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
 THIS MAP IS NOT TO BE USED FOR NAVIGATION

Notes

ADDENDUM #1 TO ESCROW INSTRUCTIONS

This Addendum #1 to the Escrow Instructions for the purchase of San Diego County Assessor's Parcel Numbers 185-201-34 and 185-451-15 (the "Property") between the County of San Diego ("County") and The Saiki Family LLC ("Seller"). The San Diego County Water Authority ("Water Authority") shall also be a party to this Addendum as follows;

WHEREAS, County and Seller have entered into a Purchase and Sale Agreement whereby Seller intends to execute a grant deed for the sale of the Property to County and County intends to accept the purchase the Property. The County intends to use the Property as open space in perpetuity and concurrent with the recordation of the grant deed for the purchase, intends to record a "COVENANT OF RESTRICTIONS FOR OPEN SPACE CONSERVATION" ("Covenant"), in the form attached as Exhibit A, against the Property, and

WHEREAS, the property is currently encumbered by a Water Availability Standby ("WAS") charge issued by the San Diego County Water Authority in the amount of \$100,000. The Water Authority's Administrative Code allows the Water Authority to forgive WAS charges when a public agency acquires a property encumbered by such charges and after the public agency records a Covenant against the property. The forgiveness becomes effective upon execution by the public agency and the Water Authority and subsequent recordation of an AGREEMENT TERMINATING AGREEMENT PROVIDING FOR DEFERRAL OF LAND FROM WATER STANDBY CHARGES ("Termination Agreement"), in the form attached as Exhibit B, and

NOW, THEREFORE, in consideration of the above, the parties agree the following events shall occur in the order listed as follows;

1. Buyer and Seller agree to execute and accept the grant deed for the sale of the Property. Buyer agrees to execute the Covenant. County and Water Authority agree to execute the Termination Agreement
2. Upon recordation of the grant deed as detailed in paragraph 1 above, Escrow Holder shall record the Covenant against the property.
3. Upon recordation of the Covenant, Escrow Holder shall subsequently record the Termination Agreement

Saiki Family LLC

By: _____

By: _____

County of San Diego

By: _____

APRIL F. HEINZE, P.E., Director

San Diego County Water Authority

By: _____

EXHIBIT A TO ADDENDUM #1 TO ESCROW INSTRUCTIONS

RECORDING REQUESTED BY DEPARTMENT OF GENERAL SERVICES FOR THE BENEFIT OF THE COUNTY OF SAN DIEGO PER GOVERNMENT CODE SECTION 27383

WHEN RECORDED, PLEASE RETURN THIS INSTRUMENT TO:

(MAIL STATION A45)

Clerk, Board of Supervisors
San Diego County Administration Center
1600 Pacific Highway
San Diego, California 92101

SPACE ABOVE FOR RECORDER'S USE ONLY

**Covenant of Restrictions
For Open Space Conservation**

Project: Valley Center- Saiki
APN: 185-201-34, 185-451-15

WHEREAS: Concurrently with the recordation of the within Covenant of Restrictions for Open Space Conservation ("Covenant"), The Saiki Family LLC is conveying by Grant Deed to the County of San Diego ("County") the real property described as Assessor Parcel Numbers 185-201-34 and 185-451-15 and shown on attached Exhibit "A" ("Property"). The County and its successors and assigns hereby agree to use the Property as open space in perpetuity. Said Covenant will run with the land.

The Property shall only be used for open space purposes. The purpose and intent of the Covenant is to secure for perpetuity the educational, scientific, ecological, historical, recreational and scenic values of the Property.

County of San Diego, a political subdivision of the State of California

ADAM S. WEINBERG, CCIM
Chief, Real Estate Services Division
Department of General Services

Date

EXHIBIT B TO ADDENDUM #1 TO ESCROW INSTRUCTIONS

RECORDING REQUESTED BY AND
WHEN RECORDED, PLEASE MAIL TO:

San Diego County Water Authority
4677 Overland Avenue
San Diego, California 92123
C/O Right of Way Department

Space above this line for Recorder's use

Assessor's Parcel No: **185-201-34; 185-451-15**

DOCUMENTARY TRANSFER TAX:

**AGREEMENT TERMINATING AGREEMENT PROVIDING FOR DEFERRAL OF LAND
FROM WATER STANDBY CHARGES**

This Agreement is made by and between San Diego County Water Authority (Authority), a separate public entity formed pursuant to the County Water Authority Act (the "Act") (Stats. 1943, c. 545), and the County of San Diego (Landowner).

WHEREAS, Authority and The Saiki Family LLC (Prior Owner) entered into that certain Agreement Preventing Water Use and Providing for Deferral of Certain Water Availability Standby Charges (Agreement), which Agreement was recorded on October 3, 1997 as Document No. 1997-0493504 in the Official Records of San Diego County, California;

WHEREAS, the Agreement is appurtenant to the land described therein and binding upon successors in interest;

WHEREAS, Prior Owner has granted and assigned its interest in that portion of the land described in Exhibit A to Landowner;

WHEREAS, Landowner has notified Authority of its wish to terminate the Agreement;

WHEREAS, Landowner has acquired such land to become part of the North County Multiple Species Conservation Program, wherein it will be permanently committed to open space and maintained in its natural state; and

WHEREAS, in consideration of such acquisition and commitment of the land to open space, Authority is willing to terminate the Agreement as to the land described in Exhibit A;

NOW THEREFORE, the parties hereto agree as follows:

1. The Agreement as it pertains to the land described in Exhibit "A" is hereby terminated, effective as of the date of recording hereof, and shall have no further force or effect.

EXHIBIT B TO ADDENDUM #1 TO ESCROW INSTRUCTIONS

2. If in the future the landowner receives water from the Authority or any Authority member agency, the Authority may reinstitute standby charges as to landowner's land, and landowner shall pay Authority the \$100K previously terminated charges plus interest of 10% per year.
3. This Agreement shall be binding upon the successors and assigns of Landowner and Authority.

IN WITNESS WHEREOF, the parties to this Agreement have affixed their names as of the dates written below.

Date: _____

**COUNTY OF SAN DIEGO
LANDOWNER**

By: _____
APRIL F. HEINZE, P.E., Director
Department of General Services

Date: _____

SAN DIEGO COUNTY WATER AUTHORITY

By: _____
Lisa Marie Harris
Director of Finance/Treasurer