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(Space above for Recorder's Use)

ANNEXATION AGREEMENT

among

THE CITY OF SANTEE

a California Municipal Corporation,

and

THE CITY OF SAN DIEGO

a California Municipal Corporation,

and

PADRE DAM MUNICIPAL WATER DISTRICT

a California municipal water district,

and

PARDEE HOMES,

a California Corporation.

[Dated as of 8/26/2013 for reference purposes only]

For good and valuable consideration, including, but not limited to, the promises and mutual covenants set forth in this Annexation Agreement, the receipt and sufficiency of which is hereby acknowledged, the City of Santee, the City of San Diego, the Padre Dam Municipal Water District and Pardee Homes agree as follows:

ARTICLE 1

PARTIES AND EFFECTIVE DATE

1.1 **Parties.** This Annexation Agreement ("Agreement") is entered into among: (i) the City of Santee ("Santee"), a municipal corporation and California charter city; (ii) the City of San Diego ("San Diego"), a municipal corporation and California charter city; (iii) Padre Dam Municipal Water District ("Padre Dam"), a California municipal water district; and (iv) Pardee Homes ("Pardee"), a California Corporation. Santee, San Diego, Padre Dam, and Pardee are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties." This Agreement is dated as of August 26, 2013, for reference purposes only, and will become effective upon the "Effective Date" as defined in Section 1.2 below.

1.2 Effective Date. This Agreement will become effective on the first date ("Effective Date") on which all the following have occurred: (i) this Agreement has been approved by Pardee, executed by its legally authorized officers, and delivered to Santee, Padre Dam and San Diego; (ii) this Agreement has been approved by San Diego's City Council and executed by its duly authorized representative as designated by the San Diego City Council; (iii) this Agreement has been approved by the Santee City Council and executed by its duly authorized representative as designated by the Santee City Council; and (iv) this Agreement has been approved by Padre Dam and executed by its duly authorized representative as designated by the Padre Dam and executed by its duly authorized representative as designated by the Padre Dam Board of Directors.

ARTICLE 2

RECITALS

2.1 Pardee owns 203.64 acres of uninhabited land (the "Residential Development Project Property"), located in the undeveloped area of San Diego within the adopted East Elliott Community Plan Area, adjacent to the jurisdictional boundaries of Santee and Padre Dam, as described and depicted in <u>Exhibit</u> A, attached hereto.

2.2 Pardee represents and warrants to the Parties that Pardee is the legal title holder and owner of record of the Residential Development Project Property and that no other parties have a legal or equitable interest in the Residential Development Project Property.

2.3 Pardee intends to develop the Castlerock Project (the "Residential Development Project"), which, as approved by San Diego, consists of a residential development not to exceed 430 units on a 108.72-acre portion of the Residential Development Project Property. The details of the Residential Development Project are described and depicted in exhibits to the Residential Development Project's vesting tentative map and its Environmental Impact Report ("EIR")

(identified therein as the "Annexation Scenario"), as approved and certified by San Diego, and are incorporated herein by this reference.

2.4 As provided in this Agreement, the Parties desire that the 108.72-acre portion of the Residential Development Project Property on which Pardee will construct the Residential Development Project (the "Annexation Property") be detached from San Diego and annexed into the jurisdictional boundaries of Santee and Padre Dam. In addition, the Parties intend that the remaining approximately 94-acre portion of the Residential Development Project Property remain in San Diego as open space (the "Open Space Property"). The process by which these jurisdictional changes will occur are collectively referred to in this Agreement as the "Reorganization."

2.5 The East Elliott Community Plan contemplates that the Annexation Property should be detached from San Diego and annexed to Santee. Specifically, the East Elliott Community Plan contains the following statement: "Due to a lack of nearby residential development or services in San Diego and proximity to residential areas, services and utilities in Santee, de-annexation of this 117 acre area to Santee should be considered if in the future Santee favors such an annexation." The General Plan Land Use Element, Section K states, "Additionally, discussions regarding reorganizations or boundary adjustments between the City and other adjacent jurisdictions will occur over time and will require further evaluation."

2.6 The Land Use Element of the City of Santee's General Plan recognizes that residential development on the Annexation Property might be made compatible with adjacent development in Santee, if the traffic impacts and fiscal impacts associated with the provision of municipal services are mitigated. Specifically, Santee's General Plan states:

East Elliot Development. The East Elliot area of the City of San Diego borders Santee along the City's western boundary. While the majority of this area is planned for preservation as part of the City of San Diego's Multiple Species Conservation Program Subarea Plan, there are areas directly on the City's western border that are designated for future residential development.

While residential development itself would be compatible with the adjacent residential development in Santee, there could be impacts to the City from the additional traffic generated by any future development as well as fiscal impacts resulting from the City providing automatic aid public services such as fire, emergency transport and law enforcement to this area.

Policy 10.1. The City should actively pursue annexation of the land currently under the jurisdiction of the City of San Diego, which is located along the San Diego River at the western City limits to the Mission Trails Regional Park MTRP, and in the East Elliot Area on the City's western boundary.

. . .

Policy 10.2. The City should cooperate with adjacent jurisdictions in establishing a Sphere of Influence.

Policy 10.3. The City shall establish a Planning Area as identified in figure 1-5, Planning Area, pursuant to the provision of Section 65300 of the California Government Code.

2.7 Prior to the Effective Date of this Agreement, Santee, San Diego, and Pardee approved two non-binding, inter-related letters of intent (collectively, "LOI") setting forth: (i) Santee and San Diego's reservation of rights to exercise their discretion as to all matters to negotiate or terminate negotiation of a binding annexation agreement; (ii) an understanding that San Diego would serve as the Lead Agency for CEQA purposes and include an independent analysis of the environmental impacts of a scenario where the Annexation Property would be annexed into Santee; and (iii) an understanding that if San Diego approved the Residential Development Project and an annexation agreement, then Santee would independently evaluate whether to support the Reorganization, and if so, execute a binding annexation agreement and serve as the LAFCO Applicant for LAFCO purposes in processing the Reorganization through LAFCO.

2.8 Pursuant to the authority to enter into annexation-related contracts (*Morrison Homes Corporation v. City of Pleasanton* (1974) 58 Cal. App. 3d 724, 733), this Agreement sets forth the process for and the terms and conditions upon which the Annexation Property may be detached from San Diego and annexed into Santee and Padre Dam through the Reorganization, in the event San Diego approves the Residential Development Project.

2.9 Due to the complexity and magnitude of the Residential Development Project, as well as the substantial financial investment associated with the development, Pardee desires for Santee, Padre Dam and San Diego to provide a sufficient degree of certainty regarding the provision of municipal services to the Annexation Property after San Diego approves the Residential Development Project. Pursuant to this Agreement, San Diego, Padre Dam and Santee provide assurances to Pardee that it will have the right to develop the Residential Development Project in accordance with the Residential Development Project Entitlements on the terms and conditions provided in this Agreement.

ARTICLE 3

DEFINITIONS

3.1 "Affected Local Agency" has the definition provided in Government Code section 56014.

3.2 "Agreement" means this Annexation Agreement.

3.3 "Annexation" has the definition provided in Government Code section 56017 and, for this Agreement, means more specifically the addition of the Annexation Property to the jurisdictional boundaries of Santee, Padre Dam, and any other Affected Local Agency.

3.4 "Annexation Property" means the portion of the Residential Development Project Property that will be annexed into the jurisdictional boundaries of Santee and Padre Dam, as provided in Section 2.3 of this Agreement and described and depicted in <u>Exhibit</u> B, attached hereto. All references to annexation, detachment or reorganization refer to the Annexation Property.

3.5 "Annexation Scenario" means the development scenario further defined in the EIR whereby the Residential Development Project would be approved, permitted and inspected by San Diego with 430 units and annexed into the jurisdictional boundaries of Santee and Padre Dam. As used in this Agreement, the Residential Development Project refers only to the Annexation Scenario, unless otherwise expressly provided.

3.6 "Application" has the definition provided in Section 4.1.2 of this Agreement.

3.7 "Approval of Reorganization" means LAFCO's adoption of a resolution making determinations to approve the Reorganization pursuant to Government Code section 56880.

3.8 "Building Codes" means standard, uniform codes governing construction, as adopted in California and/or San Diego. Examples of Building Codes include the California Building Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, the Uniform Housing Code, and the Uniform Code for the Abatement of Dangerous Buildings.

3.9 "CEQA" means the California Environmental Quality Act, Public Resources Code section 21000 et seq. and the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3 ("CEQA Guidelines").

3.10 "Certificate of Completion" has the definition provided in Government Code section 56020.5.

3.11 "Detachment" has the definition provided in Government Code section 56033, and, for this Agreement, means more specifically the removal of the Annexation Property from the jurisdictional boundaries of San Diego.

3.12 "Early Termination" has the definition provided in Section 8.7.2 of this Agreement.

3.13 "Effective Date" has the definition provided in Section 1.2 of this Agreement.

3.14 "EIR" means the Final Program Environmental Impact Report, SCH No. 2004061029, for the Residential Development Project certified by San Diego pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et. seq. (CEQA), technical studies in support of the EIR, CEQA Findings of Fact, Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program.

3.15 "Executive Officer" has the definition provided in Government Code section 56038 and, for this Agreement, means the Executive Officer of LAFCO.

3.16 "Expiration" has the definition provided in Section 8.7.1 of this Agreement.

3.17 "Fiscal Impact Analysis" means the fiscal study required by Section 5.4 of this Agreement.

3.18 "Initiate" or "Initiation" has the definition provided in Government Code section 56047.

3.19 "LAFCO" means the Local Agency Formation Commission of the County of San Diego, or any successor entity thereto.

3.20 "LAFCO Final Decision" means when LAFCO has recorded the Certificate of Completion with the Recorders Office of the County of San Diego and (i) any ordinances or resolutions with respect to the Certificate of Completion have taken effect; (ii) the time has passed for any request for reconsideration or appeal of LAFCO'S Approval of Reorganization or the Certificate of Completion to any administrative agency or court with appeal jurisdiction over such approvals or appeals in connection therewith; (iii) no notice of referendum or initiative with respect thereto has been published or publicized; and (iv) any appeal or litigation with respect to the Certificate of Completion or LAFCO'S Approval of Reorganization has been prosecuted and resolved in a manner which is not subject to remand to lower courts or governmental agencies.

3.21 "Landowner" has the definition provided in Government Code section 56048 and, for this Agreement, is equivalent to Pardee.

3.22 "Lead Agency for CEQA" has the definition provided in Public Resources Code section 21067 and section 15050 et seq. of the State CEQA Guidelines, and, unless text otherwise indicates, refers to San Diego and its efforts to process the Residential Development Project Entitlements.

3.23 "LAFCO Applicant" refers to Santee and its efforts to process the Reorganization through LAFCO.

3.24 "LOI" means, collectively, the two interrelated letters of intent by and among San Diego, Santee, and Pardee approved by the respective Parties.

3.25 "No Annexation Scenario" means the development scenario further defined in the EIR whereby the Residential Development Project would be built-out in San Diego with 422 units and remain in San Diego.

3.26 "Open Space Property" means the portion of the Residential Development Project Property that will not be annexed into the jurisdictional boundaries of Santee and Padre Dam, as described and depicted in <u>Exhibit C</u>, attached hereto.

3.27 "Padre Dam" means the Padre Dam Municipal Water District, a California municipal water district.

3.28 "Pardee" means Pardee Homes, a California corporation with its principal place of business located at Los Angeles, California.

3.29 "Parties" means, collectively, San Diego, Santee, Padre Dam and Pardee.

3.30 "Party" means, individually, San Diego, Santee, Padre Dam or Pardee.

3.31 "Permit Condition" means a condition to be included in the Residential Development Project Entitlements set forth by San Diego that reads substantially as follows:

"With payment of San Diego processing fees, Pardee may process and complete all requirements necessary for a final map. However, San Diego shall only approve a final map, under the following circumstances:

(a) Upon the Approval of Reorganization, and upon satisfaction of all requirements for obtaining a final map, and upon execution by Pardee of Padre Dam's Contract to Make, Install and Complete Water and/or Sewer Facilities setting forth Padre Dam's requirements for installation of water, wastewater and or recycled water facilities, and submission to Padre Dam of a satisfactory faithful performance bond, San Diego may approve the final map, for the Annexation Scenario.

(b) If (1) LAFCO fails to approve the Reorganization and the Annexation Agreement terminates; (2) either City of Santee fails to approve the Annexation Agreement within 45 days (as may be extended by mutual written consent of the Parties) of San Diego's introduction of an ordinance approving the Annexation Agreement or Padre Dam Municipal Water District fails to approve the Annexation Agreement within 30 days of the latter of (i) the final passage of the City of San Diego ordinance approving the Annexation Agreement (as these dates may be extended by mutual written consent of the Parties); or (3) the City of San Diego, City of Santee or Padre Dam Municipal Water District for the LAFCO to Take Proceedings on the Reorganization or a Resolution of Support for the LAFCO Application, respectively, pursuant to section 4.1 of this Agreement, then upon satisfaction of all requirements for obtaining a final map, San Diego City Council."

The Parties agree and acknowledge Santee and Padre Dam's execution of this Agreement permitting San Diego's consideration of the approval of the final map for the No Annexation Scenario does not constitute a waiver of the rights of Santee and Padre Dam to challenge the approval of the No Annexation Scenario and the approval of the final map for the No Annexation Scenario.

3.32 "Reorganization" means the Detachment of the Annexation Property from San Diego and Annexation of the Annexation Property into the jurisdictional boundaries of Santee, Padre Dam, CSA No. 69, and other Affected Local Agency, as provided in Government Code section 56073 and sections 56650 et seq., as well as any required adjustments to the Santee, Padre Dam, and San Diego Spheres of Influence and related changes to the jurisdictional boundaries and/or Spheres of Influence of any other Affected Local Agency, as set forth in Santee's Resolution of Application for Reorganization.

3.33 "Reorganization Effective Date" has the definition provided in Section 5.1 of this Agreement.

3.34 "Residential Development Project" means the Castlerock Project proposed by Pardee for construction on the Residential Development Property, as is more particularly defined in Section 2.3 of this Agreement. As used in this Agreement, the term Residential Development Property refers only to the Annexation Scenario, unless the No Annexation Scenario is expressly referenced.

3.35 "Residential Development Project Build-Out" means the issuance of the last permit needed to occupy and use the last structure or facility identified in the Residential Development Project Entitlements or an earlier time as the Parties may mutually agree in writing.

3.36 "Residential Development Project Entitlements" means the discretionary approvals issued by San Diego as part of the approval of the Residential Development Project. The Residential Development Project Entitlements include, but are not limited to, the certification of the EIR and related approvals required pursuant to CEQA, Planned Development Permit, Site Development Permit for Environmentally Sensitive Lands, the Rezone, General Plan Amendment, Community Plan Amendment, Vesting Tentative Subdivision Map, MSCP Boundary Line Adjustment and any facilities financing mechanisms. As used in this Agreement, Residential Development Project Entitlements refers only to the entitlements for the Annexation Scenario, unless the No Annexation Scenario is expressly referenced.

3.37 "Residential Development Project Property" has the definition provided in Section 2.1 of this Agreement and is described and depicted in <u>Exhibit A</u>, attached hereto.

3.38 "Resolution of Application for Reorganization" means the document that Santee will approve in order to initiate the Reorganization, as provided in Government Code section 56073.1.

3.39 "San Diego" means the City of San Diego, a California municipal corporation and charter city.

3.40 "Santee" means the City of Santee, a California municipal corporation and charter city.

3.41 "Sphere of Influence" has the definition provided in Government Code section 56076.

ARTICLE 4

THE REORGANIZATION

4.1 Initiation of Proceedings.

4.1.1 Santee as Proponent of Reorganization. Santee, as the LAFCO Applicant, shall adopt a Resolution of Application for Reorganization, in substantially the form described in Exhibit D, attached hereto, within sixty (60) calendar days of the Effective Date of this Agreement or concurrent with a hearing to approve this Agreement. Pardee, San Diego, Santee, and Padre Dam shall review and approve in writing all modifications to the attached Resolution of Application for Reorganization prior to adoption by Santee and submission to LAFCO. For purposes of this paragraph only, the review and approval of modifications to the Resolution of Application may be made by the City Manager of Santee, Mayor of San Diego, the General Manager of Padre Dam or their respective designees. Santee shall process the Reorganization with LAFCO to obtain a Certificate of Completion for the Reorganization. Except as otherwise provided in this Agreement, Santee hereby irrevocably consents to the Reorganization and agrees to not in any way object to, protest, delay, frustrate, or otherwise impede the Reorganization. Provided that Pardee, Padre Dam, and San Diego have fully complied with their obligations set forth in this Agreement, Santee shall cooperate in every reasonable way with the requests of Pardee, San Diego, Padre Dam, LAFCO, and any other Affected Local Agency in any proceedings for the Reorganization. Notwithstanding any other provision herein, failure to adopt the applicable resolution within 60 calendar days or obtain the parties' written mutual consent for an extension of time to adopt the applicable resolution will terminate this Agreement and cause San Diego's discretionary approval of the Residential Development Project Entitlements related to the No Annexation Scenario to go into effect. The tolling provisions of section 7.5 shall survive the termination and Santee and Padre Dam shall have the right to file a claim related to such Residential Development Project Entitlements within 30 days.

4.1.2 Timing, Form and Content of Application. Santee shall submit an Application for Reorganization ("Application") within sixty (60) calendar days of its approval of a Resolution of Application for Reorganization. The form and content of the Application shall be as provided in Government Code section 56652 and LAFCO policy, including any necessary information regarding an adjustment to Santee's Sphere of Influence and Padre Dam's Sphere of Influence in order to serve the Annexation Property and shall be in substantially the form described in <u>Exhibit E</u>, attached hereto. Pardee, San Diego, Santee, and Padre Dam shall review and approve in writing all modifications to the attached Application prior to submission to LAFCO. For purposes of this paragraph only, review and approval of modifications to the Application may be made by the City Manager of Santee, Mayor of San Diego, the General Manager of Padre Dam or their respective designees. The Application will also include this Agreement. The Parties agree to jointly work to ensure that the Application satisfies the LAFCO form and content requirements.

4.1.3 San Diego Resolution of Support. San Diego shall adopt a Resolution of Support for Santee's Application within sixty (60) calendar days of the Effective Date of this Agreement or concurrent with a hearing to approve this Agreement. Except as otherwise provided in this Agreement, San Diego hereby irrevocably consents to the Reorganization and agrees to not in any way object to, protest, delay, frustrate, or otherwise impede the Reorganization. Provided that Pardee, Padre Dam and Santee have fully complied with their obligations set forth in this Agreement, San Diego shall cooperate in every reasonable way with the requests of Pardee, Santee, LAFCO, Padre Dam and any other Affected Local Agency in any proceedings for the Reorganization. Notwithstanding any other provision herein, failure to adopt

the applicable resolution within 60 calendar days or obtain the parties' written mutual consent for an extension of time to adopt the applicable resolution will terminate this Agreement and cause San Diego's discretionary approval of the Residential Development Project Entitlements related to the No Annexation Scenario to go into effect. The tolling provisions of section 7.5 shall survive the termination and Santee and Padre Dam shall have the right to file a claim related to such Residential Development Project Entitlements within 30 days.

4.1.4 Padre Dam Resolution of Support. Padre Dam shall adopt a Resolution of Support for Santee's Application within sixty (60) calendar days of the Effective Date of this Agreement or concurrent with consideration of approval of this Agreement. This resolution shall be included, if feasible, with Santee's Application or, in any case, shall be transmitted to LAFCO not later than thirty (30) calendar days after Santee's submission of the Application to LAFCO. Except as otherwise provided in this Agreement, Padre Dam hereby irrevocably consents to the Reorganization and agrees to not in any way object to, protest, delay, frustrate, or otherwise impede the Reorganization. Provided that Pardee, San Diego and Santee have fully complied with their obligations set forth in this Agreement, Padre Dam shall cooperate in every reasonable way with the requests of Pardee, Santee, LAFCO, San Diego and any Affected Local Agency in any proceedings for the Reorganization. Notwithstanding any other provision herein, failure to adopt the applicable resolution within 60 calendar days or obtain the parties' written mutual consent for an extension of time to adopt the applicable resolution will terminate this Agreement and cause San Diego's discretionary approval of the Residential Development Project Entitlements related to the No Annexation Scenario to go into effect. The tolling provisions of section 7.5 shall survive the termination and Santee and Padre Dam shall have the right to file a claim related to such Residential Development Project Entitlements within 30 days.

4.1.5 **Purpose of Resolutions.** It is the intent of the Parties that the resolutions called for in this Section 4.1 of the Agreement shall satisfy the provisions of Government Code section 56751(d) and 56857(e) and make the provisions of Government Code sections 56751(a) - (c) and 56857(a) - (d) inapplicable to the Reorganization.

4.1.6 Compliance with Government Code section 56375(a)(7). Government Code section 56375(a)(7) provides that LAFCO "shall require, as a condition to annexation, that a city prezone the territory to be annexed or present evidence satisfactory to the commission that the existing development entitlements on the territory are vested or are already at buildout, and are consistent with the city's general plan." (Emphasis added.) The Parties intend this Agreement to serve as satisfactory evidence that the Residential Development Project Entitlements, as applied to the Residential Development Project, are vested and consistent with Santee's General Plan as of the Effective Date.

4.1.7 Landowner-Owner Consent Form; Irrevocable Consent. Within thirty (30) days of the Effective Date of this Agreement, Pardee shall execute and cause to be submitted to Santee in connection with the Application a Landowner-Consent Form in support of the Reorganization in the form required by LAFCO. Except as otherwise provided in this Agreement, Pardee hereby irrevocably consents to the Reorganization and agrees to not in any way object to, protest, delay, frustrate, or otherwise impede the Reorganization. Provided that Santee, Padre Dam and San Diego have fully complied with their obligations set forth in this Agreement, Pardee shall cooperate in every reasonable way with the requests of Santee, Padre

Dam, San Diego, LAFCO, any Affected Local Agency and any other public agency in any proceedings for the Reorganization. Pardee shall also cause to be prepared all legal descriptions, parcel/plan maps and other maps required by LAFCO for the Reorganization.

4.1.8 **Plan For Providing Services**. A Plan for Providing Services consistent with the requirements in Government Code section 56653, in substantially the form described in <u>Exhibit F</u>, attached hereto, shall be submitted as part of Santee's Application. Pardee, Santee, San Diego and Padre Dam shall review and approve in writing all modifications to the attached Plan for Providing Services prior to submission to LAFCO. For purposes of this paragraph only, the review and approval of modifications to the Plan for Providing Services may be made by the City Manager of Santee, Mayor of San Diego, General Manager of Padre Dam or their respective designees.

4.1.9 **Environmental Document**. The Parties intend that the EIR shall be the environmental documentation used by San Diego, Santee, LAFCO, Padre Dam, or other Affected Local Agency to comply with CEQA in the consideration of the Reorganization. Pardee shall be responsible for causing the appropriate number of copies of the EIR and related documents to be provided for the Application. If LAFCO requires additional information related to the environmental documentation, the Parties shall make reasonable efforts to provide the information to LAFCO, and Pardee shall be solely responsible for such costs.

4.1.10 LAFCO Processing Fees. Pardee shall be solely responsible for providing all LAFCO processing fees pursuant to LAFCO's standard policies or as may otherwise be required to process the Reorganization.

4.1.11 **Complete Application**. The Parties anticipate that LAFCO may require additional information prior to deeming the Application complete. The Parties shall make reasonable efforts to provide the information to LAFCO.

4.2 LAFCO Hearing and Decision.

4.2.1 Assistance of Parties to LAFCO Executive Officer and Staff. The Parties shall make reasonable efforts to timely respond to requests for information from the Executive Officer and LAFCO staff as necessary for the processing of the Reorganization through the LAFCO hearing process.

4.2.2 **Participation in Hearing Process.** The Parties shall make reasonable efforts to ensure that their appropriate representatives prepare for and attend LAFCO meetings and public hearings as necessary for the processing of the Reorganization through the hearing process.

4.3 Reorganization Processing Costs.

4.3.1 Pardee. Pardee shall be solely responsible for all costs and fees, including attorney's fees or other obligations incurred by it for the Residential Development Project, the EIR and the Reorganization. In addition, except as may otherwise be expressly provided in this Agreement, Pardee shall pay all costs and fees, including attorney's fees associated with processing the Residential Development Project, the EIR and the Reorganization and other -10 -

obligations of Santee, Padre Dam and San Diego in connection with processing the Residential Development Project, the EIR and the Reorganization. However, such costs and fees shall not include any costs and fees related to any challenge initiated or joined in by Santee, San Diego, or Padre Dam to the issuance of any project permits or approvals. Pardee shall establish or maintain throughout the term of this Agreement refundable deposit accounts with San Diego, Padre Dam and Santee, respectively, against which Santee, Padre Dam, and San Diego may draw its reasonable costs and fees, including attorney's fees, and other monetary obligations. Within ten (10) days of receipt of a written request, Pardee shall replenish the deposit account in accordance with Santee, Padre Dam and San Diego's respective published deposit requirements. Pardee acknowledges and agrees that its failure to replenish the deposit accounts will result in suspension of work by the Party requesting that the account be replenished.

4.3.2 Santee. Santee shall be entitled to be reimbursed by Pardee as provided in Section 4.3.1 for its reasonable costs and fees incurred in connection with processing the Residential Development Project, EIR and the Reorganization in accordance with its published fee schedules applicable throughout its territory. Except as may otherwise be expressly provided in this Agreement, Santee shall have no obligation for the costs and fees incurred by Pardee, Padre Dam or San Diego in connection with the Residential Development Project, EIR or the Reorganization.

4.3.3 San Diego. San Diego shall be entitled to be reimbursed by Pardee as provided in Section 4.3.1 for its reasonable costs and fees incurred in connection with processing the Residential Development Project, EIR and the Reorganization in accordance with its published fee schedules applicable throughout its territory. Except as may otherwise be expressly provided in this Agreement, San Diego shall have no obligation for the costs and fees incurred by Pardee, Padre Dam or Santee in connection with processing the Residential Development Project, EIR or the Reorganization.

4.3.4 Padre Dam. Padre Dam shall be entitled to be reimbursed by Pardee as provided in Section 4.3.1 for its reasonable costs and fees incurred in connection with processing the Residential Development Project, EIR and the Reorganization in accordance with its published fee schedules applicable throughout its service area. Except as may otherwise be expressly provided in this Agreement, Padre Dam shall have no obligation for the costs and fees incurred by Pardee, San Diego, or Santee in connection with processing the Residential Development Project, EIR or the Reorganization.

ARTICLE 5

LAFCO TERMS AND CONDITIONS

5.1 Effective Date of Reorganization. In accordance with Government Code section 57202(a), the Parties agree, and shall include as a term and condition in the Application, a condition that the Reorganization Effective Date shall be upon the date of recordation of the Certificate of Completion with the Recorders Office of the County of San Diego, which the Parties desire to occur as soon after LAFCO Approval of the Reorganization as is reasonably possible.

5.2 [intentionally omitted]

5.3 Processing of and Services to the Residential Development Project After the Reorganization Effective Date.

5.3.1 Role of San Diego. San Diego shall process, permit and inspect the Residential Development Project in accordance with the Residential Development Project Entitlements, including the Permit Condition, applicable Building Codes, policies and practices and this Agreement, except as provided in Section 5.3.3 below. San Diego shall take such actions that it would otherwise take regarding the Residential Development Project absent the Reorganization, except as may be modified by this Agreement.

5.3.2 Role of Santee. Santee shall have no obligation to process, permit or inspect the Residential Development Project. However, Santee shall be provided with reasonable access to the Residential Development Project by Pardee in order to monitor the progress of the Residential Development Project and its compliance with the Residential Development Project Entitlements. In the event that Santee believes, based upon its informal inspection of the Residential Development Project, that the Residential Development Project or portions thereof are not in compliance with the Residential Development Project Entitlements, Santee shall provide written notice of its concerns and the Parties shall meet and confer and make reasonable efforts to resolve them. If the Parties are unable to resolve Santee's concerns through a meet and confer process, the Mayor of San Diego or his or her designee shall make a final administrative decision regarding the concerns, subject to Santee's rights to challenge that decision through the provisions of Article 6 of this Agreement. Pardee shall reimburse Santee for the costs of all reasonably necessary informal inspections, for a total cost not to exceed \$8,000 per calendar year. Such inspections are informal, and in no way alter San Diego's sole authority to process, permit or inspect the Residential Development Project.

5.3.3 Role of Padre Dam. Padre Dam shall process and inspect the plan, design, and construction of the Residential Development Project's water, sewer and recycled water infrastructure for connection to Padre Dam. Padre Dam shall be provided with reasonable access to the Residential Development Project by Pardee in order to monitor the progress of the water, sewer and recycled water infrastructure portion of the Residential Development Project and its compliance with Padre Dam's standards and approved material requirements including but not limited to the Water Agency Standards adopted by Padre Dam, Padre Dam's rules and regulations, and the Contract to Make, Install and Complete Water and/or Sewer Facilities to be entered into by Pardee and Padre Dam prior to commencement of construction. All water, sewer and recycled water facilities shall be inspected and tested in accordance with the Water Agency Standards adopted by Padre Dam for the costs of all inspections in accordance with Padre Dam's published fee schedules applicable throughout its service area.

5.3.4 Pardee's Obligation; Property Maintenance. Pardee shall make reasonable efforts to process the Residential Development Project with San Diego, and with Padre Dam with regard to water, sewer and recycled water infrastructure construction, to completion. At all times, Pardee shall maintain the Annexation Property in good condition and

in compliance with reasonable maintenance standards sufficient to keep the Annexation Property free from fire hazards, visible defects, deterioration, dirt and debris.

5.4 Distribution of Processing Fees, Mitigation Fees, Credits, Open Space and Other Revenue from the Residential Development Project and the Residential Development Project Property.

5.4.1 General Intent of the Parties. The Parties intend that the Party that provides a particular service to the Residential Development Project or the Residential Development Project Property, or that will bear the impact for which a fee is imposed, should receive the fees or revenue associated with that service or impact. The Parties desire that this general intent guide the resolution of any future disputes about which Party should receive a fee or revenue associated with the Residential Development Project on the Residential Development Project Property, unless otherwise expressly provided in this Agreement. It is also the intent of the Parties to comply with Government Code sections 66000 - 66025 and not to duplicate fees charged to Pardee.

5.4.2 Annexation Agreement/Revenue Sharing Agreement. The Parties intend this section to fulfill LAFCO requirements for a Revenue Sharing Agreement among the Parties. To the extent not already addressed in this Agreement, Santee, San Diego and Padre Dam shall negotiate any further LAFCO-required revenue sharing agreement allocating the municipal share of property taxes and fee related revenue. Santee shall submit any further LAFCO-required revenue sharing agreement to LAFCO in accordance with legal requirements.

5.4.3 Fiscal Impact Analysis. The Parties have caused the preparation of a Fiscal Impact Analysis, described in Exhibit G, attached hereto, which identifies both the current and anticipated taxes, fees, assessments and other revenue associated with the Residential Development Project and the Annexation Property and the anticipated costs for the provision of various municipal services to the Residential Development Project and the Annexation Property. The Parties intend to use the Fiscal Impact Analysis as a guide to help the Parties to: (a) properly allocate the revenue from the Residential Development Project or Annexation Property to the Party that provides the service or bears the impact for which the revenue is provided, in accordance with the general intent of Section 5.4.1 above; (b) to assist in the calculation of the annual operating deficiency, if any; (c) to avoid duplication of fees; and (d) to help satisfy any LAFCO-related information requirements.

5.4.4 **Distribution of Revenue and Other Items.** The Parties have attempted to identify the known taxes, fees, assessments, credits, dedications and other revenue generated from the Residential Development Project or the Annexation Property described in <u>Exhibit H</u>, attached hereto, and for each such item, the Parties have designated the Party entitled to receive the item.

5.4.5 **Payment of Fees by Pardee**. Prior to the issuance by San Diego of any permits for the Residential Development Project, Pardee must pay the fees, assessments or other amount related to the permit and required to be paid prior to permit issuance to the Party entitled to receive the fee, assessment or payment. If the payment is due to San Diego, Pardee shall make such payment directly to San Diego. If the payment is due to Santee or Padre Dam, Pardee

must make the payment directly to Santee or Padre Dam, obtain a receipt for the payment and submit the receipt to San Diego prior to permit issuance. Pardee agrees to use reasonable efforts to ensure that all required fees are paid to the Party designated to receive such payment prior to permit issuance. If a permit is issued prior to the payment of all required fees, Pardee is still obligated to pay the required fee to the designated Party.

5.4.6 Payment of Local Share of Property Taxes. Pardee or other landowners within the Annexation Property shall satisfy their duty to pay tax revenue to the Parties identified in Exhibit H, attached hereto, through payment of applicable property taxes to the County of San Diego's Assessor's Office through the Assessor's Office's proscribed means. If San Diego receives the local government share of property taxes for the Annexation Property after the Reorganization Effective Date, then San Diego shall transfer such property taxes to the Parties identified in Exhibit H, attached hereto, in accordance with the percentage of time during the annual assessment period that services were required to be provided by such Parties pursuant to this Agreement.

5.4.7 Undesignated Government Revenue. In the event that government revenue is generated from the Residential Development Project or the Annexation Property that are not identified, in whole or in part, in this Agreement, such revenue shall be distributed in a manner consistent with the general intent expressed in Section 5.4.1 above. The Mayor of San Diego, the City Manager of Santee and the General Manager of Padre Dam, or their respective designees, as applicable, shall within thirty (30) days of the identification of the revenue meet and confer in good faith to mutually agree upon that should receive such revenue. If the Parties cannot mutually agree, San Diego, Santee and Padre Dam, ("Revenue Disputing Parties") as applicable, shall resolve the issue by participating in at least four hours of mediation prior to filing any court action. The mediation shall be held in San Diego, California, before a mediator selected by the Revenue Disputing Parties. The mediation shall be commenced by any Revenue Disputing Party making a written demand for mediation to another party. Within 15 days after such demand is made, the Revenue Disputing Parties shall mutually select a mediator. If the Revenue Disputing Parties are unable to agree on a mediator, the administrator of JAMS in San Diego, California shall select an independent mediator. The Revenue Disputing Parties to the mediation shall equally share the costs of the mediation, however, no Revenue Disputing Party shall be required to pay more than \$4,000 in connection with any single mediation under this agreement unless such Revenue Disputing Party agrees to do so in writing. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled until 15 days after the date of the mediation session. The Revenue Disputing Parties will take such action, if any, required to effectuate such tolling. California Evidence code § 1119 through § 1128 shall apply to the mediation. If a Revenue Disputing Party fails to cooperate to commence and/or participate in a mediation session, then, notwithstanding anything above, the other Revenue Disputing Party shall be free to file a court action even if no mediation session has taken place. Upon resolution, the Parties shall execute an Annexation Agreement Operating Memorandum confirming the allocation. Such Annexation Agreement Operating Memorandum may be signed by the City Manager of Santee, the Mayor of San Diego, the General Manager of Padre Dam or their respective designees.

5.4.8 **Municipal Services Cost Neutrality**. The provision of municipal services to the Residential Development Project or Annexation Property is intended be on a cost

neutral basis to Santee. The Parties agree such cost neutrality is satisfied because the Parties caused the preparation of the Fiscal Impact Report, described in <u>Exhibit G</u>, attached hereto, that concludes that Santee's cost of services will be equal to or less than the revenue Santee anticipates it will receive from the Project.

5.4.9 Housing Credits and Inclusionary Affordable Housing Fees. San Diego shall be entitled to receive credit towards its share of the regional housing needs allocation ("RHNA") for the number of qualifying units, if any, in the Residential Development Project. Santee shall make reasonable efforts to assist San Diego in receiving such credit, and agrees to reasonably consider executing any agreements necessary to cause San Diego to receive such credit. In addition, San Diego shall be entitled to receive any and all inclusionary housing fees associated with the Residential Development Project as may be established by the Residential Development Project Entitlements or San Diego's rules and regulations. The anticipated amount based on the current fee and estimated square footage of the homes is identified in Exhibit H, attached hereto. Santee shall not collect inclusionary housing fees or condition Pardee to construct affordable housing units on-site or off-site.

5.4.10 **Open Space Deeds and Vernal Pool Maintenance Fees.** The City of San Diego shall accept fee title to the Open Space Property identified in the Residential Development Project Entitlements, in accordance with the Residential Development Project Entitlements and Santee shall have no obligation related to open space lands on the Open Space Property. In addition, notwithstanding any other term of this Agreement, San Diego shall be entitled to receive any and all mitigation fees related to the maintenance of vernal pools within the Open Space Property, as identified in <u>Exhibit H</u>, attached hereto.

5.5 **Provision of Municipal Services to the Annexation Property.**

5.5.1 Water, Sewer, and Recycled Water. Upon the Reorganization Effective Date. Padre Dam shall provide water, sewer and recycled water services to the Annexation Property. Pardee shall construct or cause the construction of all on-site public improvements and off-site public improvements necessary to connect to Padre Dam's water, sewer and recycled water services as required by the Residential Development Project Entitlements and Padre Dam's standards and approved material requirements including but not limited to the Water Agency Standards adopted by Padre Dam, Padre Dam's rules and regulations, and the Contract to Make, Install and Complete Water and/or Sewer Facilities to be entered into by Pardee and Padre Dam prior to commencement of construction. All water, sewer and recycled water facilities shall be inspected and tested in accordance with the Water Agency Standards adopted by Padre Dam. Pardee shall pay sewer and water capacity fees and other applicable fees, to Padre Dam in accordance and compliance with fee schedules in effect at the time of payment by Pardee to Padre Dam, as identified in Exhibit H, attached hereto. Padre Dam shall recover all of its other expenses not associated with the sewer and water capacity fee through monthly water, sewer and recycled water rates charged to users in accordance with rules and regulations applicable to Padre Dam. Upon the Reorganization Effective Date, Padre Dam shall provide water, sewer and recycled water services to the Annexation Property at the same level of service and upon the same terms and conditions as provided to other properties within Padre Dam's service area and assess such users monthly water, sewer and recycled water rates in accordance the rules and regulations applicable to Padre Dam.

5.5.2 Fire & Life Safety. Upon the Reorganization Effective Date, Santee shall provide or cause to be provided primary fire and life safety services to the Annexation Property and San Diego shall provide or cause to be provided fire and life safety services pursuant to the original terms of the 1984 Automatic Aid Agreement between San Diego and the Santee Fire Protection District on file in the Office of the City Clerk of San Diego as Document No. RR-262067 ("Automatic Aid Agreement"). Prior to the Reorganization Effective Date, San Diego shall provide primary fire and life safety services to the Annexation Property and Santee shall provide or cause to be provided fire and life safety services pursuant to the 1984 Automatic Aid Agreement.

5.5.3 Law Enforcement Services. Upon the Reorganization Effective Date, Santee shall provide or cause to be provided primary law enforcement services to the Annexation Property. The Parties acknowledge that Santee provides law enforcement services within its jurisdiction through a contract with the San Diego County Sheriff's Department. Santee anticipates that it will provide law enforcement services to the Annexation Property through its existing contract with the San Diego County Sheriff's Department. Nothing in this Agreement requires Santee to have or maintain its own law enforcement department or to continue its contract with the San Diego County Sheriff's Department; provided, however, that Santee shall provide law enforcement services to the Annexation Property on the same level of service and upon the same terms and conditions as provided other areas of Santee. Prior to the Reorganization Effective Date, San Diego shall provide primary law enforcement services to the Annexation Property.

5.5.4 **Other Municipal Services**. Upon the Reorganization Effective Date, Santee shall provide or cause to be provided other municipal services to the Annexation Property other than the permitting and inspection services provided by San Diego and Padre Dam under this Agreement.

5.6 Full Faith and Credit Given to Right to Develop the Residential Development Project in Accordance with the Residential Development Project Entitlements.

5.6.1 Full Faith and Credit of Development Rights. The Parties agree that Pardee shall have the right to develop the Residential Development Project in accordance with the Residential Development Project Entitlements, and Santee agrees to give full faith and credit to the Residential Development Project Entitlements on the terms and conditions as issued by San Diego. To the extent the Residential Development Project Entitlements provide Pardee with vested rights to develop the Residential Development Project in accordance with the Residential Development Project Entitlements, Santee agrees to give full faith and credit to those vested rights on the same terms and conditions as San Diego. The full faith and credit created herein is not intended to either expand or contract Pardee's right to develop the Residential Development Project in accordance with the Residential Development Project Entitlements. The full faith and credit created herein is intended to provide Pardee with the assurance that Santee will honor Pardee's vested development rights in the same manner and under the same conditions as San Diego. The Term of this Agreement does not have any effect on any vesting of rights under the Residential Development Project Entitlements or the length of time under which those rights, if any, are vested. Notwithstanding the foregoing, the Parties acknowledge that the Residential Development Project's Vesting Tentative Map is tolled for five years, until a LAFCO Final

Decision on the Reorganization, or until an event described in section 3.31(b) of this Agreement occurs, whichever is earlier, because this Agreement prohibits Pardee from obtaining a final map under certain circumstances. Furthermore, full faith and credit shall be extended for any extensions of the Residential Development Project Entitlements which may exist or are granted in accordance with the San Diego Municipal Code, Subdivision Map Act (including, but not limited to legislatively granted extensions), or other state laws.

5.6.2 **Post-Residential Development Project Entitlements Approval Actions by Pardee**. After San Diego approval of the Residential Development Project Entitlements, but before the Reorganization Effective Date, and with payment of San Diego processing fees, Pardee may process and complete all requirements necessary for a final map. However, San Diego shall only approve a final map in accordance with the Subdivision Map Act as provided in the Permit Condition.

5.6.3 Development of Annexation Property after Full Residential Development Project Build-Out. Any development of the Annexation Property occurring after full Residential Development Project Build-out that is not governed by the Residential Development Project Entitlements shall conform to the then existing requirements of Santee and Padre Dam. Santee and Padre Dam shall treat any existing development that occurred in accordance with the Residential Development Project Entitlements with Santee and Padre Dam requirements would not unreasonably interfere with such existing development and would be consistent with the requirements imposed by Santee and Padre Dam on existing development outside the Annexation Property.

5.6.4 Santee: Reserved Authority; Changes in Federal or State Law. Notwithstanding anything to the contrary in this Section 5.6, Santee shall have the same rights as possessed by San Diego to apply land use or building requirements that may conflict with the Residential Development Project Entitlements in the same manner and on the same conditions as San Diego, including (a) the reasonable determination that compliance with the Residential Development Project Entitlements would place the residents of the subdivision or the immediate community, or both, in a condition dangerous to their health or safety; (b) or as necessary to comply with state or federal law or mandates. The action chosen to implement the authority reserved under this Section 5.6.4 shall be of the minimum scope, effect, and duration necessary to accommodate the health and safety issue or higher law.

5.6.5 Padre Dam: Reserved Authority; Changes in Federal or State Law. Notwithstanding anything to the contrary in this Section 5.6, Padre Dam shall have the same rights as possessed by San Diego to apply requirements that may conflict with the Residential Development Project Entitlements in the same manner and on the same conditions as San Diego, including (a) the reasonable determination that compliance with the Residential Development Project Entitlements would place the residents of the subdivision or the immediate community, or both, in a condition dangerous to their health or safety; (b) or as necessary to comply with state or federal law or mandates. The action chosen to implement the authority reserved under this Section 5.6.5 shall be of the minimum scope, effect, and duration necessary to accommodate the health and safety issue or higher law.

5.7 Additional Terms and Conditions.

5.7.1 Agreed to by Parties. The Parties may agree to include additional terms and conditions as part of the Resolution of Application for Reorganization and/or Application or the LAFCO process through the Annexation Agreement Operating Memorandum process identified in Section 10.16 of this Agreement.

5.7.2 **Imposed by LAFCO**. The Parties acknowledge that LAFCO may impose additional terms and conditions on the Reorganization beyond those set forth in this Agreement. The Parties shall reasonably consider such terms and conditions and support them unless any such LAFCO imposed term or condition is in fundamental conflict with the terms and conditions of this Agreement.

ARTICLE 6

DEFAULT, BREACH, REMEDIES, MORTGAGEE PROTECTION

6.1 **Default by Pardee**. Pardee shall be in default of this Agreement if it does any or any combination of the following:

6.1.1 Fail to cure a material breach of this Agreement within the time set forth in a written notice of default from Santee, Padre Dam or San Diego.

6.1.2 Willfully violates any order, ruling or decision of any administrative or judicial body having jurisdiction over the Annexation Property or the Residential Development Project. Pardee may contest any such order, ruling or decision by appropriate proceedings conducted in good faith, in which event no default of this Agreement shall be deemed to have occurred unless and until there is a final, non-appealable judicial decision that Pardee willfully violated such obligation.

6.2 **Default by Santee, Padre Dam or San Diego**. Santee, Padre Dam or San Diego shall be in default of this Agreement only if they fail to cure a material breach of this Agreement within the time set forth in a written notice of default.

6.3 **Notice of Default**. A Party alleging a default by the other Party shall serve notice thereof. Each such notice shall state with specificity all of the following:

- 6.3.1 It is given pursuant to this Agreement.
- 6.3.2 The nature of the alleged default.
- 6.3.3 The manner in which the alleged default may be satisfactorily cured.

6.3.4 A period of time in which the default may be cured. The notice of default shall allow at least sixty (60) calendar days to cure the default. If the default is of such a nature as not to be susceptible of cure within said time using the allegedly defaulting Party's diligent efforts, then the allegedly defaulting Party shall only be deemed to have failed to cure the default

if it fails diligently to commence such cure within said time or if it fails diligently to prosecute such cure to its conclusion.

6.4 **Remedies for Default.** The Parties acknowledge and agree that Santee, San Diego, and Padre Dam would not have entered into this Agreement if they were to be liable in damages to any Party under this Agreement, or with respect to this Agreement or the application thereof. The Parties also acknowledge and agree that Pardee would not have entered into this Agreement without Santee, Padre Dam, and San Diego's assurances set forth in this Agreement, and that Pardee will invest substantial money and effort in reliance upon Santee, Padre Dam, and San Diego's assurances set forth in this Agreement. The Parties therefore acknowledge and agree that the nature of the Reorganization and the terms of this Agreement render ordinary remedies at law inadequate for a breach of this Agreement and that it would not be feasible or possible to restore the Annexation Property to its natural condition once implementation of the Agreement has begun. Therefore, the Parties agree that the remedies for breach of this Agreement shall be limited to one or more of the following:

6.4.1 In general, each of the Parties may pursue any remedy at law or equity available for any breach of any provision of this Agreement (including, but not limited to, obtaining letters of credit, performance bonds, and/or withholding certain approvals), except that Santee, Padre Dam and San Diego shall not be liable in monetary damages in any form to Pardee, any mortgagee or lender, or to any successor in interests of Pardee or mortgagee or lender, or to any other person, and Pardee covenants on behalf of all successors in interest in the Annexation Property or any portion thereof, not to sue Santee, Padre Dam, or San Diego for monetary damages. Notwithstanding this exception, pursuant to Section 10.3 of this Agreement, the prevailing Party(ies) in such an action shall be entitled to receive, in addition to all other available relief, costs of litigation and reasonable attorneys' fees, including expert witness fees, costs and fees incurred on appeal and in enforcing any judgment which may be rendered on the underlying action.

6.4.2 The Parties acknowledge that monetary damages and remedies at law will, however, generally be inadequate, and that specific performance and other non-monetary remedies are particularly appropriate remedies for the enforcement of this Agreement and should be available to the Parties because (a) money damages are unavailable against Santee, Padre Dam and San Diego as provided herein; and (b) given the size, nature and scope of the Residential Development Project, it is not possible to determine the sum of money that would adequately compensate Pardee for development of the Residential Development Project. Therefore, the Parties acknowledge and agree that specific performance is the preferred remedy for any default under this Agreement.

6.5 Mortgagee Protection.

6.5.1 **Right to Mortgage**. Pardee may assign, pledge or otherwise encumber its rights and interests under this Agreement for security purposes to a Mortgagee. Nothing contained in this Agreement shall restrict Pardee from encumbering all or any portion of the Annexation Property with a mortgage, deed of trust, or other security device (collectively "Mortgage"). No breach of this Agreement shall default, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value. To the extent consistent with transferee's

rights pursuant to bankruptcy and foreclosure laws, all of the terms and conditions of this Agreement shall be binding upon and effective against any person or transferee who acquires title to all or any portion of the Annexation Property by foreclosure, trustee's sale, or deed in lieu of foreclosure.

6.5.2 Notice of Default. If Santee, Padre Dam or San Diego receives written notice from a Mortgagee requesting a copy of any notice of default given to Pardee hereunder and specifying the address for service thereof, then Santee, Padre Dam or San Diego shall deliver to such Mortgagee, concurrently with the delivery to Pardee, any notice given to Pardee with respect to any claim that Pardee is in default hereunder. If Santee, Padre Dam or San Diego subsequently makes a determination of noncompliance hereunder, concurrent with service to Pardee, Santee, Padre Dam or San Diego shall likewise serve notice of noncompliance on any Mortgagee who Pardee has identified in writing to Santee, Padre Dam, or San Diego requires such notice. Each Mortgagee shall have the right, but not the obligations, during the same period available to Pardee hereunder, to cure or remedy, or to commence to cure or remedy, the event of default claimed or the areas of noncompliance set forth in the notice. The failure of Santee, Padre Dam or San Diego to mail copies of said notice, or of the Mortgagee to receive such notice, shall not affect the validity of such notice or claim of default.

6.5.3 **Statement of Compliance / Notice of Estoppel.** Within twenty (20) calendar days after receipt of a written request from Pardee for a statement of compliance (or notice of estoppel), Santee, Padre Dam or San Diego shall execute and deliver a statement certifying: (a) that this Agreement is unmodified and in full force and effect (or identifying any modifications); (b) that there are no uncured defaults under this Agreement by the certifying Party or to the certifying Party's knowledge, by another other Party (or specifying any such defaults) if that is the case; and (c) any other information reasonably requested regarding the status of the Agreement and performance by the Parties. The failure of Santee, Padre Dam or San Diego to provide such statement within the 20-day period shall be conclusively deemed to constitute a certification by the non-responding Party that: (a) this Agreement is in full force and effect without modification, except as may be represented by Pardee, and (b) that there are no uncured defaults under this Agreement. Such statement (or certification of estoppel) may be relied upon by any purchaser, transferee, lender, title company, governmental agency, or other person; however, nothing in this Agreement shall be construed to provide any non-Party with a cause of action.

ARTICLE 7

INDEMNITY AND TOLLING OF CLAIMS

7.1 Indemnity Against General Plan Litigation. Santee and San Diego, as applicable, have determined that this Agreement is consistent with their respective General Plans and other applicable land use plans, and that those plans meet all requirements of law. Pardee has reviewed those General Plans and all other applicable land use plans and concurs with the determination of Santee and San Diego. Santee and San Diego shall have no liability under this Agreement for any failure to perform under this Agreement or the inability of Pardee to develop the Residential Development Project Property resulting from a judicial determination that the

General Plan, applicable land use plans, or portions thereof, are, on the date each is approved, invalid or inadequate or not in compliance with law.

Indemnity Against Third Party Litigation Concerning the Agreement and 7.2 the Residential Development Project Entitlements. Pardee shall defend, with counsel or counsels mutually acceptable to the Parties, at its sole expense, including any attorneys' fees and costs incurred by the Parties, indemnify and hold harmless Santee, Padre Dam, and San Diego, their agents, officers and employees from any claim, action or proceeding against Santee, Padre Dam, and San Diego, their agents, officers or employees to attack, set aside, void or annul the approval of this Agreement, the Residential Development Project Entitlements or any subsequent approval or permit granted to Pardee pursuant to this Agreement, regardless of whether such claim, action or proceeding is brought within the time period provided for in Government Code section 66499.37, Public Resources Code section 21167, or other applicable statute of limitations. Santee, Padre Dam, and San Diego shall promptly notify Pardee of any such claim, action or proceeding, and Santee, Padre Dam and San Diego shall cooperate fully in the defense. If Santee, Padre Dam, or San Diego fail to cooperate fully in the defense, Pardee shall not thereafter be responsible to defend, indemnify, or hold Santee, Padre Dam, or San Diego harmless. Counsel for the Parties will work closely and will coordinate their efforts to avoid unnecessary duplication of efforts, to reduce legal fees and costs and to present a joint defense that best uses the strengths of each Party. As the owner of the Annexation Property and the ultimate beneficiary of any future development of the Residential Development Project, the Parties assume that Pardee's legal fees and costs will generally exceed the legal fees and costs incurred by San Diego, Santee, and Padre Dam, reflecting Pardee's assumption of the greater legal workload in the defense. The Parties also assume, however, that San Diego, Santee, and Padre Dam must, in consultation with Pardee, take prudent steps deemed necessary to protect their respective interests.

7.3 Environmental Assurances. Pardee shall indemnify, defend and hold Santee, Padre Dam, and San Diego, their officers, agents, employees, subcontractors and independent contractors free and harmless from any liability, based or asserted, upon any act or omission of Pardee, its officers, agents, employees, subcontractors, predecessors in interest, successors, assigns and independent contractors for any violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to environmental conditions on, under or about the Annexation Property, including, but not limited to, soil and groundwater conditions, save and except liability or claims arising through the active negligence or willful misconduct of Santee, Padre Dam or San Diego, as applicable to that Party. Pardee shall defend, at its expense, including attorneys' fees, Santee, Padre Dam and San Diego, their officers, agents, employees, subcontractors and independent contractors in any action based or asserted upon any such alleged act or omission, save and except liability or claims arising through the active negligence or willful misconduct of Santee, Padre Dam or San Diego, as applicable.

7.4 **General Indemnity**. Pardee shall indemnify, defend and hold Santee, Padre Dam and San Diego, their officers, agents, employees, subcontractors and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of Pardee, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death (Pardee's employees included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from the activities

contemplated by this Agreement or the Residential Development Project Entitlements, including, but not limited to, the study, design, engineering, construction, completion, failure and conveyance of private or public improvements for the Residential Development Project, save and except for liability or claims arising through (i) the active negligence or willful misconduct of Santee, Padre Dam or San Diego as applicable to that Party; (ii) claims otherwise fully covered by the separate indemnity provided by Section 7.2 of this Agreement; (iii) claims otherwise fully covered by the separate indemnity provided by Section 7.3 of this Agreement; (iv) a Santee, Padre Dam, or San Diego breach of this Agreement; or (v) a challenge initiated or jointed in by Santee, Padre Dam, or San Diego regarding the approval of or issuance of permits for the Residential Development Project. Pardee shall defend with counsel mutually acceptable to the Parties, at its expense, including attorneys' fees, Santee, Padre Dam and San Diego, their officers, agents, employees, subcontractors and independent contractors in any legal or equitable action based upon such alleged acts or omissions, save and except liability or claims arising through (i) the active negligence or willful misconduct of Santee, Padre Dam or San Diego, as applicable to that Party; (ii) claims otherwise fully covered by the separate indemnity provided by Section 7.2 of this Agreement; (iii) claims otherwise fully covered by the separate indemnity provided by Section 7.3 of this Agreement; (iv) a Santee, Padre Dam or San Diego breach of this Agreement; or (v) a challenge initiated or joined in by Santee, Padre Dam, or San Diego regarding the approval of or issuance of permits for the Residential Development Project.

7.5 **Tolling.** The Parties agree to the tolling of all applicable limitation periods with respect to any claims or causes of action that could have been filed or asserted by Santee, Padre Dam, or San Diego in connection with San Diego's discretionary approval of the Residential Development Project Entitlements related to the No Annexation Scenario. Such claims or causes of action include, without limitation, all legal or equitable challenge that Santee or Padre Dam could have filed or asserted in connection with San Diego's approval. Whether or not the applicable statute of limitations is longer or shorter, the Parties agree that all such claims shall be filed within 30 days of the later of LAFCO's decision to deny the Reorganization or denial of a hearing to reconsider a denial of the Reorganization. The Parties agree that the term of the tolling period provided in this Section 7.5 may be extended by mutual written consent though the Annexation Agreement Operating Memorandum.

The Parties agree that this Agreement does not revive or expand any related claims which were time-barred or otherwise not available prior to the date of the San Diego's discretionary approval of entitlements related to the No Annexation Scenario. The Parties do not intend this provision to toll applicable statutes of limitations for any person or entity not signatories to this Agreement.

ARTICLE 8

USE, DENSITY/INTENSITY, HEIGHT, TERM AND TERMINATION

8.1 **Permitted Uses.** The permitted uses of the Annexation Property shall be all the permitted uses allowed pursuant to the Residential Development Project Entitlements and any applicable zoning, which are hereby incorporated by reference.

8.2 **Density/Intensity**. The permitted density or intensity of use shall be the density and intensity allowed pursuant to the Residential Development Project Entitlements and any applicable zoning, which are hereby incorporated by reference.

8.3 **Maximum Height**. The maximum height and size of the proposed buildings shall be the maximum height and size allowed pursuant to the Residential Development Project Entitlements and any applicable zoning, which are hereby incorporated by reference.

8.4 **Dedication of Land.** The reservation or dedication of land shall be those portions of the Residential Development Project identified in the Residential Development Project Entitlements as dedicated or reserved for public purposes, which are hereby incorporated by reference.

8.5 **General Site Plan**. The general site plan showing the arrangement of uses and circulation is the same as those identified in Exhibit A to Vesting Tentative Map No. 1004468 on file at the City of San Diego, and is hereby incorporated by reference.

8.6 **Residential Development Project Phase Timetable**. In order to maintain orderly development, the timetable for completion of various project phases is subject to Condition 12 of Vesting Tentative Map No. 1004468, subject to the Permit Condition. Various project features may be constructed when pre-conditions, identified in the Mitigation Monitoring and Reporting Program and Vesting Tentative Map No. 1004468 are satisfied, subject to the Permit Condition. Such conditions are hereby incorporated by reference.

8.7 Annexation Agreement Term.

8.7.1 **Term Duration**. The Term of this Agreement shall commence upon the Effective Date and shall continue in full force and effect for 10 years thereafter or until Residential Development Project Build-Out, whichever occurs first ("Expiration"), unless terminated earlier as provided below in Section 8.7.2 ("Early Termination").

8.7.2 **Early Termination**. If LAFCO decides to deny the Reorganization and denies a hearing to reconsider a denial of the Reorganization, then this Agreement shall terminate thirty (30) days after LAFCO's decision unless Pardee, the General Manager of Padre Dam, the Mayor of San Diego, the City Manager of Santee or their respective designees execute an Annexation Agreement Operating Memorandum extending the term of this Agreement.

8.7.3 Effects of Early Termination; Survival. Upon Early Termination of this Agreement, no Party shall have further rights or obligations under this Agreement, except those rights and obligations provided in Article 7 (Indemnity and Tolling of Claims) of this Agreement, all of which survive Early Termination. In addition, the Parties shall execute and record in the Official Records of the Office of County Recorder a document confirming termination of this Agreement and removing this Agreement as an exception to title to the Annexation Property.

and Credit). Santee and Padre Dam shall bear the general obligation of municipalities or special districts to provide services to residents within their jurisdictional boundaries and in accordance with LAFCO terms and conditions.

8.7.5 **Termination of Agreement With Respect to Individual Lots Upon Sale to Public**. Notwithstanding any other provision herein, the Agreement shall terminate, without the execution or recordation of any further document, but with written notice from Pardee to the Parties, with respect to any lot which meets the following conditions:

8.7.5.1 The lot has been finally subdivided; and

8.7.5.2 The lot has been individually (and not in "bulk") transferred, sold or leased to a member of the public or other ultimate user.

ARTICLE 9

ANNUAL REVIEW

9.1 General. An annual review shall be conducted by the Parties, as provided in this Article, in addition to the inspections provided for in Section 3 of this Agreement. As part of that review, each Party shall have a reasonable opportunity to assert matters which such Party believes have not been undertaken or performed in conformance with this Agreement, to explain the basis for such assertion, and to receive information from the other Party as justification for such other Party's position with respect to such matter.

9.2 Good Faith Compliance with Annexation Agreement. Pardee shall be deemed to have satisfied its duty of demonstrating good faith compliance if it presents reasonable information concerning substantial conformance to the number, type, density, height, and size of structures completed, and of any public improvements and dedications. Good faith compliance shall not require a detailed report of Pardee's compliance with each and every term and condition of the Residential Development Project Entitlements.

9.3 **Cost of Annual Review**. Pursuant to Section 4.3 of this Agreement, Pardee shall bear any costs incurred by San Diego, Santee, or Padre Dam in connection with processing the annual review.

ARTICLE 10

GENERAL PROVISIONS

10.1 **Relationship of Parties.** This Agreement is one of independent contractors and does not create an agency relationship between the Parties.

10.2 **Residential Development Project as Private Undertaking.** It is specifically understood by the Parties that the Residential Development Project is a private development and that Santee, Padre Dam, and San Diego do not have an interest in or responsibilities for or duty to third parties concerning the Residential Development Project. The Parties make no guarantees regarding Residential Development Project Build-Out or the profits related thereto. Nothing

contained in this Agreement or in any document executed in connection with this Agreement , shall be construed as making the Parties joint venturers or partners.

10.3 Attorneys' Fees. Notwithstanding any other provision in this Agreement, in the event that any Party brings any legal action to interpret or enforce any provision of this Agreement, the prevailing Party(ies) in that action shall be entitled to receive, in addition to all other available relief, costs of litigation and reasonable attorneys' fees, including expert witness fees, costs and fees incurred on appeal and in enforcing any judgment which may be rendered on the underlying action.

10.4 **No Third Party Beneficiaries.** The Parties expressly acknowledge and agree that they do not intend, by their execution of this Agreement, to benefit any person or entities not signatory to this Agreement. No person or entity not a signatory to this Agreement will have any rights or causes of action against the Parties, or any combination thereof, arising out of or due to the Parties' entry into this Agreement.

10.5 **Governing Law**. This Agreement shall be interpreted and enforced in accordance with the provisions of California law, without regard to conflicts of laws provisions.

10.6 Notice. Unless otherwise permitted by this Agreement, all notices to be given shall be in writing and may be made by personal delivery, certified mail, postage prepaid and return receipt requested. Mailed notices shall be addressed to the Parties at the addresses listed below, but each party may change the address by written notice in accordance with this paragraph. Receipt will be deemed made as follows: notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated on receipt or rejection.

If to Santee:

City of Santee 10601 Magnolia Avenue Santee, CA 92071 Attn: City Manager

With a Copy to:

Best, Best & Krieger, 655 West Broadway, 15th Floor San Diego, CA 92101 Attn: Shawn D. Hagerty, Esq.

If to City of San Diego:

City of San Diego 1222 First Ave., MS-501 San Diego, CA 92101 Attn: Development Services Director

With a Copy to:

Office of the City Attorney City of San Diego 1200 Third Ave., Suite 1620 San Diego, CA 92101 Attn: Shannon Thomas, Esq.

If to Padre Dam:

Padre Dam Municipal Water District P.O. Box 719003 Santee, CA 92072 Attn: CEO/General Manager

With a Copy to:

Best, Best & Krieger, 655 West Broadway, 15th Floor San Diego, CA 92101 Attn: Paula C. P. de Sousa, Esq.

If to Pardee Homes:

6025 Edgewood Bend Court San Diego, California 92130 Attn: Jimmy Ayala

With a Copy to:

Sheppard Mullin Richter & Hampton, LLP 501 West Broadway, 19th Floor San Diego, California 92101 Attn: John Ponder, Esq.

10.7 **Counterparts**. This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original.

10.8 Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements, either written or oral, express or implied.

10.9 **Cooperation/Further Assurances/Further Acts**. Each Party: (a) shall deal fairly and in good faith with the other Party; (b) shall not impede the other Party's right to receive the benefits of this Agreement; (c) shall cooperate with and provide reasonable assistance

to the other Party in the performance of this Agreement; and (d) shall execute such additional documents and to take such further actions as are reasonably necessary to accomplish the objectives and intent of this Agreement.

10.10 Waiver. The failure of any Party to insist upon strict compliance with any provision of this Agreement or to exercise any right or privilege provided herein, or any Party's waiver of any breach hereunder, unless in writing, shall not relieve any other Party of any of obligations hereunder, whether of the same or similar type. The foregoing shall be true whether the waiving Party's actions are intentional or unintentional.

10.11 Authorization to Execute. The signatories to this Agreement warrant that they have been lawfully authorized by their respective Parties to execute this Agreement on their behalf. Upon request, Pardee shall deliver to Santee, Padre Dam, or San Diego copies of all applicable bylaws, resolutions or other documents evidencing the signatories' legal authority to execute this Agreement on behalf of the respective Parties.

10.12 Binding On Heirs, Successors and Assigns; Covenant Running with the **Property**. The benefits and obligations described herein will inure to the benefit of and be binding upon Pardee and any assignee or successor in interest to the Annexation Property; Santee and its respective heirs, successors, grantees, transferees and permissible assigns; Padre Dam and its respective heirs, successors, grantees, transferees and permissible assigns; and San Diego and its respective heirs, successors, grantees, transferees and permissible assigns. It is intended to be and shall be a covenant running with the Annexation Property.

10.13 **Recordation**. Santee shall cause this Agreement or notice of this Agreement to be recorded with the San Diego County Recorder's Office within ten (10) days of Santee's receipt of the last signature required by this Agreement.

10.14 **Severability**. If any provision or clause of this Agreement or any application of it to any person, firm, organization, partnership or corporation is held invalid, such invalidity shall not affect other provisions of this Agreement which can be given effect without the invalid provision or application. To this end, the provisions of this Agreement are declared to be severable.

10.15 **Prohibition Against Assignment.** Pardee may not assign this Agreement or any interest in it without the prior written consent of Santee, Padre Dam and San Diego. Santee, Padre Dam and San Diego shall only withhold consent upon finding that the proposed assignee is unwilling or unable to assume financial obligations of performance bonds, including bonds required by the Contract to Make, Install and Complete Water and/or Sewer Facilities, whether presently existing or subsequently issued, related to the construction of the Residential Development Project. Upon assignment in accordance with this Section 10.15, Pardee shall be released of all liability and obligations related to the Residential Development Project.

10.16 **Operating Memorandum**. The Parties acknowledge that the provisions of this Agreement require a close degree of cooperation between San Diego, Padre Dam, Santee, and Pardee, and that the refinements and further development of the Residential Development Project hereunder may demonstrate that changes are appropriate with respect to the details of

performance of the Parties hereunder. The Parties desire, therefore, to retain a certain degree of flexibility with respect to those items covered in general terms under this Agreement. If the Parties find that such changes or adjustments are necessary or appropriate from time to time during the term of this Agreement, then the Parties shall effectuate such changes or adjustments through an "Annexation Agreement Operating Memorandum" 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 further approval by the Parties. No such Annexation Agreement Operating Memorandum by the Parties. No such Annexation Agreement to this Agreement; and approval of this Agreement authorizes the Mayor of San Diego, Padre Dam General Manager, Santee City Manager or their respective designees to enter into an Annexation Agreement Operating Memorandum. Failure of the Parties to enter into any Annexation Agreement Operating Memorandu shall not affect or abrogate any of the rights, duties or obligations of the Parties hereunder or the provisions of this Agreement.

10.17 **Reservation of Discretion**. Nothing in this Agreement shall be interpreted as requiring the exercise of Santee's, Padre Dam's, or San Diego's police powers or discretion in any particular manner.

10.18 **Force Majeure**. A Party shall not be deemed to be in default under this Agreement if the Party is prevented from performing an action or obligation due to causes beyond its reasonable control, such as labor unrest, walkouts, riots, casualties, litigation, weather, war or acts of God.

10.19 **Construction/Interpretation**. This Agreement has been reviewed and revised by legal counsel for each Party, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

10.20 **Recitals and Exhibits.** All recitals and exhibits are incorporated into this Agreement by this reference. The following Exhibits are attached to this Agreement and incorporated herein:

- Exhibit A: Residential Development Project Property
- Exhibit B: Annexation Property
- Exhibit C: Open Space Property
- Exhibit D: Resolution of Application for the Reorganization
- Exhibit E: Application for Reorganization
- Exhibit F: Plan for Providing Services
- Exhibit G: Fiscal Impact Analysis
- Exhibit H: Distribution of Revenue and Other Items

[Signatures on following page]

CITY OF SAN DIEGO, a California municipal corporation	CITY OF SANTEE, a California municipal corporation	PADRE DAM MUNICIPAL WATER DISTRICT, a California municipal water district
Ву:	By:	By:
Mayor	By: Mayor	By: CEO/General Manager
Attest:	Attest:	Attest:
By: Clerk of San Diego	By: Clerk of the	By: Board Secretary of
City of San Diego	City of Santee	Padre Dam Municipal Water District
APPROVED AS TO LEGAL FORM:	APPROVED AS TO LEGAL FORM:	APPROVED AS TO LEGAL FORM:
San Diego City Attorney	Santee City Attorney	Padre Dam General Counsel
PARDEE HOMES, a California co	orporation	
Ву:		
Jimmy Ayala		
APPROVED AS TO LEGAL FOR	RM:	
,		

CITY OF SAN DIEGO, a California municipal corporation	CITY OF SANTEE, a California municipal corporation	PADRE DAM MUNICIPAL WATER DISTRICT, a California municipal water district
By: Mayor	By: Mayor	By: CEO/General Manager
Attest:	Attest:	Attest:
By: Clerk of San Diego City of San Diego	By: Clerk of the City of Santee	By: Board Secretary of Padre Dam Municipal Water District
APPROVED AS TO LEGAL FORM:	APPROVED AS TO LEGAL FORM:	APPROVED AS TO LEGAL FORM:
San Diego City Attorney	Santee City Attorney	Padre Dam General Counsel
PARDEE HOMES, a California con By:	Poration 2 8-28-13	
APPROVED AS TO LEGAL FOR	M:	
Aff Joint for John Ponder		
SMRH:409315930.5	29	

...

State of California	
County of San Diego	
On August 28, 2013 before me, S	tephanie M. Garcia. Here Insert Name and Title of the Officer
personally appeared	Ayala Named of Storage
· · · · · · · · · · · · · · · · · · ·	 itemate in other of the second second
	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.
STEPHANIE M. GARCIA Commission # 1887809 Notary Public - California San Diego County My Comm. Expires Apr 30, 2014	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.
Place Notary Seal and/or Stamp Above	Signature: <u>A. M. A.</u>
OF	PTIONAL by law, it may prove valuable to persons relying on the document
and could prevent fraudulent remov	al and reattachment of this form to another document.
Description of Attached Document	Actorizant
Title or Type of Document: <u>A Mexadior</u>	s
	Number of Pages:
Signer(s) Other Than Named Above: Capacity(ies) Claimed by Signer(s)	
Signer's Name: Jimny Ayala	Signer's Name:
Corporate Officer — Title(s):	
Individual Individual	
Partner — Limited General Top of thum	
Attorney in Fact	Attorney in Fact
🗋 Trustee	Trustee
Guardian or Conservator	Guardian or Conservator
Dither: <u>Director</u> Computing	□ Other:

Construction and the second seco

EXHIBIT "A"

Residential Development Project Property

[Attached behind this page]

EXHIBIT "A"

LEGAL DESCRIPTION

CASTLEROCK TENTATIVE MAP BOUNDARY

A PORTION OF LOTS 4, 5, 8 AND 9 OF THE RESUBDIVISION OF A PART OF FANITA RANCHO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1703, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY, STATE OF CALIFORNIA, ON FEBRUARY 28, 1918 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF MAST BOULEVARD, DEDICATED TO THE CITY OF SAN DIEGO ON AUGUST, 21 1963 AS FILE NO. 149198 OF OFFICIAL RECORD, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF THE EXISTING CITY OF SAN DIEGO/CITY OF SANTEE JURISDICTIONAL BOUNDARY; THENCE

- SOUTH 08°09'41" WEST 51.52 FEET; THENCE
 SOUTH 90°00'00" WEST 163.48 FEET TO THE BEGINNING OF A 3000.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY; THENCE ALONG THE ARC OF SAID CURVE
- 3. SOUTHWESTERLY 571.17 FEET THROUGH A CENTRAL ANGLE OF 10°54'31"; THENCE
- 4. SOUTH 79°05'29" WEST 1,505.09 FEET TO THE BEGINNING OF A 2000.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE ALONG THE ARC OF SAID CURVE
- 5. SOUTHWESTERLY 872.73 FEET THROUGH A CENTRAL ANGLE OF 25°00'07" TO A POINT ON THE EASTERLY LINE OF LAND CONVEYED TO SYCAMORE LANDFILL INC. PER DEED RECORDED MAY 3, 2011 AS FILE NO. 2011-0229116 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS. IN THE CITY OF SAN DIEGO. COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, SAID POINT ALSO BEING THE CENTERLINE OF A 60 FOOT ROAD EASEMENT FROM THE UNITED STATES OF AMERICA TO THE CITY OF SAN DIEGO ON JUNE 7. 1965 AS FILE NO. 101350 AS SHOWN ON CITY DRAWING NO. 11844-D (ROAD EASEMENT NO. 7), FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS AS

MISCELLANEOUS MAP NO. 465 ON FEBRUARY 15, 1965; THENCE ALONG THE EASTERLY LINE OF SAID DEED AND SAID CENTERLINE

- 6. NORTH 15°04'09" WEST 600.67 FEET TO THE NORTHEAST CORNER OF SAID DEED; THENCE
- 7. NORTH 68°32'29" EAST 1,897.85 FEET TO THE SOUTHWEST CORNER OF LAND CONVEYED TO MITSUO ISHIHARA AND SALLY ISHIHARA, TRUSTEES OF THE ISHIHARA TRUST AGREEMENT DATED MARCH 5, 1986 PER DEED RECORDED FEBRUARY 7, 2000 AS FILE NO. 2000-0061906 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA; THENCE ALONG THE SOUTHERLY LINE OF SAID DEED
- 8. SOUTH 79°53'47" EAST 550.00 FEET TO THE SOUTHEAST CORNER OF SAID DEED; THENCE
- 9. NORTH 11°14'29" EAST 1,199.53 FEET TO THE NORTHEAST CORNER OF SAID DEED, SAID POINT LYING ON A NON-TANGENT 740.00 FOOT RADIUS CURVE CONCAVE

SOUTHWESTERLY, A LINE RADIAL TO SAID POINT BEARS NORTH 37°09'26" EAST, SAID POINT ALSO BEING THE CENTERLINE OF A 60 FOOT ROAD EASEMENT FROM THE UNITED STATES OF AMERICA TO THE CITY OF SAN DIEGO ON JUNE 7. 1965 AS FILE NO. 101350 AS SHOWN ON CITY DRAWING NO. 11844-D (ROAD EASEMENT NO. 3), FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS AS MISCELLANEOUS MAP NO. 465 ON 1965: THENCE FEBRUARY 15, ALONG SAID CENTERLINE AND THE ARC OF SAID CURVE

10. NORTHWESTERLY 227.10 FEET THROUGH A CENTRAL ANGLE OF 17°35'00" TO THE SOUTHEAST CORNER OF LAND CONVEYED TO NOBER FAMILY TRUST PER DEED RECORDED JULY 11, 2006 AS FILE NO. 2006-0488300 IN THE OFFICE OF SAN THE DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO. STATE OF CALIFORNIA; THENCE LEAVING SAID

CENTERLINE AND ALONG THE

EASTERLY LINE OF SAID DEED

11. NORTH 07°19'50" WEST 630.03 FEET; THENCE

, 6¹

- 12. NORTH 45°36'42" WEST 1,086.14 FEET: THENCE
- 13. NORTH 03°39'26" EAST 1647.10 FEET; THENCE
- 14. NORTH 13°32'35" EAST 30.04 FEET

TO THE NORTHEAST CORNER OF LAND CONVEYED TO THE PLUMB FAMILY TRUST DATED NOVEMBER 19, 2007 RECORDED NOVEMBER 4, 2008 AS FILE NO. 2008-0575971 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, SAID ALSO LYING ON THE POINT CENTERLINE OF A 60 FOOT ROAD EASEMENT FROM THE UNITED STATES OF AMERICA TO THE CITY OF SAN DIEGO ON JUNE 7, 1965 AS FILE NO. 101350 AS SHOWN ON CITY DRAWING NO. 11844-D (ROAD EASEMENT NO. 5), FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS AS MISCELLANEOUS MAP NO. 465 ON FEBRUARY 15. 1965: THENCE ALONG SAID CENTERLINE

- 15. SOUTH 76°27'25" EAST 441.43 FEET TO THE BEGINNING OF A 1,000.00 FOOT RADIUS CURVE CONCAVE NORTHERLY; THENCE CONTINUING ALONG SAID CENTERLINE AND THE ARC OF SAID CURVE
- 16. EASTERLY AND 666.03 FEET THROUGH A CENTRAL ANGLE OF NORTHEASTERLY 38°09'38" TO THE SOUTHEAST CORNER OF LAND CONVEYED TO SANTEE SCHOOL DISTRICT PER DEED RECORDED FEBRUARY 17. 1966 AS FILE NO. 66-0028071 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO. STATE OF CALIFORNIA; THENCE ALONG THE EASTERLY LINE OF SAID DEED; THENCE 17. NORTH 36°41'34" WEST 998.89 FEET TO THE MOST NORTHERLY CORNER OF SAID DEED; THENCE
- 18. NORTH 16°02'11" EAST 376.92 FEET TO THE NORTHWEST CORNER OF LAND CONVEYED TO ARTEMIZA PRINGLE PER DEED RECORDED MAY 2, 2006 AS FILE NO. 2006-0306866 IN THE OFFICE OF THE SAN

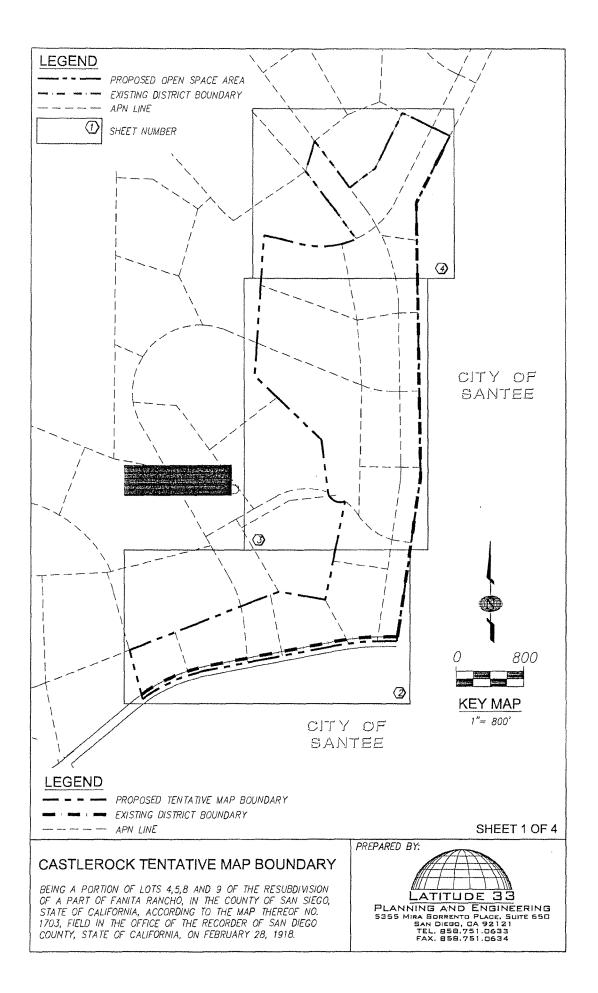
DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA; THENCE ALONG THE WESTERLY LINE OF SAID DEED

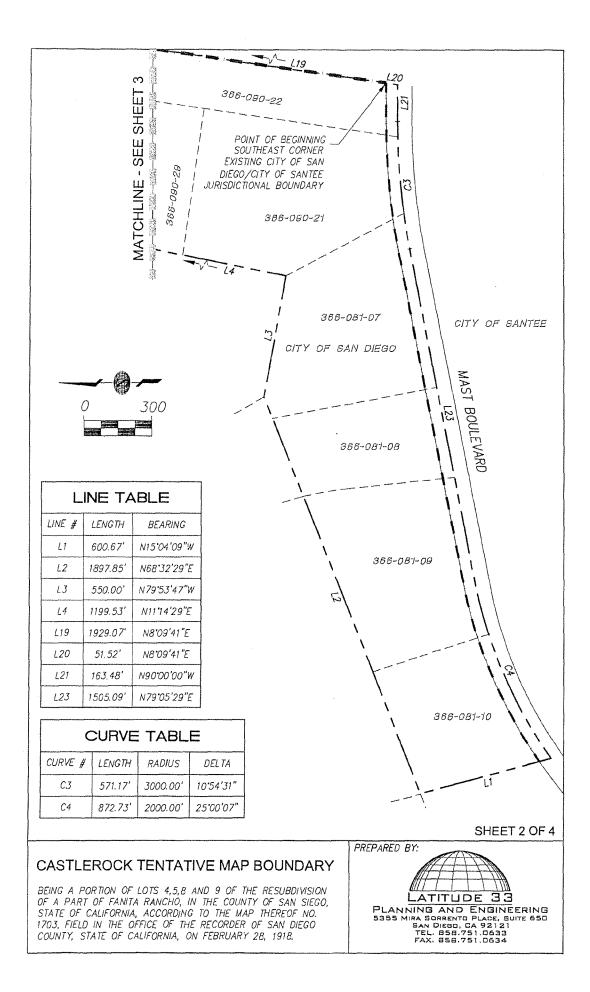
- 19. SOUTH 36°41'33" EAST 692.18 FEET TO THE SOUTHWEST CORNER OF SAID DEED; THENCE ALONG THE SOUTH AND EASTERLY LINES OF SAID DEED, THE FOLLOWING TWO COURSES
- 20. NORTH 53°18'03" EAST 381.94 FEET; THENCE
- 21. NORTH 26°03'11" EAST 735.51 FEET; THENCE LEAVING SAID LINE
- 22. SOUTH 63°56'49" EAST 620.00 FEET TO A POINT ON THE EASTERLY LINE OF CAMP ELLIOT AS DESCRIBED IN
- DECREE OF DECLARATION OF TAKING RECORDED APRIL 6, 1942 AS DOCUMENT NO. 22105 IN BOOK 1342, PAGE 14 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY. SAID POINT ALSO LYING ON THE EXISTING CITY OF SAN DIEGO/CITY SANTEE OF JURISDICTIONAL BOUNDARY; THENCE ALONG SAID EASTERLY LINE AND SAID CITY OF SAN DIEGO/CITY OF SANTEE JURISDICTIONAL BOUNDARY, THE FOLLOWING THREE COURSES 23. SOUTH 26°03'11" WEST 895.25 FEET; THENCE 24. SOUTH 00°51'48" EAST 3,256.54 FEET; THENCE 25. SOUTH 08°09'41" WEST TO THE POINT OF BEGINNING 1,929.07 FEET

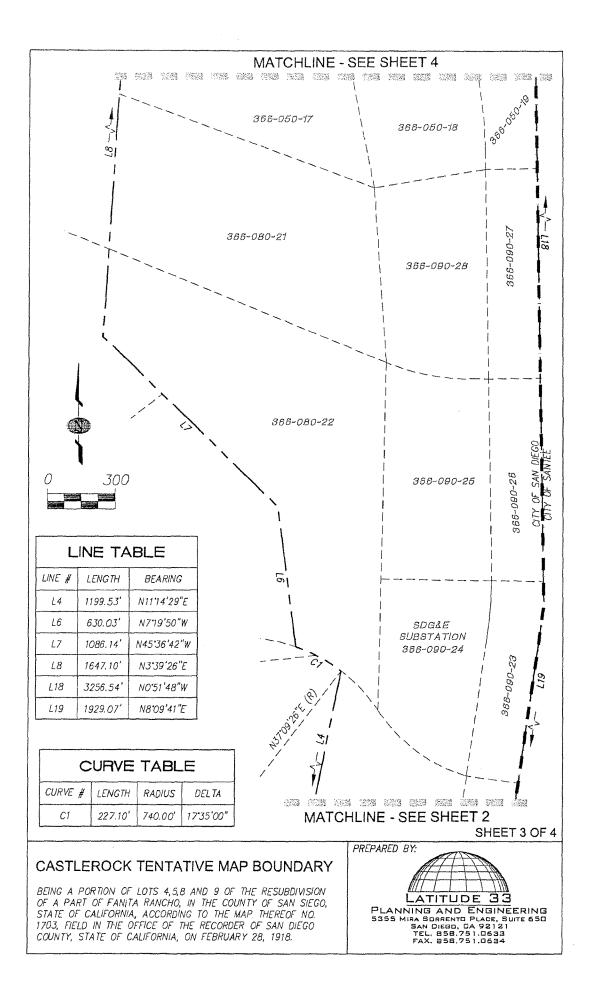
SAID LAND CONTAINS 211.55 ACRES MORE OR LESS.

BY JOHN EARDENSOHN, L.S. 5278 (MY LICENSE EXPIRES 12-31-13) DATED:

NO. 5278 EXP. 12/31/19 OF CP







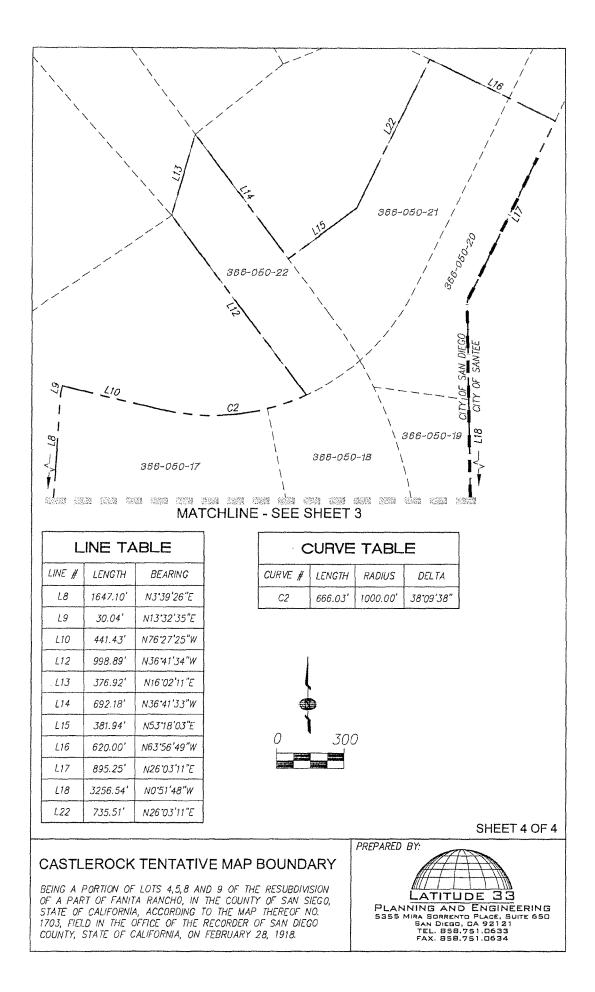


EXHIBIT "B"

Annexation Property

[Attached behind this page]

SMRH:409315930.5

ANNEXATION NO.

ANNEXATION TO CITY OF SANTEE GEOGRAPHIC DESCRIPTION

A PORTION OF LOTS 4, 5, 8 AND 9 OF THE RESUBDIVISION OF A PART OF FANITA RANCHO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1703, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY, STATE OF CALIFORNIA, ON FEBRUARY 28, 1918 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF MAST BOULEVARD, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF THE EXISTING CITY OF SAN DIEGO/CITY OF SANTEE JURISDICTIONAL BOUNDARY;

THENCE, (1) NORTH 90°00'00" WEST 170.80 FEET ALONG THE EXISTING BOUNDARY

(2) TO THE BEGINNING OF A 3051.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY; THENCE ALONG THE ARC OF SAID CURVE SOUTHWESTERLY 580.88 FEET THROUGH A CENTRAL ANGLE OF 10°54'31";

THENCE, (3) SOUTH 79°05'29" WEST 1505.09 FEET

(4) TO THE BEGINNING OF A 2051.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE ALONG THE ARC OF SAID CURVE SOUTHWESTERLY 875.60 FEET THROUGH A CENTRAL ANGLE OF 24°27'37" TO A POINT ON THE EASTERLY LINE OF LAND CONVEYED TO SYCAMORE LANDFILL, INC. PER DEED RECORDED MAY 3, 2011 AS FILE NO. 2011-0229116 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, SAID POINT ALSO BEING THE CENTERLINE OF A 60 FOOT ROAD EASEMENT FROM THE UNITED STATES OF AMERICA TO THE CITY OF SAN DIEGO ON JUNE 7, 1965 AS FILE NO. 101350 AS SHOWN ON CITY DRAWING NO. 11844-D (ROAD EASEMENT NO. 7), FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS AS MISCELLANEOUS MAP NO. 465 ON FEBRUARY 15, 1965;

THENCE, LEAVING SAID EXISTING BOUNDARY AND ALONG THE EASTERLY LINE OF SAID DEED AND SAID CENTERLINE (93) NORTH 15°04'09" WEST 40.47 FEET

(94) TO THE BEGINNING OF A NON-TANGENT 2089.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY, A LINE RADIAL TO SAID POINT BEARS NORTH 34°59'03" WEST; THENCE LEAVING SAID CENTERLINE AND ALONG THE ARC OF SAID CURVE NORTHEASTERLY 699.52 FEET THROUGH A CENTRAL ANGLE OF 19°11'10";

THENCE, (5) NORTH 13°13'06" WEST 151.63 FEET;

THENCE, (6) NORTH 03°03'57" EAST 52.68 FEET;

THENCE, (7) NORTH 28°23'48" EAST 59.16 FEET;

THENCE, (8) NORTH 48°31'47" EAST 105.57 FEET;

THENCE, (9) NORTH 81°59'55" EAST 41.49 FEET;

THENCE, (10) NORTH 89°46'54" EAST 67.60 FEET;

THENCE, (11) NORTH 85°18'06" EAST 104.54 FEET;

THENCE, (12) NORTH 55°13'11" EAST 186.45 FEET;

THENCE, (13) NORTH 45°43'55" EAST 40.00 FEET;

THENCE, (14) NORTH 53°23'06" EAST 160.31 FEET;

THENCE, (15) NORTH 85°43'34" EAST 180.83 FEET;

THENCE, (16) SOUTH 59°41'44" EAST 211.90 FEET;

(17) TO THE BEGINNING OF A 202.00 FOOT RADIUS CURVE CONCAVE NORTHERLY; THENCE ALONG THE ARC OF SAID CURVE NORTHEASTERLY 206.62 FEET THROUGH A CENTRAL ANGLE OF 58°36'25";

THENCE, (18) NORTH 61°41'51" EAST 98.39 FEET;

THENCE, (19) NORTH 49°00'41" EAST 239.03 FEET;

THENCE, (20) NORTH 58°24'51" EAST 125.40 FEET;

THENCE, (21) NORTH 54°38'51" EAST 60.75 FEET;

THENCE, (22) NORTH 61°17'03" WEST 18.34 FEET;

THENCE, (23) NORTH 11°43'57" WEST 18.32 FEET;

THENCE, (24) NORTH 68°14'52" WEST 3.79 FEET;

THENCE, (95) NORTH 17°09'42" EAST 378.96 FEET;

THENCE, (96) NORTH 20°03'35" EAST 121.95 FEET;

THENCE, (97) NORTH 47°09'56" EAST 112.14 FEET;

THENCE, (98) NORTH 83°15'29" EAST 264.28 FEET;

THENCE, (99) NORTH 63°15'42" EAST 163.59 FEET;

THENCE, (100) NORTH 33°18'52" EAST 36.77 FEET;

THENCE, (101) NORTH 23°10'03" WEST 78.68 FEET

(102) TO A POINT ON THE SOUTHERLY LINE OF LAND CONVEYED TO SAN DIEGO GAS AND ELECTRIC PER DEED RECORDED OCTOBER 21, 1975 AS FILE NO. 75-289826 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, SAID POINT BEING ON THE CENTERLINE OF A 60 FOOT ROAD EASEMENT FROM THE UNITED STATES OF AMERICA TO THE CITY OF SAN DIEGO ON JUNE 7, 1965 AS FILE NO. 101350 AS SHOWN ON CITY DRAWING NO. 11844-D (ROAD EASEMENT NO. 3), FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS AS MISCELLANEOUS MAP NO. 465 ON FEBRUARY 15, 1965, SAID POINT ALSO LYING ON A NON-TANGENT 740.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY, A LINE RADIAL TO SAID POINT BEARS SOUTH 29°31'05" WEST; THENCE ALONG THE SOUTHERLY LINE OF SAID DEED, SAID CENTERLINE AND THE ARC OF SAID CURVE SOUTHEASTERLY 90.74 FEET THROUGH A CENTRAL ANGLE OF 07°01'33"

(25) TO THE BEGINNING OF A NON-TANGENT 467.00 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY, A LINE RADIAL TO SAID POINT BEARS SOUTH 60°08'53" EAST; THENCE LEAVING THE SOUTHERLY LINE OF SAID DEED AND SAID CENTERLINE AND ALONG THE ARC OF SAID CURVE NORTHEASTERLY 186.39 FEET THROUGH A CENTRAL ANGLE OF 22°52'06"; THENCE, (26) NORTH 06°59'01" EAST 275.39 FEET

(27) TO THE BEGINNING OF A 3033.00 RADIUS CURVE CONCAVE EASTERLY; THENCE ALONG THE ARC OF SAID CURVE NORTHEASTERLY 90.89 FEET THROUGH A CENTRAL ANGLE OF 01°43'01";

THENCE, (28) NORTH 08°42'02" EAST 252.47 FEET

(29) TO THE BEGINNING OF A 467.00 FOOT CURVE CONCAVE WESTERLY; THENCE ALONG THE ARC OF SAID CURVE NORTHEASTERLY 55.68 FEET THROUGH A CENTRAL ANGLE OF 06°49'54" TO A POINT ON THE NORTHERLY LINE OF LAND CONVEYED TO SAN DIEGO GAS AND ELECTRIC PER SAID DEED;

THENCE, ALONG SAID NORTHERLY LINE TO THE NORTHWEST CORNER OF SAID DEED (30) NORTH 89°10'07" WEST 463.36 FEET;

THENCE, LEAVING SAID NORTHERLY LINE (31) NORTH 01°17'37" EAST 65.30 FEET;

THENCE, (32) NORTH 23°51'21" WEST 188.21 FEET;

THENCE, (33) NORTH 43°18'21" WEST 195.53 FEET;

THENCE, (34) NORTH 29°57'39" WEST 63.24 FEET;

THENCE, (35) NORTH 22°57'05" WEST 114.67 FEET;

THENCE, (36) NORTH 13°11'15" WEST 109.19 FEET;

THENCE, (37) NORTH 03°24'14" WEST 280.53 FEET;

THENCE, (38) NORTH 34°26'05" EAST 126.55 FEET;

THENCE, (39) NORTH 24°04'13" EAST 63.64 FEET;

THENCE, (40) NORTH 58°12'31" EAST 151.19 FEET;

THENCE, (41) NORTH 44°29'44" EAST 134.29 FEET;

THENCE, (42) NORTH 21°07'15" EAST 114.99 FEET;

THENCE, (43) NORTH 05°48'26" WEST 96.06 FEET;

THENCE, (44) NORTH 08°57'20" EAST 47.91 FEET;

THENCE, (45) NORTH 03°09'52" WEST 179.60 FEET;

THENCE, (46) NORTH 14°04'50" WEST 146.08 FEET;

THENCE, (47) NORTH 06°24'33" EAST 85.67 FEET;

THENCE, (48) NORTH 23°34'51" EAST 66.71 FEET;

THENCE, (49) NORTH 39°08'12" EAST 118.72 FEET;

THENCE, (50) NORTH 63°28'43" EAST 92.57 FEET;

THENCE, (51) NORTH 77°47'40" EAST 90.97 FEET; THENCE, (52) NORTH 82°29'34" EAST 66.98 FEET;

THENCE, (78) NORTH 14°18'32" EAST 77.32 FEET TO A POINT ON THE SOUTHERLY LINE OF LAND CONVEYED TO SANTEE SCHOOL DISTRICT PER DEED RECORDED FEBRUARY 17, 1966 AS FILE NO. 66-0028071 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, SAID POINT ALSO BEING THE CENTERLINE OF A 60 FOOT ROAD EASEMENT FROM THE UNITED STATES OF AMERICA TO THE CITY OF SAN DIEGO ON

(55) TO THE BEGINNING OF A 60.00 FOOT CURVE CONCAVE SOUTHWESTERLY; THENCE ALONG THE ARC OF SAID CURVE NORTHWESTERLY 128.81 FEET THROUGH A CENTRAL ANGLE OF 123°00'30";

THENCE, (56) SOUTH 52°15'34" WEST 34.21 FEET

THENCE, (53) NORTH 42°58'35" EAST 36.61 FEET;

THENCE, (54) NORTH 04°43'55" WEST 124.15 FEET:

(57) TO THE BEGINNING OF A 65.00 FOOT CURVE CONCAVE NORTHWESTERLY; THENCE ALONG THE ARC OF SAID CURVE SOUTHWESTERLY 11.00 FEET THROUGH A CENTRAL ANGLE OF 09°41'42";

THENCE, (58) SOUTH 61°57'16" WEST 55.00 FEET;

THENCE, (59) NORTH 84°07'26" WEST 68.95 FEET;

THENCE, (60) SOUTH 83°22'21" WEST 51.62 FEET;

THENCE, (61) SOUTH 62°34'55" WEST 104.04 FEET;

THENCE, (62) SOUTH 49°44'40" WEST 111.62 FEET;

THENCE, (63) SOUTH 16°17'46" EAST 48.22 FEET;

THENCE, (64) SOUTH 71°55'14" WEST 120.01 FEET;

THENCE, (65) SOUTH 77°54'33" WEST 129.00 FEET;

THENCE, (66) NORTH 73°13'10" WEST 73.48 FEET;

THENCE, (67) NORTH 41°30'37" WEST 88.09 FEET;

THENCE, (68) NORTH 30°44'03" WEST 33.62 FEET;

THENCE, (69) NORTH 56°02'07" WEST 55.21 FEET;

THENCE, (70) NORTH 67°14'09" WEST 62.55 FEET;

THENCE, (71) NORTH 34°50'33" WEST 135.19 FEET;

THENCE, (72) NORTH 04°57'44" EAST 72.37 FEET;

THENCE, (73) NORTH 33°27'23" EAST 23.52 FEET;

THENCE, (74) NORTH 00°30'39" EAST 75.58 FEET;

THENCE, (75) NORTH 82°46'14" WEST 34.13 FEET;

THENCE, (76) NORTH 56°32'12" WEST 59.40 FEET;

THENCE, (77) NORTH 31°44'48" WEST 61.59 FEET;

JUNE 7, 1965 AS FILE NO. 101350 AS SHOWN ON CITY DRAWING NO. 11844-D (ROAD EASEMENT NO. 5), FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS AS MISCELLANEOUS MAP NO. 465 ON FEBRUARY 15, 1965;

THENCE, ALONG THE SOUTHERLY LINE OF SAID DEED AND SAID CENTERLINE (79) SOUTH 76°27'25" EAST 43.58 FEET;

(80) TO THE BEGINNING OF A NON-TANGENT 62.00 FOOT CURVE CONCAVE SOUTHEASTERLY, A LINE RADIAL TO SAID POINT BEARS NORTH 45°51'22" WEST; THENCE LEAVING THE SOUTHERLY LINE OF SAID DEED AND SAID CENTERLINE AND ALONG THE ARC OF SAID CURVE NORTHEASTERLY 62.47 FEET THROUGH A CENTRAL ANGLE OF 57°43'43";

(81) TO THE BEGINNING OF A REVERSE CURVE HAVING A RADIUS OF 970.00 FOOT; THENCE ALONG THE ARC OF SAID CURVE NORTHEASTERLY 611.35 FEET THROUGH A CENTRAL ANGLE OF 36°06'41" TO A POINT ON THE EASTERLY LINE OF LAND CONVEYED TO SANTEE SCHOOL DISTRICT PER SAID DEED;

THENCE, ALONG SAID EASTERLY LINE (103) NORTH 36°41'34" WEST 7.77 FEET;

THENCE, LEAVING SAID EASTERLY LINE (104) NORTH 30°30'14" EAST 28.64 FEET;

THENCE, (105) NORTH 43°52'42" EAST 110.46 FEET;

THENCE, (106) NORTH 51°21'23" EAST 51.24 FEET;

THENCE, (107) NORTH 64°18'17" EAST 26.53 FEET;

THENCE, (108) NORTH 65°58'17" EAST 58.49 FEET;

THENCE, (109) NORTH 76°15'53" EAST 23.85 FEET TO A POINT ON THE CENTERLINE OF A 60 FOOT ROAD EASEMENT FROM THE UNITED STATES OF AMERICA TO THE CITY OF SAN DIEGO ON JUNE 7, 1965 AS FILE NO. 101350 AS SHOWN ON CITY DRAWING NO. 11844-D (ROAD EASEMENT NO. 1), FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS AS MISCELLANEOUS MAP NO. 465 ON FEBRUARY 15, 1965,

(82) SAID POINT ALSO LYING ON A NON-TANGENT 2046.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY, A LINE RADIAL TO SAID POINT BEARS NORTH 58°28'37" EAST; THENCE ALONG SAID CENTERLINE AND THE ARC OF SAID CURVE NORTHWESTERLY 184.83 FEET THROUGH A CENTRAL ANGLE OF 05°10'34";

THENCE, (83) NORTH 36°41'57" WEST 308.16 FEET TO THE MOST SOUTHERLY CORNER OF LAND CONVEYED TO ARTEMIZA PRINGLE PER DEED RECORDED MAY 2, 2006 AS DOC. NO. 2006-0306866 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA;

THENCE, ALONG THE SOUTHERLY LINE OF SAID DEED AND LEAVING SAID CENTERLINE (84) NORTH 53°18'03" EAST 166.26 FEET;

(85) TO THE BEGINNING OF A 120.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY; THENCE ALONG THE ARC OF SAID CURVE EASTERLY 150.80 FEET THROUGH A CENTRAL ANGLE OF 72°00'10";

(86) TO THE BEGINNING OF A REVERSE CURVE HAVING A RADIUS OF 280.00 FOOT; THENCE ALONG THE ARC OF SAID SOUTHEASTERLY 160.53 FEET THROUGH A CENTRAL ANGLE OF 32°50'53";

THENCE, (87) SOUTH 87°32'40" EAST 135.88 FEET;

(88) TO THE BEGINNING OF A NON-TANGENT 72.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY, A LINE RADIAL TO SAID POINT BEARS SOUTH 73°57'50" WEST; THENCE ALONG THE ARC OF SAID CURVE NORTHEASTERLY 139.99 FEET THROUGH A CENTRAL ANGLE OF 111°24'10";

THENCE, (89) NORTH 26°03'11" EAST 50.90 FEET;

THENCE, (110) SOUTH 63°56'49" EAST 156.96 FEET;

THENCE, (111) SOUTH 87°24'50" EAST 28.87 FEET;

THENCE, (112) NORTH 25°58'01" EAST 428.80 FEET;

THENCE, (113) SOUTH 63°58'18" EAST 100.36 FEET TO A POINT ON THE EASTERLY LINE OF CAMP ELLIOT AS DESCRIBED IN DECREE OF DECLARATION OF TAKING RECORDED APRIL 6, 1942 AS DOCUMENT NO. 22105 IN BOOK 1342, PAGE 14 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY, SAID POINT ALSO LYING ON THE EXISTING CITY OF SAN DIEGO/CITY OF SANTEE JURISDICTIONAL BOUNDARY;

THENCE, (90) SOUTH 26°03'11" WEST 712.53 FEET ALONG SAID EASTERLY LINE AND SAID CITY OF SAN DIEGO/CITY OF SANTEEE JURISDICTIONAL BOUNDARY;

THENCE, (91) SOUTH 00°51'48" EAST 3256.53 FEET;

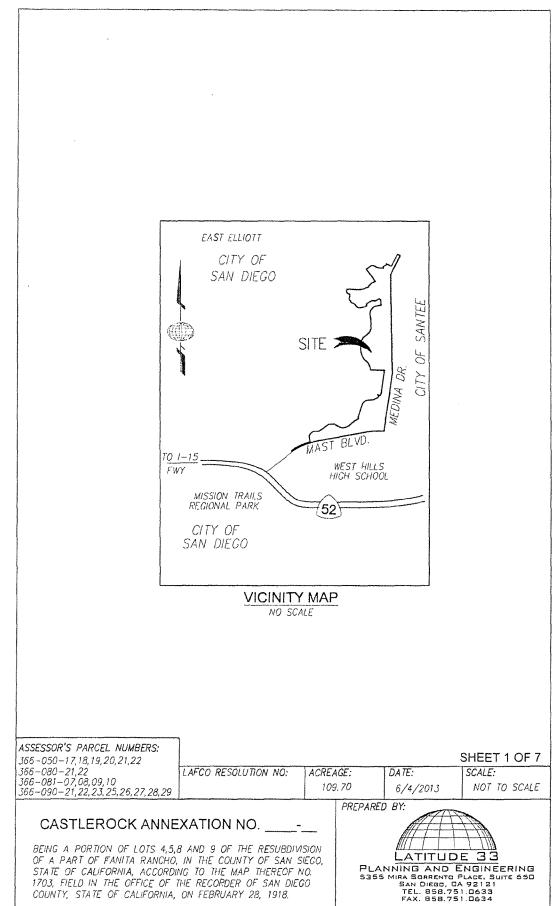
THENCE, (92) SOUTH 08°09'41" WEST 1929.07 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 109.70 ACRES OF LAND MORE OR LESS.



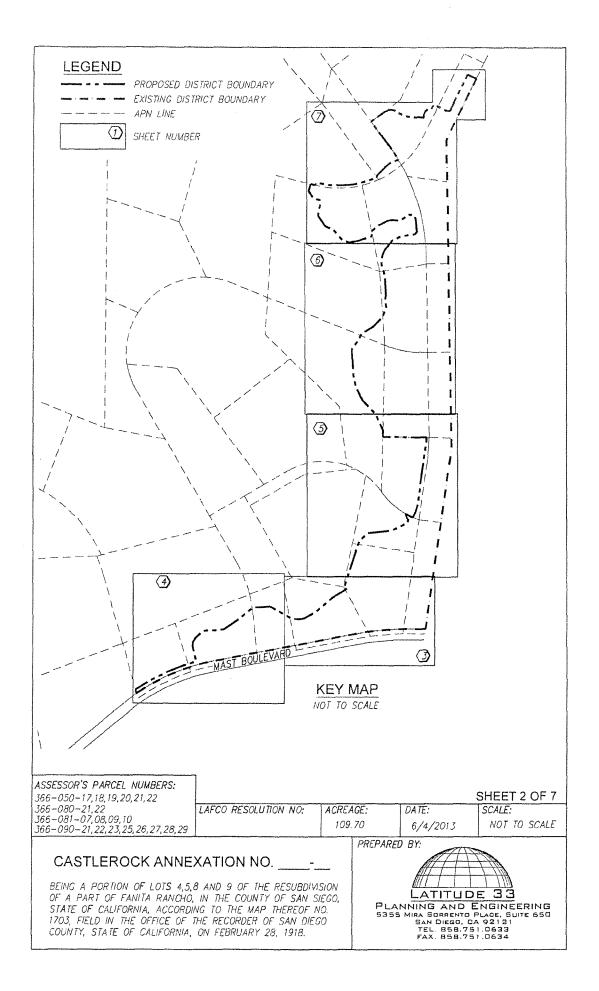
SIGNED C. JOHN EARDENSOHN

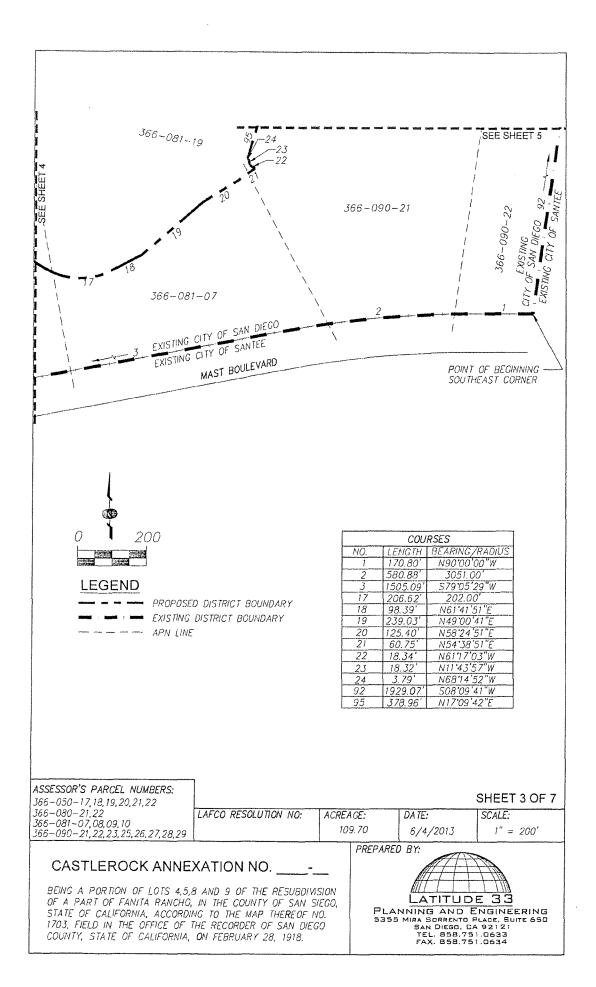
L.S. 5278 EXPIRES 12/31/13

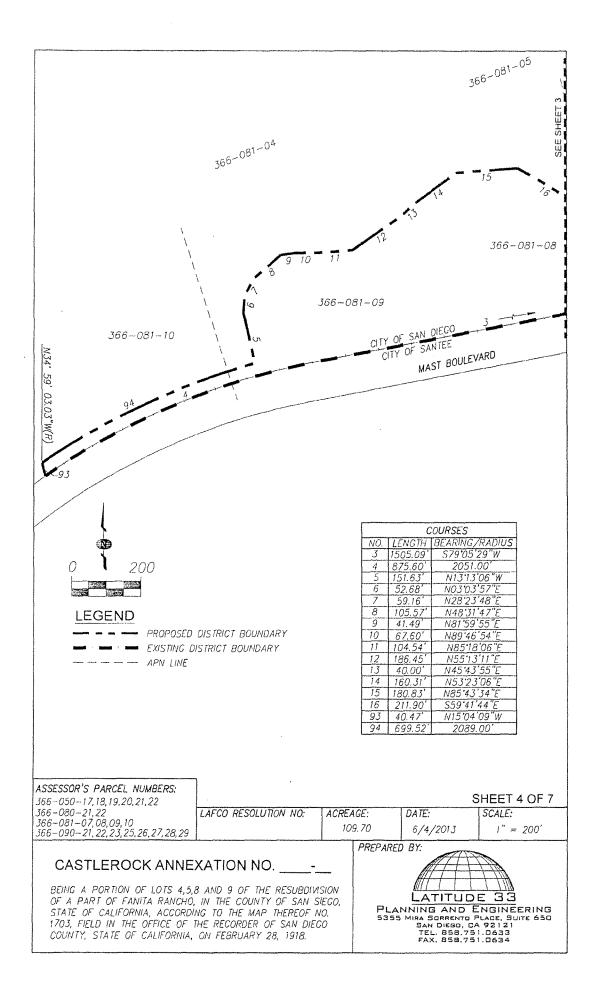
DATED

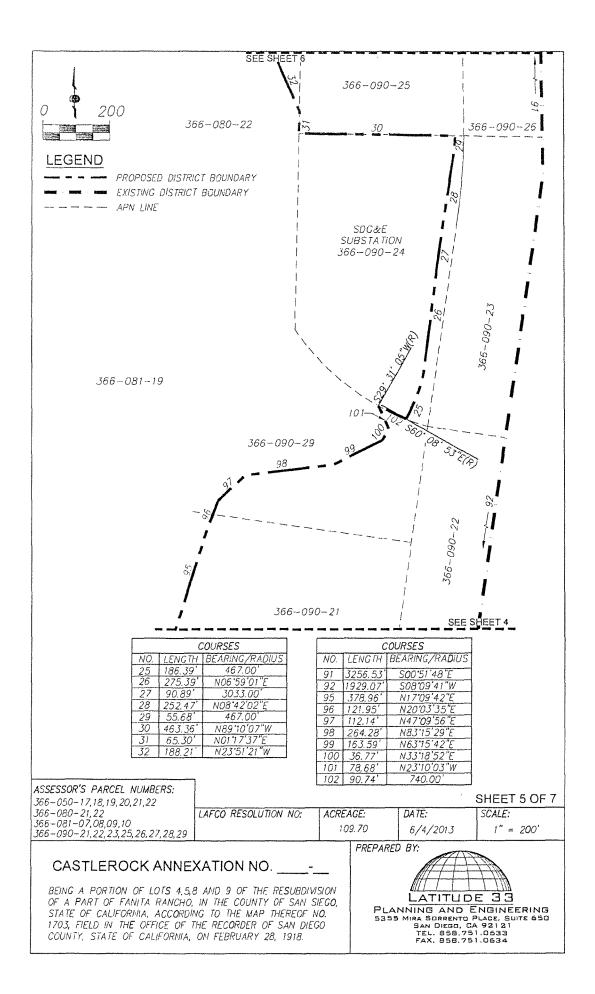


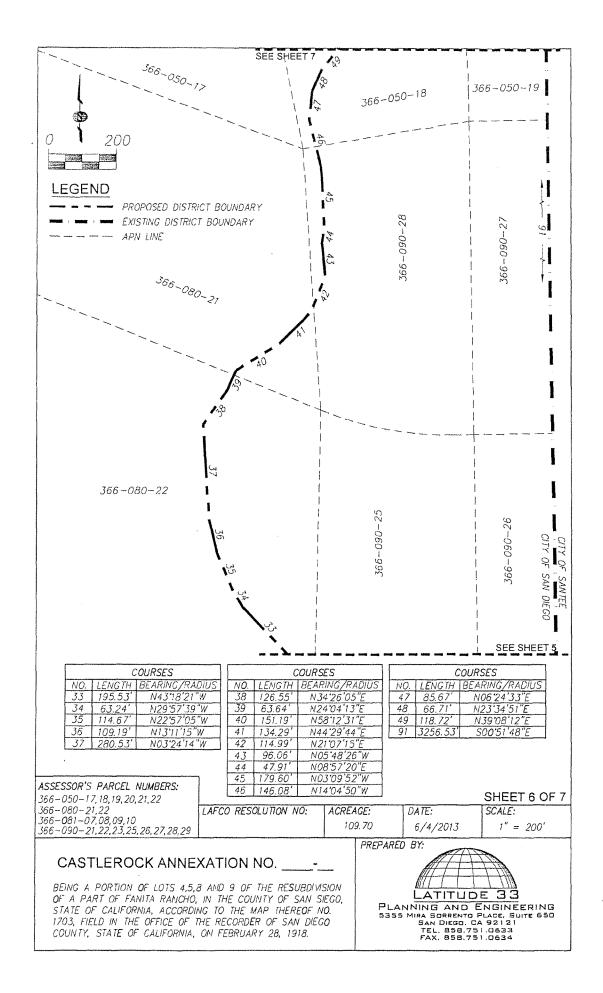
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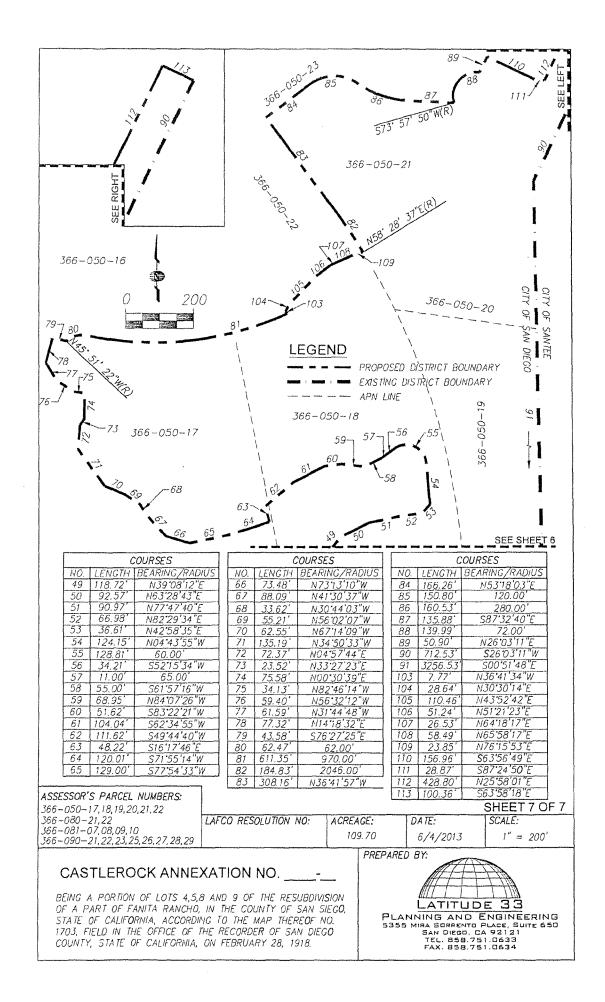












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EXHIBIT "C"

Open Space Property

[Attached behind this page]

SMRH:409315930.5

EXHIBIT "C"

LEGAL DESCRIPTION OPEN SPACE AREAS

PARCEL 'A'

A PORTION OF LOTS 4, 5, 8 AND 9 OF THE RESUBDIVISION OF A PART OF FANITA RANCHO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1703, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY, STATE OF CALIFORNIA, ON FEBRUARY 28, 1918 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF MAST BOULEVARD, DEDICATED TO THE CITY OF SAN DIEGO ON AUG. 21, 1963 AS FILE NO. 149198 OF OFFICIAL RECORD, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF THE EXISTING CITY OF SAN DIEGO/CITY OF SANTEE JURISDICTIONAL BOUNDARY; THENCE

1.	SOUTH 90°00'00" WEST	170.80 FEET	TO THE BEGINNING OF A 3051.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY; THENCE ALONG THE ARC OF SAID CURVE
2.	SOUTHWESTERLY	580.88 FEET	THROUGH A CENTRAL ANGLE OF 10°54'31"; THENCE
3.	SOUTH 79°05'29" WEST	1,505.09 FEET	TO THE BEGINNING OF A 2051.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE ALONG THE ARC OF SAID CURVE
4.	SOUTHWESTERLY	875.60 FEET	THROUGH A CENTRAL ANGLE OF 24°27'37" TO A POINT ON THE EASTERLY LINE OF LAND CONVEYED TO SYCAMORE LANDFILL, INC. PER DEED RECORDED MAY 3, 2011 AS FILE NO. 2011-0229116 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, SAID POINT ALSO BEING THE CENTERLINE OF A 60 FOOT ROAD EASEMENT FROM THE UNITED STATES OF AMERICA TO THE CITY OF SAN DIEGO ON JUNE 7, 1965 AS FILE NO. 101350 AS SHOWN ON CITY DRAWING NO. 11844-D (ROAD EASEMENT NO. 7), FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS AS MISCELLANEOUS MAP NO. 465 ON FEBRUARY 15, 1965; THENCE

LEAVING SAID EXISTING JURISDICTIONAL BOUNDARY AND NORTHERLY RIGHT-OF-WAY LINE

- 5. NORTH 15°04'09" WEST 40.47 FEET ALONG THE EASTERLY LINE OF SAID DEED AND SAID CENTERLINE, SAID POINT ALSO BEING THE **TRUE POINT OF BEGINNING**; THENCE
- 6. NORTH 15°04'09" WEST 505.73 FEET TO THE NORTHEAST CORNER OF SAID DEED; THENCE
- 7. NORTH 68°32'29" EAST 1,897.85 FEET TO THE SOUTHWEST CORNER OF LAND CONVEYED TO MITSUO ISHIHARA AND SALLY ISHIHARA, TRUSTEE OF THE ISHIHARA TRUST DATED MARCH 5, 1986, PER DEED RECORDED FEBRUARY 7, 2000 AS FILE NO. 2000-0061906 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA; THENCE ALONG THE SOUTHERLY LINE OF SAID DEED
- 8. SOUTH 79°53'47" EAST 550.00 FEET TO THE SOUTHEAST CORNER OF SAID DEED; THENCE
- 9. NORTH 11°14'29" EAST 1,199.53 FEET TO THE NORTHEAST CORNER OF SAID DEED, SAID POINT LYING ON A NON-TANGENT 740.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY, A LINE RADIAL TO SAID POINT BEARS NORTH 37°09'26" EAST, SAID POINT ALSO BEING THE CENTERLINE OF A 60 FOOT ROAD EASEMENT FROM THE UNITED STATES OF AMERICA TO THE CITY OF SAN DIEGO ON JUNE 7. 1965 AS FILE NO, 101350 AS SHOWN ON CITY DRAWING NO. 11844-D (ROAD EASEMENT NO. 3), FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS AS MISCELLANEOUS MAP NO. 465 ON FEBRUARY 15, 1965; THENCE ALONG SAID CENTERLINE AND THE ARC OF SAID CURVE
- 10. NORTHWESTERLY 227.10 FEET THROUGH A CENTRAL ANGLE OF 17°35'00" TO THE SOUTHEAST CORNER OF LAND CONVEYED TO NOBER FAMILY TRUST PER DEED RECORDED JULY 11, 2006 AS FILE NO. 2006-0488300 IN THE OFFICE OF THE SAN DIEGO COUNTY

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RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA; THENCE LEAVING SAID CENTERLINE AND ALONG THE EASTERLY LINE OF SAID DEED

- 11. NORTH 07°19'50" WEST 630.03 FEET; THENCE
- 12. NORTH 45°36'42" WEST 1,086.14 FEET; THENCE
- 13. NORTH 03°39'26" EAST 1,647.10 FEET; THENCE
- 14. NORTH 13°32'35" EAST 30.04 FEET TO THE NORTHEAST CORNER OF LAND CONVEYED TO PLUMB FAMILY TRUST DATED NOVEMBER 19, 2007 PER DEED RECORDED NOVEMBER 4, 2008 AS FILE NO. 2008-0575971 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, SAID POINT ALSO LYING ON THE CENTERLINE OF A 60 FOOT ROAD EASEMENT FROM THE UNITED STATES OF AMERICA TO THE CITY OF SAN DIEGO ON JUNE 7, 1965 AS FILE NO. 101350 AS SHOWN ON CITY NO, 11844-D DRAWING (ROAD EASEMENT NO. 5), FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS AS MISCELLANEOUS MAP NO. 465 ON FEBRUARY 15, 1965: THENCE ALONG SAID CENTERLINE
- 15. SOUTH 76°27'25" EAST 374.57 FEET; THENCE LEAVING SAID CENTERLINE

16. SOUTH 14°18'32" WEST	77.32 FEET;	THENCE
17. SOUTH 31°44'48" EAST	61.59 FEET;	THENCE
18. SOUTH 56°32'12" EAST	59.40 FEET;	THENCE
19. SOUTH 82°46'14" EAST	34.13 FEET;	THENCE
20. SOUTH 0°30'39" WEST	75.58 FEET;	THENCE
21. SOUTH 33°27'23" WEST	23.52 FEET;	THENCE
22. SOUTH 4°57'44" WEST	72.37 FEET;	THENCE
23. SOUTH 34°50'33" EAST	135.19 FEET;	THENCE
24. SOUTH 67°14'09" EAST	62.55 FEET;	THENCE
25. SOUTH 56°02'07" EAST	55.21 FEET; PAGE 3 OF 9	THENCE

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26. SOUTH 30°44'03" EAST	33.62 FEET;	THENCE
27. SOUTH 41°30'37" EAST	88.09 FEET;	THENCE
28. SOUTH 73°13'10" EAST	73.48 FEET;	THENCE
29. NORTH 77°54'33" EAST	129.00 FEET;	THENCE
30. NORTH 71°55'14" EAST	120.01 FEET;	THENCE
31. NORTH 16°17'46" WEST	48.22 FEET;	THENCE
32. NORTH 49°44'40" EAST	111.62 FEET;	THENCE
33. NORTH 62°34'55" EAST	104.04 FEET;	THENCE
34. NORTH 83°22'21" EAST	51.62 FEET;	THENCE
35. SOUTH 84°07'26" EAST	68.95 FEET;	THENCE
36. NORTH 61°57'16" EAST	55.00 FEET	TO THE BEGINNING OF A 65.00 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY; THENCE ALONG THE ARC OF SAID CURVE
37. NORTHEASTERLY	11.00 FEET	THROUGH A CENTRAL ANGLE OF 09°41'42"; THENCE
38. NORTH 52°15'34" EAST	34.21 FEET	TO THE BEGINNING OF A 60.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE ALONG THE ARC OF SAID CURVE
39. NORTHEASTERLY AND SOUTHEASTERLY	128.81 FEET	THROUGH A CENTRAL ANGLE OF 123°00'30"; THENCE
40. SOUTH 4°43'55" EAST	124.15 FEET;	THENCE
41. SOUTH 42°58'35" WEST	36.61 FEET;	THENCE
42. SOUTH 82°29'34" WEST	66.98 FEET;	THENCE
43. SOUTH 77°47'40" WEST	90.97 FEET;	THENCE
44. SOUTH 63°28'43" WEST	92.57 FEET;	THENCE
45. SOUTH 39°08'12" WEST	118.72 FEET;	THENCE
46. SOUTH 23°34'51" WEST	66.71 FEET;	THENCE
47. SOUTH 6°24'33" WEST	85.67 FEET;	THENCE
48. SOUTH 14°04'50" EAST	146.08 FEET;	THENCE
	PAGE 4 OF 9	

PAGE 4 OF 9

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49. SOUTH 3°09'52" EAST	179.60 FEET;	THENCE
50. SOUTH 8°57'20" WEST	47.91 FEET;	THENCE
51. SOUTH 5°48'26" EAST	96.06 FEET;	THENCE
52. SOUTH 21°07'15" WEST	114.99 FEET;	THENCE
53. SOUTH 44°29'44" WEST	134.29 FEET;	THENCE
54. SOUTH 58°12'31" WEST	151.19 FEET;	THENCE
55. SOUTH 24°04'13" WEST	63.64 FEET;	THENCE
56. SOUTH 34°26'05" WEST	126.55 FEET;	THENCE
57. SOUTH 3°24'14" EAST	280.53 FEET;	THENCE
58. SOUTH 13°11'15" EAST	109.19 FEET;	THENCE
59. SOUTH 22°57'05" EAST	114.67 FEET;	THENCE
60. SOUTH 29°57'39" EAST	63.24 FEET;	THENCE
61. SOUTH 43°18'21" EAST	195.53 FEET;	THENCE
62. SOUTH 23°51'21" EAST	188.21 FEET;	THENCE
63. SOUTH 1°17'37" WEST	648.70 FEET	TO THE SOUTHWEST CORNER OF LAND CONVEYED TO SAN DIEGO GAS AND ELECTRIC PER DEED RECORDED OCTOBER 21, 1975 AS FILE NO. 75-289826 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT 740.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY, A LINE RADIAL TO SAID POINT BEARS SOUTH 55°46'34" WEST; THENCE ALONG THE SOUTHERLY LINE OF SAID DEED AND THE ARC OF SAID CURVE
64. SOUTHEASTERLY	339.15 FEET	THROUGH A CENTRAL ANGLE OF 26°15'35"; THENCE LEAVING SAID SOUTHERLY LINE
65. SOUTH 23°10'03" EAST	78.66 FEET;	THENCE
66. SOUTH 33°18'52" WEST	36.77 FEET;	THENCE
67. SOUTH 63°15'42" WEST	163.59 FEET;	THENCE
68. SOUTH 83°15'29" WEST	264.28 FEET; PAGE 5 OF 9	THENCE

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69. SOUTH 47°09'56" WEST	112.14 FEET;	THENCE
70. SOUTH 20°03'35" WEST	121.95 FEET;	THENCE
71. SOUTH 17°09'42" WEST	378.96 FEET;	THENCE
72. SOUTH 68°14'52" EAST	3.79 FEET;	THENCE
73. SOUTH 11°43'57" EAST	18.32 FEET;	THENCE
74. SOUTH 61°17'03" EAST	18.34 FEET;	THENCE
75. SOUTH 54°38'51" WEST	60.75 FEET;	THENCE
76. SOUTH 58°24'51" WEST	125.40 FEET;	THENCE
77. SOUTH 49°00'41" WEST	239.03 FEET;	THENCE
78. SOUTH 61°41'51" WEST	98.39 FEET	TO THE BEGINNING OF A 202.00 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY; THENCE ALONG THE ARC OF SAID CURVE
79. SOUTHWESTERLY AND NORTHWESTERLY	206.62 FEET	THROUGH A CENTRAL ANGLE OF 58°36'25"; THENCE
80. NORTH 59°41'44" WEST	211.90 FEET;	THENCE
81. SOUTH 85°43'34" WEST	180.83 FEET;	THENCE
82. SOUTH 53°23'06" WEST	160.31 FEET;	THENCE
83. SOUTH 45°43'55" WEST	40.00 FEET;	THENCE
84. SOUTH 55°13'11" WEST	186.45 FEET;	THENCE
85. SOUTH 85°18'06" WEST	104.54 FEET;	THENCE
86. SOUTH 89°46'54" WEST	67.60 FEET;	THENCE
87. SOUTH 81°59'55" WEST	41.49 FEET;	THENCE
88. SOUTH 48°31'47" WEST	105.57 FEET;	THENCE
89. SOUTH 28°23'48" WEST	59.16 FEET;	THENCE
90. SOUTH 3°03'57" WEST	52.68 FEET;	THENCE
91. SOUTH 13°13'06" EAST	151.63 FEET	TO THE BEGINNING OF A NON- TANGENT 2089.00 FOOT RADIUS CURVE CONCAVE

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CURVE CONCAVE SOUTHEASTERLY, A LINE RADIAL TO SAID POINT BEARS NORTH 15°47'54" WEST; THENCE ALONG THE ARC OF SAID CURVE

PAGE 6 OF 9

92. SOUTHWESTERLY

699.53 FEET

THROUGH A CENTRAL ANGLE OF 19°11'11" TO THE TRUE POINT OF BEGINNING.

SAID LAND CONTAINS 74.63 ACRES MORE OR LESS.

PARCEL 'B'

A PORTION OF LOT 8 OF THE RESUBDIVISION OF A PART OF FANITA RANCHO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1703, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY, STATE OF CALIFORNIA, ON FEBRUARY 28, 1918 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF MAST BOULEVARD, DEDICATED TO THE CITY OF SAN DIEGO ON AUG. 21, 1963 AS FILE NO. 149198 OF OFFICIAL RECORD, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF THE EXISTING CITY OF SAN DIEGO/CITY OF SANTEE JURISDICTIONAL BOUNDARY; THENCE

1.	NORTH 08°09'41" EAST	1,980.60 FEET;	THENCE
2.	NORTH 00°51'48" WEST	3,256.54 FEET;	THENCE
3.	NORTH 26°03'11" EAST	712.52 FEET	TO THE T RUE POINT OF BEGINNING ; THENCE LEAVING SAID JURISDICTIONAL BOUNDARY
4.	NORTH 63°58'18" WEST	100.36 FEET;	THENCE
5.	SOUTH 25°58'01" WEST	428.80 FEET;	THENCE
6.	NORTH 87°24'50" WEST	28.87 FEET;	THENCE
7.	NORTH 63°56'49" WEST	156.96 FEET;	THENCE
8.	SOUTH 26°03'11" WEST	50.90 FEET	TO THE BEGINNING OF A NON- TANGENT 72.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY, A LINE RADIAL TO SAID POINT BEARS NORTH 5°22'00" EAST; THENCE ALONG THE ARC OF SAID CURVE
9.	SOUTHWESTERLY	139.99 FEET	THROUGH A CENTRAL ANGLE OF 111°24'10"; THENCE
10	NORTH 87°32'40" WEST	135.88 FEET	TO THE BEGINNING OF A 280.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE ALONG THE ARC OF SAID CURVE
11.	NORTHWESTERLY	160.53 FEET	THROUGH A CENTRAL ANGLE OF 32°50'53" TO THE BEGINNING OF A REVERSE CURVE HAVING A RADIUS

PAGE 7 OF 9

OF 120.00 FEET; THENCE ALONG THE ARC OF SAID CURVE 12. SOUTHWESTERLY 150.80 FEET THROUGH A CENTRAL ANGLE OF 72°00'10"; SAID POINT REFERRED TO HEREINAFTER AS POINT 'A': THENCE 13. NORTH 53°18'03" EAST 215.68 FEET: THENCE 14. NORTH 26°03'11" EAST 735.51 FEET; THENCE 15. SOUTH 63°56'49" EAST 620.00 FEET TO A POINT ON THE EASTERLY LINE

OF CAMP ELLIOT AS DESCRIBED IN DECREE OF DECLARATION OF TAKING RECORDED APRIL 6, 1942 AS DOCUMENT NO. 22105 IN BOOK PAGE 14 OF 1342. OFFICIAL RECORDS OF SAN DIEGO COUNTY, SAID POINT ALSO LYING ON THE EXISTING CITY OF SAN DIEGO/CITY SANTEE JURISDICTIONAL OF BOUNDARY; THENCE ALONG SAID EASTERLY LINE AND SAID CITY OF DIEGO/CITY OF SANTEE SAN JURISDICTIONAL BOUNDARY

16. SOUTH 26°03'11" WEST 182.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND CONTAINS 9.54 ACRES MORE OR LESS.

PARCEL 'C'

A PORTION OF LOTS 8 AND 9 OF THE RESUBDIVISION OF A PART OF FANITA RANCHO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1703, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY, STATE OF CALIFORNIA, ON FEBRUARY 28, 1918 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE AFOREMENTIONED POINT 'A'; THENCE

1. SOUTH 53°18'02" WEST 166.26 FEET TO THE CENTERLINE OF A 60 FOOT ROAD EASEMENT FROM THE UNITED STATES OF AMERICA TO THE CITY OF SAN DIEGO ON JUNE 7. 1965 AS FILE NO. 101350 AS SHOWN ON CITY DRAWING NO. 11844-D (ROAD EASEMENT NO. 1), FILED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS AS **MISCELLANEOUS MAP NO. 465 ON** FEBRUARY 15, 1965, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING; THENCE ALONG SAID CENTERLINE

2.	SOUTH 36°41'57" EAST	308.16 FEET	TO THE BEGINNING OF A 2,046.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE CONTINUING ALONG SAID CENTERLINE AND THE ARC OF SAID CURVE
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- 3. SOUTHEASTERLY 184.83 FEET THROUGH A CENTRAL ANGLE OF 5°10'34"; THENCE LEAVING SAID CENTERLINE
- 4. SOUTH 76°15'53" WEST 23.85 FEET; THENCE
- 5. SOUTH 65°58'17" WEST 58.49 FEET; THENCE
- 6. SOUTH 64°18'17" WEST 26.53 FEET; THENCE
- 7. SOUTH 51°21'23" WEST 51.24 FEET; THENCE
- 8. SOUTH 43°52'42" WEST 110.46 FEET; THENCE
- 9. SOUTH 30°30'14" WEST 28.66 FEET

TO A POINT ON THE EASTERLY LINE OF LAND CONVEYED TO SANTEE SCHOOL DISTRICT PER DEED RECORDED FEBRUARY 17, 1966 AS FILE NO. 66-0028071 IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDERS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA; THENCE ALONG THE EASTERLY LINE OF SAID DEED

- 10. NORTH 36°41'34" WEST960.42 FEETTO THE MOST NORTHERLY CORNER
OF SAID DEED; THENCE11. NORTH 16°02'11" EAST376.92 FEETTO THE CENTERLINE OF SAID 60
FOOT ROAD EASEMENT; THENCE
- 12. SOUTH 36°41'33" EAST 692.18 FEET

TO THE TRUE POINT OF BEGINNING.

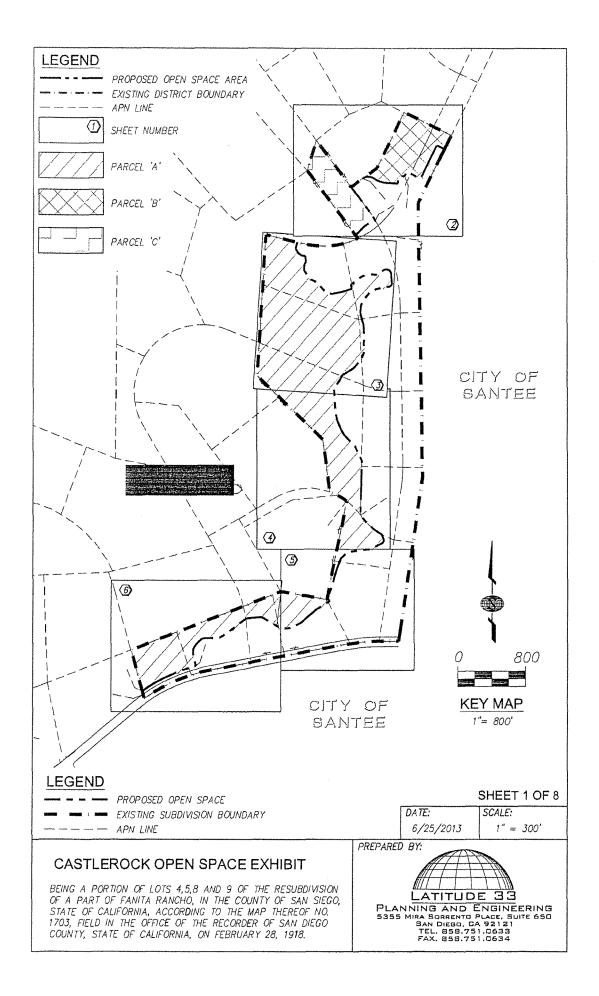
ALONG SAID CENTERLINE

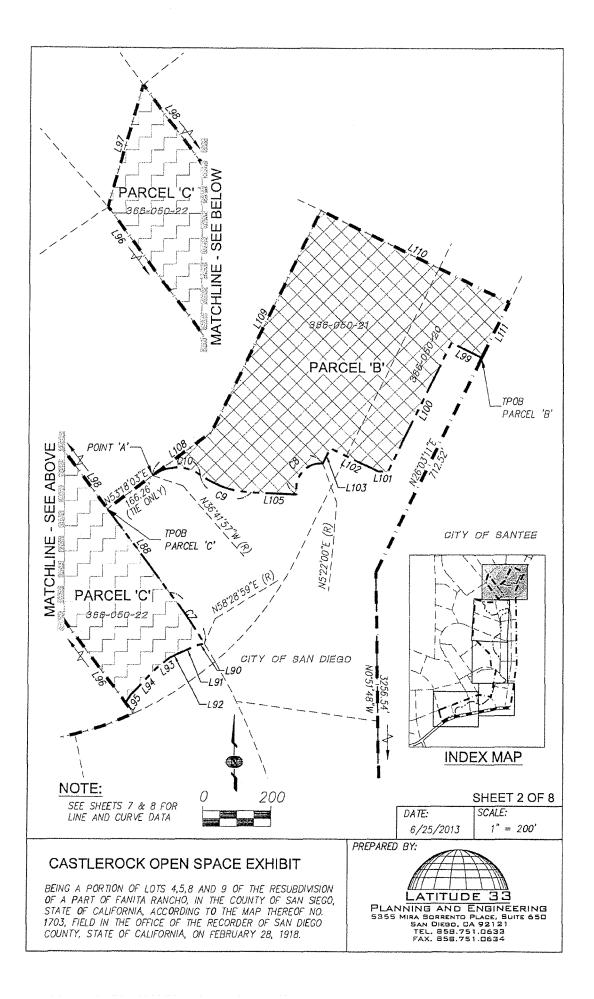
SAID LAND CONTAINS 7.25 ACRES MORE OR LESS.

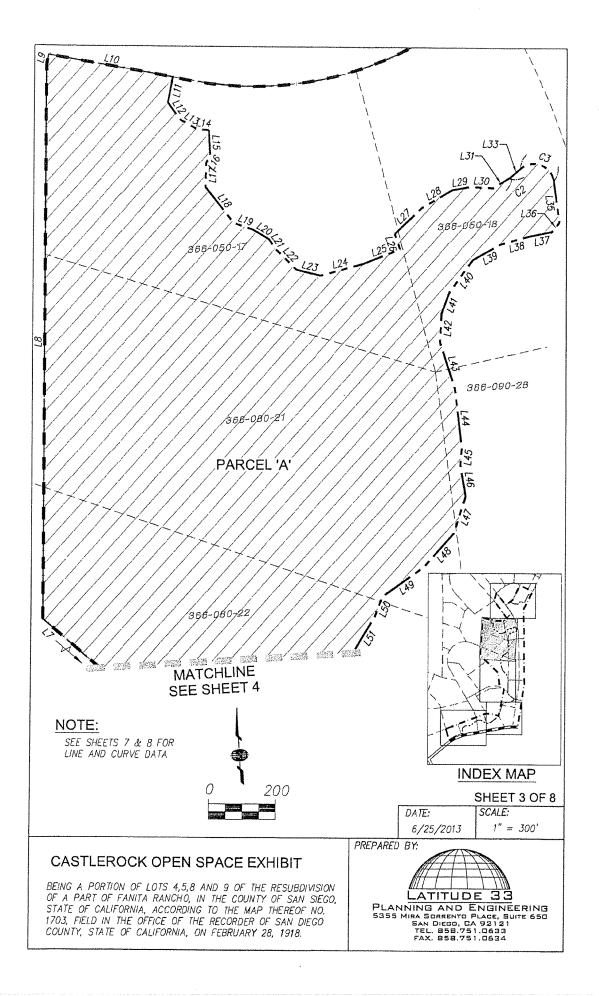
B JOHN EARDENSOHN, L.S. 5278 (MY LICENSE EXPIRES 12-31-13) DATED:

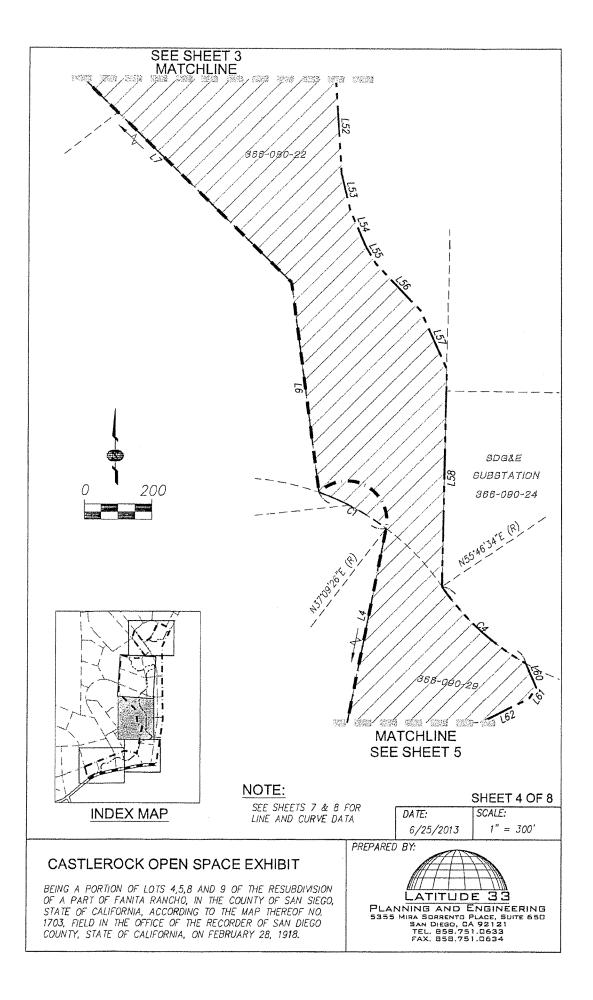


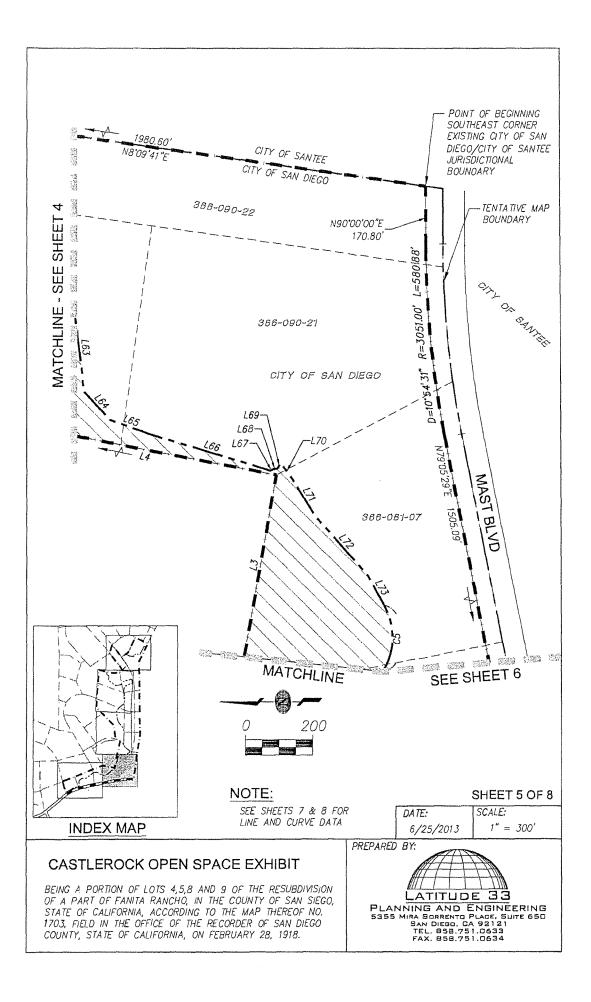
PAGE 9 OF 9

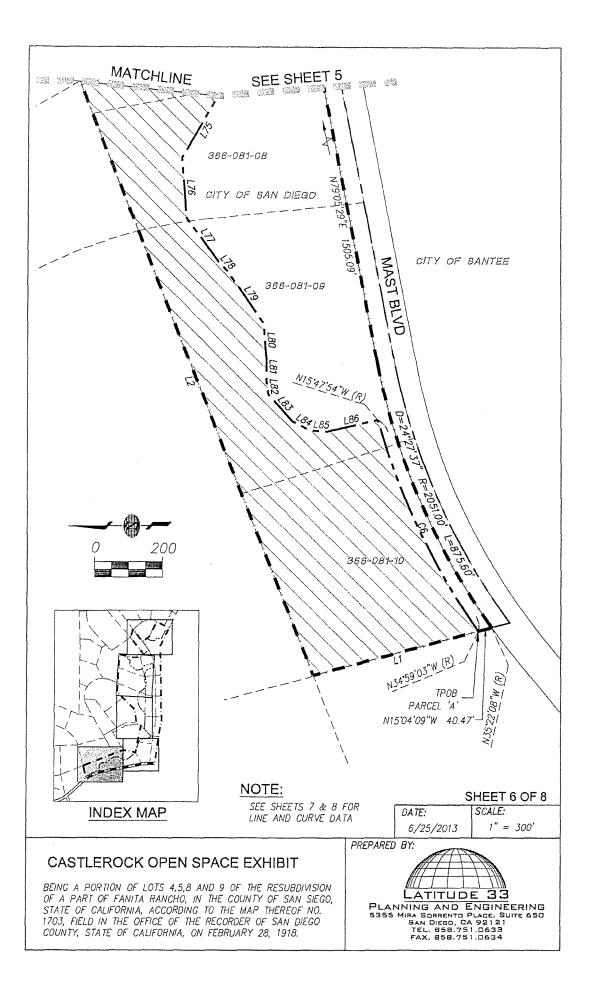












L	INE TA	ABLE				
ne #	Length	Direction		TABI	T	
L1	505.73'	N15°04'09"W	Line #	Length	Direction	
.2	1897.85'	N68*32'29"E	L.35	124.15'	N4'43'55"W	_
13	550.00'	N79 ` 53'47"W	L36	36.61'	N42*58`35"E	
L4	1199.53 '	N11"14`29"E	L37	66.98'	N82'29'34"E	·
6	630.03'	N7*19'50"W	L38	90.97'	N77'47'40"E	·
L7	1086.14'	N45'36'42"W	L 39	92.57'	N63"28'43"E	
18	1647.10'	N3*39'26"E	L40	118.72'	N 39'08'12"E	
9	30.04'	N13'32'35"E	L41	66,71 '	N23'34'51"E	
0	374.57'	N76'27'25"W	L42	85.67'	N6'24'33"E	
.11	77.32'	N14'18'32"E	L43	146.08'	N14°04'50"W	·
12	61.59'	N31*44'48"W	L 4 4	179,60'	N3'09'52"W	
13	59.40'	N56'32'12"W	L45	47.91'	N8'57'20"E	
14	34.13'	N82'46'14"W	L46	96.06'	N5'48'26 "W	
.15	75.58°	N0'30'39"E	L47	114.99'	N21'07'15"E	
16	23.52'	N33*27'23"E	L48	134.29'	N44'29'44"E	
17	72.37'	N4'57'44"E	L49	151.19'	N58'12'31"E	
8	135.19'	N34*50'33"W	L50	63.64'	N24'04'13"E	-
9	62.55'	N67°14'09"W	L51	126.55'	N34'26'05"E	
20	55.21'	N56'02'07"W	L52	280.53'	N3'24'14"W	
21	33.62'	N30'44'03"W	L53	109.19'	N13"11'15"W	
22	88.09'	N41'30'37"W	L54	114.67'	N22'57'05"V	/
3	73.48'	N73'13'10"W	L55	63.24'	N29'57'39"V	/
, ‡	129.00'	N77'54'33"E	L56	195.53°	N43'18'21"W	
 5	129.00	N71*55'14"E	L57	188.21'	N23'51'21"W	
6	48.22'	N16'17'46"W	L58	648,70'	N1'17'37"E	
		N101740 W N49'44'40"E	L60	78.66'	N23'10'03"W	
27 28	111.62'		L61	36.77'	N33'18'52"E	
28 29	104.04'	N62'34'55"E	L62	163.59'	N63°15'42"E	
	51.62'	N83'22'21"E	L63	264.28'	N83'15'29"E	
30 	68.95'	N84*07'26"W		112.14'	N47'09'56"E	
31	55.00'	N61*57'16"E	165	121.95'	N20'03'35"E	
33	34.21'	N52'15'34"E		378.96'	N17'09'42"E	-
			L	570.30	1417 UJ 42 L	DATE: SCALE:
						6/25/2013 1" = 200'
NG A A PA	PORTION (NRT OF FAN OF CALIFORM	CK OPEN SP DF LOTS 4,5,8 AND IITA RANCHO, IN TI VIA, ACCORDING TO OFFICE OF THE RI	9 OF THE R HE COUNTY C THE MA P TH	RESUBDIVIS DF SAN SIL HEREOF NI	10N EGO, D. P	LATITUDE 33 LATITUDE 33 LANNING AND ENGINEERING 3555 MIRA SORRENTO PLACE, SUITE 650 SAN DIEGO, CA 92121

Line #	Length	Direction	
L67	3.79'	N68'14'52"W	
L68	18.32'	N11*43'57"W	
L69	18.34' N61*17'03"		
L70	60.75'	N54'38'51"E	
L71	125.40' N58*24'51"L		
L72	239.03 '	.03' N49'00'41"E	
L73	98.39'	N61*41'51"E	
L75	211.90'	N59'41'44"W	
L76	180.83'	N85*43`34"E	
L77	160,31'	N53 * 23'06"E	
L78	40.00'	N45 ' 43'55"E	
L79	186.45'	N55*13'11″E	
L80	104.54'	N85*18'06"E	
L81	67.60'	N89*46'54″E	
L82	41.49'	N81'59'55"E	
L83	105.57 °	N48"31'47"E	
L84	59.16'	N28 ` 23'48"E	
L85	52.68'	N3*03'57"E	
L86	151.63'	N13*13'06"W	
L88	308.16'	N36 ' 41'57"W	
L90	23.85'	N76"15'53"E	
L91	58.49°	S65 ' 58'17"W	
L92	26.53'	N64*18'17"E	
L93	51.24'	N51°21'23"E	
L94	110.46'	N43'52'42"E	
L95	28.66'	N 30°30'14"E	
L96	960,42'	N36 ʻ 41'34"W	
L97	376.92'	N16'02'11"E	
L98	692.18'	N36*41'33"W	
L99	100.36'	N63*58'18"W	
L100	428.80'	N25*58'01 "E	

LINE TABLE					
Line #	Length	Direction			
L101	28.87'	N87'24'50"W			
L102	156.96'	N63*56'49"W			
L103	50.90'	N26'03'11"E			
L105	135.88'	N87 * 32 * 40"W			
L108	215.68'	N53'18'03"E			
L109	735.51'	N26°03'11"E			
L110	620.00'	N63*56'49"W			
L111	182.73°	N26'03'11"E			

CURVE TABLE					
Curve #	Length	Radius	Delta		
C1	227.10'	740.00'	17 • 35′00″		
C2	11.00'	65.00°	9*41'42"		
C3	128.81'	60.00'	123 ° 00'30"		
C4	339.15'	740.00'	26*15'35"		
C5	206.62'	202.00'	58 ° 36'25"		
C6	699.53'	2089.00'	19*11'11"		
C7	184.83'	2046.00'	5*10'34"		
C8	139.99'	72.00'	111'24'10"		
C9	160.53'	280.00'	32'50'53"		
C10	150.80'	120.00'	72'00'10"		

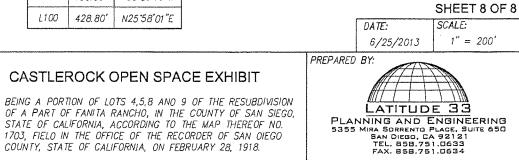


EXHIBIT "D"

Resolution of Application for the Reorganization

[Attached behind this page]

SMRH:409315930.5

RESOLUTION OF APPLICATION BY THE CITY COUNCIL OF THE CITY OF SANTEE REQUESTING THAT THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN DIEGO INITIATE PROCEEDINGS FOR THE DETACHMENT OF A PROPOSED RESIDENTIAL DEVELOPMENT PROJECT, KNOWN AS CASTLEROCK, FROM THE CITY OF SAN DIEGO AND FOR THE ANNEXATION OF THE PROJECT SITE INTO THE JURISDICTIONAL BOUNDARIES OF THE CITY OF SANTEE AND PADRE DAM MUNICIPAL WATER DISTRICT

WHEREAS, the City of Santee (hereinafter "Santee") actively monitors and comments on all significant development proposals beyond its jurisdictional boundaries which are located within a defined Planning Area as depicted in Figure 1-5 of Santee's General Plan; and

WHEREAS, in 2003 Pardee Homes (hereinafter "Pardee") submitted to the City of San Diego (hereinafter "San Diego") an application for a residential development project known as Castlerock (hereinafter "Project") within the East Elliot area of San Diego which is within Santee's defined Planning Area, and the City of Santee has been monitoring the application since that time; and

WHEREAS, in 2012 Pardee prepared, and San Diego circulated for public review and comment, a Draft Environmental Impact Report (SCH#2004061029) for the Project, which analyzes a dual development scenario, whereby under the first scenario 422 units would be developed in San Diego, and under the second scenario, approximately 108.72 acres of the Project site would be detached from San Diego and annexed to Santee; and

WHEREAS, on ______, 2013, San Diego certified the Final Environmental Impact Report (hereinafter "FEIR"), Findings of Fact and a Statement of Overriding Considerations, approved the Project and approved an Annexation Agreement (hereinafter "Annexation Agreement") that outlines a process to detach approximately 108.72 acres of the Project site from San Diego and annex that property into the jurisdictional boundaries of Santee and the Padre Dam Municipal Water District (hereinafter "Padre Dam"), and corresponding adjustments to spheres of influence; and

WHEREAS, Pardee, San Diego, Santee and Padre Dam have taken steps to approve the Annexation Agreement, a copy of which is attached hereto as Exhibit "A,"; and

WHEREAS, pursuant to the Annexation Agreement, the City Council of the City of Santee desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code section 56000 et seq.) (hereinafter the "Act") seeking approval of the following organizational and jurisdictional changes:

• Detachment of the Project site, the boundaries of which are described in Exhibit "B" attached hereto (hereinafter "Territory"), from San Diego;

- Annexation of the Territory to the Santee, Padre Dam, County Service Area 69 and County Service Area 135;
- The above described detachment and annexations are not consistent with the spheres of influence of Santee, San Diego, Padre Dam, County Service Area 69 or County Service Area 135, therefore it is proposed and requested that the applicable spheres of influence be concurrently adjusted to reflect the above described detachment and annexations.

Together the above changes of organization and sphere of influence adjustments are hereafter referred to as the "Reorganization;" and

WHEREAS, the plan for providing services prepared in accordance with the requirement of Government Code section 56653 is attached hereto as Exhibit "C" (hereinafter "Plan for Services") and as further explained in Section 5.4 of the Resolution; and

WHEREAS, the Local Agency Formation Commission of the County of San Diego (hereinafter "LAFCO"), is the state-mandated regulatory agency established by the Act to review and approve proposed jurisdictional boundary changes, including annexations and detachments of Territory to and/or from cities and special districts principally to discourage urban sprawl and to encourage the orderly and efficient provision of services; and

WHEREAS, the Reorganization is consistent with the legislative intent of the Act in that it will provide for orderly development of the Territory and for more efficient services to the future inhabitants of the Territory through Santee. Padre Dam, County Service Area 69 and County Service Area 135 as shown in the Plan for Services; and

WHEREAS, Government Code section 56375(a)(7) provides that LAFCO require, as a condition to annexation, that a city prezone the Territory to be annexed, or, alternatively, to present evidence satisfactory to LAFCO that the existing development entitlements on the Territory are vested and consistent with the city's General Plan. This Resolution and the Annexation Agreement provide evidence that the Project entitlements are vested and consistent with Santee's General Plan in accordance with the terms of the Annexation Agreement. Through the Annexation Agreement, Santee agrees to provide full faith and credit to the vested rights of Pardee upon the same terms and conditions as San Diego; and

WHEREAS, the Territory subject to the Reorganization is uninhabited, and a description of the external boundary of the Territory is set forth in Exhibit "B;" and

WHEREAS, San Diego has eliminated or substantially lessened all significant effects on the environment, where feasible, as shown in its findings under Section 21081(A)(2) of the California Environmental Quality Act ("CEQA") and Section 15091 of the CEQA Guidelines, and has determined that any remaining significant effects found to be unavoidable under Section 15901 are acceptable due to overriding concerns as

described in Section 15093; and

WHEREAS, for purposes of the CEQA analysis of the Reorganization, Santee is a Responsible Agency (CEQA Guidelines Section 15381), and the FEIR, Findings of Fact and Statement of Overriding Considerations shall be the environmental documentation used by Santee and others related to the processing of the Reorganization; and

WHEREAS, on _____ the Director of Development Services set this item for a public hearing, and the Notice of Public Hearing was published in the Union Tribune on____ and ____; and

WHEREAS, the City Council considered the Staff Report, all recommendations by staff, and public testimony.

NOW, THEREFORE, BE IT RESOLVED by the City of Santee City Council, after considering the evidence presented in the public hearing, that Santee hereby requests LAFCO to initiate proceedings for the Reorganization as supported by the following findings and on the following terms and conditions:

SECTION 1: Consistency with Santee's General Plan

The possibility of annexation of property adjacent to Santee is discussed in Santee's General Plan (City Council Resolution No. 63-2003, adopted on August 27, 2003). While development specifics were unknown at the time, the Land Use Element recognizes that residential development, such as the Project, might be made compatible with adjacent development in Santee, if the traffic impacts and fiscal impacts associated with the provision of municipal services are mitigated. Specifically, the General Plan includes the following language found on Page 1-14:

East Elliot Development. The East Elliot area of the City of San Diego borders Santee along the City's western boundary. While the majority of this area is planned for preservation as part of the City of San Diego's Multiple Species Conservation Program Subarea Plan, there are areas directly on the City's western border that are designated for future residential development.

While residential development itself would be compatible with the adjacent residential development in Santee, there could be impacts to the City from the additional traffic generated by any future development as well as fiscal impacts resulting from the City providing automatic aid public services such as fire, emergency transport and law enforcement to this area.

Initiation of proceedings for the Reorganization is consistent with Santee's General Plan because the Reorganization as described in the Annexation Agreement will mitigate the impacts of the Project on Santee. Through the Reorganization, Santee will receive revenue and other mitigation to offset the impacts to Santee from, among other things, the provision of municipal services to the Project and traffic impacts from the Project. The specific mitigation that address Project impacts to Santee are set forth in the Annexation Agreement and the FEIR, which mitigation is incorporated by reference herein.

SECTION 2: Additional Consistency with Santee's General Plan Land Use Element Policies

Policy 9.0 and Policies 10.1 through 10.3 provide guidance on development in East Elliot, and both the Project and the Reorganization implement these Policies (General Plan page 1-23). In Policy 9.0, San Diego is encouraged to protect vacant lands in the East Eliot area along Santee's western boundary as part of a regional preserve system. The Project proposes to preserve 90 acres surrounding the proposed development footprint and to incorporate this area into San Diego's Multiple Habitat Preserve Area adjacent to Santee, consistent with this Policy.

Furthermore, Land Use Element Policy 10.1 encourages Santee to actively pursue annexation of the land currently under the jurisdiction of San Diego, which is located along the San Diego River at Santee's western city limits to the Mission Trails Regional Park MTRP, and in the East Elliot Area on Santee's western boundary. The Reorganization implements this Policy by causing the annexation of approximately 108.72 acres of land in this area to Santee.

Land Use Element Policy 10.2 also encourages Santee to cooperate with adjacent jurisdictions in establishing a Sphere of Influence. The Reorganization implements this Policy by causing an amendment to Santee's Sphere of Influence. Land Use Element Policy 10.3 further requires that Santee establish a Planning Area pursuant to the provisions of Section 65300 of the California Government Code. Specifically, Section 65300 requires the adoption of a comprehensive, long-term General Plan for the physical development of a city, including any land outside of a city's boundaries which, in the city's judgment, bears relation to its planning. Santee has an adopted Planning Area (General Plan Figure 1-5) which includes the East Elliot area. The Reorganization implements this Policy because it causes the annexation to Santee of approximately 108.72 acres of land currently in the Santee Planning Area.

SECTION 3: Consistency with San Diego's Community Plan for East Elliot

The Project is located within San Diego, and development is guided by the East Elliot Community Plan adopted by Resolution R-202550 of the San Diego City Council on April 29, 1971, as amended from time-to-time. The East Elliot Community Plan provides for residential use on approximately 117 acres on the eastern fringe of East Elliot, adjacent to Santee and in describing East Elliot, states, on page 1:

Due to a lack of nearby residential development or services in San Diego and proximity to residential development in Santee, de-annexation of this 117-acre area to Santee should be considered if, in the future, Santee favors such an annexation.

The Reorganization is consistent with San Diego's East Elliot Community Plan because it allows for the detachment of approximately 108.72 acres of land from San Diego within this defined area and annexation of that land to Santee.

SECTION 4: Compliance with Government Code section 56375(a)(7)

This application, Resolution and Annexation Agreement are intended to comply with the requirements of GC § 56375(a)(7) as recited above.

SECTION 5: Proposed Terms and Conditions

Santee requests that the Reorganization be subject to the terms and conditions set forth in this Section 5 of the Resolution. Capitalized terms not otherwise defined in this Resolution shall have the meaning given to them in the Annexation Agreement.

5.1 Effective Date of Reorganization. In accordance with Government Code section 57202(a), the effective date of the Reorganization shall be upon the date of recordation of the Certificate of Completion with the Recorder's Office of the County of San Diego, which the Parties desire to occur as soon after LAFCO Approval of the Reorganization as is reasonably possible ("Reorganization Effective Date").

5.2 Processing of and Services to the Residential Development Project After the Reorganization Effective Date.

5.2.1 Role of San Diego. San Diego shall process, permit and inspect the Residential Development Project in accordance with the Residential Development Project Entitlements, including the permit conditions, applicable Building Codes, policies and practices and the Annexation Agreement. San Diego shall take such actions that it would otherwise take regarding the Residential Development Project absent the Reorganization, except as may be modified pursuant to the terms of the Annexation Agreement.

5.2.2 Role of Santee. Santee shall have no obligation to process, permit or inspect the Residential Development Project. However, Santee shall be provided with reasonable access to the Residential Development Project by its owner and developer, currently Pardee, in order to monitor the progress of the Residential Development Project and its compliance with the Residential Development Project Entitlements. In the event that Santee believes, based upon its informal inspection of the Residential Development Project, that the Residential Development Project or portions thereof are not in compliance with the Residential Development Project Entitlements, Santee shall provide written notice of its concerns and the Parties shall meet and confer and make reasonable efforts to resolve them. If the Parties are unable to resolve Santee's concerns through a meet and confer process, the Mayor of San Diego or his or her designee shall make a final administrative decision regarding the concerns, subject to Santee's rights to challenge that decision through the provisions of Article 6 of the Annexation Agreement. Pardee shall reimburse Santee for the costs of all reasonably necessary informal inspections, for a cost not to exceed \$8,000 per calendar year. Such inspections are informal, and in no way alter San Diego's sole authority to process, permit or inspect the Residential Development Project.

5.2.3 Role of Padre Dam. Padre Dam shall process and inspect the plan, design, and construction of the Residential Development Project's water, sewer and

recycled water infrastructure for connection to Padre Dam. Padre Dam shall be provided with reasonable access to the Residential Development Project by Pardee in order to monitor the progress of the water, sewer and recycled water infrastructure portion of the Residential Development Project and its compliance with Padre Dam's standards and approved material requirements including but not limited to the Water Agency Standards adopted by Padre Dam, Padre Dam's rules and regulations, and the Contract to Make, Install and Complete Water and/or Sewer Facilities to be entered into by Pardee and Padre Dam prior to commencement of construction. All water, sewer and recycled water facilities shall be inspected and tested in accordance with the Water Agency Standards adopted by Padre Dam. Pardee shall reimburse Padre Dam for the costs of all inspections in accordance with Padre Dam's published fee schedules applicable throughout its service area.

5.2.4 Pardee's Obligation; Property Maintenance. Pardee shall make reasonable efforts to process the Residential Development Project with San Diego, and with Padre Dam with regard to water, sewer and recycled water infrastructure construction, to completion. At all times, Pardee shall maintain the Annexation Property in good condition and in compliance with reasonable maintenance standards sufficient to keep the Annexation Property free from fire hazards, visible defects, deterioration, dirt and debris.

5.3 Distribution of Processing Fees, Mitigation Fees, Credits, Open Space and Other Revenue from the Residential Development Project and the Annexation Property.

5.3.1 General Intent of the Parties. The Parties intend that the Party that provides a particular service to the Residential Development Project or the Property, or that will bear the impact for which a fee is imposed, should receive the fees or revenue associated with that service or impact. The Parties desire that this general intent guide the resolution of any future disputes about which Party should receive a fee or revenue associated with the Residential Development Project on the Annexation Property, unless otherwise expressly provided in Section 5.3.7 of this Resolution. It is also the intent of the Parties to comply with Government Code sections 66000 - 66025 and not to duplicate fees charged to Pardee.

5.3.2 Annexation Agreement/Revenue Sharing Agreement. The Parties intend the Annexation Agreement to fulfill LAFCO requirements for a Revenue Sharing Agreement among the Parties. To the extent not already addressed in the Annexation Agreement, Santee, San Diego and Padre Dam shall negotiate any further LAFCO-required revenue sharing agreement allocating the municipal share of property taxes and fee related revenue. Santee shall submit any further LAFCO-required revenue sharing agreement to LAFCO in accordance with legal requirements.

5.3.3 Fiscal Impact Analysis. The Parties have caused the preparation of a Fiscal Impact Analysis, attached to the Annexation Agreement as Exhibit G, which identifies both the current and anticipated taxes, fees, assessments and other revenue associated with the Residential Development Project and the Annexation Property and

the anticipated costs for the provision of various municipal services to the Residential Development Project and the Annexation Property. The Parties intend to use the Fiscal Impact Analysis as a guide to help the Parties to: (a) properly allocate the revenue from the Residential Development Project or Annexation Property to the Party that provides the service or bears the impact for which the revenue is provided, in accordance with the general intent of Section 5.3.1 of this Resolution; (b) to assist in the calculation of the annual operating deficiency, if any; (c) to avoid duplication of fees; and (d) to help satisfy any LAFCO-related information requirements.

5.3.4 Distribution of Revenue and Other Items. The Parties have attempted to identify the known taxes, fees, assessments, credits, dedications and other revenue generated from the Residential Development Project or the Annexation Property in Exhibit "H" of the Annexation Agreement, and for each such item, the Parties have designated the Party entitled to receive the item.

5.3.5 Payment of Fees by Pardee. Prior to the issuance by San Diego of any permits for the Residential Development Project, Pardee must pay the fees, assessments or other amount related to the permits and required to be paid prior to permit issuance to the Party entitled to receive the fee, assessment or payment. If the payment is due to San Diego, Pardee shall make such payment directly to San Diego. If the payment is due to Santee or Padre Dam, Pardee must make the payment directly to Santee or Padre Dam, obtain a receipt for the payment and submit the receipt to San Diego prior to permit issuance. Pardee agrees to use reasonable efforts to ensure that all required fees are paid to the Party designated to receive such payment prior to permit issuance. If a permit is issued prior to the payment of all required fees, Pardee is still obligated to pay the required fee to the designated Party.

5.3.6 Payment of Local Share of Property Taxes. Pardee or other landowners within the Annexation Property shall satisfy their duty to pay tax revenue to the Parties identified in Exhibit "H" to the Annexation Agreement through payment of applicable property taxes to the County of San Diego's Assessor's Office through the Assessor's Office's proscribed means. If San Diego receives the local government share of property taxes for the Annexation Property after the Reorganization Effective Date, then San Diego shall transfer such property taxes to the Parties identified in Exhibit "H" of the Annexation Agreement in accordance with the percentage of time during the annual assessment period that services were required to be provided by such Parties pursuant to the Annexation Agreement.

5.3.7 Undesignated Government Revenue. In the event that government revenue is generated from the Residential Development Project or the Annexation Property that are not identified, in whole or in part, in the Annexation Agreement, such revenue shall be distributed in a manner consistent with the general intent expressed in Section 5.3.1 above. The Mayor of San Diego, the City Manager of Santee and the General Manager of Padre Dam, or their respective designees, as applicable, shall within thirty (30) days of the identification of the revenue meet and confer in good faith to mutually agree upon who should receive such revenue. If the Parties cannot mutually agree, San Diego, Santee and Padre Dam, ("Revenue Disputing Parties"), as

applicable, shall resolve the issue by participating in at least four hours of mediation prior to filing any court action. The mediation shall be held in San Diego, California, before a mediator selected by the Revenue Disputing Parties. The mediation shall be commenced by any Revenue Disputing Party making a written demand for mediation to another party. Within 15 days after such demand is made, the Revenue Disputing Parties shall mutually select a mediator. If the Revenue Disputing Parties are unable to agree on a mediator, the administrator of JAMS in San Diego, California shall select an independent mediator. The Revenue Disputing Parties to the mediation shall equally share the costs of the mediation, however, no Revenue Disputing Party shall be required to pay more than \$4,000 in connection with any single mediation unless such Revenue Disputing Party agrees to do so in writing. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled until 15 days after the date of the mediation session. The Revenue Disputing Parties will take such action, if any, required to effectuate such tolling. California Evidence Code Section 1119 through Section 1128 shall apply to the mediation. If a Revenue Disputing Party fails to cooperate to commence and/or participate in a mediation session, then, notwithstanding anything above, the other Revenue Disputing Party shall be free to file a court action even if no mediation session has taken place.

Upon resolution, the Parties shall execute an Annexation Agreement Operating Memorandum confirming the allocation. Such Annexation Agreement Operating Memorandum shall be signed by the City Manager of Santee, the Mayor of San Diego, the General Manager of Padre Dam or their respective designees.

5.3.8 Municipal Services Cost Neutrality. The provision of municipal services to the Residential Development Project or Annexation Property is intended be on a cost neutral basis to Santee. Pardee, Santee, San Diego and Padre Dam agree such cost neutrality is satisfied because they have caused the preparation of a Fiscal Impact Report that concludes that Santee's cost of services will be equal to or less than the revenue Santee anticipates it will receive from the Project. Accordingly, Pardee, Santee, San Diego and Padre Dam shall implement the requirements of the Annexation Agreement.

5.3.9 Housing Credits and Inclusionary Affordable Housing Fees. San Diego shall be entitled to receive credit towards its share of the regional housing needs allocation ("RHNA") for the number of qualifying units, if any, in the Residential Development Project. Santee shall make reasonable efforts to assist San Diego in receiving such credit, and agrees to reasonably consider executing any agreements necessary to cause San Diego to receive such credit. In addition, San Diego shall be entitled to receive any and all inclusionary housing fees associated with the Residential Development Project as may be established by the Residential Development Project Entitlements or San Diego's rules and regulations. The anticipated amount based on the current fee and estimated square footage of the homes is identified in Exhibit "H" of the Annexation Agreement. Santee shall not collect inclusionary housing fees or condition Pardee to construct affordable housing units on-site or off-site.

5.3.10 Open Space Deeds and Vernal Pool Maintenance Fees. San Diego shall accept fee title to the Open Space Property identified in the Residential Development Project Entitlements, and in accordance with those Entitlements and Santee shall have no obligation related to open space lands on the Open Space Property. In addition, San Diego shall be entitled to receive any and all mitigation fees related to the maintenance of vernal pools within the Open Space Property, as identified in Exhibit "H" of the Annexation Agreement.

5.4 Provision of Municipal Services to the Annexation Property.

5.4.1 Water, Sewer, and Recycled Water. Upon the Reorganization Effective Date, Padre Dam shall provide water, sewer and recycled water services to the Annexation Property. Pardee shall construct or cause the construction of all on-site public improvements and off-site public improvements necessary to connect to Padre Dam's water, sewer and recycled water services as required by the Residential Development Project Entitlements and Padre Dam's standards and approved material requirements including but not limited to the Water Agency Standards adopted by Padre Dam, Padre Dam's rules and regulations, and the Contract to Make, Install and Complete Water and/or Sewer Facilities Dam, to be entered into by Pardee and Padre Dam prior to commencement of construction, all of which are incorporated by reference. All water, sewer and recycled water facilities shall be inspected and tested in accordance with the Water Agency Standards adopted by Padre Dam. Pardee shall pay sewer and water capacity fees and other applicable fees, to Padre Dam in accordance and compliance with fee schedules in effect at the time of payment by Pardee to Padre Dam, as identified in Exhibit "H" of the attached Annexation Agreement. Padre Dam shall recover all of its other expenses not associated with the sewer and water capacity fee through monthly water, sewer and recycled water rates charged to users in accordance with rules and regulations applicable to Padre Dam. Upon the Reorganization Effective Date, Padre Dam shall provide water, sewer and recycled water services to the Annexation Property at the same level of service and upon the same terms and conditions as provided to other properties within Padre Dam's service area and assess such users monthly water, sewer and recycled water rates in accordance the rules and regulations applicable to Padre Dam.

5.4.2 Fire & Life Safety. Upon the Reorganization Effective Date, Santee shall provide or cause to be provided primary fire and life safety services to the Annexation Property and San Diego shall provide or cause to be provided supplemental fire and life safety services pursuant to the terms of the 1984 Automatic Aid Agreement, as it currently exists or as may be amended, between San Diego and the Santee Fire Protection District on file in the office of the City Clerk of San Diego as Document No. RR-262067 ("Automatic Aid Agreement"). Prior to the Reorganization Effective Dave, San Diego shall provide primary fire and life safety services to the Annexation Property and Santee shall provide or cause to be provided supplemental fire and life safety services pursuant to the 1984 Automatic Aid Agreement.

5.4.3 Law Enforcement Services. Upon the Reorganization Effective Date, Santee shall provide or cause to be provided primary law enforcement services to the

Annexation Property. The Parties acknowledge that Santee provides law enforcement services within its jurisdiction through a contract with the San Diego County Sheriff's Department. Santee anticipates that it will provide law enforcement services to the Annexation Property through its existing contract with the San Diego County Sheriff's Department. Nothing in this Agreement requires Santee to have or maintain its own law enforcement department or to continue its contract with the San Diego County Sheriff's Department; provided, however, that Santee shall provide law enforcement services to the Annexation Property at the same level of service and upon the same terms and conditions as provided other areas of Santee.

5.4.4 Other Municipal Services. Upon the Reorganization Effective Date, Santee shall provide or cause to be provided such other municipal services to the Annexation Property, other than the permitting and inspection services to be provided by San Diego and Padre Dam under the Annexation Agreement, as are typically provided to residential developments in Santee.

5.5 Full Faith and Credit Given to Right to Develop the Residential Development Project in Accordance with the Residential Development Project Entitlements.

5.5.1 Full Faith and Credit of Development Rights. The Parties agree that Pardee shall have the right to develop the Residential Development Project in accordance with the Residential Development Project Entitlements, and Santee agrees to give full faith and credit to the Residential Development Project Entitlements on the terms and conditions as issued by San Diego. To the extent the Residential Development Project Entitlements provide Pardee with vested rights to develop the Residential Development Project in accordance with the Residential Development Project Entitlements, Santee agrees to give full faith and credit to those vested rights on the same terms and conditions as San Diego. The full faith and credit created by the Annexation Agreement is not intended to either expand or contract Pardee's right to develop the Residential Development Project Entitlements. The full faith and credit created herein is intended to provide Pardee with the assurance that Santee will honor Pardee's vested development rights in the same manner and under the same conditions as San Diego.

5.5.2 Post-Residential Development Project Entitlements Approval Actions by Pardee. After San Diego's approval of the Residential Development Project Entitlements, but before the Reorganization Effective Date, and with payment of San Diego processing fees, Pardee may process and complete all requirements necessary for a final map. However, San Diego shall only approve a final map in accordance with the Subdivision Map Act as provided in the Annexation Agreement.

5.5.3 Development of Annexation Property after Full Residential Development Project Build-Out. Any development of the Annexation Property occurring after full Residential Development Project Build-out that is not governed by the Residential Development Project Entitlements shall conform to the then existing requirements of Santee and Padre Dam. Santee and Padre Dam shall treat any existing

development that occurred in accordance with the Residential Development Project Entitlements as legal non-conforming, except to the extent that compliance with Santee and Padre Dam requirements would not unreasonably interfere with such existing development and would be consistent with the requirements imposed by Santee and Padre Dam on existing development outside the Annexation Property.

5.5.3.1 Santee: Reserved Authority; Changes in Federal or State Law. Santee shall retain the same rights as possessed by San Diego to apply land use or building requirements that may conflict with the Residential Development Project Entitlements in the same manner and on the same conditions as San Diego, including (a) the reasonable determination that compliance with the Residential Development Project Entitlements would place the residents of the subdivision or the immediate community, or both, in a condition dangerous to their health or safety; (b) or as necessary to comply with state or federal law or mandates. The action chosen to implement this reserved authority shall be of the minimum scope, effect, and duration necessary to accommodate the health and safety issue or higher law.

5.5.3.2 Padre Dam: Reserved Authority; Changes in Federal or State Law. Notwithstanding anything to the contrary in this Section, Padre Dam shall have the same rights as possessed by San Diego to apply requirements that may conflict with the Residential Development Project Entitlements in the same manner and on the same conditions as San Diego, including (a) the reasonable determination that compliance with the Residential Development Project Entitlements would place the residents of the subdivision or the immediate community, or both, in a condition dangerous to their health or safety; (b) or as necessary to comply with state or federal law or mandates. The action chosen to implement the authority reserved herein shall be of the minimum scope, effect, and duration necessary to accommodate the health and safety issue or higher law.

5.6 Additional Terms and Conditions.

5.6.1 Agreed to by Parties. The Parties may agree to include additional terms and conditions as part of the Application for Reorganization to be submitted by Santee to LAFCO during the LAFCO process through the Annexation Agreement Operating Memorandum process identified in Section 10.16 of the Annexation Agreement.

5.6.2 Imposed by LAFCO. The Parties acknowledge that LAFCO may impose additional terms and conditions on the Reorganization beyond those set forth in this Agreement. The Parties shall reasonably consider such terms and conditions and support them unless any such LAFCO imposed term or condition is in fundamental conflict with the terms and conditions of this Agreement.

SECTION 6: California Environmental Quality Act (CEQA) Status. The initiation of proceedings for the Reorganization is an action contemplated and analyzed in the FEIR for the Project in compliance with CEQA. The FEIR analyzes the environmental impacts that would result from the Project. The analysis discusses the potential impacts to Land Use, Landform Alteration/Visual Quality/Neighborhood Character, Air

Quality/Odor, Biological resources, Historical resources, Human Health/Public Safety/Hazardous materials, Hydrology/Water Quality, Geology and Soils, Greenhouse Gases, Noise, Paleontological Resources, Transportation/Circulation, Public Facilities and Services, Public Utilities, and Energy Use/Conservation. The analysis concludes that the annexation scenario would result in significant, but mitigable direct impacts with Air Quality (construction emissions), Biological Resources, associated Cultural/Historical Resources (archaeology), Human Health/Public Safety/Hazardous Materials (unexploded ordnance), Noise (traffic noise exposure), Paleontological Resources (unknown subsurface resources) and Transportation/Circulation. Implementation of the Mitigation Monitoring and Reporting Program would reduce these environmental effects to below a level of significance. Findings of Fact and Statement of Overriding Considerations have been adopted by the City of San Diego as Lead Agency for the Project. Findings of Fact pertain to: 1) Findings Regarding Significant Impacts that can be Mitigated to below a Level of Significance; 2) Findings Regarding Mitigation Measures which are the Responsibility of Another Agency; 3) Findings Regarding Infeasible Mitigation Measures; 4) Findings Regarding Alternatives Considered and rejected; and 5) Findings Regarding Alternatives Considered in the FEIR. The Statement of Overriding Considerations pertain to: 1)Regional Economic Prosperity; 2) Biological benefits; 3) Recreational Benefits; 4) Housing Benefits; 5) Social benefits/Implementation of Applicable Planning Goals, Policies and Objectives; 6) Sustainability benefits; 7) the Maximized Efficient Use of the Project Site/ Territory; and 8) Annexation Agreement Benefits.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, that this Resolution of Application is hereby approved and adopted by the City of Santee. The Local Agency Formation Commission of San Diego County is hereby requested to process the Reorganization in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and in accordance with this Resolution. As a Responsible Agency, pursuant to CEQA Guidelines section 15096, the City Council has considered and approved the certified FEIR, Findings of Fact and Statement of Overriding Considerations for the Project.

ADOPTED by the City Council of the City of Santee, California, at a regular meeting thereof held this _____ day of _____2013, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

RANDY VOEPEL, MAYOR

ATTEST:

PATSY BELL, CMC, CITY CLERK

Exhibit A: Annexation Agreement Exhibit B: Territory Exhibit C: Plan for Services