

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO	CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY) N/A
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TO: CITY COUNCIL	FROM (ORIGINATING DEPARTMENT): Real Estate Assets	DATE: 05/22/2013
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SUBJECT: Sale of City-owned land to Otay Land Company (Village 8&9), Reservation of Easements, and Acquisition of Access Easements in Chula Vista.

PRIMARY CONTACT (NAME, PHONE): Mary Carlson, 619-236-6079, MS 51A	SECONDARY CONTACT (NAME, PHONE): Jim Barwick, 619-236-6145, MS 51A
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COMPLETE FOR ACCOUNTING PURPOSES

FUND					
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER					
OBJECT / GENERAL LEDGER ACCT					
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

FUND					
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER					
OBJECT / GENERAL LEDGER ACCT					
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

COST SUMMARY (IF APPLICABLE):

ROUTING AND APPROVALS

CONTRIBUTORS/REVIEWERS:	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
Financial Management	ORIG DEPT.	Barwick, James	5/23/2013
Environmental Analysis	CFO		
Liaison Office	DEPUTY CHIEF		
Public Utilities - Water	COO		
Comptroller	CITY ATTORNEY	Mendoza, Hilda	
	COUNCIL PRESIDENTS OFFICE		

PREPARATION OF: RESOLUTIONS ORDINANCE(S) AGREEMENT(S) DEED(S)

1. Authorize the Mayor or his designee to execute and deliver a purchase and sale agreement for approximately 13.753 acres of City-owned land (portion of APN 644-080-16) for \$279,000.

2. Authorize the Mayor or his designee to reserve easements for existing City water pipelines installed under the property.
3. Authorize the Mayor or his designee to obtain an access easement to allow City access to its existing City water pipelines.
4. Authorize the Chief Financial Officer to accept and deposit the proceeds of the sale of the property, net of costs related to the sale, into the Capital Outlay Water Fund 400004.
5. Determine that the sale is exempt from CEQA in accordance with State CEQA Guidelines section 15312 (Surplus Government Property Sales).

STAFF RECOMMENDATIONS:
Approve the Resolution.

SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)

COUNCIL DISTRICT(S):	N/A - Not in San Diego
COMMUNITY AREA(S):	N/A - Not in San Diego
ENVIRONMENTAL IMPACT:	This activity is categorically exempt from CEQA pursuant to Section 15312 of the State CEQA Guidelines.
CITY CLERK INSTRUCTIONS:	DO NOT RECORD – please deliver documents to Real Estate Assets Department, Attn: Mary Carlson, MS 51-A for further handling.

**COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO**

DATE: 05/22/2013

ORIGINATING DEPARTMENT: Real Estate Assets

SUBJECT: Sale of City-owned land to Otay Land Company (Village 8&9), Reservation of Easements, and Acquisition of Access Easements in Chula Vista.

COUNCIL DISTRICT(S): N/A - Not in San Diego

CONTACT/PHONE NUMBER: Mary Carlson/619-236-6079, MS 51A

DESCRIPTIVE SUMMARY OF ITEM:

Authorize the sale of 13.753 acres of City-owned property in Chula Vista, California, for \$279,000, reserve easements for existing City water pipelines installed on the property, and obtain an access easement to allow City access to its pipeline.

STAFF RECOMMENDATION:

Approve the Resolution.

EXECUTIVE SUMMARY OF ITEM BACKGROUND: In 1913, the City of San Diego (“City”) acquired various land in what is now Chula Vista. These properties are used for potable water pipelines to serve South San Diego, Coronado, and Imperial Beach, and to provide backup water service to the Otay Water District.

City property APN 644-080-16 is comprised of a long, narrow strip of land containing City water pipelines, surrounded by land owned by various developers. The area, known as Otay Ranch, is being developed with 11 urban villages containing housing, shops, workplaces, schools, parks, civic facilities, etc.

The City property is surrounded by approximately 750 acres of property owned by Otay Land Company, LLC, a Delaware limited liability company (“OLC”). OLC is planning to develop their land with approximately 6,000 residential housing units and 1.5 million square feet of commercial/retail space. OLC is currently entitling the properties and anticipates beginning construction in 2014.

In connection with OLC’s entitlement process, OLC would like to acquire approximately 13.753 acres of City-owned land (the “Property”) comprising a narrow strip of land containing City water pipelines. The City would reserve water pipeline easements from the conveyance of the Property. In addition, the City would obtain an access easement to allow City access to its pipeline.

Given that the Property is surrounded by OLC’s property, coupled with its long and narrow shape, the Property has little potential value to anyone other than OLC. An exclusively negotiated sale is justified when fee interest in a pipeline or other right-of-way is no longer required, therefore, it may be sold to a contiguous property owner and a restrictive pipeline easement of adequate width or other required easements will be reserved from said sale.

The Property was appraised by an independent MAI appraiser and the current fair market value of the Property was determined to be \$558,000. However, the City is reserving a Pipeline Easement valued to be one half of the fee interest. Therefore, the purchase price for the Property with the pipeline easement reserved is \$279,000.

This item is requesting authorization to sell the property, reserve easements for existing City water pipelines and obtain an access easement.

FISCAL CONSIDERATIONS: All proceeds from the sale of the Property, net of costs related to its sale, will be deposited in the Capital Outlay Water Fund 400004.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE): N/A.

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee): This item will be heard at the Land Use & Housing Committee meeting on June 19, 2013.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS: The key stakeholders would be the City of San Diego, City of Chula Vista and Otay Land Company, LLC.

Barwick, James
Originating Department

Deputy Chief/Chief Operating Officer

REAL ESTATE PURCHASE AND SALE AGREEMENT

[OTAY LAND COMPANY, LLC; TWO PORTIONS OF APN 644-080-16]

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is made by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), and OTAY LAND COMPANY, LLC, a Delaware limited liability company ("BUYER"), to be effective as of the date of execution by CITY, when signed by the parties and approved by the San Diego City Attorney (the "Effective Date").

RECITALS

- A. CITY owns certain real property ("CITY Property") with Assessor's Parcel Number 644-080-16 and consisting of approximately 26.58 acres of land improved with water main pipelines, and more particularly described in **Exhibit A: CITY Property Description**, attached hereto.
- B. Two portions of the CITY Property ("Subject Property") totaling approximately 13.753 acres, and more particularly described in **Exhibit B: Portion 1 Description** and **Exhibit C: Portion 2 Description**, both attached hereto, bisect real property owned by BUYER ("BUYER's Property").
- C. BUYER wants to purchase the Subject Property to facilitate the development of adjacent property owned by BUYER. CITY will convey the Subject Property subject to CITY's reservation of water main pipeline easements. BUYER will grant to CITY an access easement for CITY's maintenance of the pipelines.
- D. The parties acknowledge and agree that the fair market value of the fee interest in the Subject Property was determined by appraisal to be \$558,000, but that the water main pipeline easements to be reserved by CITY are currently valued to be \$279,000 (i.e., fifty percent (50%) of the Subject Property's fee interest). Therefore, the purchase price for the Subject Property with the easements reserved ("Purchase Price") is \$279,000.
- E. The parties agree that if the reserved water main pipeline easements are ever vacated, the value of the easements will be the greater of their current value and the fair market value of the easements at the time the easements are vacated, which fair market value will be determined by an appraisal prepared by a qualified appraiser acceptable to CITY.

FOR VALUABLE CONSIDERATION, the sufficiency of which is acknowledged, the parties further agree as follows:

1. **City Council Action Required.** BUYER acknowledges that the closing of the transaction contemplated by this Agreement (the "Closing") is expressly conditioned on the San Diego City Council's (the "City Council's") prior authorization to sell the Subject Property under this Agreement ("Council Authorization"), which may or may not be granted in the City Council's sole discretion. CITY shall not be liable or obligated for any burden or loss,

financial or otherwise, incurred by BUYER as a result of the City Council's failure to grant the Council Authorization.

- 1.1. BUYER's Waiver. BUYER expressly waives any claim against CITY and its elected officials, officers, employees, representatives and agents for any burden, expense or loss which BUYER incurs as a result of the City Council's failure to grant the Council Authorization.
2. Purchase and Sale. Under the terms and conditions of this Agreement and subject to obtaining Council Authorization, CITY shall sell and convey the Subject Property to BUYER, and BUYER shall purchase the Subject Property from CITY.
3. Purchase Price. The Purchase Price shall be Two Hundred Seventy-Nine Thousand Dollars (\$279,000).
4. Water Pipeline Easements. CITY shall reserve water pipeline easements ("Water Pipeline Easements") over the Subject Property for CITY's existing water pipelines and all related facilities and appurtenances thereof. The Water Pipeline Easements shall be for CITY to access, construct, install, operate, maintain, repair, restore and replace the water main pipelines and related facilities, with associated pedestrian and motorized vehicle travel therefor.
5. Access Easements. BUYER shall grant CITY access easements ("Access Easements"), substantially in the form and content attached hereto as **Exhibit D: Village 8 West Grant of Access Easement**.
6. Escrow. BUYER shall open an escrow (the "Escrow") with Chicago Title Company ("Escrow Holder"), located at 701 B Street, Suite 760, San Diego, California 92101, within three (3) business days after the Effective Date. The Escrow shall be open as of the date (the "Open Date") BUYER delivers to Escrow Holder both this Agreement, signed by the parties, and the Deposit, defined below.
7. Due Diligence Period. BUYER shall have fourteen (14) calendar days after the Open Date (the "Due Diligence Period") to conduct, at BUYER's expense, its due diligence to determine, in BUYER's sole and absolute discretion, the feasibility of purchasing the Subject Property and to resolve any matters that, if not corrected, would cause BUYER to terminate this Agreement ("BUYER's Contingencies"). BUYER may waive the Due Diligence Period at any time by delivering written notice thereof to CITY.
 - 7.1. Records Review. Upon reasonable prior notice to CITY, BUYER may review records in the possession and control of CITY's Real Estate Assets Department pertaining to the Subject Property. CITY's Real Estate Assets Department shall make such records available to BUYER within a reasonable amount of time after BUYER's request. BUYER acknowledges that additional Subject Property-related records may be in the possession and control of other CITY departments, including without limitation the

Development Services Department. BUYER shall be solely responsible for contacting such other CITY departments to schedule a review of such additional records.

7.2. Notification Regarding BUYER's Contingencies. BUYER shall notify CITY in writing of any BUYER's Contingencies it will waive or which will not be satisfied within the Due Diligence Period. BUYER's failure to so notify CITY within the Due Diligence Period shall mean no BUYER's Contingencies exist.

7.3. Preliminary Title Report Approval. As of the Effective Date, BUYER has obtained a Preliminary Title Report for the Subject Property and BUYER has approved the Preliminary Title Report.

8. Entry. BUYER, or BUYER's agents, may enter upon the Subject Property for the purpose of conducting visual observations, passive environmental studies, surveys and other non-invasive examinations as BUYER reasonably deems necessary to complete BUYER's due diligence. BUYER shall not conduct any invasive geotechnical activity, including without limitation soils testing, digging or boring, without CITY's prior written approval in each instance, which may or may not be granted, in CITY's sole discretion. If CITY consents to any such invasive survey, test or activity, BUYER, at BUYER's sole cost and expense, shall undertake and complete all appropriate restoration and remediation of the impacted portion of the Subject Property.

8.1 If No Closing. If Escrow does not close and title to the Subject Property does not transfer pursuant to this Agreement for any reason other than CITY's default, BUYER shall deliver to CITY at no charge copies of all surveys, studies, assessments, maps, plans and other similar items prepared by or for BUYER and pertaining solely and directly to the Subject Property or any part thereof. BUYER shall not be obligated to provide any confidential, proprietary or privileged information. The rights and obligations of BUYER and CITY pursuant to this section shall survive the termination of this Agreement.

8.2 Indemnity. BUYER shall protect, defend, indemnify, and hold CITY and its elected officials, officers, representatives, agents and employees harmless from and against any and all claims asserted or liability established which arise out of or are in any manner directly or indirectly connected with BUYER's entry on the Subject Property at any and all times prior to the Closing.

9. Deposit.

9.1 Deposit. Upon opening of the Escrow, BUYER shall deliver to Escrow Holder Ten Thousand Dollars (\$10,000) either in cash, by cashier's check or in other immediately available United States currency (the "Deposit"). Except as otherwise provided herein, the Deposit shall become non-refundable at the end of the Due Diligence Period and shall be applied to the Purchase Price at the Closing.

- 9.2 If BUYER Opts Out. If at any time during the Due Diligence Period BUYER decides not to purchase the Subject Property, BUYER shall deliver written notice thereof to CITY, after which the Deposit shall be returned to BUYER immediately upon BUYER's request to Escrow Holder.
10. Council Authorization. CITY shall seek Council Authorization as soon as reasonably practicable after the Due Diligence Period and when no BUYER's Contingencies exist.
- 10.1. If No Council Authorization. If the City Council does not grant the Council Authorization on or before September 30, 2013, BUYER may thereafter terminate this Agreement at any time in its sole and absolute discretion by written notice to CITY and Escrow Holder, and the Deposit shall be returned to BUYER upon BUYER's request to Escrow Holder.
- 10.2. Changed Terms. If the City Council grants the Council Authorization subject to changing certain terms of this Agreement ("Changed Terms"), BUYER may thereafter terminate this Agreement at any time in its sole and absolute discretion by written notice to CITY and Escrow Holder, and the Deposit shall be returned to BUYER upon BUYER's request to Escrow Holder. CITY shall not be liable or obligated for any burden or loss, financial or otherwise, incurred by BUYER as a result of any such conditional City Council authorization or the Closing's delay caused thereby.
- 10.2.1. BUYER's Waiver. BUYER expressly waives any claim against CITY and its elected officials, officers, employees, representatives and agents for any burden, expense or loss which BUYER incurs as a result of such conditional City Council authorization or the Closing's delay caused thereby.
11. Close of Escrow. The Closing shall be held at Escrow Holder's offices within fifteen (15) calendar days after the date of final passage of a City Council resolution authorizing the Council Authorization, unless otherwise agreed to by the parties in writing.
- 11.1 Balance of Purchase Price. Prior to the Closing, BUYER shall deposit with Escrow Holder the balance of the Purchase Price (*i.e.*, the Purchase Price, minus the Deposit), either in cash, by cashier's check or in other immediately available United States currency.
- 11.2 Parties to Sign Documents. Prior to the Closing, the parties shall execute and deliver all instruments and documents reasonably required by the other party and Escrow Holder to effect the Closing.
- 11.3 Taxes. All ad valorem taxes and special taxes or assessments levied or assessed against the Subject Property for the year of the Closing, if any, shall be prorated at the Closing, effective as of the date of the Closing (the "Closing Date"). If the Closing occurs before the tax rate or the assessed valuation is fixed for the then-current year, the prorating of ad valorem taxes shall use the tax rate and the assessed valuation for

the preceding tax year. The prorating of ad valorem taxes shall be subject to later adjustment once the actual tax statements for the year of Closing have been received, which agreement to re-prorate taxes shall survive the Closing. However, CITY shall not be responsible for any increase in ad valorem taxes resulting from improvements made to the Subject Property by BUYER after the Closing Date.

12. Title. At the Closing, CITY shall convey good and indefeasible fee simple title to the Subject Property to BUYER or BUYER's nominee by a grant deed substantially in the form attached hereto as **Exhibit E: Grant Deed**, subject only to the exceptions shown in the Preliminary Title Report and to all acts done or suffered by BUYER, or claims made by, through, or under BUYER. To the current actual knowledge of CITY's Real Estate Assets Department without further inquiry, there are no unrecorded liens, leases or encumbrances against the Subject Property.
13. Escrow Costs.
 - 13.1. CITY's Share. CITY shall pay: (a) all San Diego County documentary transfer taxes; (b) the fee for a standard-coverage California Land Title Association ("CLTA") Title Insurance Policy; and (c) all charges for CITY's document drafting and recording.
 - 13.2. BUYER's Share. BUYER shall pay: (a) Preliminary Title Report fees; (b) the incremental cost of any additional or extended-coverage title insurance beyond a CLTA Title Insurance Policy, if requested by BUYER; (c) all charges for BUYER's document drafting and recording; and (d) one-hundred percent (100%) of Escrow Holder's fee.
 - 13.3. Proration. Escrow Holder shall prorate fees and costs between the parties at the Closing.
14. No Leasing or Marketing by CITY. CITY shall not enter into any new leases with respect to the Subject Property, or market the Subject Property for sale or exchange, after the Effective Date, unless this Agreement is terminated pursuant to its terms.
15. Acceptance of Subject Property "As-Is". BUYER acknowledges it is purchasing the Subject Property "as-is," excepting any claims or liability arising from the established gross negligence, recklessness, or intentional misconduct of CITY and its elected officials, officers, employees, representatives, and agents. BUYER is not relying on any representation or warranty of any kind, express or implied, oral or written, made by CITY or its elected officials, officers, employees, representatives, and agents with respect to the physical condition of the Subject Property, or with respect to the existence or absence of Hazardous Substances in, on, under, or affecting the Subject Property. CITY has not and does not make any warranty or representation regarding the fitness of the Subject Property for any particular use, or as to its quality or merchantability. CITY shall not be liable or bound in any manner by any warranties, guarantees, promises, statements, representations, or information, either express or implied, pertaining to the Subject Property and made or furnished by any real

estate agent, broker, employee, servant, or other person representing or purporting to represent CITY, except as made in this Agreement.

- 15.1. “Hazardous Substances.” “Hazardous Substances” shall mean any substance listed by the Environmental Protection Agency or the State of California as a hazardous substance, and all types of petroleum-related substances and their chemical constituents.
- 15.2. Indemnity and Hold Harmless. BUYER shall protect, defend, indemnify, and hold CITY and its elected officials, officers, representatives, agents and employees harmless from and against any and all claims asserted or liability established which arise out of or are in any manner directly or indirectly connected with Hazardous Substances or other environmental liabilities related to or resulting from BUYER’s use and occupancy of the Subject Property at any and all times prior to the Closing.
- 15.3. BUYER’s Waiver. Notwithstanding any provision of this Agreement to the contrary, if CITY makes any representation or warranty regarding the Subject Property and BUYER learns that such representation or warranty is or might be untrue prior to the Closing and BUYER elects to purchase the Subject Property anyway, then BUYER shall be deemed to have waived any right to bring an action or proceeding against CITY, its agents, employees, or brokers regarding the representation or warranty.
- 15.4. Subject Property Information. Information regarding the Subject Property and its operation provided to BUYER by CITY shall be deemed only an accommodation to BUYER. CITY will not and shall not be obligated to make any investigation or verification of any information provided to BUYER, regardless of the source of such information. CITY makes no representation, and expressly disclaims any responsibility for the accuracy or completeness of such information.
- 15.5. Sufficiency of Due Diligence Period. BUYER agrees that the BUYER’s Due Diligence Period will provide BUYER adequate opportunity to complete all physical and economic examinations of the Subject Property and its operation as BUYER requires.
- 15.6. Release. With the exception of the “Excluded Claims” (defined below), effective from and after the Closing, BUYER, for itself, its successors, assigns, representatives, employees, officers and agents, releases and forever discharges CITY, its elected officials, officers, representatives, agents, employees, successors in interest and assigns, of and from any and all past, present or future claims, demands, obligations, actions, causes of action, rights, damages, costs, losses of service, expenses and compensation of any nature whatsoever, whether based on tort, contract, violation of statutory duties, or other theory of recovery, and whether for compensation or punitive damages, injunctive relief or mandamus, or other equitable remedies (collectively, “Claims”) which BUYER now has, or which may later accrue or be acquired, on account of, or in any way growing out of, or which are the subject of the condition of the Subject Property on the Closing Date, including without limitation any and all

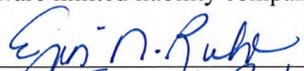
known or unknown claims resulting from the alleged acts or omissions of CITY, its elected officials, officers, representatives, agents or employees. "Excluded Claims" shall mean any Claims arising from (i) CITY's fraud or intentional misrepresentation; (ii) CITY's breach of any of its obligations under this Agreement; (iii) CITY's use of the Access Easements; or (iv) counterclaims or similar Claims that BUYER may have against CITY if a third party brings a Claim arising from CITY's use of the water pipelines and/or the Water Pipeline Easements, or any established liability arising from the sole gross negligence or sole intentional misconduct of CITY or its elected officials, officers, employees, representatives or agents. However, if BUYER proceeds with development of residences or related improvements on the Subject Property prior to a relocation of the water main pipelines currently within the Subject Property, then the Excluded Claims described in clause (iv), above, shall not include Claims for any and all damages and injuries to such residences or related improvements, or persons on or about the Subject Property.

15.6.1 Section 1542 Waiver. BUYER acknowledges and agrees that the release of liability provision set forth above is a general release, and with the exception of any Excluded Claims, further expressly waives and assumes the risk of any and all Claims against CITY arising from the condition of the Subject Property on the Closing Date, but of which BUYER has no knowledge or does not suspect to exist, whether through ignorance, oversight, error, negligence or otherwise, and which, if known, would materially affect BUYER's decisions to enter into this Agreement and to complete the Closing. BUYER expressly waives, as demonstrated by the signature set forth immediately below, the benefits and provisions of Section 1542 of the California Civil Code, and any similar law of any state or territory of the United States or other jurisdiction. Section 1542 of the California Civil Code provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Waived by BUYER:

OTAY LAND COMPANY, LLC,
a Delaware limited liability company

BY: 
Name: Erin D. Rubie
Title: Vice President

16. No Commissions/Fees. BUYER and CITY each represent, warrant and acknowledge that no brokerage commission or finder's fee has been or will be incurred or paid in connection with

the purchase and sale of the Subject Property under this Agreement. The rights and obligations of BUYER and CITY pursuant to this section shall survive the Closing or termination of this Agreement.

17. Mandatory Disclosure of Business Interests. Pursuant to San Diego City Charter section 225, BUYER shall make a full and complete disclosure of the name and identity of each person directly or indirectly involved in the transaction contemplated by this Agreement and the precise nature of their interest.

18. Default and Remedies.

18.1. CITY's Default. If CITY is in default of this Agreement prior to the Closing, BUYER may, at its sole option and as its exclusive remedy for such default terminate this Agreement by written notice to CITY and Escrow Holder, and the Deposit shall be returned to BUYER immediately upon BUYER's request to Escrow Holder. If CITY is in default of this Agreement due to a failure to transfer possession and title to the Subject Property to BUYER at the Closing, BUYER may seek and enforce specific performance of this Agreement. BUYER may seek and enforce any remedy available at law or in equity: (a) if CITY defaults on its obligations under this Agreement after the Closing; and (b) for any claim related to this Agreement arising from the established sole negligence or intentional misconduct of CITY or its elected officials, officers, employees, representatives and agents.

18.1.1. Limited Liability. Excepting any claims or liability arising from the established gross negligence, recklessness or intentional misconduct of CITY and its elected officials, officers, employees, representatives and agents, CITY's liability for damages resulting from or under this Agreement shall be limited to either the Subject Property or to the Purchase Price received by CITY, without any recourse to any other CITY assets. This limit shall not apply to CITY's use of the Water Pipeline Easements or the Access Easements after the Closing.

18.2. BUYER's Default. If BUYER is in default of this Agreement prior to the Closing, CITY may terminate this Agreement by written notice to BUYER and Escrow Holder.

18.2.1. Liquidated Damages. If CITY elects to terminate this agreement due to BUYER's default prior to the Closing, CITY will be damaged and shall be entitled to compensation for those damages. Such damages will, however, be extremely difficult and impracticable to ascertain because: (a) CITY's damages will be based in part on the difference between the actual value of the Subject Property on the Closing Date and the Purchase Price; (b) proof of such damages will be based on opinions of value of the Subject Property, which can vary significantly; and (c) it is impossible to predict if or how the value of the Subject Property

may change prior to Closing Date. Therefore, the amount of the Deposit shall be deemed to constitute a reasonable estimate of CITY's damages under California Civil Code section 1671, and CITY shall be paid such amount. In consideration of the payment of such liquidated damages, CITY shall be deemed to have waived all other claims for damages or relief at law or in equity for BUYER's default of this Agreement prior to the Closing, including any rights CITY may have pursuant to California Civil Code section 1680 or section 3389. By signing below, CITY and BUYER each acknowledge and affirm their agreement to this liquidated damages section and that the stated liquidated-damages amount is reasonable, considering the circumstances as they exist on the Effective Date.

OTAY LAND COMPANY, LLC,
a Delaware limited liability company

BY: Erin N. Ruhe
Name: Erin N. Ruhe
Title: Vice President

THE CITY OF SAN DIEGO,
a California municipal corporation

BY: _____
Name: _____
Title: _____

19. Time of Essence. Time is of the essence to the performance of each and every obligation under this Agreement.
20. Interpretation. This Agreement shall be governed by the laws of the State of California. The section headings are for convenience only and shall not interpret, define or limit the scope or content of this Agreement. If any party is made up of more than one person or entity, then all are identified in the singular in this Agreement. If any right of approval or consent by a party is provided for in this Agreement, the party shall exercise the right promptly and reasonably, unless this Agreement expressly gives such party the right to use its sole discretion. The term "business day" shall mean Monday through Friday, excluding holidays recognized by the State of California and the City of San Diego.
21. CITY's Consent, Approval. CITY's consent or approval under this Agreement shall mean the written consent or approval of the Mayor of San Diego, or his or her designee ("Mayor"), unless otherwise expressly provided. CITY's discretionary acts hereunder shall be made in the Mayor's discretion, unless otherwise expressly provided.
22. Amendments. The terms and provisions of this Agreement may only be modified or amended pursuant to a written instrument signed by all parties hereto.
23. Successors and Assigns. This Agreement shall inure to and bind the successors and assigns of the parties.
24. Assignment. This Agreement may not be assigned in whole or in part by BUYER without CITY's prior written consent.

25. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and may be served personally or delivered by United States mail, postage prepaid, and addressed as follows:

CITY: THE CITY OF SAN DIEGO
Attention: Director, Real Estate Assets Department
1200 Third Avenue, Suite 1700, MS 51A
San Diego, CA 92101

BUYER: OTAY LAND COMPANY, LLC
Attn: Jeff O'Connor
1903 Wright Place, Suite 220
Carlsbad, CA 92008-6528

With a copy by First Class Mail to: McKENNA LONG & ALDRIDGE LLP
Attn: David Hymer, Esq.
600 West Broadway, Suite 2600
San Diego, CA 92101

26. Partial Invalidity. If any term, covenant, condition, or provision of this Agreement is found invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.
27. Waiver. A party's failure to insist upon the strict performance of any of the other party's obligations under this Agreement, in one or more instance, shall not be construed as a waiver of any such obligation, and the same shall remain in full force and effect. A party's waiver of a default shall not be a waiver of any other default. Any waiver of a default must be in a writing executed by the non-defaulting party to constitute a valid and binding waiver. A party's delay or failure to exercise a right or seek a remedy shall not be deemed a waiver of that or any other right or remedy under this Agreement, at law or in equity. The exercise of any particular right or the use of any particular remedy for any default shall not waive the use of any other right or remedy for the same default or for another or later default. A party's failure to discover a default or take prompt action to require the cure of any default shall not result in an equitable estoppel, but the party may at any and all times require the cure of the default.
28. No Affiliation. Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, or other affiliation between CITY and BUYER, or between CITY and any other entity or party, or cause CITY to be responsible in any way for the debts or obligations of BUYER or any other party or entity.
29. Survival. Any obligation which accrues under this Agreement prior to the Closing or its termination shall survive the Closing or such termination.

30. Entire Agreement. This Agreement represents the entire agreement between the parties for the purchase and sale of the Subject Property, and supersedes all prior negotiations, representations or agreements, either oral or written.

31. Authority to Contract. Each individual executing this Agreement on behalf of another person or legal entity represents and warrants that they are authorized to execute and deliver this Agreement on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws or other written rules of conduct or governing agreement. Each party which is not a natural person represents and warrants that it is a valid, qualified corporation, limited liability company, partnership or other unincorporated association in good standing in its home state and that it is qualified to do business in California.

IN WITNESS WHEREOF, this Agreement is executed to be effective as of the Effective Date.

Date: May 28, 2013

OTAY LAND COMPANY, LLC, a Delaware limited liability company

BY: Erin N. Ruben
Name: Erin N. Ruben
Title: Vice President

Date: _____

THE CITY OF SAN DIEGO, a California municipal corporation

BY: _____
Name: _____
Title: _____

Approved as to form and legality:

JAN I. GOLDSMITH, San Diego City Attorney

BY: _____
Name: _____
Title: _____

- Exhibit A: CITY Property Description
- Exhibit B: Portion 1 Description
- Exhibit C: Portion 2 Description
- Exhibit D: Village 8 West Grant of Access Easement
- Exhibit E: Grant Deed

Exhibit A: CITY Property Description

[TO FOLLOW BEHIND THIS PAGE]

EXHIBIT "A"

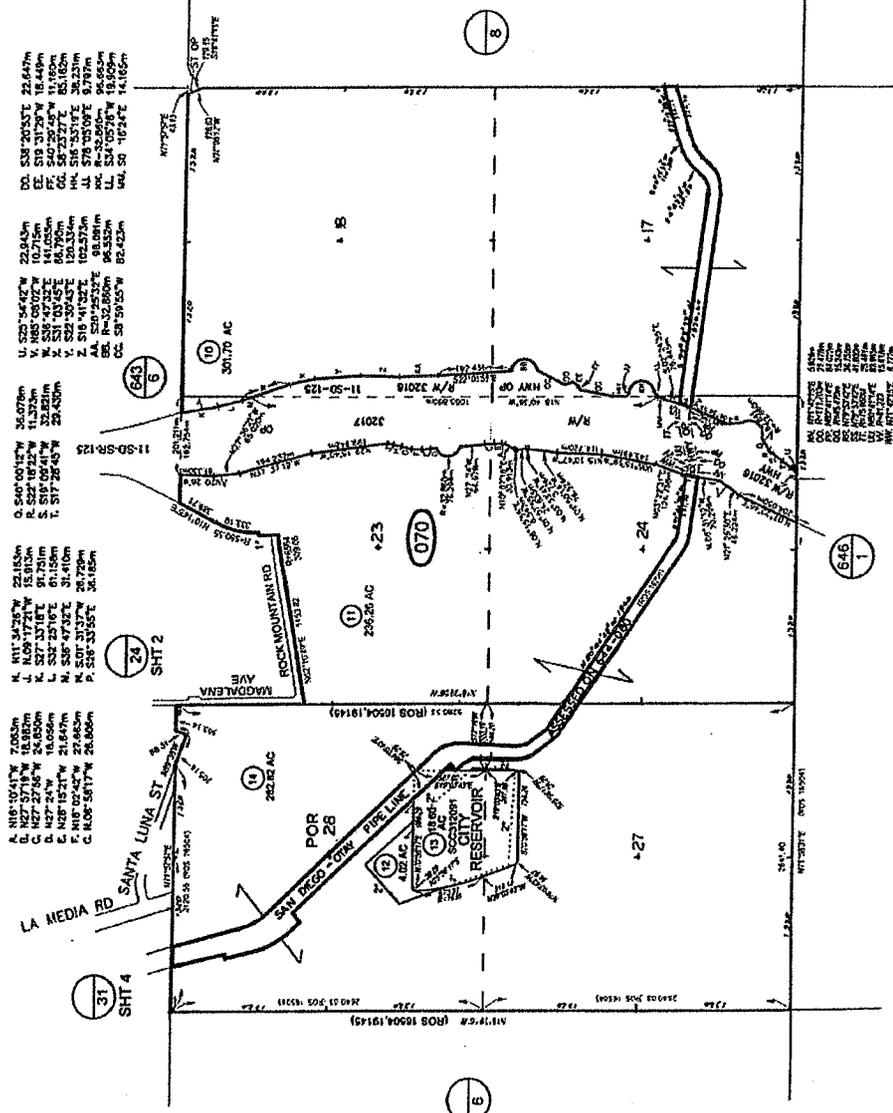
CITY Property Description

644-07

 1"=800'

CHANGES		7102009 JCD	7102009 JCD
BLK	OLD	NEW	CUT
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2	2	2	2
3	3	3	3
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98	98	98	98
99	99	99	99
100	100	100	100

1" RECORDED MAP FOR PDS & DIST.
 2" SEE DOC 2009-011028 FOR TAGS & DIST.



THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL SUBMISSION OR BUILDING ORDINANCES.

MAP 862 - OTAY RANCH
 ROS 8723, 8989, 16504, 18296, 19145, 20003

01

644-070

Exhibit B: Portion 1 Description

[TO FOLLOW BEHIND THIS PAGE]

EXHIBIT "B"
Portion 1 Description

PARCEL A

THAT PORTION OF THE SAN DIEGO PIPELINE RIGHT-OF-WAY GRANTED TO THE CITY OF SAN DIEGO PER DEED RECORDED JANUARY 31, 1913 IN BOOK 598, PAGE 54 OF DEEDS, LYING WITHIN LOT 28 OF THE OTAY RANCHO, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 7, 1900, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID LOT 28; THENCE ALONG THE NORTHERLY LINE THEREOF NORTH 71°57'57" EAST, 374.93 FEET TO THE SOUTHWESTERLY LINE OF SAID SAN DIEGO PIPELINE AND THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID NORTHERLY LINE OF LOT 28 NORTH 71°57'57" EAST, 52.00 FEET TO THE NORTHEASTERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING THE NORTHERLY LINE OF SAID LOT 28 AND ALONG THE NORTHEASTERLY LINE OF SAID SAN DIEGO PIPELINE SOUTH 33°59'04" EAST, 431.57 FEET; THENCE SOUTH 56°00'56" WEST, 5.00 FEET; THENCE SOUTH 33°59'04" EAST, 252.10 FEET TO THE BEGINNING OF A 266.84 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 27°01'13" A DISTANCE OF 125.84 FEET; THENCE SOUTH 61°00'17" EAST, 265.81 FEET; THENCE NORTH 28°59'43" EAST, 5.00 FEET; THENCE SOUTH 61°00'17" EAST, 1474.83 FEET TO A POINT ON THE NORTHERLY LINE OF THAT PROPERTY DEEDED TO THE CITY OF SAN DIEGO PER DOCUMENT RECORDED JANUARY 9, 2009 AS FILE NO. 2009-0010329, OF OFFICIAL RECORDS; THENCE LEAVING THE NORTHEASTERLY LINE OF SAID SAN DIEGO PIPELINE AND ALONG THE NORTHERLY LINE OF SAID 2009 DEED SOUTH 70°56'17" WEST, 67.22 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING THE NORTHERLY LINE OF SAID 2009 DEED AND ALONG SAID SOUTHWESTERLY LINE OF SAID SAN DIEGO PIPELINE NORTH 61°00'17" WEST, 1429.90 FEET; THENCE SOUTH 28°59'43" WEST, 55.00 FEET; THENCE NORTH 61°00'17" WEST, 265.81 FEET TO THE BEGINNING OF A 366.84 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 27°01'13" A DISTANCE OF 173.00 FEET; THENCE NORTH 33°59'04" WEST, 252.10 FEET; THENCE

NORTH 56°00'56" EAST, 55.00 FEET; THENCE NORTH 33°59'04" WEST, 445.86 FEET TO THE TRUE POINT OF BEGINNING.

THE HEREINABOVE DESCRIBED PARCEL OF LAND CONTAINS 3.703 ACRES, MORE OR LESS.

PARCEL B

THAT PORTION OF THE SAN DIEGO PIPELINE RIGHT-OF-WAY GRANTED TO THE CITY OF SAN DIEGO PER DEED RECORDED JANUARY 31, 1913 IN BOOK 598, PAGE 54 OF DEEDS, LYING WITHIN LOTS 27 AND 28 OF THE OTAY RANCHO, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 7, 1900, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 27; THENCE ALONG THE EASTERLY LINE THEREOF SOUTH 18°39'52" EAST, 975.01 FEET TO A POINT ON THE NORTHERLY LINE OF SAID SAN DIEGO PIPELINE AND THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID EASTERLY LINE SOUTH 18°39'52" EAST, 113.15 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE ALONG SAID SOUTHERLY LINE NORTH 80°45'54" WEST, 298.16 FEET TO THE BEGINNING OF A 366.48 FOOT RADIUS CURVE CONCAVE NORTHERLY; THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 09°31'02" A DISTANCE OF 60.88 FEET; THENCE LEAVING THE SOUTHERLY LINE OF SAID PIPELINE ALONG THE ARC OF SAID 366.48 FOOT RADIUS CURVE THROUGH A CENTRAL ANGLE OF 16°00'56" A DISTANCE OF 102.44 FEET TO THE SOUTHWESTERLY LINE OF SAID PIPELINE; THENCE ALONG SAID SOUTHWESTERLY LINE ALONG THE ARC OF SAID 366.48 FOOT RADIUS CURVE THROUGH A CENTRAL ANGLE OF 18°31'09" A DISTANCE OF 118.45 FEET; THENCE NORTH 36°42'47" WEST, 310.71 FEET TO THE BEGINNING OF A 366.74 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 19°54'02" A DISTANCE OF 127.38 FEET; THENCE NORTH 16°48'45" WEST, 54.00 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THAT PROPERTY DEEDED TO THE CITY OF SAN DIEGO PER DOCUMENT RECORDED JANUARY 9, 2009 AS FILE NO. 2009-0010329, OF OFFICIAL RECORDS; THENCE LEAVING SAID WESTERLY LINE OF SAID SAN DIEGO PIPELINE AND ALONG SAID SOUTHEASTERLY LINE NORTH 25°56'17" EAST, 2.24 FEET; THENCE ALONG

THE EASTERLY LINE OF SAID 2009 DEED, NORTH 19°03'43" WEST, 38.73 FEET TO A POINT ON SAID WESTERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING SAID EASTERLY LINE OF SAID 2009 DEED AND ALONG SAID WESTERLY LINE NORTH 16°48'45" WEST, 341.60 FEET TO THE BEGINNING OF A 121.56 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 29°30'34" A DISTANCE OF 62.61 FEET TO A POINT ON A NON-TANGENT EASTERLY LINE OF SAID 2009 DEED; THENCE LEAVING SAID WESTERLY LINE OF SAID SAN DIEGO PIPELINE AND ALONG SAID EASTERLY LINE NORTH 19°03'43" WEST, 83.88 FEET TO A POINT ON SAID WESTERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING SAID EASTERLY LINE OF SAID 2009 DEED ALONG SAID WESTERLY LINE NORTH 28°59'43" EAST, 2.90 FEET; THENCE NORTH 61°00'17" WEST, 3.23 FEET TO A POINT ON THE EASTERLY LINE OF SAID 2009 DEED; THENCE LEAVING SAID WESTERLY LINE OF SAID SAN DIEGO PIPELINE AND ALONG SAID EASTERLY LINE NORTH 19°03'43" WEST, 74.81 FEET TO A POINT ON THE NORTHEASTERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING SAID EASTERLY LINE OF SAID 2009 DEED AND ALONG SAID NORTHEASTERLY LINE SOUTH 61°00'17" EAST, 57.98 FEET; THENCE SOUTH 28°59'43" WEST, 5.00 FEET TO THE BEGINNING OF A NON-TANGENT 301.56 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 28°59'43" EAST, THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 44°11'32" A DISTANCE OF 232.59 FEET; THENCE SOUTH 16°48'45" EAST, 403.46 FEET TO THE BEGINNING OF A 266.74 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 19°54'02" A DISTANCE OF 92.65 FEET; THENCE SOUTH 36°42'47" EAST, 310.71 FEET TO THE BEGINNING OF A 266.48 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 44°03'07" A DISTANCE OF 204.88 FEET; THENCE SOUTH 80°45'54" EAST, 245.21 FEET TO THE TRUE POINT OF BEGINNING.

THE HEREINABOVE DESCRIBED PARCEL OF LAND CONTAINS 3.505 ACRES, MORE OR LESS.


DOUGLAS B. STROUP
HUNSAKER & ASSOCIATES SAN DIEGO, INC.

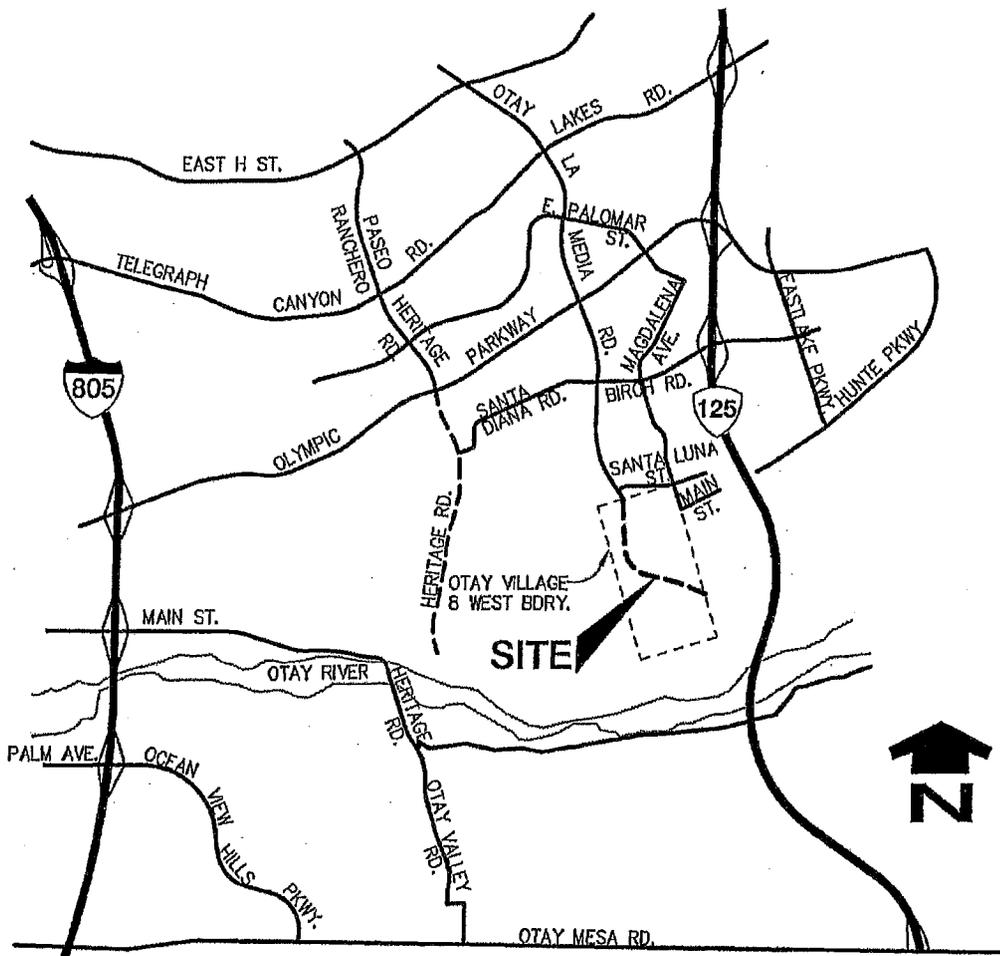
1/03/2013
P.L.S. 8553



PAGE 3 OF 3

EXHIBIT B
PORTION 1 DESCRIPTION

SHEET 1 OF 4



VICINITY MAP

NOT TO SCALE

LEGEND:

- INDICATES PORTION 1 PARCEL "A"
AREA = 3.703 ACRES, MORE OR LESS
- INDICATES PORTION 1 PARCEL "B"
AREA = 3.505 ACRES, MORE OR LESS

- P.O.C. INDICATES POINT OF COMMENCEMENT
- T.P.O.B. INDICATES TRUE POINT OF BEGINNING
- (R) INDICATES RADIAL BEARING



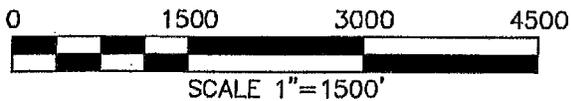
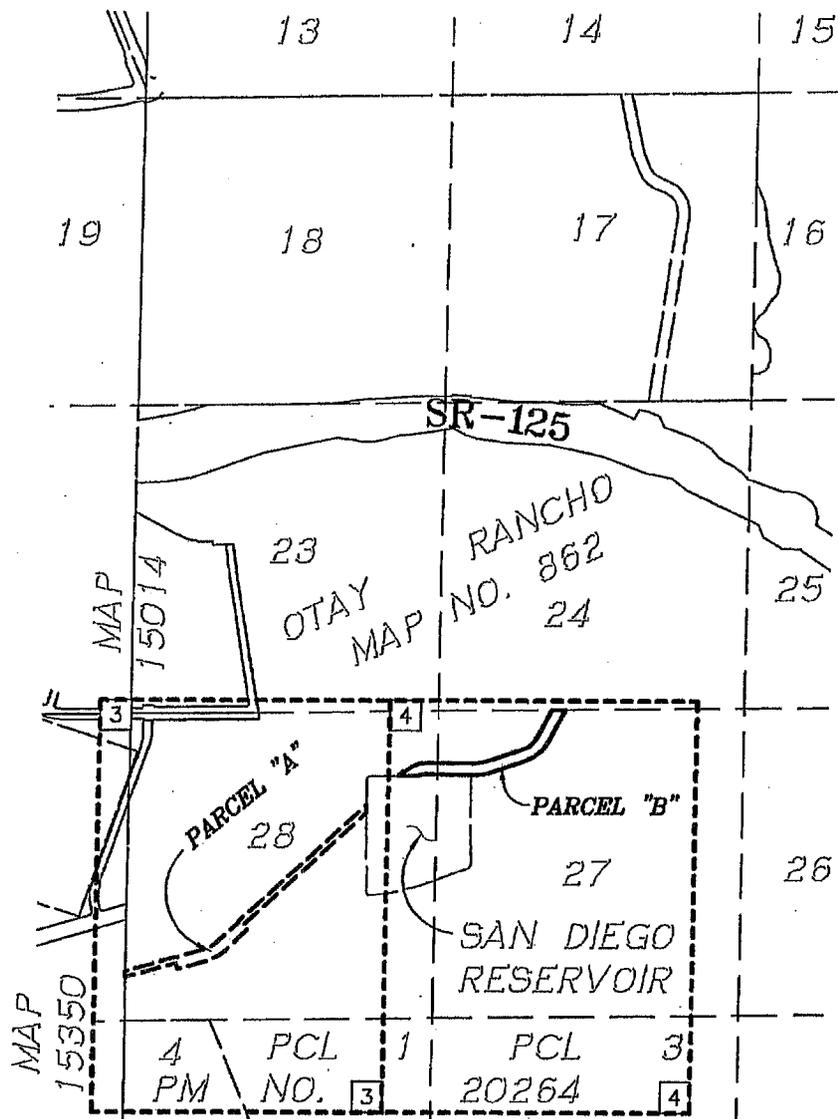
PLANNING 9707 Waples Street
ENGINEERING San Diego, Ca 92121
SURVEYING PH(858)550-4500 FX(858)558-1414

[Signature] 1/09/2013
DOUGLAS B. STROUP L.S. 8553
EXP. 12/31/14



EXHIBIT B
PORTION 1 DESCRIPTION
INDEX SHEET

SHEET 2 OF 4



LEGEND:

- INDICATES SHEET LIMITS (THIS SHEET ONLY)
- 3 INDICATES SHEET NUMBER (THIS SHEET ONLY)
- INDICATES PORTION 1 PARCEL "A"
- INDICATES PORTION 1 PARCEL "B"

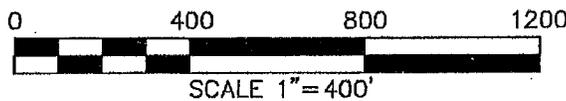
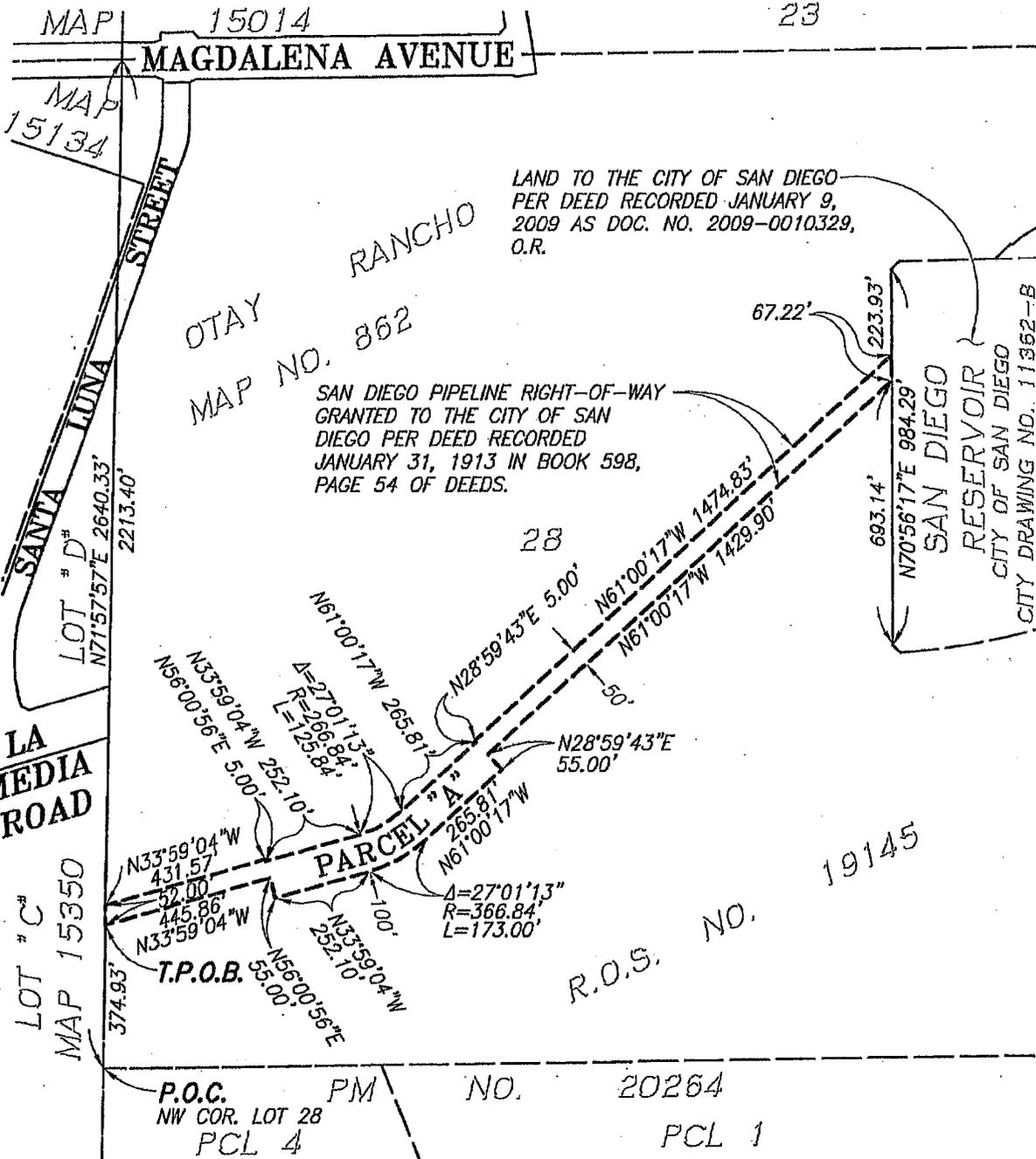


**HUNSAKER
 & ASSOCIATES**
 SAN DIEGO, INC.

PLANNING 9707 Waples Street
 ENGINEERING San Diego, Ca 92121
 SURVEYING PH(058)550-4500- FX(058)558-1414

EXHIBIT B
PORTION 1 DESCRIPTION

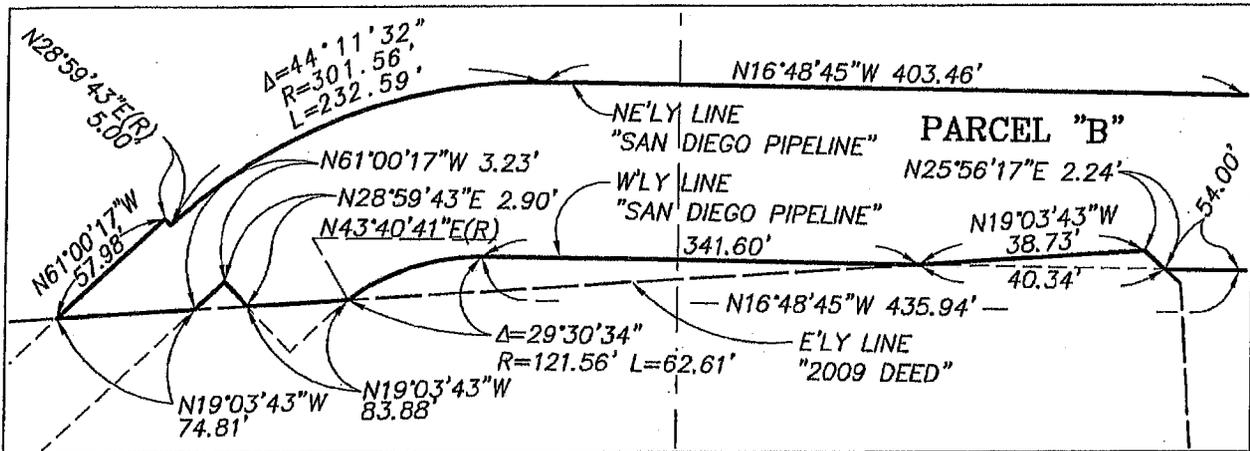
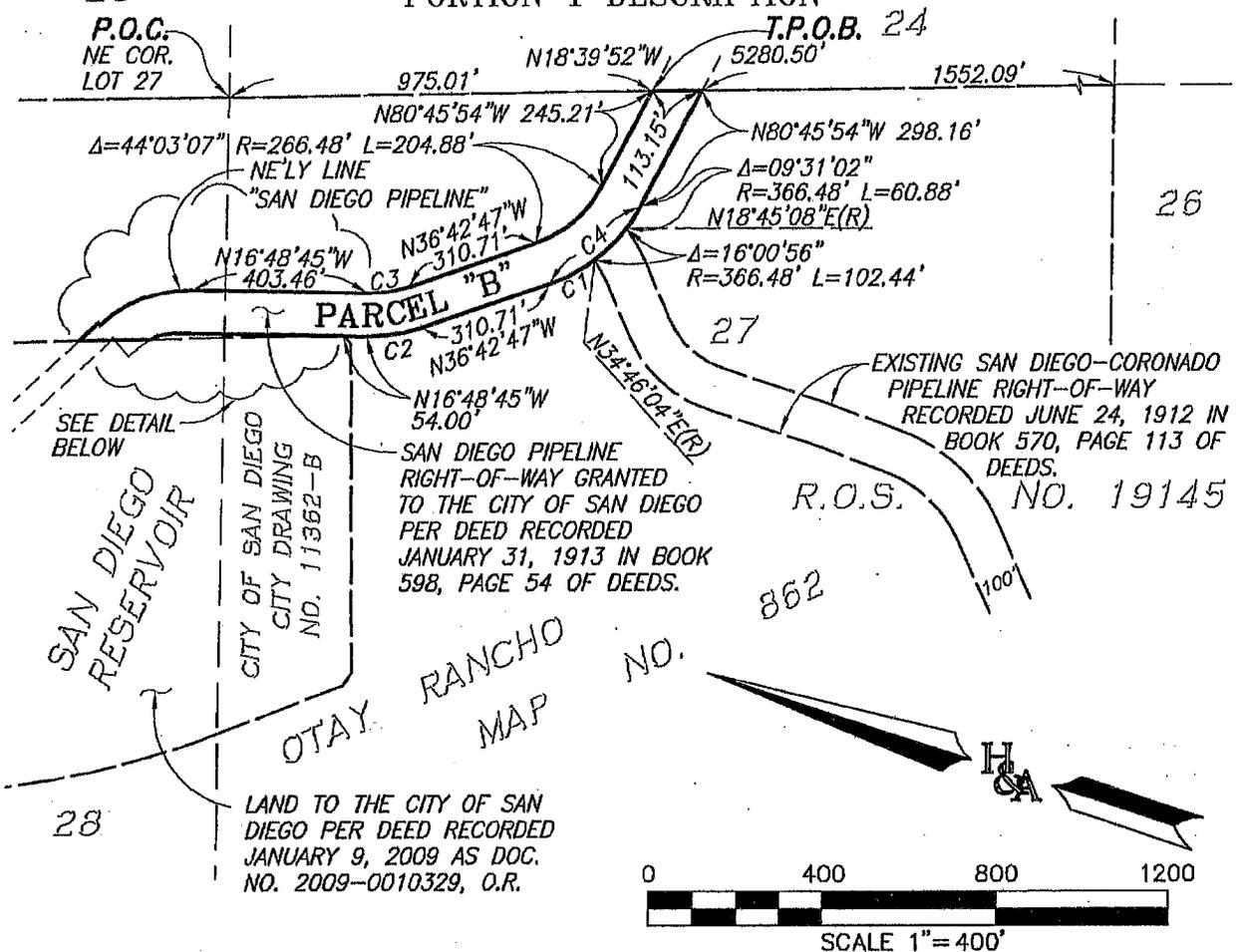
SHEET 3 OF 4



PLANNING 9707 Waples Street
ENGINEERING San Diego, Ca 92121
SURVEYING PH(650)558-4500 FX(650)558-1414

EXHIBIT B

PORTION 1 DESCRIPTION



H&A
HUNSAKER
& ASSOCIATES
 SAN DIEGO, INC

DETAIL
EXAGGERATED FOR CLARITY

NUMBER	DELTA	RADIUS	LENGTH
C1	18°31'09"	366.48	118.45
C2	19°54'02"	366.74	127.38
C3	19°54'02"	266.74	92.65
C4	44°03'07"	366.48	281.77

PLANNING 9707 Waples Street
 ENGINEERING San Diego, Ca 92121
 SURVEYING PH(858)558-4500 FX(858)558-1414

Exhibit C: Portion 2 Description

[TO FOLLOW BEHIND THIS PAGE]

EXHIBIT "C" Portion 2 Description

THAT PORTION OF THE SAN DIEGO PIPELINE RIGHT-OF-WAY GRANTED TO THE CITY OF SAN DIEGO PER DEED RECORDED JANUARY 31, 1913 IN BOOK 598, PAGE 54 OF DEEDS, LYING WITHIN LOT 17 OF THE OTAY RANCHO, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 7, 1900, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 17; THENCE ALONG THE WESTERLY LINE THEREOF NORTH 18°40'33" WEST, 790.50 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID SAN DIEGO PIPELINE AND THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID WESTERLY LINE NORTH 18°40'33" WEST, 101.13 FEET TO A POINT ON THE NORTHERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING SAID WESTERLY LINE AND ALONG SAID NORTHERLY LINE OF SAID SAN DIEGO PIPELINE NORTH 79°53'43" EAST, 1610.70 TO THE BEGINNING OF A 184.63 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 75°03'17" A DISTANCE OF 241.86 FEET; THENCE NORTH 04°50'26" EAST, 110.02 FEET TO THE BEGINNING OF A 249.18 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 44°24'43" A DISTANCE OF 193.15 FEET; THENCE NORTH 49°15'09" EAST, 114.73 FEET TO THE BEGINNING OF A 306.48 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 09°59'37" A DISTANCE OF 53.46 FEET; THENCE NORTH 59°14'46" EAST, 354.18 FEET; THENCE NORTH 60°13'18" EAST, 172.24 FEET TO THE EASTERLY LINE OF SAID LOT 17; THENCE LEAVING SAID NORTHERLY LINE OF THE SAN DIEGO PIPELINE AND ALONG SAID EASTERLY LINE OF LOT 17 SOUTH 18°41'15" EAST, 101.90 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING SAID EASTERLY LINE OF LOT 17 AND ALONG SAID SOUTHERLY LINE SOUTH 60°13'18" WEST, 151.56 FEET; THENCE SOUTH 59°14'46" WEST, 353.55 FEET TO THE BEGINNING OF A 206.48 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 09°59'08" A

DISTANCE OF 35.99 FEET; THENCE SOUTH 49°15'38" WEST, 114.62 FEET TO THE BEGINNING OF A 149.18 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 44°31'42" A DISTANCE OF 115.94 FEET; THENCE SOUTH 04°43'56" WEST, 109.21 FEET TO THE BEGINNING OF A 284.63 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 75°09'46" A DISTANCE OF 373.39 FEET; THENCE SOUTH 79°53'42" WEST, 1595.92 FEET TO THE TRUE POINT OF BEGINNING.

THE HEREINABOVE DESCRIBED PARCEL OF LAND CONTAINS 6.545 ACRES, MORE OR LESS.



DOUGLAS B. STROUP 1/03/2013 P.L.S. 8553
HUNSAKER & ASSOCIATES SAN DIEGO, INC.

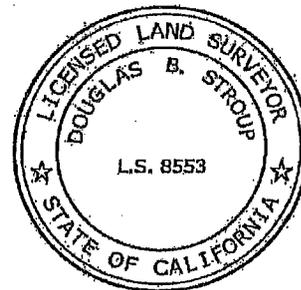
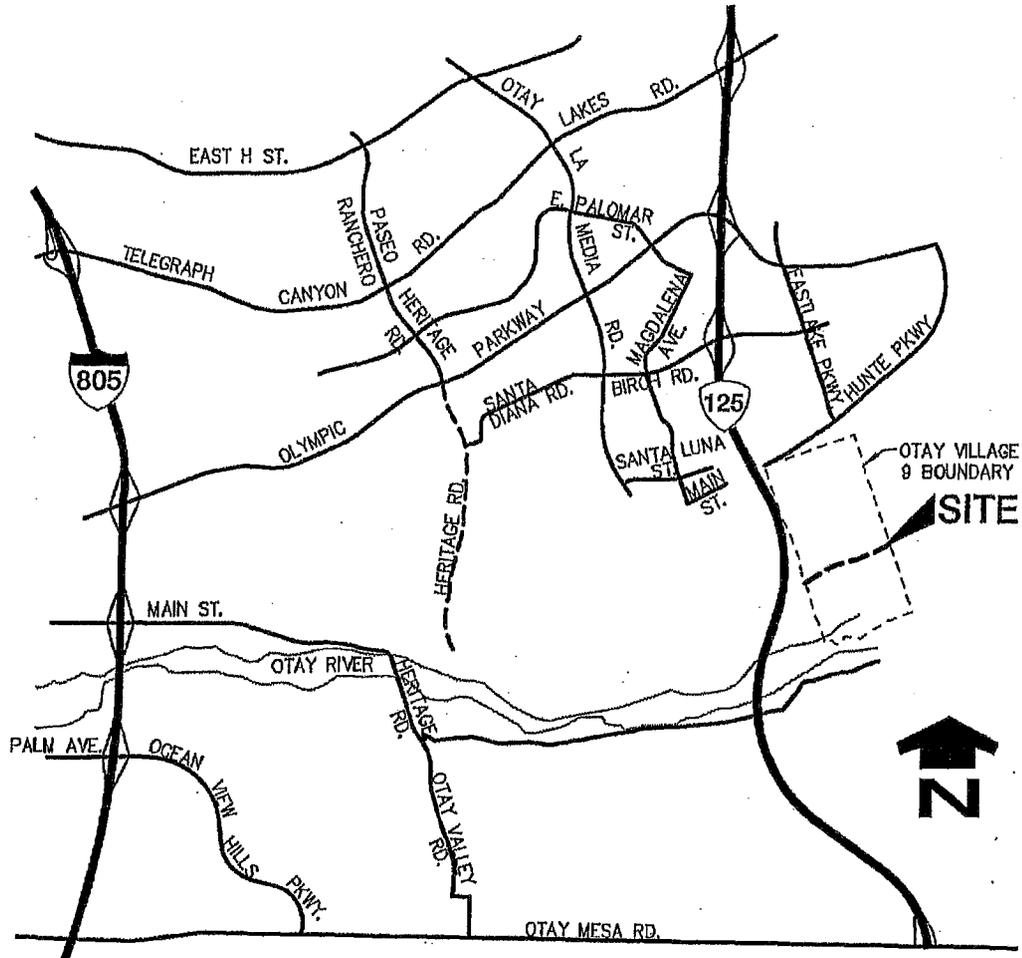


EXHIBIT C
PORTION 2 DESCRIPTION

SHEET 1 OF 2



VICINITY MAP

NOT TO SCALE

LEGEND:

--- INDICATES PORTION 2
AREA = 6.545 ACRES, MORE OR LESS

P.O.C. INDICATES POINT OF COMMENCEMENT

T.P.O.B. INDICATES TRUE POINT OF BEGINNING

(R) INDICATES RADIAL BEARING



**HUNSAKER
& ASSOCIATES**
SAN DIEGO, INC

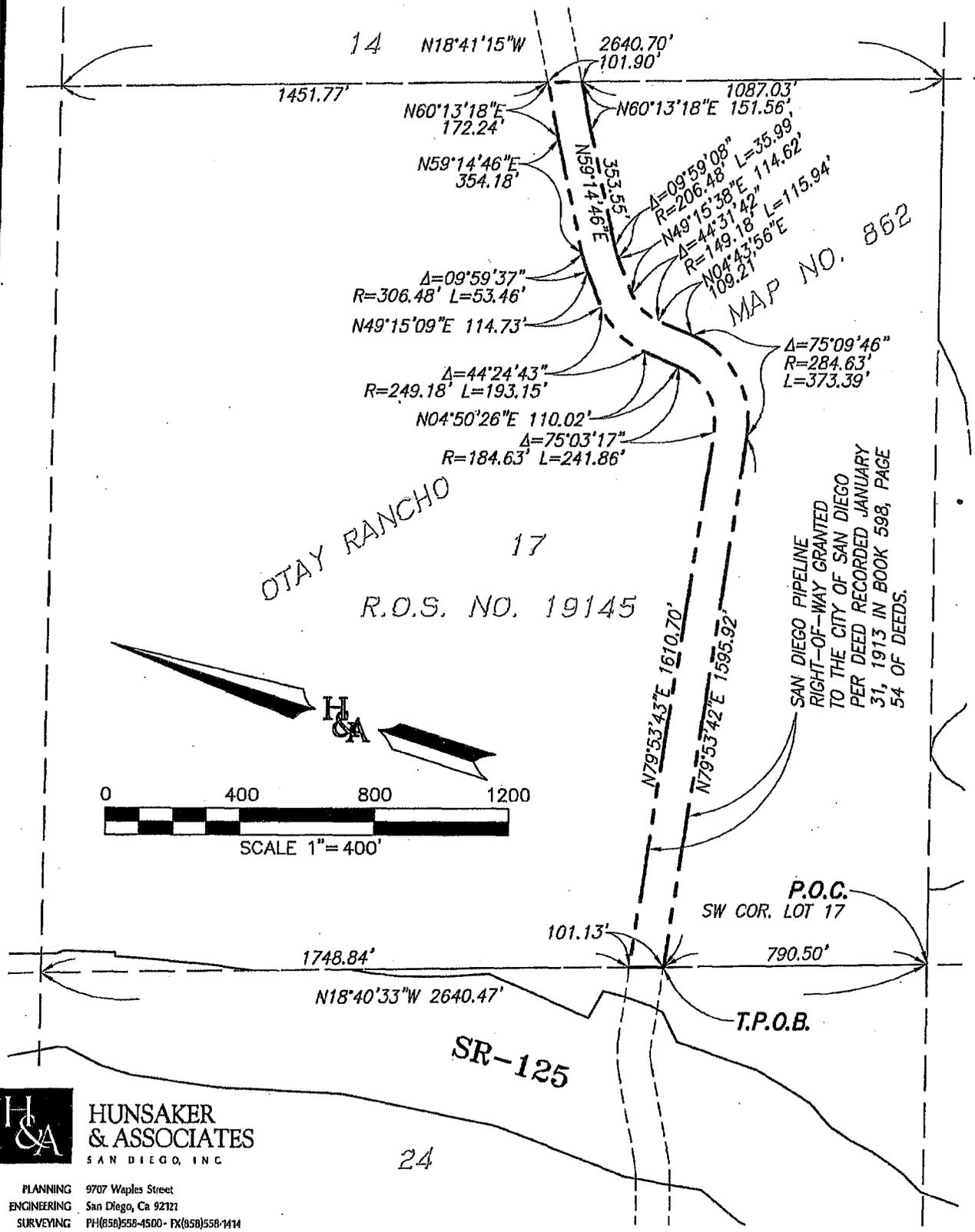
PLANNING 9707 Waples Street
ENGINEERING San Diego, Ca 92121
SURVEYING PH(619)550-4500 - FX(619)550-1414

[Signature]
DOUGLAS B. STROUP 1/03/2013
EXP. 12/31/14 L.S. 8553



EXHIBIT C
PORTION 2 DESCRIPTION

SHEET 2 OF 2



H & A
HUNSAKER
& ASSOCIATES
SAN DIEGO, INC

PLANNING 9707 Waples Street
ENGINEERING San Diego, Ca 92121
SURVEYING PH:(658)558-4500 • FX:(658)558-1414

Exhibit D: Village 8 West Grant of Access Easement

Recording Requested by:

THE CITY OF SAN DIEGO

After recording mail to:

THE CITY OF SAN DIEGO
Real Estate Assets Department.
1220 Third Avenue, Suite 1700, MS 51A
San Diego, CA 92101

APN: 644-070-14

SPACE ABOVE THIS LINE FOR RECORDER'S USE
NO DOCUMENTARY TAX DUE – R&T 11922 (amended)
Presented for record by THE CITY OF SAN DIEGO

GRANT OF ACCESS EASEMENT
[VILLAGE 8 WEST APN: 644-070-14]

FOR A VALUABLE CONSIDERATION, the sufficiency of which is acknowledged,

OTAY LAND COMPANY, LLC,
A DELAWARE LIMITED LIABILITY COMPANY (“GRANTOR”)

HEREBY GRANTS TO

THE CITY OF SAN DIEGO,
A CALIFORNIA MUNICIPAL CORPORATION (“GRANTEE”)

A NON-EXCLUSIVE ACCESS EASEMENT (“Access Easement”) on, over, across and through a portion of that certain real property owned by GRANTOR (the “Grantor’s Property”), Assessor’s Parcel Number 644-070-14, situated in the City of Chula Vista, County of San Diego, State of California, and more particularly described in **Exhibit A: Grantor’s Property**, attached hereto and made a part hereof,

FOR THE PURPOSE OF GRANTEE’s and GRANTEE’s employees’, agents’ and contractors’ pedestrian and motorized vehicle travel for ingress and egress to and from GRANTEE’s pipeline easement within and/or adjacent to the Grantor’s Property (the “Pipeline Easement”) on, over, across and through the portion of the Grantor’s Property (the “Access Easement Area”) described as follows:

See Exhibit A-1: Access Easement Area,
attached hereto and made a part hereof,

and subject to the following:

1. GRANTOR reserves for itself and its agents, contractors, consultants, tenants, representatives, successors and assigns the right to use the entire Grantor's Property in any way, provided such use does not unreasonably interfere with or deny GRANTEE's use of the Access Easement.

IN WITNESS WHEREOF, the parties have executed this Grant of Access Easement to be effective upon its recordation in the Official Records of San Diego County, California.

Date: May 28, 2013

OTAY LAND COMPANY, LLC, a Delaware limited liability company

BY: Erin N. Ruhe
Name: Erin N. Ruhe
Title: Vice President

Date: _____

THE CITY OF SAN DIEGO, a California municipal corporation

BY: _____
Name: _____
Title: _____

This is to certify that the interest in real property conveyed by this instrument to the City of San Diego, a California municipal corporation, is hereby accepted by the undersigned officer on behalf of the City of San Diego pursuant to authority conferred by Resolution No. 250320, adopted by the Council of the City of San Diego on October 1, 1979, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____ By: _____
James F. Barwick, Director
Real Estate Assets Department

Approved as to form and legality:

JAN I. GOLDSMITH, San Diego City Attorney

BY: _____
Name: _____
Title: _____

Exhibit A: Grantor's Property

EXHIBIT "A" **LEGAL DESCRIPTION**

PARCEL A: (VILLAGE 8 WEST)

LOTS 27 AND 28 OF OTAY RANCHO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 7, 1900.

EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE CORNER WHICH IS COMMON TO LOTS 23, 24, 27, AND 28 OF SAID OTAY RANCHO; THENCE SOUTH 71°16'00" WEST (RECORD: SOUTH 72°13'00" WEST), A DISTANCE OF 544.20 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 17°31'00" WEST (RECORD: NORTH 16°34'00" WEST), A DISTANCE OF 97.14 FEET; THENCE NORTH 61°08'00" WEST, A DISTANCE OF 1,225.69 FEET; THENCE SOUTH 28°59'39" WEST, A DISTANCE OF 449.11 FEET; THENCE SOUTH 38°46'05" EAST, A DISTANCE OF 980.94 FEET; THENCE NORTH 74°04'00" EAST, A DISTANCE OF 810.00 FEET; THENCE NORTH 15°56'00" WEST, A DISTANCE OF 195.88 FEET; THENCE NORTH 17°31'00" WEST, A DISTANCE OF 66.13 FEET, RETURNING TO SAID **TRUE POINT OF BEGINNING**.

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF SAID LOTS 27 AND 28 CONVEYED BY SAN DIEGO LAND COMPANY TO THE SOUTHERN CALIFORNIA MOUNTAIN WATER COMPANY, BY DEED DATED APRIL 11, 1912, AND RECORDED JUNE 24, 1912 IN BOOK 570, PAGE 113 OF DEEDS, RECORDS OF SAN DIEGO COUNTY, THE PARCELS OF LAND SO CONVEYED TO SAID WATER COMPANY BEING THE SOUTH 492.5 FEET OF THE EAST 506 FEET OF LOT 4 OF SAID OTAY RANCHO AND STRIP OF LAND VARYING IN WIDTH FROM 100 FEET TO 50 FEET FOLLOWING THE LINE OF THE RIGHT OF WAY OF THE OTAY-SAN DIEGO PIPE LINE AND THE RIGHT OF WAY OF THE OTAY-CORONADO PIPE LINE, AS DESCRIBED IN SAID DEED AND SHOWN ON THE MAPS WHICH ARE ATTACHED TO AND MADE A PART OF SAID INSTRUMENT, REFERENCE BEING HEREBY MADE TO THE RECORD OF SAID INSTRUMENT FOR A MORE PARTICULAR DESCRIPTION OF SAID PARCELS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED AS PARCEL 3 IN AMENDED COMPLAINT IN CONDEMNATION CIVIL NO. 79-0907-N, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JANUARY 15, 1980 AS DOCUMENT NO. 80-137651.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THE DEED TO THE CITY OF SAN DIEGO RECORDED JANUARY 9, 2009 AS FILE NO. 2009-0010329, OFFICIAL RECORDS.

TOGETHER WITH ALL THOSE PORTIONS OF LOTS 27 AND 28, OTAY RANCHO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED FEBRUARY 7, 1900, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FURTHER DESCRIBED AS FOLLOWS:

COMMENCING AT THE CORNER WHICH IS COMMON TO LOTS 23, 24, 27, AND 28 OF SAID OTAY RANCHO; THENCE SOUTH 71°16'00" WEST (RECORD: SOUTH 72°13'00" WEST), A DISTANCE OF 544.20 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 17°31'00" WEST (RECORD: NORTH 16°34'00" WEST), A DISTANCE OF 97.14 FEET; THENCE NORTH 61°08'00" WEST, A DISTANCE OF 1,225.69 FEET; THENCE SOUTH 28°59'39" WEST, A DISTANCE OF 449.11 FEET; THENCE SOUTH 38°46'05" EAST, A DISTANCE OF 980.94 FEET; THENCE NORTH 74°04'00" EAST, A DISTANCE OF 810.00 FEET; THENCE NORTH 15°56'00" WEST, A DISTANCE OF 195.88 FEET; THENCE NORTH 17°31'00" WEST, A DISTANCE OF 66.13 FEET, RETURNING TO SAID **TRUE POINT OF BEGINNING**.



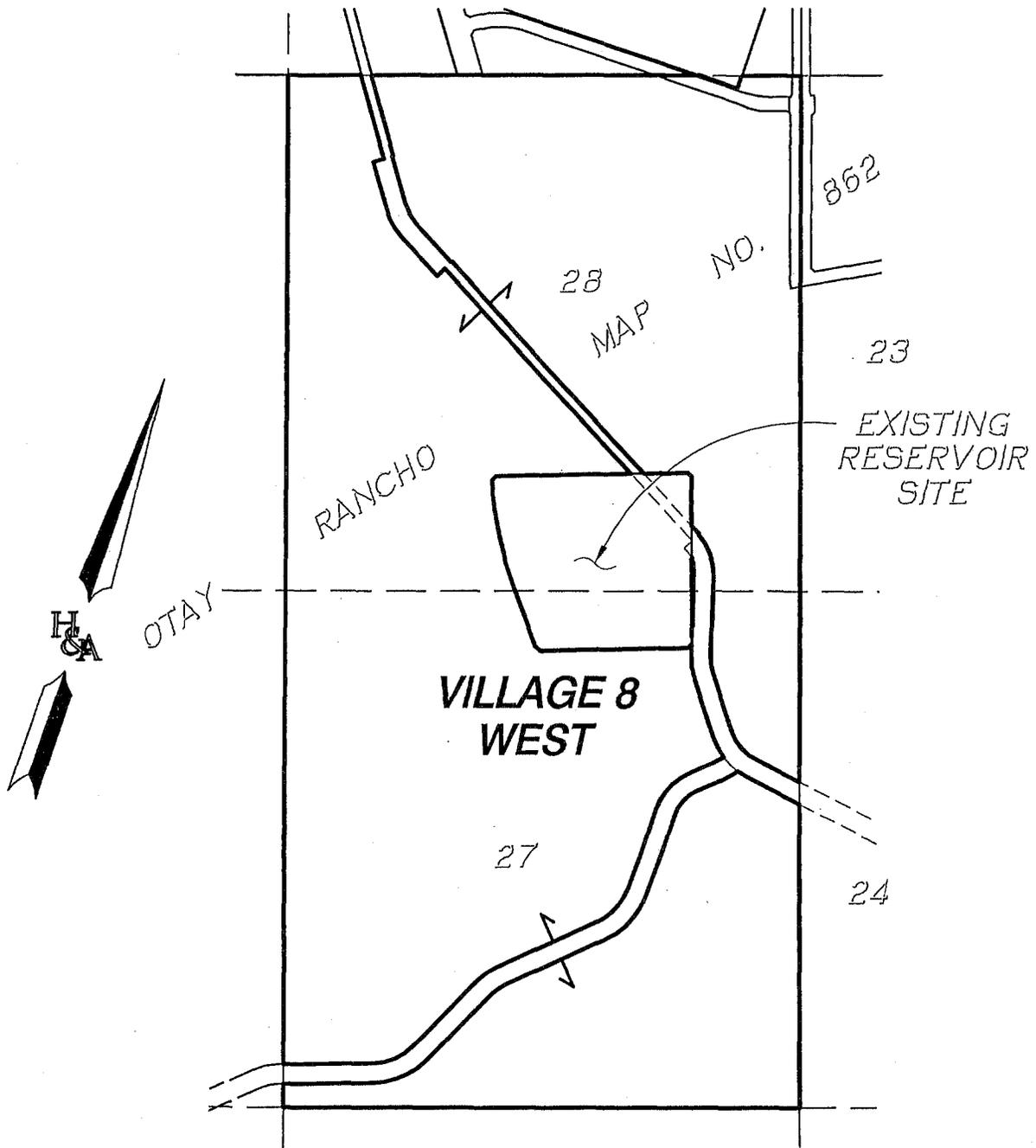
DOUGLAS B. STROUP

HUNSAKER & ASSOCIATES SAN DIEGO, INC.

1/03/2013
P.L.S. 8553

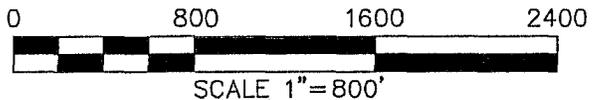


EXHIBIT A



**HUNSAKER
& ASSOCIATES**
SAN DIEGO, INC

PLANNING 9707 Waples Street
ENGINEERING San Diego, Ca 92121
SURVEYING PH(858)558-4500· FX(858)558-1414



SCALE 1" = 800'

Exhibit A-1: Access Easement Area

EXHIBIT "A - 1" LEGAL DESCRIPTION

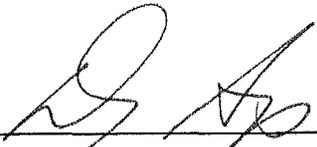
A PORTION OF LOT 28 OF THE OTAY RANCHO, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 7, 1900, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT CERTAIN 20.00 FOOT WIDE STRIP OF LAND LYING 20.00 FEET SOUTHWESTERLY OF AND PARALLEL WITH THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 28; THENCE ALONG THE NORTHERLY LINE THEREOF SOUTH 71°57'57" WEST, 1640.15 FEET TO THE **TRUE POINT OF BEGINNING**; SAID POINT BEING ON THE NORTHEASTERLY SIDELINE OF LA MEDIA ROAD DEDICATED TO PUBLIC USE ON CHULA VISTA TRACT NO. 05-09 OTAY RANCH VILLAGE 7 "A" MAP NO. 1 ACCORDING TO MAP THEREOF NO. 15134 FILED IN THE OFFICE OF SAID COUNTY RECORDER SEPTEMBER 27, 2005; THENCE LEAVING SAID NORTHERLY LINE OF LOT 28 ALONG THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY SIDELINE OF SAID LA MEDIA ROAD SOUTH 34°39'20" EAST, 246.46 FEET TO THE BEGINNING OF A 476.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 15°26'06" A DISTANCE OF 128.23 FEET TO THE BEGINNING OF A TANGENT 1294.00 FOOT RADIUS REVERSE CURVE CONCAVE SOUTHWESTERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 39°54'34" EAST; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 48°18'20" A DISTANCE OF 1090.96 FEET TO A POINT ON THE NORTHEASTERLY LINE OF THAT PORTION OF THE SAN DIEGO-CORONADO PIPELINE RIGHT-OF-WAY GRANTED TO THE CITY OF SAN DIEGO PER DEED RECORDED JANUARY 31, 1913 IN BOOK 598, PAGE 54 OF DEEDS, SAID POINT BEING ALSO THE **POINT OF TERMINUS**.

THE SIDELINES OF THE HEREINABOVE DESCRIBED 20.00 FOOT WIDE STRIP OF LAND TO TERMINATE NORTHERLY IN SAID NORTHERLY LINE OF LOT 28 AND SOUTHERLY IN SAID NORTHEASTERLY LINE OF SAN DIEGO-CORONADO PIPELINE RIGHT-OF-WAY.

THE HEREINABOVE DESCRIBED 20.00 FOOT WIDE STRIP OF LAND CONTAINS 0.669 ACRES, MORE OR LESS.



DOUGLAS B. STROUP
HUNSAKER & ASSOCIATES SAN DIEGO, INC.

5/21/2013
P.L.S. 8553

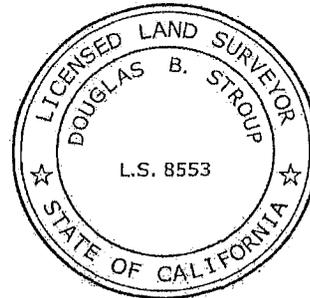
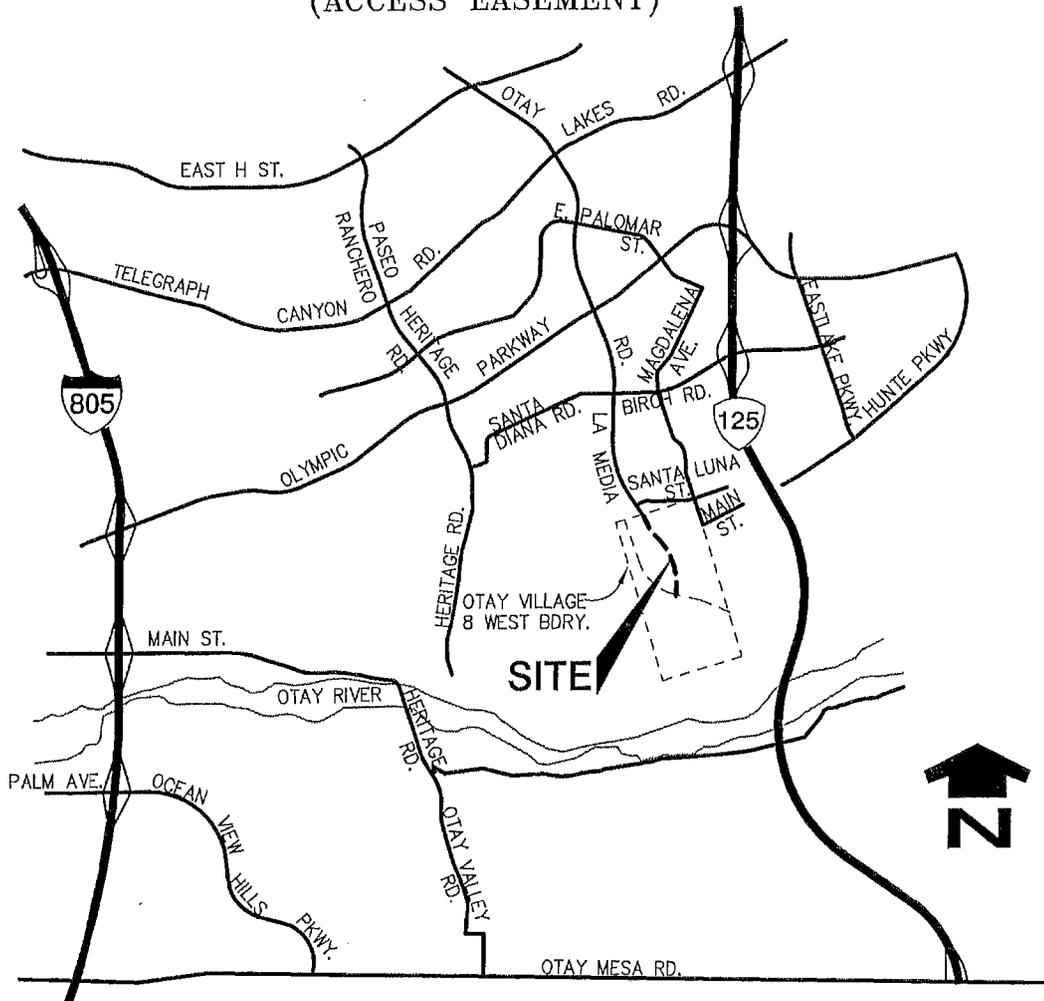


EXHIBIT A-1
(ACCESS EASEMENT)

SHEET 1 OF 2



VICINITY MAP

NOT TO SCALE

LEGEND:

----- INDICATES 20.00' WIDE ACCESS EASEMENT
AREA = 0.669 ACRES, MORE OR LESS

P.O.C. INDICATES POINT OF COMMENCEMENT

T.P.O.B. INDICATES TRUE POINT OF BEGINNING

P.O.T. INDICATES POINT OF TERMINUS

(R) INDICATES RADIAL BEARING



**HUNSAKER
& ASSOCIATES**
SAN DIEGO, INC

PLANNING 9707 Waples Street
ENGINEERING San Diego, Ca 92121
SURVEYING PH:(658)558-4500- FX:(658)558-1414

[Signature]
DOUGLAS B. STROUP
EXP. 12/31/14

5/21/2013

L.S. 8553

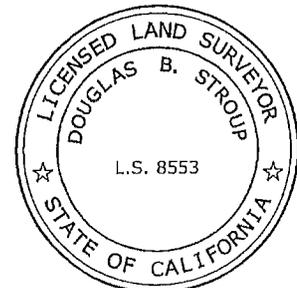
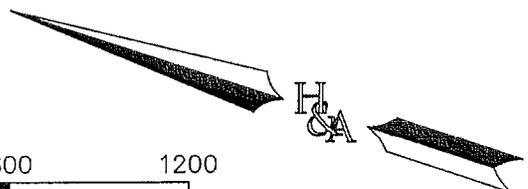
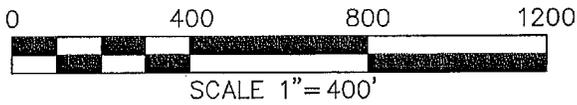
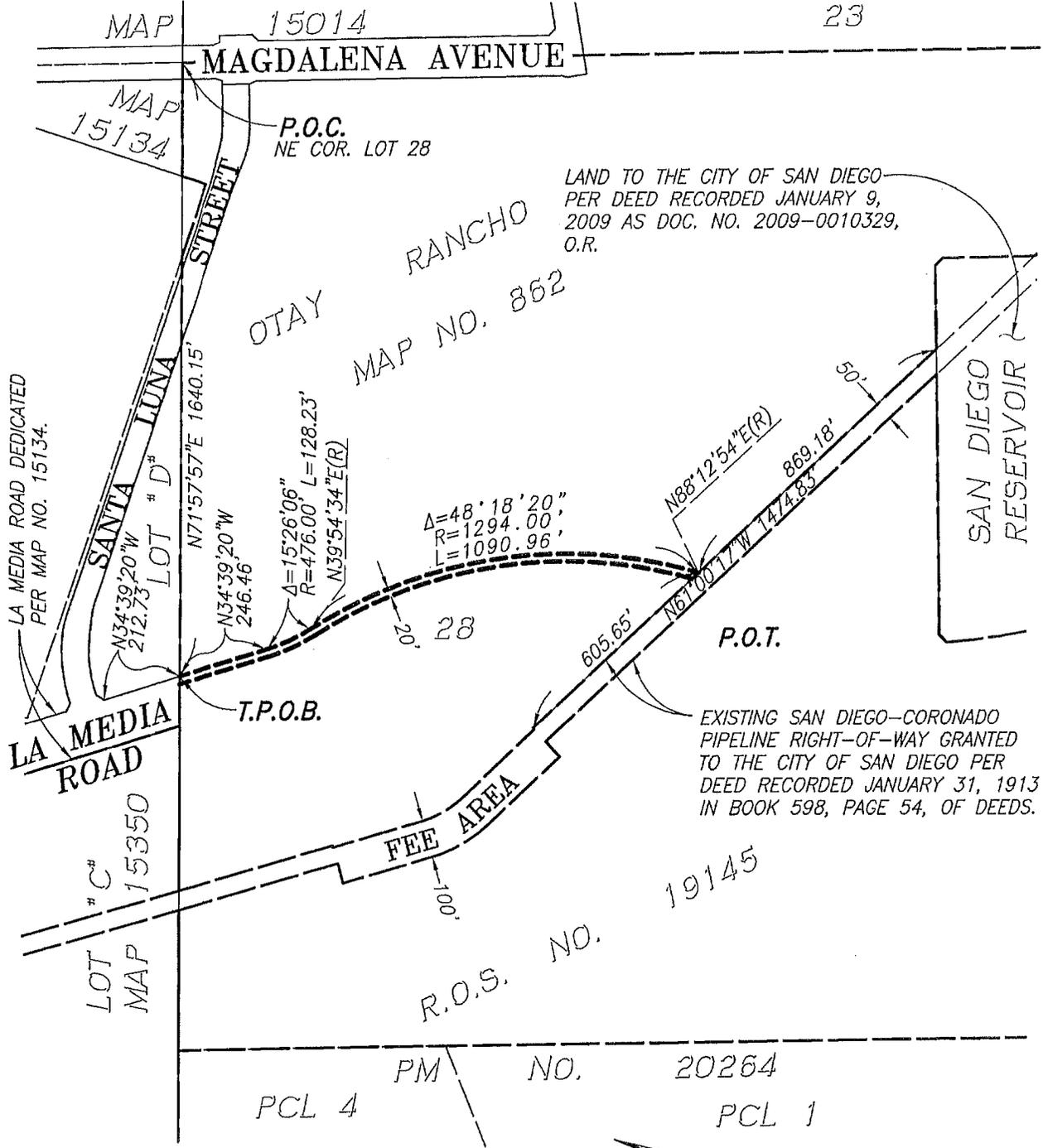


EXHIBIT A-1
(ACCESS EASEMENT)

SHEET 2 OF 2



PLANNING 9707 Waples Street
 ENGINEERING San Diego, Ca 92121
 SURVEYING PH(858)550-4500 · FX(858)550-1414

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of _____

County of _____

On _____ before me, _____,

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

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

Witness my hand and official seal.

Signature of Notary

(This area for official notary seal)

OPTIONAL

Though the information below is not required, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer - Title(s): _____
- Partners Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer's Name: _____

- Individual
- Corporate Officer - Title(s): _____
- Partners Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer is representing: _____

Signer is representing: _____

Exhibit E: Grant Deed

Recording requested by:
THE CITY OF SAN DIEGO

When Recorded Mail to:
OFFICE OF THE CITY CLERK
THE CITY OF SAN DIEGO
202 "C" ST., 2ND FLOOR, MS 2A
SAN DIEGO, CA 92101

TWO PORTIONS OF APN 644-080-16

*SPACE ABOVE FOR RECORDER'S USE.
NO RECORDING FEE DUE: CALIF. GOV. CODE §6103; §27383*

GRANT DEED

FOR VALUABLE CONSIDERATION, the sufficiency of which is hereby acknowledged,

THE CITY OF SAN DIEGO,
A CALIFORNIA MUNICIPAL CORPORATION (“GRANTOR”),

HEREBY GRANTS TO

OTAY LAND COMPANY, LLC,
A DELAWARE LIMITED LIABILITY COMPANY (“GRANTEE”),

ALL THAT REAL PROPERTY (the “Property”) consisting of two (2) portions of APN 644-080-16 comprising approximately 13.753 acres of land improved with water main pipelines located in the City of Chula Vista, County of San Diego, State of California, and more particularly described in the attached **Exhibit A to Grant Deed: Portion 1 Legal Description**, and **Exhibit B to Grant Deed: Portion 2 Legal Description**, together with all rights and appurtenances thereto, and subject to the following:

1. **Reservation of Easements.** GRANTOR reserves to GRANTOR and its heirs, successors and assigns, two (2) exclusive, permanent water pipeline easements (“Water Pipeline Easements”) on, over, under, across and through the Property to access, construct, install, operate, maintain, repair, restore and replace water main pipelines and related facilities and appurtenances thereof, with nonexclusive pedestrian and motorized vehicle travel related thereto on, over, across and through the Property.

1.1 **GRANTEE’s Waiver.** Excepting any “Excluded Claims” (defined below), GRANTEE, for itself, its successors, assigns, representatives, employees, officers and agents, releases and forever discharges GRANTOR, its elected officials, officers, representatives, agents, employees, successors in interest and assigns, of and from any and all past, present or future claims, demands, obligations, actions, causes of action, rights, damages, costs, losses of service, expenses and compensation of any nature whatsoever, whether based on tort, contract, violation of statutory duties, or other theory of recovery, and whether for compensation or punitive damages, injunctive relief

or mandamus, or other equitable remedies (collectively, "Claims") which GRANTEE now has, or which may later accrue or be acquired, on account of, or in any way growing out of, or which are the subject of GRANTOR's past, present or future use of the water main pipelines within the Property and its future use of the Water Pipeline Easements. "Excluded Claims" shall mean any Claims arising from (i) CITY's fraud or intentional misrepresentation or (ii) counterclaims or similar Claims that GRANTEE may have against GRANTOR if a third party brings a Claim arising from GRANTOR's use of the water pipelines and/or the Water Pipeline Easements, or any established liability arising from the sole gross negligence or sole intentional misconduct of GRANTOR or its elected officials, officers, employees, representatives or agents. However, if GRANTEE proceeds with development of residences or related improvements on the Property prior to a relocation of the water main pipelines currently within the Property, then the Excluded Claims described in clause (ii) above shall not include Claims for any and all damages and injuries to such residences or related improvements, or persons on or about the Property.

1.1.1 Section 1542 Waiver. GRANTEE acknowledges and agrees that the release of liability provision set forth above is a general release, and with the exception of any Excluded Claims, further expressly waives and assumes the risk of any and all Claims against GRANTOR arising from GRANTOR's past, present and future use of the water main pipelines within the Property and its future use of the Water Pipeline Easements, but of which GRANTEE has no knowledge or does not suspect to exist, whether through ignorance, oversight, error, negligence or otherwise, and which, if known, would materially affect GRANTEE's decision to release GRANTOR. GRANTEE expressly waives, as demonstrated by the signature set forth immediately below, the benefits and provisions of Section 1542 of the California Civil Code, and any similar law of any state or territory of the United States or other jurisdiction. Section 1542 of the California Civil Code provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Waived by GRANTEE: OTAY LAND COMPANY, LLC,
a Delaware limited liability company

BY: _____
Name: _____
Title: _____

2. Use Restrictions. GRANTEE shall have the right to freely use the Property for any purpose

that is not inconsistent or incompatible with the rights reserved by GRANTOR herein, and subject to the following: the construction or placement of structures, installations or improvements, including without limitation buildings, pavement, masonry walls and fences; the planting or growing of trees; the changing of surface grades; and the installation of pipelines and underground utilities (other than those pursuant to the Easements) on, over, under, across or through the Property shall be prohibited without GRANTOR's written consent in each instance.

3. Value of Easements. GRANTOR and GRANTEE acknowledge and agree that the current value of the Water Pipeline Easements is Two Hundred Seventy-Nine Thousand Dollars (\$279,000), which is fifty percent (50%) of the Property's current fee interest. GRANTOR and GRANTEE agree that if the Water Pipeline Easements are ever vacated, the value of the Water Pipeline Easements shall be the greater of \$279,000 and the fair market value of the Water Pipeline Easements at the time the Water Pipeline Easements are vacated, which fair market value shall be determined by an appraisal prepared by a qualified appraiser acceptable to GRANTOR.
4. Grant. The use of the word "grant" herein shall not imply any warranty on the part of GRANTOR with respect to the condition of the Property or any particular use thereof.
5. Successors and Assigns. All rights and obligations specified in this Grant Deed shall run with the land and this Grant Deed shall bind and inure to the benefit of the GRANTOR's and GRANTEE's respective successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

6. Partial Invalidity. If any term, covenant, condition or provision of this Grant Deed is found invalid, void or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

IN WITNESS WHEREOF, this Grant Deed is executed to be effective upon its recordation in the Official Records of San Diego County, California.

GRANTOR: THE CITY OF SAN DIEGO, a California municipal corporation

BY: _____
Name: _____
Title: _____

GRANTEE: OTAY LAND COMPANY, LLC, a Delaware limited liability company

BY: Erin N. Ruhe
Name: Erin N. Ruhe
Title: Vice President

San Diego City Council Authorizing Resolution No. R-_____
Date of Final Passage: _____

Approved as to form and legality:

JAN I. GOLDSMITH, San Diego City Attorney

BY: _____
Name: _____
Title: _____

Exhibit A to Grant Deed: Portion 1 Legal Description
Exhibit B to Grant Deed: Portion 2 Legal Description

Exhibit A to Grant Deed: Portion 1 Legal Description

[TO FOLLOW BEHIND THIS PAGE]

EXHIBIT "A" TO GRANT DEED Portion 1 Description

PARCELA

THAT PORTION OF THE SAN DIEGO PIPELINE RIGHT-OF-WAY GRANTED TO THE CITY OF SAN DIEGO PER DEED RECORDED JANUARY 31, 1913 IN BOOK 598, PAGE 54 OF DEEDS, LYING WITHIN LOT 28 OF THE OTAY RANCHO, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 7, 1900, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID LOT 28; THENCE ALONG THE NORTHERLY LINE THEREOF NORTH 71°57'57" EAST, 374.93 FEET TO THE SOUTHWESTERLY LINE OF SAID SAN DIEGO PIPELINE AND THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID NORTHERLY LINE OF LOT 28 NORTH 71°57'57" EAST, 52.00 FEET TO THE NORTHEASTERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING THE NORTHERLY LINE OF SAID LOT 28 AND ALONG THE NORTHEASTERLY LINE OF SAID SAN DIEGO PIPELINE SOUTH 33°59'04" EAST, 431.57 FEET; THENCE SOUTH 56°00'56" WEST, 5.00 FEET; THENCE SOUTH 33°59'04" EAST, 252.10 FEET TO THE BEGINNING OF A 266.84 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 27°01'13" A DISTANCE OF 125.84 FEET; THENCE SOUTH 61°00'17" EAST, 265.81 FEET; THENCE NORTH 28°59'43" EAST, 5.00 FEET; THENCE SOUTH 61°00'17" EAST, 1474.83 FEET TO A POINT ON THE NORTHERLY LINE OF THAT PROPERTY DEEDED TO THE CITY OF SAN DIEGO PER DOCUMENT RECORDED JANUARY 9, 2009 AS FILE NO. 2009-0010329, OF OFFICIAL RECORDS; THENCE LEAVING THE NORTHEASTERLY LINE OF SAID SAN DIEGO PIPELINE AND ALONG THE NORTHERLY LINE OF SAID 2009 DEED SOUTH 70°56'17" WEST, 67.22 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING THE NORTHERLY LINE OF SAID 2009 DEED AND ALONG SAID SOUTHWESTERLY LINE OF SAID SAN DIEGO PIPELINE NORTH 61°00'17" WEST, 1429.90 FEET; THENCE SOUTH 28°59'43" WEST, 55.00 FEET; THENCE NORTH 61°00'17" WEST, 265.81 FEET TO THE BEGINNING OF A 366.84 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 27°01'13" A DISTANCE OF 173.00 FEET; THENCE NORTH 33°59'04" WEST, 252.10 FEET;

THENCE NORTH 56°00'56" EAST, 55.00 FEET; THENCE NORTH 33°59'04" WEST, 445.86 FEET TO THE TRUE POINT OF BEGINNING.

THE HEREINABOVE DESCRIBED PARCEL OF LAND CONTAINS 3.703 ACRES, MORE OR LESS.

PARCEL B

THAT PORTION OF THE SAN DIEGO PIPELINE RIGHT-OF-WAY GRANTED TO THE CITY OF SAN DIEGO PER DEED RECORDED JANUARY 31, 1913 IN BOOK 598, PAGE 54 OF DEEDS, LYING WITHIN LOTS 27 AND 28 OF THE OTAY RANCHO, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 7, 1900, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 27; THENCE ALONG THE EASTERLY LINE THEREOF SOUTH 18°39'52" EAST, 975.01 FEET TO A POINT ON THE NORTHERLY LINE OF SAID SAN DIEGO PIPELINE AND THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID EASTERLY LINE SOUTH 18°39'52" EAST, 113.15 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE ALONG SAID SOUTHERLY LINE NORTH 80°45'54" WEST, 298.16 FEET TO THE BEGINNING OF A 366.48 FOOT RADIUS CURVE CONCAVE NORTHERLY; THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 09°31'02" A DISTANCE OF 60.88 FEET; THENCE LEAVING THE SOUTHERLY LINE OF SAID PIPELINE ALONG THE ARC OF SAID 366.48 FOOT RADIUS CURVE THROUGH A CENTRAL ANGLE OF 16°00'56" A DISTANCE OF 102.44 FEET TO THE SOUTHWESTERLY LINE OF SAID PIPELINE; THENCE ALONG SAID SOUTHWESTERLY LINE ALONG THE ARC OF SAID 366.48 FOOT RADIUS CURVE THROUGH A CENTRAL ANGLE OF 18°31'09" A DISTANCE OF 118.45 FEET; THENCE NORTH 36°42'47" WEST, 310.71 FEET TO THE BEGINNING OF A 366.74 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 19°54'02" A DISTANCE OF 127.38 FEET; THENCE NORTH 16°48'45" WEST, 54.00 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THAT PROPERTY DEEDED TO THE CITY OF SAN DIEGO PER DOCUMENT RECORDED JANUARY 9, 2009 AS FILE NO. 2009-0010329, OF OFFICIAL RECORDS; THENCE LEAVING SAID WESTERLY LINE OF SAID SAN DIEGO PIPELINE AND ALONG SAID SOUTHEASTERLY LINE NORTH 25°56'17" EAST, 2.24 FEET; THENCE ALONG

THE EASTERLY LINE OF SAID 2009 DEED, NORTH 19°03'43" WEST, 38.73 FEET TO A POINT ON SAID WESTERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING SAID EASTERLY LINE OF SAID 2009 DEED AND ALONG SAID WESTERLY LINE NORTH 16°48'45" WEST, 341.60 FEET TO THE BEGINNING OF A 121.56 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 29°30'34" A DISTANCE OF 62.61 FEET TO A POINT ON A NON-TANGENT EASTERLY LINE OF SAID 2009 DEED; THENCE LEAVING SAID WESTERLY LINE OF SAID SAN DIEGO PIPELINE AND ALONG SAID EASTERLY LINE NORTH 19°03'43" WEST, 83.88 FEET TO A POINT ON SAID WESTERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING SAID EASTERLY LINE OF SAID 2009 DEED ALONG SAID WESTERLY LINE NORTH 28°59'43" EAST, 2.90 FEET; THENCE NORTH 61°00'17" WEST, 3.23 FEET TO A POINT ON THE EASTERLY LINE OF SAID 2009 DEED; THENCE LEAVING SAID WESTERLY LINE OF SAID SAN DIEGO PIPELINE AND ALONG SAID EASTERLY LINE NORTH 19°03'43" WEST, 74.81 FEET TO A POINT ON THE NORTHEASTERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING SAID EASTERLY LINE OF SAID 2009 DEED AND ALONG SAID NORTHEASTERLY LINE SOUTH 61°00'17" EAST, 57.98 FEET; THENCE SOUTH 28°59'43" WEST, 5.00 FEET TO THE BEGINNING OF A NON-TANGENT 301.56 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 28°59'43" EAST, THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 44°11'32" A DISTANCE OF 232.59 FEET; THENCE SOUTH 16°48'45" EAST, 403.46 FEET TO THE BEGINNING OF A 266.74 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 19°54'02" A DISTANCE OF 92.65 FEET; THENCE SOUTH 36°42'47" EAST, 310.71 FEET TO THE BEGINNING OF A 266.48 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 44°03'07" A DISTANCE OF 204.88 FEET; THENCE SOUTH 80°45'54" EAST, 245.21 FEET TO THE TRUE POINT OF BEGINNING.

THE HEREINABOVE DESCRIBED PARCEL OF LAND CONTAINS 3.505 ACRES, MORE OR LESS.

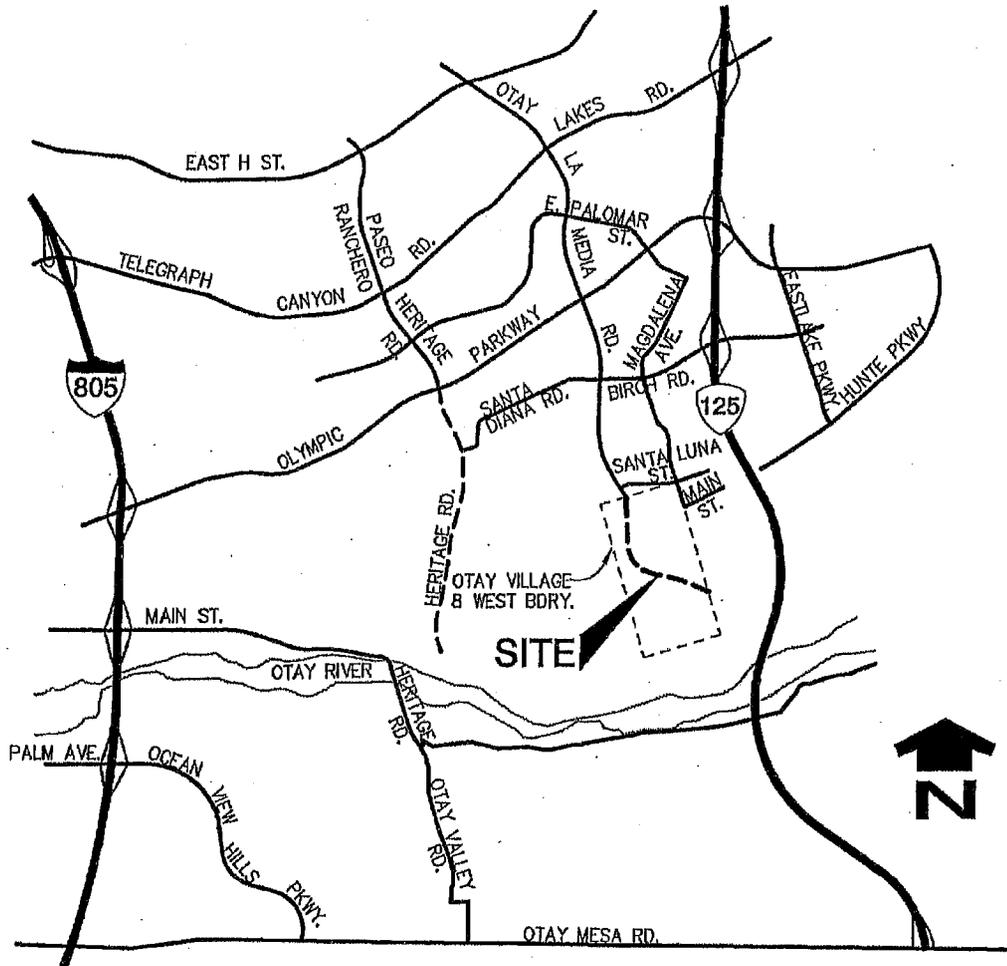

DOUGLAS B. STROUP
HUNSAKER & ASSOCIATES SAN DIEGO, INC.

1/03/2013
P.L.S. 8553



EXHIBIT A TO GRANT DEED
PORTION 1 DESCRIPTION

SHEET 1 OF 4



VICINITY MAP

NOT TO SCALE

LEGEND:

- INDICATES PORTION 1 PARCEL "A"
AREA = 3.703 ACRES, MORE OR LESS
- INDICATES PORTION 1 PARCEL "B"
AREA = 3.505 ACRES, MORE OR LESS

- P.O.C. INDICATES POINT OF COMMENCEMENT
- T.P.O.B. INDICATES TRUE POINT OF BEGINNING
- (R) INDICATES RADIAL BEARING



PLANNING 9707 Waples Street
ENGINEERING San Diego, Ca 92121
SURVEYING PH(650)550-4500 FX(650)550-1414

[Signature]
DOUGLAS B. STROUP
EXP. 12/31/14
1/25/2013
L.S. 8553

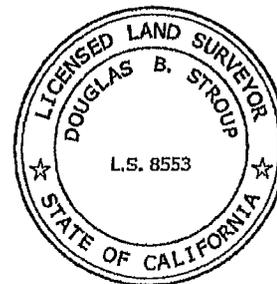
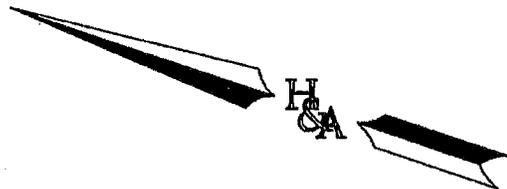
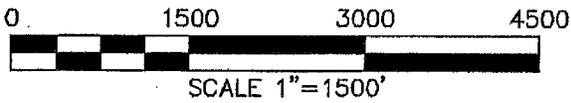
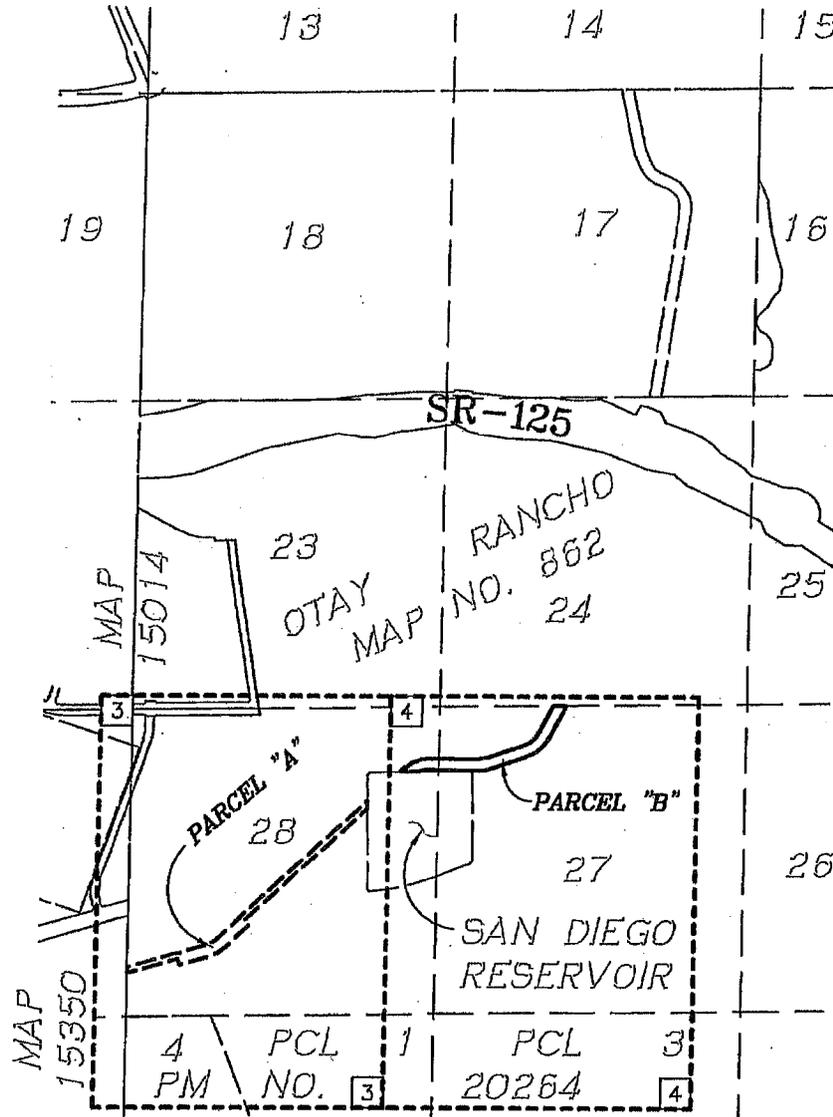


EXHIBIT A TO GRANT DEED
 PORTION 1 DESCRIPTION
 INDEX SHEET

SHEET 2 OF 4



LEGEND:

----- INDICATES SHEET LIMITS (THIS SHEET ONLY)

3 INDICATES SHEET NUMBER (THIS SHEET ONLY)

----- INDICATES PORTION 1 PARCEL "A"

————— INDICATES PORTION 1 PARCEL "B"

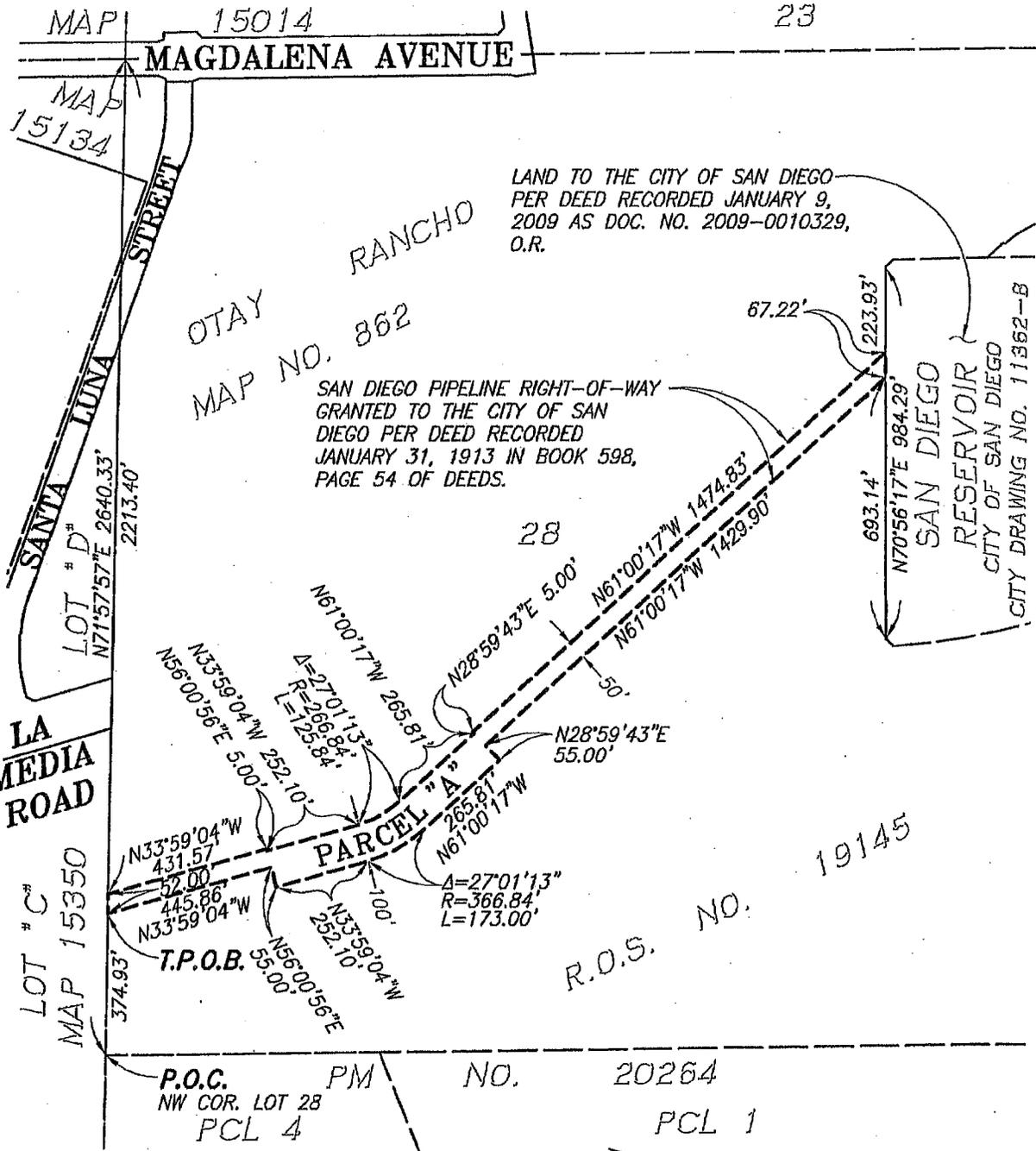


**HUNSAKER
 & ASSOCIATES**
 SAN DIEGO, INC

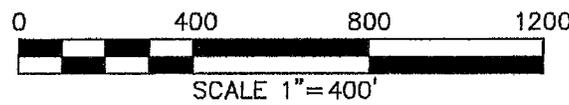
PLANNING 9707 Waples Street
 ENGINEERING San Diego, Ca 92121
 SURVEYING PH(619)538-4500 • FX(619)538-1414

EXHIBIT A TO GRANT DEED
PORTION 1 DESCRIPTION

SHEET 3 OF 4



H&A
HUNSAKER
& ASSOCIATES
SAN DIEGO, INC



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Exhibit B to Grant Deed: Portion 2 Legal Description

[TO FOLLOW BEHIND THIS PAGE]

Exhibit B to Grant Deed: Portion 2 Legal Description

[TO FOLLOW BEHIND THIS PAGE]

EXHIBIT "B" TO GRANT DEED Portion 2 Description

THAT PORTION OF THE SAN DIEGO PIPELINE RIGHT-OF-WAY GRANTED TO THE CITY OF SAN DIEGO PER DEED RECORDED JANUARY 31, 1913 IN BOOK 598, PAGE 54 OF DEEDS, LYING WITHIN LOT 17 OF THE OTAY RANCHO, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 7, 1900, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 17; THENCE ALONG THE WESTERLY LINE THEREOF NORTH 18°40'33" WEST, 790.50 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID SAN DIEGO PIPELINE AND THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID WESTERLY LINE NORTH 18°40'33" WEST, 101.13 FEET TO A POINT ON THE NORTHERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING SAID WESTERLY LINE AND ALONG SAID NORTHERLY LINE OF SAID SAN DIEGO PIPELINE NORTH 79°53'43" EAST, 1610.70 TO THE BEGINNING OF A 184.63 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 75°03'17" A DISTANCE OF 241.86 FEET; THENCE NORTH 04°50'26" EAST, 110.02 FEET TO THE BEGINNING OF A 249.18 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 44°24'43" A DISTANCE OF 193.15 FEET; THENCE NORTH 49°15'09" EAST, 114.73 FEET TO THE BEGINNING OF A 306.48 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 09°59'37" A DISTANCE OF 53.46 FEET; THENCE NORTH 59°14'46" EAST, 354.18 FEET; THENCE NORTH 60°13'18" EAST, 172.24 FEET TO THE EASTERLY LINE OF SAID LOT 17; THENCE LEAVING SAID NORTHERLY LINE OF THE SAN DIEGO PIPELINE AND ALONG SAID EASTERLY LINE OF LOT 17 SOUTH 18°41'15" EAST, 101.90 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID SAN DIEGO PIPELINE; THENCE LEAVING SAID EASTERLY LINE OF LOT 17 AND ALONG SAID SOUTHERLY LINE SOUTH 60°13'18" WEST, 151.56 FEET; THENCE SOUTH 59°14'46" WEST, 353.55 FEET TO THE BEGINNING OF A 206.48 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 09°59'08" A

DISTANCE OF 35.99 FEET; THENCE SOUTH 49°15'38" WEST, 114.62 FEET TO THE BEGINNING OF A 149.18 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 44°31'42" A DISTANCE OF 115.94 FEET; THENCE SOUTH 04°43'56" WEST, 109.21 FEET TO THE BEGINNING OF A 284.63 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 75°09'46" A DISTANCE OF 373.39 FEET; THENCE SOUTH 79°53'42" WEST, 1595.92 FEET TO THE TRUE POINT OF BEGINNING.

THE HEREINABOVE DESCRIBED PARCEL OF LAND CONTAINS 6.545 ACRES, MORE OR LESS.

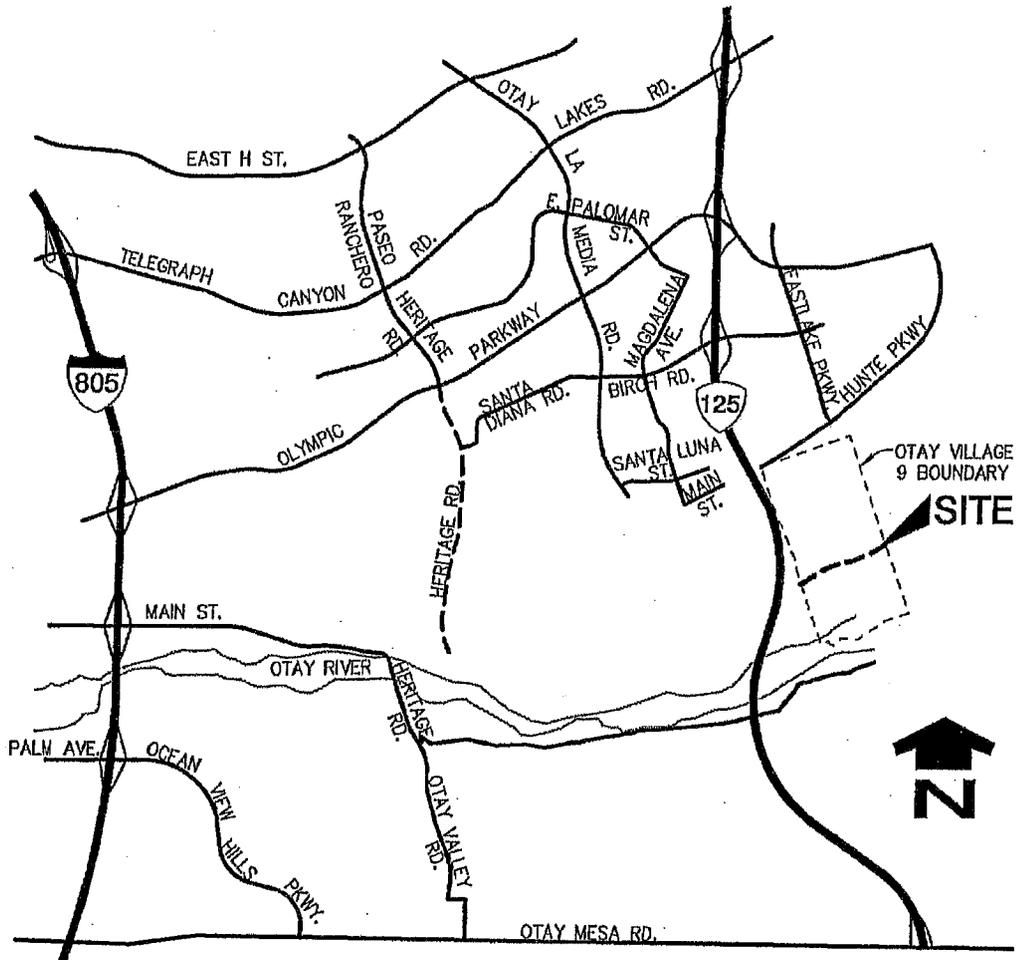

DOUGLAS B. STROUP
HUNSAKER & ASSOCIATES SAN DIEGO, INC.

1/03/2013
P.L.S. 8553



EXHIBIT B TO GRANT DEED
PORTION 2 DESCRIPTION

SHEET 1 OF 2



VICINITY MAP

NOT TO SCALE

LEGEND:

- — — INDICATES PORTION 2
AREA = 6.545 ACRES, MORE OR LESS
- P.O.C.** INDICATES POINT OF COMMENCEMENT
- T.P.O.B.** INDICATES TRUE POINT OF BEGINNING
- (R) INDICATES RADIAL BEARING



**HUNSAKER
& ASSOCIATES**
SAN DIEGO, INC

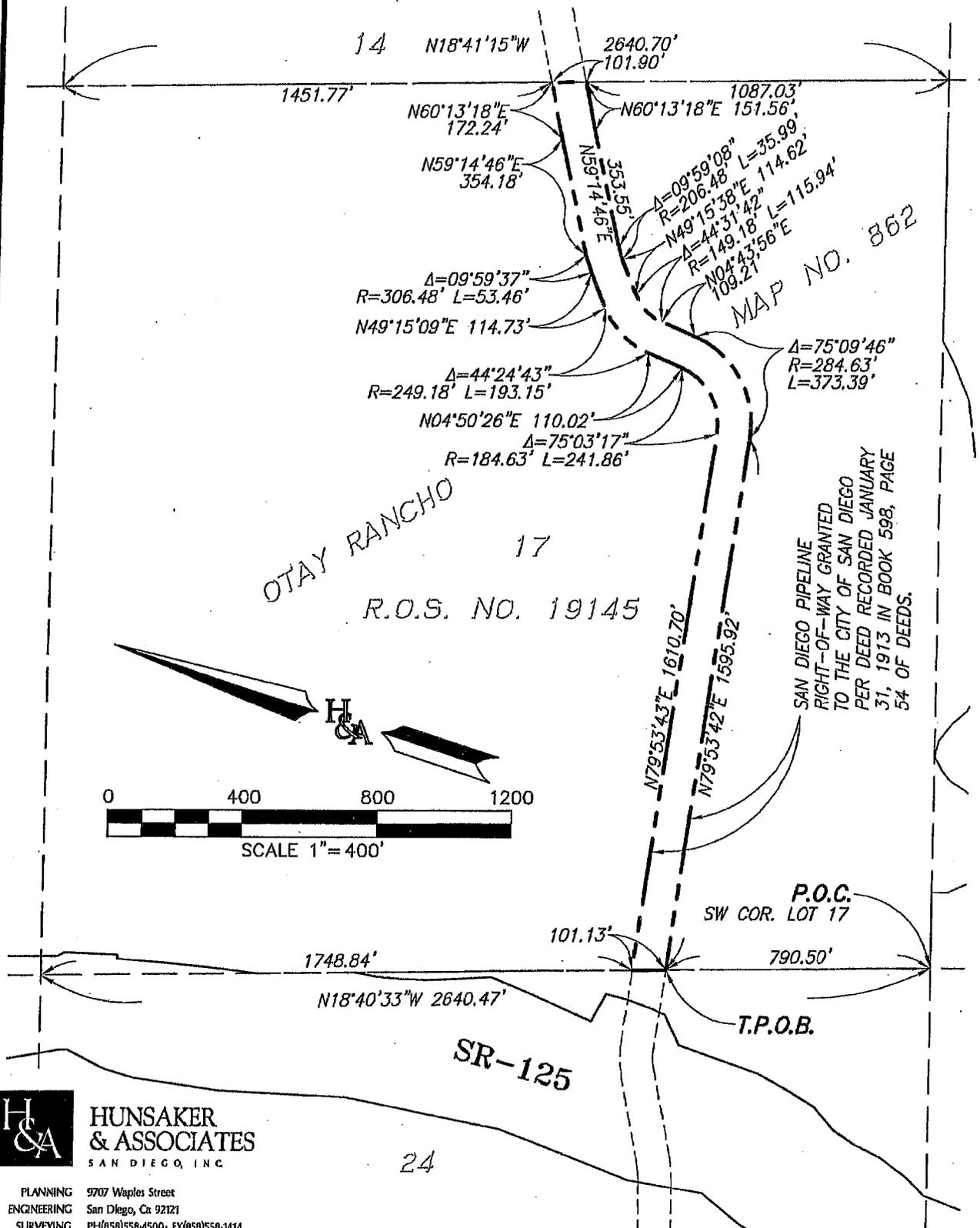
PLANNING 9707 Waples Street
ENGINEERING San Diego, Ca 92121
SURVEYING PH(658)558-4500 • FX(658)558-1414

[Signature] 1/03/2013
DOUGLAS B. STROUP L.S. 8553
EXP. 12/31/14



EXHIBIT B TO GRANT DEED
 PORTION 2 DESCRIPTION

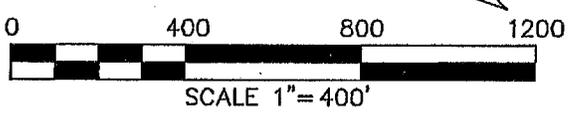
SHEET 2 OF 2



MAP NO. 862

SAN DIEGO PIPELINE
 RIGHT-OF-WAY GRANTED
 TO THE CITY OF SAN DIEGO
 PER DEED RECORDED JANUARY
 31, 1913 IN BOOK 598, PAGE
 54 OF DEEDS.

OTAY RANCHO
 17
 R.O.S. NO. 19145



H & A
HUNSAKER & ASSOCIATES
 SAN DIEGO, INC

PLANNING 9707 Waples Street
 ENGINEERING San Diego, Ca 92121
 SURVEYING PH(658)558-4500 FX(658)558-1414

[Grant Deed]

NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF San Diego)

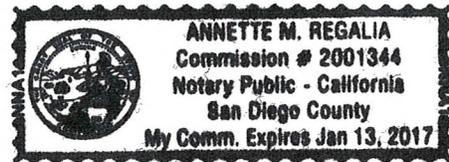
On May 28, 2013 (date) before me, Annette M. Regalia, Notary Public
(name and title of the officer) personally appeared Erin N. Ruhe
_____ (name(s) of signer(s)),

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

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

WITNESS my hand and official seal.

Signature Annette M. Regalia (Seal)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of _____

County of _____

On _____ before me, _____,

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

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

Witness my hand and official seal.

Signature of Notary

(This area for official notary seal)

OPTIONAL

Though the information below is not required, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer - Title(s): _____
- Partners Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer's Name: _____

- Individual
- Corporate Officer - Title(s): _____
- Partners Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer is representing: _____

Signer is representing: _____