

GRANT AGREEMENT
Between the
Tierrasanta Foundation
And
Tierrasanta Village of San Diego

The Tierrasanta Foundation (hereinafter referred to as the Foundation) has determined that financial support of Tierrasanta Village of San Diego (hereinafter referred to as TVSD) would further the Foundation's charitable purposes. Therefore, the Foundation created a restricted fund designated for TVSD, and the Foundation will grant all amounts that it may deposit into that fund, less any administrative charge as set forth below, to TVSD. Donations and all other funds made to this restricted fund should be made payable to TVSD. The Agreement shall be subject to the following terms and conditions.

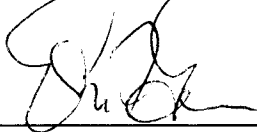
- 1) **Documentation.** TVSD has provided the Foundation with its mission statement and a complete and filed IRS Form SS-4 showing TVSD's separate existence as an organization. The governing documents and a roster of officers will be offered by October 31, 2008.
- 2) **Restricted Use of Grant Funds.** TVSD may request disbursements as required to fulfill their goals. Any changes in the purposes for which grant funds are spent must be approved in writing by the Foundation before implementation. The Foundation reserves the right, if TVSD breaches this Agreement, or if TVSD's conduct jeopardizes the Foundation legal or tax status, to withhold, withdraw, or demand immediate return of grant funds, and to expend such funds as to accomplish the purposes of TVSD as nearly as possible within the Foundation's sole judgment. Any tangible or intangible property, including copyrights, obtained or created by TVSD shall remain the property of TVSD.
- 3) **Fundraising by TVSD.** TVSD may solicit grants, gifts or contributions to the Foundation, earmarked for the Foundation restricted fund for TVSD. TVSD shall keep the Foundation apprised of its fundraising activities and provide copies of fundraising solicitations. An advance list of TVSD's choice of funding sources to be approached, and the text of all fundraising materials, must be submitted to the Foundation for pre-approval. The Foundation will respond within 10 business days. The cost of any reports or other compliance measures required by funding sources shall be borne by TVSD. The Foundation will notify TVSD of funds received directly on behalf of TVSD within a month of their receipt.
- 4) **Administrative Charge.** An administrative charge not to exceed 5% of all amounts paid to TVSD from the restricted fund shall be deducted by the Foundation to defray the Foundation's costs of administering the restricted fund and this grant.
- 5) **Distribution of Grants.** The Foundation agrees to disburse grants to TVSD from the restricted fund on or about the 5th and 20th of each month. The Foundation may, at its discretion, elect to maintain a positive balance in its restricted fund for TVSD.
- 6) **No Agency Created.** Nothing in this agreement shall constitute the naming of TVSD as an agent or legal representative of the Foundation for any purpose whatsoever except as specifically and to the extent set forth herein.


- 7) **Annual Report.** TVSD shall submit a report to the Foundation every year by March 15th detailing the previous calendar year's activities. The report shall describe the charitable programs conducted by TVSD with the aid of this grant and expenditures made with grant funds, and shall report on TVSD's compliance with the terms of the grant. In addition to the Annual Report(s), TVSD shall also submit brief Quarterly Reports summarizing income and expenditures. These reports are due within a month of the end of the calendar quarter. The Foundation may withhold payment of grants from its restricted fund to TVSD pending timely receipt and approval of these reports.
- 8) **Legislation.** This grant may not be used in any attempt to influence legislation within the meaning of IRS Code 501(c)(3) without the express, advance written consent of the Foundation.
- 9) **Restriction of Funds.** TVSD shall not use any portion of the funds granted herein to participate or intervene in any political campaign on behalf or in opposition to any candidate for public office, or to induce or engage in violations of law or public policy, or to cause any private harm or improper private benefit to occur, nor to take any action inconsistent with IRC Section 501(c)(3).
- 10) **Changes in Tax or Legal Status.** TVSD shall notify the Foundation immediately of any change in its tax or legal status, or executive staff responsible for achieving the grant purposes.
- 11) **Indemnification of Tierrasanta Foundation.** TVSD irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless the Foundation, its officers, directors, employees and agents, from and against any claims, liabilities, losses and expenses (including reasonable attorney's fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of TVSD, its employees or agents, in applying for or accepting the grant, in expending or applying the funds furnished pursuant to this grant, or in carrying out the program or project to be funded or financed by the grant, except to the extent that such claims, liabilities, losses or expenses arise from or in connection with any act or omission of the Foundation, or its officers, directors, employees, or agents.
- 12) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to such agreements.
- 13) **Assistance.** The Foundation may respond to a request by TVSD for technical assistance in the preparation of tax-exemption applications, bookkeeping and accounting, payroll, preparation of tax returns, fund-raising, advertising, office management, legal services, office Space, office machine usage, or insurance. In the instance that assistance is provided for any matter in any of these categories, the specifics of the assistance shall be spelled out in detail and will demonstrably be below cost for direct and indirect costs of staff and overhead technical assistance.

- 14) Termination.** Either the Foundation or TVSD may terminate this Grant Agreement subject to the following terms and conditions:
- a) By giving 60 days written notice to the other party.
 - b) If TVSD can no longer manage its affairs, Tierrasanta Foundation may assume all responsibilities and duties of TVSD, in which case TVSD would be operated and controlled by Tierrasanta Foundation.
 - c) If TVSD is able to manage its affairs and seeks a new 501(c)(3) partner, or if TVSD achieves its own 501(c)(3) status, TVSD will submit documentation of the alternate 501(c)(3) status and the Foundation will honor the request.
 - d) Upon termination the Foundation will transfer the balance of TVSD funds to the replacement 501(c)(3) and forward all subsequently received donations to same.
- 15) Entire Agreement.** This Agreement constitutes the entire agreement between TVSD and the Foundation on the subject hereof, and supersedes any previous oral or written understandings between the parties. The Agreement may only be modified upon mutual written consent.
- 16) Severability in Event of Partial Invalidity.** If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect.
- 17) Facsimiles, photocopies, and other true representations of this document will be deemed as valid as the original.**

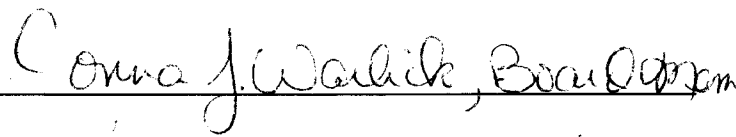
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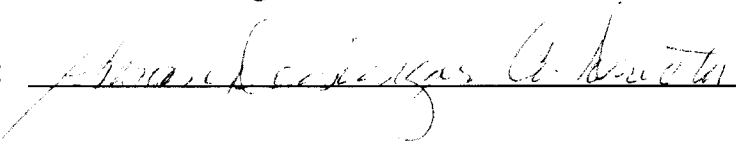
For the Tierrasanta Foundation

By:  Duane, PRESIDENT Date: 17 July 08

By:  Jim Brown, SECRETARY Date: 7/17/08

For the Tierrasanta Village of San Diego

By:  Corra J. Walick, Board Chair Date: July 17, 2008

By:  Thomas, Secretary Date: 17 July 08