

## RESTRICTED FUND AGREEMENT

This Restricted Fund Agreement (this "Agreement") is made \_\_\_\_\_, \_\_\_\_\_, by and between the County of Orange, a political subdivision of the State of California ("**County**") and the Orange County Parks Foundation ("**OCPF**"), a California nonprofit public benefit corporation.

### RECITALS

A. OCPF is a California nonprofit public benefit corporation that supports the management, operation, and stewardship of publicly-owned parks, wildlands, and open spaces located within the County. The Articles of Incorporation of OCPF were filed on March 7, 2012 and OCPF is in the process of applying for tax-exempt public charity status.

B. The County desires to contribute funds to OCPF as an endowment for exclusive use in connection with the purposes described in Paragraph 2 below. To that end, the County intends to contribute four million six hundred thousand dollars (\$4,600,000) to OCPF, to be held as a restricted fund of OCPF, as set forth herein.

C. The County wishes to transfer the funds to OCPF pursuant to the terms and conditions set forth below. OCPF wishes to accept such funds upon such terms and conditions.

D. OCPF anticipates that additional donors will want to contribute to a restricted fund of OCPF, some for endowment and some with non-endowment restrictions, but still restricted to the purposes of the restricted fund herein established by the County. OCPF wishes to provide a vehicle for such contributions.

### AGREEMENT

NOW THEREFORE, in consideration of the mutual promises set forth herein, the parties hereby agree as follows:

1. The County agrees to contribute four million six hundred thousand dollars (\$4,600,000) ("**Contribution**") to OCPF no later than December 31, 2013.
2. OCPF agrees to accept the Contribution from the County and to create a restricted fund ("**Fund**"), to which the Contribution will be allocated. The purposes of the Fund are as follows:
  - a. To support preservation, restoration, environmental enhancement, scientific research and monitoring, resource management planning, public education, creation of public access infrastructure, including but not limited to trails, staging areas and visitor facilities, and public recreation (collectively "**Management**") of the protected parks and open space lands located within the boundaries of the historic Irvine Ranch, which boundaries are indicated on the map attached hereto as Exhibit A ("**Irvine Ranch**"), and to solicit, invest, and distribute funds for such purposes.

- b. To conduct fundraising activities on behalf of OCPF for the purposes described in subparagraph (a) above of this Paragraph 2, including but not limited to the following:
  - (1) Developing and distributing materials that promote Irvine Ranch and encourage donations from the public to promote Management of Irvine Ranch;
  - (2) Advertising and conducting public outreach and communication to increase participation in fundraising events and activities;
  - (3) Preparing and submitting applications for grants from public and private sources, including other charitable organizations;
  - (4) Holding and conducting events to solicit funds and contributions; and
  - (5) Creating and distributing reports, updates, brochures, and other informational materials on the status of projects to donors and other interested parties.
- c. To compensate approved vendors, suppliers, contractors, and other organizations who provide the following services consistent with the purposes described in subparagraphs (a) and (b) above of this Paragraph 2:
  - (1) Fundraising services;
  - (2) Investment management services for the Fund; and
  - (3) Services directly related to the Management of Irvine Ranch.
- d. To pay costs related specifically and directly to the administration or governance of the Fund and Management of Irvine Ranch (but not OCPF generally); provided, however, that no portion of the Fund may be used for costs associated with the County's or any other public agency's regular, recurring, ordinary and customary operations and routine maintenance activities of the limited facilities located on the Irvine Ranch, such as trails, fire roads and staging areas. Such prohibited costs include salaries, benefits, and overhead costs associated with the employees who provide regular, recurring operations and routine maintenance of facilities on Irvine Ranch. Notwithstanding the foregoing provisions of subparagraphs (a) through (d) above of this Paragraph 2, no portion of the Fund may be used for any projects or activities that are not in compliance with any existing resource and/or recreation management plan.

3. OCPF agrees that any additional contribution to OCPF from the County or any other individual or entity that is restricted to the purposes of the Fund (a "Restricted Contribution") will be held according to the terms of this Agreement. Notwithstanding the previous sentence, the parties acknowledge that OCPF may receive Restricted Contributions that donors do not wish to be administered as an endowment and so specify at the time of the contribution (a "Restricted Non-Endowment Contribution").
4. The Fund will be administered as follows:
  - a. OCPF will administer the Fund in a separate account as an endowment fund subject to a spending policy established by resolution of the Board of Directors (the "Spending Policy") and will designate the Fund in OCPF's books and records as the "Irvine Ranch Endowment Fund." Any Restricted Contribution to the Fund (i) designated by the donor as a contribution to the Irvine Ranch Endowment Fund, or (ii) received without designation by the donor, will be held in the Irvine Ranch Endowment Fund. This shall in no way restrict OCPF's use of unrestricted contributions.
  - b. Upon receipt of any Restricted Non-Endowment Contribution to the Fund, OCPF will establish a separate account of the Fund not subject to the Spending Policy and designated in OCPF's books and records as the "**Irvine Ranch Expendable Fund.**" Any Restricted Non-Endowment Contribution to the Fund will be held in the Irvine Ranch Expendable Fund and will be expended in accordance with the donor's directions, if any, or if none, in the discretion of OCPF, but limited to the purposes of the Fund. Additional separate accounts will be established as necessary to ensure adherence to a donor's directions.
  - c. Except as otherwise specifically provided, all references to the Fund in this Agreement will be deemed to refer collectively to the Irvine Ranch Endowment Fund and the Irvine Ranch Expendable Fund.
  - d. Notwithstanding anything herein to the contrary, no portion of the Fund will be organized or operated in such manner so as to constitute a separate entity for tax purposes.
  - e. OCPF hereby agrees to maintain a complete and accurate record of the Fund, including separate records of the Irvine Ranch Endowment Fund and the Irvine Ranch Expendable Fund (including all accounts in such fund).
  - f. Subject to the Spending Policy, if applicable, any policies of OCPF regarding grants, and any requirements of the Internal Revenue Code, OCPF will hold, manage, invest and reinvest the assets of the Fund, if any, will collect the income, and will pay and disburse the income and principal thereof exclusively for the charitable purposes specified in Paragraph 2 above.

5. This Agreement will be governed by and construed in accordance with the laws of the State of California.
6. This Agreement will be binding upon and will inure to the benefit of the parties' respective successors and assigns.
7. This Agreement may be executed in any number of separate counterparts, each of which, when so executed, will be deemed to be an original. Such counterparts will together constitute and be one and the same instrument.

Effective as of the date first set forth above.

**COUNTY**

APPROVED AS TO FORM:  
County Counsel

By: Thomas A. Mill

Date: 1/15/13

COUNTY OF ORANGE

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**FOUNDATION**

ORANGE COUNTY PARKS FOUNDATION

Date: 7/20/2012

Date: 7/20/12

Date: 7/20/12

Bill Campbell  
Bill Campbell  
Its: President

Mark Denny  
Mark Denny  
Its: Secretary

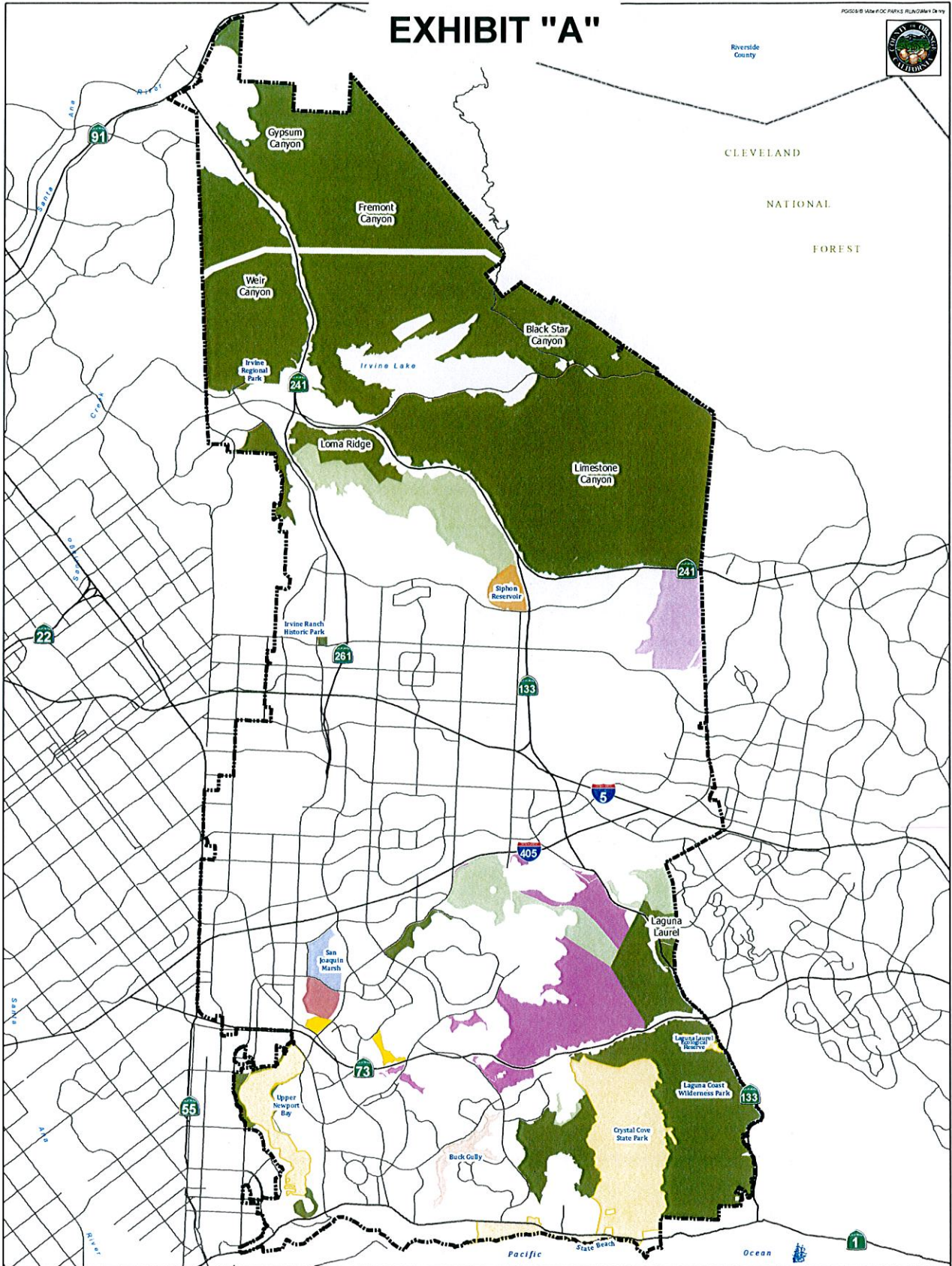
Elbert "Bert" Ashland  
Elbert "Bert" Ashland  
Its: Treasurer

# EXHIBIT A

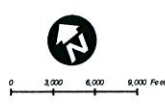
# EXHIBIT "A"

PG008 © 2010 OC Parks Planning & Design

Riverside County



DESIGNED AND PRODUCED BY:  
 OC Parks  
 OC Planning & Design  
 DATE: June 02, 2010



- Irvine Ranch Public Wildlands**
- County of Orange
  - State of California
  - City of Irvine
  - TIC IOD To City of Irvine
  - City of Newport Beach
  - IRWD
  - TCA
  - UC Natural Reserve System
  - UCI
  - Department of Navy
  - Historic Irvine Ranch Boundary

## Ownership of Protected Parks and Open Space



**RESOLUTION TO APPROVE RESTRICTED FUND AGREEMENT**

WHEREAS, there has been presented to the undersigned directors of the Corporation a Restricted Fund Agreement (the "Agreement"), in substantially the form attached hereto, whereby the Corporation will establish a restricted fund for the purposes set forth in the Agreement (the "Fund"); and

WHEREAS, it is deemed to be in the best interests of the Corporation that the Agreement be authorized and approved and that Fund be established by the Corporation and administered pursuant to the terms set forth in the Agreement.

NOW, THEREFORE, BE IT RESOLVED, that execution of the Agreement and establishment of the Fund are hereby authorized and approved.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the undersigned directors of the Corporation be and they hereby are authorized and directed to do all acts and things whatsoever, which may be in any way necessary or proper to effectuate the foregoing resolution.

Date: 7/20/12 Bill Campbell  
Bill Campbell, Director

Date: 7/20/12 Elbert "Bert" Ashland  
Elbert "Bert" Ashland, Director

Date: 7/20/12 Mark Denny  
Mark Denny, Director

Attachment: Restricted Fund Agreement