

N R S

Douglas K. Clark
City Manager
(619) 741-4631
FAX (619) 741-7541

December 2, 1993



**CITY OF
ESCONDIDO**
201 NORTH BROADWAY
ESCONDIDO, CA 92025

City Manager
c/o Mr. Jim Spotts, Director
Property Department
City of San Diego
202 "C" Street
San Diego, CA 92101

VIA FAX: 696-0590

RE: Escondido Municipal Golf Course

RECEIVED

DEC 15 1993

PROPERTY DEPT.

Dear Jim:

Please refer to the Memorandum of Lease, dated as of December 2, 1992 (the "Memorandum"), by and among the City of San Diego ("San Diego"), the City of Escondido ("Escondido") and Escondido Consulting, Inc. ("ECI"), which contemplated the lease and financing of the development of the Escondido Municipal Golf Course on land along the common boundary of San Diego and Escondido in accordance with various agreements, including the Purchase Agreement, the Flat Rate Lease, the Operation Agreement, the Golf Course Lease and the Assignment (as each of these terms is defined in the Memorandum).

Among other things, the Memorandum includes San Diego's consent to the financing of the project through a deed of trust or other security instrument in favor of a third party, then contemplated to be GATX Capital Corporation or some other entity, and San Diego's authorization to Escondido to execute, acknowledge, deliver and record any amendments, documents or agreements on behalf of San Diego, after advising San Diego in writing of any such amendment, document or agreement, as necessary to effect the financing, so long as San Diego's rights under the Flat Rate Lease or the Golf Course Lease are not adversely affected in any material respect (see Section 5.3 of the Memorandum).

Jerry C. Harmon, Mayor
Sid Hollins, Mayor Pro-Tem
Richard A. Foster
Elmer C. Cameron
Lori Holt Pfeller

City Manager
c/o Mr. Jim Spotts, Director
Property Department
December 2, 1993
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Likewise, the Operating Agreement permits Escondido to finance the development of the Project and to encumber the land and improvements in connection therewith, provided that Escondido pledges its general fund as security for the financing, and provided that San Diego is advised in writing of the proposed transaction and its documentation (see Section 7 of the Agreement).

Escondido has been advised that ECI has been unable to secure conventional loan financing for the project improvements, and accordingly Escondido has determined to finance them through the execution and delivery of taxable lease certificates of participation (the "COPs"), under which Escondido will be obligated to appropriate lease payments from its general fund in accordance with the terms of a financing lease. The proceeds of the sale of the COP's will be used by Escondido to fund a loan to ECI, which ECI will use to finance and complete the project. The loan will be secured by various trust deed and other security instruments affecting the project, which are similar to those which would have secured a conventionally funded loan.

By this letter, Escondido is providing the notice to San Diego required under the Operating Agreement and the Memorandum that to implement the COPs transaction, Escondido on its own behalf and under authority previously granted by San Diego will master lease the Project to the Escondido Joint Powers Financing Authority, for sublease back to Escondido in the lease financing which is the basis for the COPs. In connection with this lease financing, we wish to point out that:

1. No funds or credit of San Diego will be directly or indirectly placed at risk or expended in the course of the financing.
2. The loan to ECI will be secured by ECI's leasehold interest in the Project, which Escondido may foreclose upon if ECI defaults under the loan, in which event Escondido could succeed ECI as the operator of the Project (which is contemplated in the Operating Agreement).
3. The consideration paid by ECI will include loan fees and fixed and contingent interest. Since this arrangement will not adversely affect San Diego's share or receipt of Project revenues (computed as a share of gross revenues rather than net profit under the Operating Agreement), we consider it to be within the scope of the consents and approvals previously granted by San Diego in the Operating Agreement and the Memorandum.

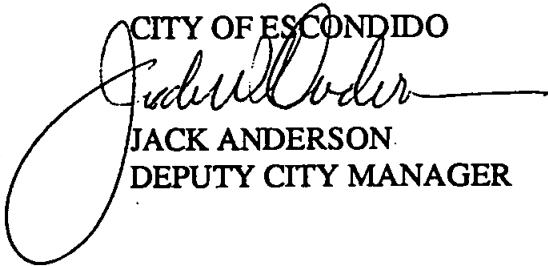
City Manager
c/o Mr. Jim Spotts, Director
Property Department
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So that we may proceed with the COPs offering, the funding of the ECI loan and the completion and opening of the Project, we ask that you promptly sign and return to us a copy of this letter.

Please do not hesitate to call me if you have any questions or would care to examine any of the ECI loan documents.

Very truly yours,

CITY OF ESCONDIDO



JACK ANDERSON
DEPUTY CITY MANAGER

Acknowledged and consented to:

CITY OF SAN DIEGO

By 
City Manager

cc: City Manager
City Attorney
Dir. of Fin. and Admin. Services

J:AP:JALS:POTTS

RECORDING REQUESTED BY:

RECORDED REQUEST OF FIRST AMERICAN TITLE CO.

WHEN RECORDED MAIL TO:

Lathan & Watkins
 701 B Street, Suite 2100
 San Diego 92101-8197
 Attn: Dennis B. Nordstrom, Esq.

1052482-22

This instrument is certified to be a true and
 correct copy of that certain instrument

13-15-92 as of 1992-0801481
 County of the County Recorder of San Diego

By _____
 By Authorized Signature

A.P.N.: 272-131-18; 271-060-2; 271-060-5; 271-070-5; 270-070-7; 271-081-1;
 271-081-2; 271-070-1

The undersigned declares that the documentary transfer tax is \$-0-.

The real property is located in the County of San Diego, California.

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made as of December 2, 1992, at San Diego, California, between THE CITY OF SAN DIEGO, a municipal corporation ("San Diego"), THE CITY OF ESCONDIDO, a municipal corporation ("Escondido"), and ESCONDIDO CONSULTING, INC., a California corporation ("ECI").

Recitals

A. Real Property. The real property which is the subject of this Memorandum is described on Exhibit "1" attached hereto (the "Real Property"). The Real Property comprises four parcels of land, which are more particularly described on Exhibit "1" as "Parcel 1A," "Parcel 1B," "Parcel 1C," "Parcel 2," and "Parcel 3."

B. Purchase Agreement. San Diego and Escondido are parties to that certain Agreement To Purchase Real Property dated as of January 25, 1988, a copy of which is filed in the Office of the City Clerk of San Diego, California as Document No. RR-269816-1 (the "Purchase Agreement"). Pursuant to the Purchase Agreement, San Diego agreed to sell to Escondido, and Escondido agreed to purchase from San Diego, among other real property, Parcel 1A, Parcel 1B and Parcel 1C (together, "Parcel 1"). The escrow for the sale by San Diego of Parcel 1 to Escondido closed on November 30, 1988, at which time San Diego conveyed Parcel 1 to Escondido pursuant to that certain Grant Deed recorded in the Office of the County Recorder of San Diego County, California as Instrument No. 88-610930.

C. Flat Rate Lease. San Diego and Escondido are parties to that certain Flat Rate Lease last dated as of May 9, 1988, a copy of which is filed in the Office of the City Clerk of San Diego, California as Document No. RR-270925 (the "Flat Rate Lease"). Pursuant to the Flat Rate Lease, San Diego leased Parcel 2 to Escondido. The term of the Flat Rate Lease is sixty-two (62) years, commencing on June 1, 1988.

D. Operation Agreement. San Diego and Escondido are parties to that

D. Operation Agreement. San Diego and Escondido are parties to that certain Escondido Municipal Golf Course Operation Agreement last dated November 23, 1988, a copy of which is filed in the Office of the City Clerk of San Diego, California as Document No. RR-269816-4 (the "Operation Agreement"). Pursuant to the Operation Agreement, Escondido agreed to convey to San Diego, upon the terms and conditions set forth therein, an undivided one-half interest in Parcel 1 and an undivided one-half interest in Parcel 3. Escondido and San Diego also agreed that Escondido has the exclusive right and responsibility to oversee, with the advise and consultation of San Diego, the management and operation of a golf course to be constructed on the Real Property (the "Golf Course"). The Operation Agreement contemplated that Escondido, with the consent of San Diego, would be permitted to lease the Real Property, including

the real property subject to the Flat Rate Lease, to a "developer-operator" for the development of the Golf Course.

E. Golf Course Lease. As contemplated by the Operation Agreement, Escondido and CCA/Silband Golfcorp, a California corporation ("CCA"), are parties to that certain Golf Course Construction and Lease Agreement last dated August 10, 1990, a copy of which is filed in the Office of the City Clerk of Escondido, California as Document No. R90-266, as amended by that certain First Amendment of Assignment of Golf Course Construction and Lease Agreement Between City of Escondido and CCA/Silband Golfcorp and of Golf Course Construction and Lease Agreement Between City of Escondido and CCA/Silband Golfcorp (the "First Amendment") dated as of April 25, 1991, a copy of which is filed in the Office of the City Clerk of Escondido, California as Document No. R91-101 (as so amended, the "Golf Course Lease"). The terms and conditions of the Golf Course Lease are incorporated herein by reference. Pursuant to the Golf Course Lease, (i) Escondido, with the consent of San Diego, leased the Real Property, including the real property subject to the Flat Rate Lease, to CCA for the construction, operation and maintenance of the Golf Course, (ii) CCA has the right to negotiate an extended term, not to exceed fifteen (15) years from the expiration of the term of the Golf Course Lease, subject to such additional or other terms and conditions as Escondido deems necessary or appropriate, and (iii) CCA grants to Escondido a right of first refusal to purchase CCA's interest in the Golf Course Lease, which right of first refusal is exercisable in accordance with the terms and conditions of the Golf Course Lease (the "Right of First Refusal"). The term of the Golf Course Lease is thirty-five (35) years, commencing on the first day of the calendar month following completion of the Construction Period (as defined in the Golf Course Lease). *

F. Assignment. Escondido, CCA and ECI are parties to that certain Assignment of Golf Course Construction and Lease Agreement Between City of Escondido and CCA/Silband Golfcorp dated as of September 17, 1990, a copy of which is filed in the Office of the City Clerk of Escondido, California as Document No. R90-369, as amended by the First Amendment (as so amended, the "Assignment"). The terms and conditions of the Assignment are incorporated herein by reference. Pursuant to the Assignment, CCA, with the consent of Escondido and San Diego, assigned to ECI, and ECI became bound by, all the rights and obligations of CCA under the Golf Course Lease.

G. Title. On February 8, 1989, Escondido conveyed to San Diego a one-half undivided interest in Parcel 3, pursuant to that certain Quitclaim Deed recorded in the Office of the County Recorder of San Diego County, California as Instrument No. 89-068233. On January 23, 1991, Escondido conveyed to San Diego a one-half undivided interest in Parcel 1, pursuant to that certain Quitclaim Deed recorded in the Office of the County Recorder of San Diego County, California as Instrument No. 91-031705. San Diego now owns fee title to (i) Parcel 2, subject to, among other things, the Flat Rate Lease and the Golf Course Lease, and (ii) a one-half undivided interest in Parcel 1 and Parcel 3, subject to, among other things, the Golf Course Lease.

Agreement

1. Consent. San Diego hereby acknowledges its consent to (i) the lease of Parcel 1, Parcel 2 and Parcel 3 to CCA pursuant to the terms of the Golf Course Lease, as modified by this Memorandum, and (ii) the assignment by CCA to ECI of the rights and obligations of CCA under the Golf Course Lease pursuant to the terms of the

Assignment, as modified this Memorandum.

2. Approval and Notice. San Diego hereby agrees for the benefit of ECI and Cobblestone (as hereinafter defined) that (i) Escondido has obtained all required written approvals of San Diego pursuant to Section 15 of the Operation Agreement, and (ii) it has been advised in writing by Escondido pursuant to Section 8 of the Operation Agreement of the Assignment. San Diego hereby further agrees for the benefit of ECI and Cobblestone (as hereinafter defined) that it has been notified by Escondido (in satisfaction of Escondido's obligations under Section 8 of the Operation Agreement) that

(a) Cobblestone Golf Group, Inc., a Delaware corporation (formerly the Sticks Group, Inc.) ("Cobblestone"), intends to acquire all of the outstanding shares of common stock of ECI, and (b) Escondido has consented to Cobblestone's acquisition of all of the outstanding shares of common stock of ECI.

3. Certification. San Diego hereby certifies as follows for the benefit of ECI and Cobblestone:

3.1. The Flat Rate Lease is in full force and effect with Escondido having all obligations of the lessee under the Flat Rate Lease, including the payment of rent and other charges due thereunder.

3.2. San Diego has not sent any notice of default under the Flat Rate Lease to Escondido, nor has San Diego received from Escondido any notice that it is in default under the Flat Rate Lease, and San Diego has no present knowledge of any facts or conditions which, with notice or lapse of time or both, would give rise to a breach or default by either party under the Flat Rate Lease.

3.3. No rent is presently delinquent under the Flat Rate Lease.

3.4. San Diego has no knowledge of any violation of any law, ordinance, or governmental rule or regulation on or relating to the Real Property, and has not received any notification from any federal or state authority having jurisdiction over the Real Property alleging that any such violation exists.

3.5. Other than as set forth herein, San Diego has not sold, assigned, hypothecated or otherwise transferred all or any portion of the Real Property, and San Diego has not consented to any sale, assignment, hypothecation or other transfer of all or any portion of the Real Property by Escondido.

4. Flat Rate Lease. San Diego and Escondido hereby agree that neither ECI nor Cobblestone has, or shall have, any obligation or liability to San Diego or Escondido under the Flat Rate Lease. If the Flat Rate Lease terminates for any reason, or, after expiration of any applicable period that Escondido has in which to cure its default, Escondido defaults under the Flat Rate Lease, San Diego shall notify ECI of such termination or default. San Diego and Escondido hereby further agree that ECI shall have the right, but not the obligation, to cure any default by Escondido under the Flat Rate Lease within thirty (30) days from the date of receipt of any notice of default, or if any such default is not curable within thirty (30) days, to commence to cure such default and diligently pursue such cure to completion, with such thirty-day period being extended during such time as ECI pursues said cure with reasonable diligence. If ECI is not, at the time of its receipt of such notice, also in default under the Golf Course Lease, San Diego and Escondido shall continue to recognize the estate of ECI, and the interests of ECI in the Real Property, created under the Golf Course Lease. If ECI is not in default under the Golf Course Lease, the Golf Course Lease shall continue in full force and effect with respect to the entirety of the Real Property, and ECI's right of quiet enjoyment under the Golf Course Lease shall not be terminated or disturbed, except in accordance with the Golf Course Lease and this Memorandum.

5. Leasehold Mortgages. Notwithstanding any provision of the Purchase Agreement, the Golf Course Lease, the Flat Rate Lease, the Operation Agreement or the Assignment to the contrary, San Diego, Escondido and ECI agree as follows:

5.1. The lien of any mortgage, deed of trust or security instrument (a "Fee Mortgage") now or hereafter encumbering all or a portion of San Diego's or Escondido's interest in the Real Property shall be subordinate to the Golf Course Lease and the Flat Rate Lease and any Leasehold Mortgage (as hereinafter defined).

5.2. ECI shall have the right at any time and from time to time during the term of the Golf Course Lease, and in accordance with the conditions contained in the Golf Course Lease, to encumber its leasehold estate with a mortgage,



deed of trust or other security instrument (a "Leasehold Mortgage") in favor of a third party or third parties, including without limitation GATX Capital Corporation, a California corporation (a "Leasehold Mortgage").

5.3. San Diego, Escondido and ECI shall cooperate in including in the Golf Course Lease and the Flat Rate Lease, by suitable amendment from time to time, any provision which any proposed Leasehold Mortgagee reasonably requests for the purpose of allowing such Leasehold Mortgagee reasonable protection of its Leasehold Mortgage lien in the event of a default by ECI under the Golf Course Lease or by Escondido under the Flat Rate Lease. San Diego, Escondido and ECI agree to execute and deliver (and to acknowledge, if necessary, for recording purposes) any document or agreement necessary to effect any such amendment; provided, however, that any such amendment shall not in any way affect the term or rent under the Golf Course Lease or the Flat Rate Lease or otherwise in any material respect adversely affect any rights of San Diego and/or Escondido under the Golf Course Lease or the Flat Rate Lease or any rights of a Leasehold Mortgagee under a senior Leasehold Mortgage. Pursuant to the Operation Agreement, Escondido shall have the exclusive right to execute, acknowledge, deliver and record any such amendments, documents or agreements on behalf of San Diego, after advising San Diego in writing of any such amendment, document or agreement.

6. Successors and Assigns. This Memorandum shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, representatives, successors and assigns.

7. Notices. All notices and demands to be given by any party to any other party hereunder shall be in writing and shall be deemed to have been fully given when deposited in the United States mail, certified or registered, postage prepaid, and addressed to such party at the address set forth below, or at such other address as such party may designate by notice to the other parties in the future:

To ECI: Escondido Consulting, Inc.
75821 Ventura Boulevard, Suite 350
Encino, California 91436
Attention: Mr. Bob Husband

To San Diego: City Manager
c/o Property Department
City of San Diego
202 C Street
San Diego, California 92101

To Escondido: City Manager
City of Escondido
201 North Broadway
Escondido, California 92025

8. Attorneys' Fees. If either party commences litigation for the judicial interpretation, enforcement, termination, cancellation or rescission hereof, or for damages for the breach hereof, the prevailing party shall be entitled to its reasonable attorneys' fees and court and other costs incurred.

IN WITNESS WHEREOF, the parties executed this Memorandum on the date first above written.

THE CITY OF ESCONDIDO,
a municipal corporation

By: *Douglas K. Clark*
City Manager

THE CITY OF SAN DIEGO,
a municipal corporation

By: *J. T. Garcia*
City Manager

Property Director
ESCONDIDO CONSULTING, INC.,
a California Corporation

By: *[Signature]*
Name: *James H. [illegible]*
Its: *President*

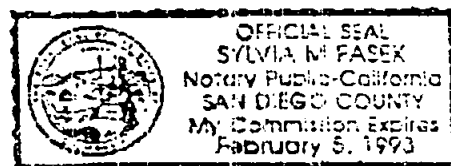
[ALL SIGNATURES MUST BE NOTARIZED ON THE FORM ATTACHED HERETO]

STATE OF CALIFORNIA)
COUNTY OF San Diego) ss.

On 12/4/92, before me, Sylvia M. FASEK, Notary Public,
personally appeared Douglas Clark personally known to me (or 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 on behalf of which the person(s) acted,
executed the instrument.

WITNESS my hand and official seal.

Signature Sylvia M. FASEK



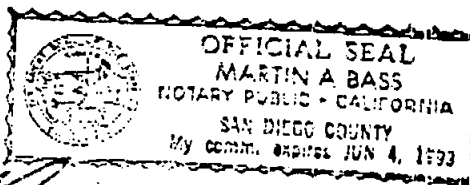
(This area for official notarial seal)

STATE OF CALIFORNIA)
COUNTY OF San Diego) ss.

On December 4 1992, before me, Martin A. Bass,
personally appeared James L. Spotts personally known to me (or 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 on behalf of which the person(s) acted,
executed the instrument.

WITNESS my hand and official seal.

Signature Martin A. Bass



(This area for official notarial seal)

STATE OF CALIFORNIA)
COUNTY OF Los Angeles) ss.

On December 30 1992, before me, Deborah L. Pedersen,
personally appeared James Husband personally known to me (or 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 on behalf of which the person(s) acted,

the instrument the person or the entity on behalf of which the person acted, Extended Page 7.1
executed the instrument.

WITNESS my hand and official seal.

Signature Deborah L. Pedersen



(This area for official notarial seal)

EXHIBIT "1"

TO MEMORANDUM AND AMENDMENT OF LEASE

Legal Description of Real Property

X

ORDER NO. 1052482-22

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1A:

THAT PORTION OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP IN BOOK 2, PAGE 462 OF PATENTS, RECORDS OF SAN DIEGO COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF RESURVEY OF OAKS TRACT SUBDIVIDED, ACCORDING TO MAP NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER, FEBRUARY 8, 1912, WITH THE EASTERLY BOUNDARY OF THAT CERTAIN 60.00 FOOT COUNTY ROAD, KNOWN AS COUNTY HIGHWAY COMMISSION, ROUTE 3, DIVISION 1, ALSO KNOWN AS SUNSET DRIVE, BEING SHOWN ON RECORD OF SURVEY MAP NO. 5234, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTH LINE OF THE SAID OAKS TRACT SOUTH 84°04'30" EAST 1571.67 FEET TO THE TRUE POINT OF BEGINNING, BEING AT THE NORTHERLY END OF COURSE NO. 54 OF THE APPROXIMATE 395 FOOT CONTOUR ABOVE MEAN SEA LEVEL, ACCORDING TO U. S. GEOLOGICAL SURVEY DATUM AS SHOWN ON SAID RECORD OF SURVEY MAP NO. 5234; THENCE SOUTH 42°22'30" WEST 869.74 FEET; THENCE NORTH 47°37'30" WEST 1177.53 FEET TO THE SOUTH LINE OF THE SAID OAKS TRACT; THENCE SOUTH 84°04'30" EAST ALONG SAID SOUTH LINE OF OAKS TRACT TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM

THOSE PORTIONS OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP IN BOOK, 2, PAGE 462 OF PATENTS, RECORDS OF SAID COUNTY AND THE OAK'S TRACT IN THE RANCHO SAN BERNARDO ACCORDING TO THE MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY FEBRUARY 8, 1912, ALL IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 84°04'31" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4,916.79 FEET (RECORD 4,913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE BY DEED DATED APRIL 30, 1928 IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°29'53" EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND 698.13 FEET; THENCE LEAVING SAID WESTERLY LINE NORTH 39°10'59" WEST, 216.48 FEET; THENCE SOUTH 82°38'15" WEST, 100.28 FEET; THENCE NORTH 43°33'34" WEST, 153.56 FEET; THENCE NORTH

ORDER NO. 1052482-22

54°56'18" WEST, 160.96 FEET; THENCE NORTH 68°00'04" WEST, 280.92 FEET; THENCE SOUTH 19°40'36" WEST, 346.93 FEET; THENCE SOUTH 37°05'13" WEST, 165.40 FEET; THENCE SOUTH 47°33'25" WEST, 193.92 FEET; THENCE NORTH 54°41'44" WEST, 195.97 FEET; THENCE NORTH 05°55'48" EAST, 94.99 FEET; THENCE NORTH 86°13'39" WEST, 310.98 FEET; THENCE SOUTH 75°15'30" WEST, 255.90 FEET; THENCE NORTH 17°47'13" WEST, 177.82 FEET; THENCE NORTH 43°08'40" WEST, 400.98 FEET; THENCE SOUTH 50°14'12" WEST, 165.90 FEET; THENCE SOUTH 45°41'11" WEST, 153.44 FEET; THENCE SOUTH 34°07'35" WEST, 217.08 FEET; THENCE SOUTH 13°33'26" WEST, 264.75 FEET; THENCE NORTH 87°44'02" WEST, 133.99 FEET; THENCE SOUTH 70°47'01" WEST, 157.50 FEET; THENCE SOUTH 42°22'26" WEST, 291.29 FEET; THENCE NORTH 41°18'18" WEST, 211.00 FEET; THENCE SOUTH 41°44'57" WEST, 309.75 FEET; THENCE SOUTH 52°12'13" EAST, 207.00 FEET; THENCE SOUTH 42°22'26" WEST, 252.37 FEET; THENCE SOUTH 54°23'23" WEST, 182.53 FEET; THENCE SOUTH 47°37'16" EAST, 208.00 FEET; THENCE NORTH 42°22'26" EAST, 869.76 FEET TO THE SOUTH LINE OF SAID OAK'S TRACT; THENCE ALONG SAID SOUTH LINE SOUTH 84°04'31" EAST (RECORD SOUTH 84°04'30" EAST) 2,618.94 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 1B:

THOSE PORTIONS OF THE OAK'S TRACT IN THE RANCHO SAN BERNARDO, ACCORDING TO THE MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY FEBRUARY 8, 1912 OF LONGVIEW ACRES SUBDIVISION, ACCORDING TO THE MAP THEREOF NO. 2436, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY NOVEMBER 26, 1947 AND OF LONGVIEW ACRES SUBDIVISION UNIT NO. 2, ACCORDING TO THE MAP THEREOF NO. 2582, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY AUGUST 15 1949, ALL IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 83°38'30" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°22' EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND AND THE NORTHERLY PROLONGATION THEREOF 1356.14 FEET TO A POINT ON A 500.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY, IN THE CENTER LINE OF SAN PASQUAL ROAD, AS SHOWN ON SAID MAP NO. 2436 OF LONGVIEW ACRES SUBDIVISION, A RADIAL LINE OF SAID CURVE BEARING SOUTH 4°39'30" WEST THROUGH SAID POINT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°15', A DISTANCE OF 133.08 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE OF SAN PASQUAL ROAD NORTH 70°05'30" WEST 1067.13 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO SHERMAN C. ANDERSON AND WIFE, BY DEED DATED FEBRUARY 5, 1949 AND RECORDED IN BOOK 3106, PAGE 179 OF OFFICIAL RECORDS; THENCE

ORDER NO. 1052482-22

ALONG THE EASTERLY, SOUTHERLY AND WESTERLY BOUNDARIES OF SAID LAND AS FOLLOWS:

SOUTH 13°21'30" WEST, 561.55 FEET; THENCE SOUTH 3°15'40" EAST, 205.46 FEET; THENCE NORTH 84°24'40" WEST, 455.42 FEET; THENCE NORTH 4°49'00" EAST, 890.14 FEET TO THE NORTHWESTERLY CORNER OF SAID ANDERSON'S LAND AT A POINT ON THE CENTER LINE OF SAID SAN PASQUAL ROAD; THENCE NORTH 70°05'30" WEST ALONG SAID CENTER LINE, 44.88 FEET TO THE BEGINNING OF A TANGENT CURVE THEREIN CONCAVE SOUTHERLY AND HAVING A RADIUS OF 1000 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°29', A DISTANCE OF 217.88 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE NORTH 82°34'20" WEST, 41.13 FEET; THENCE LEAVING SAID CENTER LINE NORTH 7°25'40" EAST, 30.00 FEET TO THE SOUTHEASTERLY CORNER OF LOT 3 IN BLOCK 3 OF SAID LONGVIEW ACRES SUBDIVISION; THENCE NORTH 7°08'45" EAST ALONG THE EASTERLY LINE OF SAID LOT, A DISTANCE OF 762.25 FEET TO THE NORTHEASTERLY CORNER THEREOF; THENCE SOUTH 88°29'20" WEST ALONG THE NORTHERLY LINE OF SAID LOT 3, A DISTANCE OF 750.38 FEET TO THE EASTERLY LINE OF LOT 2 IN SAID BLOCK 3 OF LONGVIEW ACRES SUBDIVISION; THENCE NORTH 1°25'30" WEST ALONG THE EAST LINES OF LOTS 2 AND 1 IN SAID BLOCK 3 AND ALONG THE NORTHERLY PROLONGATION THEREOF, A DISTANCE OF 859.92 FEET TO A POINT IN THE CENTER LINE OF MARY LANE AS SHOWN ON SAID MAP NO. 2438; THENCE NORTH 87°51'40" WEST ALONG SAID CENTER LINE, 413.03 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO J. R. ELLEDGE AND WIFE, BY DEED DATED JANUARY 24, 1949 AND RECORDED IN BOOK 3116, PAGE 265 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY AND SOUTHERLY LINES OF SAID LAND SOUTH 2°03'20" WEST, 450.00 FEET AND NORTH 87°51'40" WEST 513.83 FEET TO A POINT IN THE CENTER LINE OF SAN DIEGO COUNTY HIGHWAY COMMISSION ROUTE 3, DIVISION 1, AS SHOWN ON SAID MAP NO. 2438; THENCE NORTH 19°24'30" EAST ALONG SAID CENTER LINE, 143.90 FEET TO THE BEGINNING OF A TANGENT CURVE THEREIN CONCAVE WESTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 8°55', A DISTANCE OF 155.63 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE NORTH 10°29'30" EAST (NORTH 10°03'50" EAST AS SHOWN ON MAP NO. 2582 OF LONGVIEW ACRES SUBDIVISION UNIT NO. 2 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON AUGUST 15, 1949), A DISTANCE OF 1818.63 FEET; THENCE LEAVING SAID CENTER LINE NORTH 78°35' WEST 975.00 FEET; THENCE SOUTH 10°03'50" WEST (RECORD SOUTH 10°29'30" WEST) PARALLEL WITH SAID CENTER LINE OF SAN DIEGO COUNTY HIGHWAY COMMISSION ROUTE 3, DIVISION 1, A DISTANCE OF 500.00 FEET TO A POINT ON THE SOUTHERLY LINE OF THE OLIVER OAKS TRACT, AS DESCRIBED IN A DEED RECORDED FEBRUARY 16, 1912 IN BOOK 550, PAGE 154 OF DEEDS; THENCE NORTH 78°35' WEST ALONG SAID SOUTHERLY LINE OF THE OLIVER OAKS TRACT, 2328.10 FEET TO THE NORTHEASTERLY CORNER OF LAND DESCRIBED IN PARCEL 1 OF A DEED TO HELEN BANISTER, DATED AUGUST 31, 1953 IN BOOK 4973, PAGE 153 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY BOUNDARY OF SAID LAND DUE SOUTH 920.00 FEET DUE EAST 116.45 FEET AND DUE SOUTH 654.47 FEET TO THE SOUTHEASTERLY CORNER THEREOF AT A POINT ON THE NORTHEASTERLY LINE OF LOT 9 IN BLOCK 8 OF SAID LONGVIEW ACRES SUBDIVISION ON UNIT NO. 2;

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THENCE SOUTH 64°17' EAST ALONG SAID NORTHEASTERLY LINE 60.00 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 9; THENCE ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAST MENTIONED SUBDIVISION AS FOLLOWS:

SOUTH 20°13'10" WEST 528.48 FEET; THENCE SOUTH 23°28'20" WEST, 75.00 FEET; THENCE SOUTH 5°38'40" WEST 251.74 FEET; THENCE SOUTH 46°58'20" WEST 361.06 FEET TO THE MOST SOUTHERLY CORNER OF LOT 14 IN BLOCK 8 OF SAID SUBDIVISION, SAID POINT BEING ALSO THE BEGINNING OF A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 40 FEET, THE CENTER OF WHICH BEARS SOUTH 41°49'45" WEST; THENCE SOUTHERLY, WESTERLY AND NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH AN ANGLE OF 262°49'10" A DISTANCE OF 183.48 FEET TO A POINT IN THE SOUTH LINE OF BLOCK 9 OF SAID LONGVIEW ACRES SUBDIVISION UNIT NO. 2; THENCE SOUTH 83°14'20" WEST ALONG THE SOUTHERLY LINE OF SAID BLOCK 9 A DISTANCE OF 400.00 FEET TO THE SOUTHWESTERLY CORNER THEREOF AT A POINT ON THE EASTERLY LINE OF THE RIGHT OF WAY OF THE STATE HIGHWAY (DISTRICT XI, ROUTE 77, SECTION "3"), AS SAID RIGHT OF WAY IS DESCRIBED IN A DEED RECORDED SEPTEMBER 2, 1936 IN BOOK 571, PAGE 31 OF OFFICIAL RECORDS; THENCE SOUTH 6°45'40" EAST (RECORD SOUTH 6°42' EAST) ALONG SAID EASTERLY LINE 12.74 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF HOMELAND ACRES ADDITION TO ESCONDIDO, NO. 2, ACCORDING TO MAP THEREOF NO. 1241, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY, MARCH 11, 1910; THENCE NORTH 77°20'30" WEST (RECORD NORTH 77°30' WEST) ALONG SAID PROLONGATION 106.03 FEET TO THE WESTERLY LINE OF SAID STATE HIGHWAY; THENCE CONTINUING NORTH 77°20'30" WEST (RECORD NORTH 77°30' WEST) ALONG SAID PROLONGATION AND ALONG THE SOUTHERLY LINE OF SAID LAST MENTIONED SUBDIVISION, 3036.61 FEET TO THE MOST EASTERLY CORNER OF LAND CONVEYED TO AMOS J. SCHONEMAN AND WIFE BY DEED DATED NOVEMBER 10, 1945 AND RECORDED IN BOOK 2002, PAGE 237 OF OFFICIAL RECORDS; THENCE SOUTH 36°56'05" WEST (RECORD SOUTH 36°59'20" WEST) ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAND, 532.63 FEET (RECORD 532.80 FEET) TO AN ANGLE POINT THEREIN; THENCE CONTINUING ALONG SAID SOUTHEASTERLY BOUNDARY SOUTH 5°57'30" WEST (RECORD SOUTH 5°41' WEST) 20.54 FEET TO THE COMMON CORNER OF SAID SCHOENMAN'S LAND AND LAND CONVEYED TO HERMAN R. WISEMAN AND WIFE BY DEED DATED MAY 4, 1944 AND RECORDED IN BOOK 1691 PAGE 146 OF OFFICIAL RECORDS; SAID COMMON CORNER BEING AT ENGINEERS STATION 22 + 03.04 IN THE CENTER OF ROAD SURVEY NO. 461, A MAP OF WHICH IS ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID SAN DIEGO COUNTY AND BEING A POINT ON A CURVE IN SAID CENTER LINE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE ALONG SAID CENTER LINE AND BEING ALSO THE NORTHEASTERLY BOUNDARY OF SAID WISEMAN'S LAND, AS FOLLOWS:

EASTERLY ALONG SAID LAST MENTIONED CURVE, THROUGH A CENTRAL ANGLE OF 31°07'04" A DISTANCE OF 271.55 FEET; THENCE TANGENT TO SAID CURVE SOUTH 52°57' EAST 169.65 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 48°37' A DISTANCE OF 424.26 FEET; THENCE TANGENT TO SAID CURVE SOUTH 4°20'

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EAST 471.39 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 200.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $58^{\circ}42'$ A DISTANCE OF 204.90 FEET; THENCE TANGENT TO SAID CURVE SOUTH $63^{\circ}02'$ EAST 439.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $7^{\circ}25'20''$ A DISTANCE OF 129.54 FEET; THENCE TANGENT TO SAID CURVE SOUTH $55^{\circ}36'40''$ EAST 265.72 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $13^{\circ}40'20''$ A DISTANCE OF 238.63 FEET; THENCE TANGENT TO SAID CURVE SOUTH $69^{\circ}17'$ EAST 858.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $14^{\circ}46'$ A DISTANCE OF 128.86 FEET TO THE NORTHERLY TERMINUS OF THE MOST EASTERLY LINE OF SAID LAND SO CONVEYED TO WISEMAN; THENCE SOUTH $5^{\circ}57'$ WEST (RECORD SOUTH $5^{\circ}55'30''$ WEST) ALONG SAID MOST EASTERLY LINE 30.00 FEET TO THE SOUTHEASTERLY CORNER OF SAID LAND AT A POINT ON THE SOUTHERLY LINE OF THE OAK'S TRACT; THENCE SOUTH $84^{\circ}03'$ EAST (RECORD SOUTH $84^{\circ}04'30''$ EAST) ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT 937.22 FEET TO THE WESTERLY LINE OF THE HEREINBEFORE MENTIONED 100.00 FOOT CALIFORNIA STATE HIGHWAY; THENCE CONTINUING SOUTH $84^{\circ}03'$ EAST ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT 51.25 FEET, MORE OR LESS TO THE CENTER LINE OF SAID STATE HIGHWAY; THENCE CONTINUING ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT SOUTH $84^{\circ}04'40''$ EAST (RECORD SOUTH $84^{\circ}04'30''$ EAST) 2620.93 FEET TO THE CENTER LINE OF THE HEREINBEFORE MENTIONED SAN DIEGO COUNTY HIGHWAY COMMISSION ROUTE 3, DIVISION 1; THENCE CONTINUING ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT SOUTH $83^{\circ}38'30''$ EAST (RECORD SOUTH $84^{\circ}04'30''$ EAST) 4221.26 FEET, MORE OR LESS TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION LYING WESTERLY OF THE EASTERLY BOUNDARY OF PARCEL MAP 11382, IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 11, 1981 AS FILE NO. 81-182347 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION LYING NORTHERLY OF THE CENTER LINE OF SAN PASQUAL ROAD ALL AS SHOWN ON LONGVIEW ACRES IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 26, 1947.

ALSO EXCEPTING THEREFROM A PORTION OF THE OAK'S TRACT SITUATED IN THE RANCHO SAN BERNARDO, ACCORDING TO MAP NO. 1415 FILED IN THE RECORDER'S OFFICE, WHICH PORTION IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH $83^{\circ}38'30''$ WEST (RECORD NORTH $84^{\circ}04'30''$ WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET; MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK H. WHITE, BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH $15^{\circ}22'$ EAST (RECORD NORTH $15^{\circ}30'$ EAST) ALONG THE WESTERLY LINE OF SAID LAND AND THE NORTHERLY PROLONGATION THEREOF, 1356.14 FEET TO A POINT ON A 500.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY IN THE CENTER LINE OF SAN PASQUAL ROAD, AS SHOWN ON MAP NO. 2418 OF LONGVIEW ACRES SUBDIVISION, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY ON NOVEMBER 28, 1947, A RADIAL LINE OF SAID CURVE BEARING SOUTH $4^{\circ}39'30''$ WEST THROUGH SAID POINT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $15^{\circ}15'$ A DISTANCE OF 133.08 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE OF SAN PASQUAL ROAD, NORTH $70^{\circ}05'30''$ WEST 1067.13 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO SHERMAN C. ANDERSON AND WIFE, BY DEED DATED FEBRUARY 5, 1949, RECORDED IN BOOK 3106, PAGE 179 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY AND SOUTHERLY BOUNDARIES OF SAID LAND AS FOLLOWS:

SOUTH $13^{\circ}21'30''$ WEST 561.55 FEET; THENCE SOUTH $3^{\circ}15'40''$ EAST 205.46 FEET AND THENCE NORTH $84^{\circ}24'40''$ WEST 455.42 FEET TO THE SOUTHWESTERLY CORNER OF SAID LAND; THENCE SOUTHWESTERLY IN A STRAIGHT LINE TO A POINT ON THE AFOREMENTIONED SOUTHERLY LINE OF OAK'S TRACT, DISTANT THEREON NORTH $83^{\circ}38'30''$ WEST 1900.00 FEET FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH $83^{\circ}38'30''$ EAST (RECORD $84^{\circ}04'30''$ EAST) ALONG SAID SOUTHERLY LINE, 1900.00 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL THAT PORTION OF THE OAKS TRACT IN THE RANCHO SAN BERNARDO, ACCORDING TO MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 8, 1912 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF LOT 9, BLOCK 3 OF LONGVIEW ACRES SUBDIVISION ACCORDING TO MAP THEREOF NO. 2418, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 28, 1947; THENCE SOUTH $11^{\circ}25'00''$ WEST 20.33 FEET, MORE OR LESS TO AN INTERSECTION WITH THE CENTERLINE OF SAN PASQUAL ROAD, AS THE SAME IS SHOWN ON SAID MAP NO. 2418, BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH $70^{\circ}05'30''$ EAST ALONG SAID CENTER LINE 142.30 FEET; THENCE SOUTH $13^{\circ}21'36''$ WEST 561.53 FEET; THENCE SOUTH $3^{\circ}15'40''$ EAST 205.46 FEET; THENCE NORTH $84^{\circ}24'40''$ WEST 455.42 FEET; THENCE NORTH $4^{\circ}49'00''$ EAST 890.14 FEET, MORE OR LESS TO THE INTERSECTION WITH THE CENTERLINE OF SAID SAN PASQUAL ROAD; THENCE SOUTH $70^{\circ}05'30''$ EAST ALONG SAID CENTERLINE 385.83 FEET MORE OR LESS TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM:

THOSE PORTIONS OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP IN BOOK, 2, PAGE 462 OF

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PATENTS, RECORDS OF SAID COUNTY AND THE OAK'S TRACT IN THE RANCHO SAN BERNARDO ACCORDING TO THE MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY FEBRUARY 9, 1912, ALL IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 84°04'31" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4,916.79 FEET (RECORD 4,913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE BY DEED DATED APRIL 30, 1928 IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°29'53" EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND 698.13 FEET; THENCE LEAVING SAID WESTERLY LINE NORTH 39°10'59" WEST, 216.48 FEET; THENCE SOUTH 82°38'15" WEST, 100.28 FEET; THENCE NORTH 43°33'34" WEST, 153.56 FEET; THENCE NORTH 54°56'18" WEST, 160.96 FEET; THENCE NORTH 68°06'04" WEST, 280.92 FEET; THENCE SOUTH 19°40'36" WEST, 346.93 FEET; THENCE SOUTH 37°05'13" WEST, 165.40 FEET; THENCE SOUTH 47°33'25" WEST, 193.92 FEET; THENCE NORTH 54°41'44" WEST, 195.97 FEET; THENCE NORTH 05°55'48" EAST, 94.99 FEET; THENCE NORTH 86°13'39" WEST, 310.98 FEET; THENCE SOUTH 75°15'30" WEST, 255.90 FEET; THENCE NORTH 17°47'13" WEST, 177.82 FEET; THENCE NORTH 43°08'40" WEST, 400.93 FEET; THENCE SOUTH 50°14'12" WEST, 165.90 FEET; THENCE SOUTH 43°41'11" WEST, 153.44 FEET; THENCE SOUTH 34°07'35" WEST, 217.08 FEET; THENCE SOUTH 13°39'26" WEST, 264.75 FEET; THENCE NORTH 87°44'02" WEST, 133.99 FEET; THENCE SOUTH 70°47'01" WEST, 157.50 FEET; THENCE SOUTH 42°22'26" WEST, 291.29 FEET; THENCE NORTH 41°15'18" WEST, 211.00 FEET; THENCE SOUTH 41°44'57" WEST, 309.75 FEET; THENCE SOUTH 52°12'13" EAST, 207.00 FEET; THENCE SOUTH 42°22'26" WEST, 252.37 FEET; THENCE SOUTH 54°23'23" WEST, 182.53 FEET; THENCE SOUTH 47°37'16" EAST, 208.00 FEET; THENCE NORTH 42°22'26" EAST, 869.76 FEET TO THE SOUTH LINE OF SAID OAK'S TRACT; THENCE ALONG SAID SOUTH LINE SOUTH 84°04'31" EAST (RECORD SOUTH 84°04'30" EAST) 2,618.94 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED BY THE CITY OF ESCONDIDO IN RESOLUTION NO. 89-434, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, OCTOBER 27, 1989 AS FILE NO. 89-585989 OF OFFICIAL RECORDS.

PARCEL 1C:

THAT PORTION OF THE OAK'S TRACT SITUATED IN THE RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP NO. 1415 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH PORTION IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 83°38'30" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE

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SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE, BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°22' EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND AND THE NORTHERLY PROLONGATION THEREOF, 1355.14 FEET TO A POINT ON A 500.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY IN THE CENTER LINE OF SAN PASQUAL ROAD, AS SHOWN ON MAP NO. 2438 OF LONGVIEW ACRES SUBDIVISION, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY ON NOVEMBER 25, 1947, A RADIAL LINE OF SAID CURVE BEARING SOUTH 4°39'30" WEST THROUGH SAID POINT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°15' A DISTANCE OF 133.08 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE OF SAN PASQUAL ROAD, NORTH 70°05'30" WEST 1067.13 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO SHERMAN C. ANDERSON AND WIFE, BY DEED DATED FEBRUARY 5, 1949, RECORDED IN BOOK 3106, PAGE 179 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY AND SOUTHERLY BOUNDARIES OF SAID LAND AS FOLLOWS:

SOUTH 13°21'30" WEST 561.55 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET AND THENCE NORTH 84°24'40" WEST 455.42 FEET TO THE SOUTHWESTERLY CORNER OF SAID LAND; THENCE SOUTHWESTERLY IN A STRAIGHT LINE TO A POINT ON THE AFOREMENTIONED SOUTHERLY LINE OF OAK'S TRACT, DISTANT THEREON NORTH 83°38'30" WEST 1900.00 FEET FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 83°38'30" EAST (RECORD SOUTH 84°04'30" EAST) ALONG SAID SOUTHERLY LINE, 1900.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM

THOSE PORTIONS OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP IN BOOK, 2, PAGE 462 OF PATENTS, RECORDS OF SAID COUNTY AND THE OAK'S TRACT IN THE RANCHO SAN BERNARDO ACCORDING TO THE MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY FEBRUARY 8, 1912, ALL IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 84°04'31" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4,916.79 FEET (RECORD 4,913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE BY DEED DATED APRIL 30, 1928 IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°29'53" EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND 698.13 FEET; THENCE LEAVING SAID WESTERLY LINE NORTH 39°10'59" WEST, 216.48 FEET; THENCE SOUTH 82°38'15" WEST, 100.28 FEET; THENCE NORTH 43°33'34" WEST, 153.56 FEET; THENCE NORTH 54°56'18" WEST, 160.96 FEET; THENCE NORTH 68°00'04" WEST, 280.92 FEET; THENCE SOUTH 19°40'36" WEST, 346.93 FEET; THENCE SOUTH 37°05'13" WEST, 165.40 FEET; THENCE SOUTH 47°33'25" WEST, 193.92

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FEET; THENCE NORTH 54°41'44" WEST, 195.97 FEET; THENCE NORTH 05°55'48" EAST, 94.99 FEET; THENCE NORTH 86°13'39" WEST, 310.98 FEET; THENCE SOUTH 75°15'30" WEST, 255.90 FEET; THENCE NORTH 17°47'13" WEST, 177.62 FEET; THENCE NORTH 43°08'40" WEST, 400.98 FEET; THENCE SOUTH 50°14'12" WEST, 165.90 FEET; THENCE SOUTH 45°41'11" WEST, 153.44 FEET; THENCE SOUTH 34°07'35" WEST, 217.08 FEET; THENCE SOUTH 13°39'26" WEST, 264.75 FEET; THENCE NORTH 87°44'02" WEST, 133.99 FEET; THENCE SOUTH 70°47'01" WEST, 157.50 FEET; THENCE SOUTH 42°22'26" WEST, 291.29 FEET; THENCE NORTH 41°18'18" WEST, 211.00 FEET; THENCE SOUTH 41°44'57" WEST, 309.75 FEET; THENCE SOUTH 52°12'13" EAST, 207.00 FEET; THENCE SOUTH 42°22'26" WEST, 252.37 FEET; THENCE SOUTH 54°23'23" WEST, 182.53 FEET; THENCE SOUTH 47°37'16" EAST, 208.00 FEET; THENCE NORTH 42°22'26" EAST, 869.76 FEET TO THE SOUTH LINE OF SAID OAK'S TRACT; THENCE ALONG SAID SOUTH LINE SOUTH 84°04'31" EAST (RECORD SOUTH 84°04'30" EAST) 2,618.94 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED BY THE CITY OF ESCONDIDO IN RESOLUTION NO. 89-434, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, OCTOBER 27, 1989 AS FILE NO. 89-585989 OF OFFICIAL RECORDS.

PARCEL 2:

THOSE PORTIONS OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP IN BOOK 2, PAGE 462 OF PATENTS, RECORDS OF SAID COUNTY AND THE OAK'S TRACT IN THE RANCHO SAN BERNARDO ACCORDING TO THE MAP THEREOF NO. 1912, ALL IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT, THENCE NORTH 84°04'31" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°29'53" EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND 1275.71 FEET; THENCE LEAVING SAID WESTERLY LINE SOUTH 41°47'03" EAST, 380.00 FEET; THENCE SOUTH 55°24'35" EAST, 432.00 FEET; THENCE SOUTH 09°29'51" EAST, 150.00 FEET; THENCE NORTH 83°13'55" EAST, 210.00 FEET; THENCE SOUTH 71°20'41" EAST, 1285.50 FEET; SOUTH 51°17'26" EAST, 320 FEET; THENCE SOUTH 55°55'29" WEST, 240.00 FEET TO THE SAID SOUTHERLY LINE OF SAID TRACT; THENCE ALONG SAID SOUTHERLY LINE NORTH 84°04'31" WEST (RECORD NORTH 84°04'30" WEST) 2640.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3:

ALL THAT PORTION OF THE OAKS TRACT IN THE RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 8, 1912, DESCRIBED AS FOLLOWS:

ORDER NO. 1052482-22

BEGINNING AT THE SOUTHEASTERLY CORNER OF LOT 9, IN BLOCK 3 OF LONGVIEW ACRES SUBDIVISION, ACCORDING TO MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 28, 1947; THENCE SOUTH 11°25'00" WEST 30.33 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE CENTER LINE OF SAN PASQUAL ROAD, AS THE SAME IS SHOWN ON SAID MAP NO. 2438, BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH 70°05'30" EAST ALONG SAID CENTER LINE 142.30 FEET; THENCE SOUTH 13°21'30" WEST 561.55 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET; THENCE NORTH 84°24'40" WEST 455.42 FEET; THENCE NORTH 4°49'00" EAST 890.14 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE CENTER LINE OF SAID SAN PASQUAL ROAD; THENCE SOUTH 70°05'30" EAST ALONG SAID CENTER LINE 395.83 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION DESCRIBED BY THE CITY OF ESCONDIDO IN RESOLUTION NO. 89-434, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, OCTOBER 27, 1989 AS FILE NO. 89-585989 OF OFFICIAL RECORDS.

RECORDED AT THE REQUEST

OWNERS COPY

WHEN RECORDED RETURN TO

Pacific Bell
Right of Way Office
San Diego, CA 92121
7337 Trade Street, Room 5410
San Diego, CA 92121

No Documentary Transfer Tax Due. By _____
Pacific Bell Agent

ESCONDIDO EXCHANGE THE ABOVE BOX FOR RECORDER'S USE DB 1005S
271-070-01
Page 1 of 3

RIGHT OF WAY EASEMENT

CITY OF ESCONDIDO AND THE CITY OF SAN DIEGO hereinafter referred to as "Grantors," hereby grant(s) to PACIFIC BELL, a California corporation, its successors and assigns, hereinafter referred to as "Grantee," the right from time to time to construct and install communication facilities over, across, upon and under the hereinafter described real property and to use, operate, inspect, repair, replace and remove said facilities, or any of them, together with an exclusive right of way and easement, including ingress and egress thereto. Said communication facilities shall consist of the following:

- 1. Underground wires, cables and other electrical conductors and appurtenances for communication purposes;
- 2. Conduits and manholes, together with marker posts above ground;
- 3. Structures with electronic communication equipment, and associated paving, fencing and other appurtenances related thereto.

Grantors also grant to Grantee the right to receive commercial power service from the appropriate utility company serving the area together with the right for such utility company to place their respective service facilities upon and within said easement.

When in Grantee's opinion, the right of way and easement hereby granted is no longer necessary or useful in Grantee's performance of its duties to the public, Grantee will quitclaim all of its right, title and interest in and to said right of way and easement to Grantors, their successors, assigns, heirs, or devisees; and grantee, at grantee's option, shall abandon in place any facilities installed in accordance with the terms of this right of way easement.

Said real property is in the County of San Diego, State of California, and is described as follows:

All that portion of the Oaks Tract in the Rancho San Bernardo, in the County of San Diego, State of California, according to the Map thereof No. 1415, filed in the County Recorder's Office of the San Diego County, February 8, 1912, described as follows:

Beginning at the Southeasterly corner of Lot 9, Block 3 of Longview Acres Subdivision, according to the Map thereof No. 2438, filed in the Office of the County Recorder of San Diego County, November 28, 1947; thence South 11°25'00" West, 30.33 feet, more or less, to an intersection with the center line of San Pasqual Road, as the same is shown on said Map No. 2438, being the TRUE POINT OF BEGINNING; thence South 70°05'30" East 142.30 feet along said center line; thence South 13°21'30" West, 561.55 feet; thence South 03°15'40" West, 205.46 feet; thence North 84°24'40" West, 455.42 feet; thence North 04°49'00" East, 890.14 feet, more or less, to an intersection with the center line of said San Pasqual Road; thence South 70°05'30" East along said center line 385.83 feet, more or less, to the POINT OF BEGINNING.

DOCUMENT CORRECT
OWNERSHIP AND POWER
TO EXECUTE VARIED

The above described easement shall be located on the following portions of said property:

PARCEL 1

Beginning at the Southeast corner of said Lot 9 of Longview Acres Subdivision; thence South $11^{\circ}25'00''$ West 30.33 feet, to an intersection with the center line of San Pasqual Road, as the same is shown on said Map No. 2438; thence South $70^{\circ}05'30''$ East, 142.30 feet; thence South $13^{\circ}21'30''$ West 489.00 feet to the TRUE POINT OF BEGINNING, thence North $16^{\circ}38'30''$ West 20.00 feet; thence South $13^{\circ}21'30''$ West 30.00 feet; thence South $16^{\circ}38'30''$ East 20.00 feet; thence North $13^{\circ}21'30''$ East 30.00 feet to the TRUE POINT OF BEGINNING.

The above described easement shall be located on strips of land 5.00 in width the centerlines of which are described as follows:

PARCEL 2

Beginning at said TRUE POINT OF BEGINNING as described in Parcel 1 above; thence continuing South $13^{\circ}21'30''$ West 30.00 feet; thence North $16^{\circ}38'30''$ West 10.89 feet to the TRUE POINT OF BEGINNING said point herein after known as Point "A"; thence South $11^{\circ}09'27''$ West 7.50 feet said point hereinafter known as Point "B"; thence continuing South $11^{\circ}09'27''$ West 16.50 feet to the POINT OF TERMINATION.

ALSO beginning at said Point "B" said point being the beginning of a curve concave to the Northwest having a radius of 15.00 feet; thence Southerly 12.12 feet along said curve through a central angle of $57^{\circ}46'09''$ to the POINT OF TERMINATION.

ALSO beginning at said Point "A"; thence North $11^{\circ}09'27''$ East 3.50 feet to the beginning of a curve concave to the Northeast having a radius of 15.00 feet; thence Southeasterly 9.93 feet along said curve through a central angle of $45^{\circ}34'23''$; thence South $45^{\circ}11'06''$ East 31.00 feet to the POINT OF TERMINATION.

Said facilities to be placed on the Easterly side of the existing fence line.

It is the intent of this easement that the exclusive right herein granted are on that portion of the easement described in Parcel 1 above. The easement described in Parcel 2 above is non-exclusive.

Grantee shall be responsible for damage caused intentionally or by any negligent act or omission of Grantee, its agents or employees while exercising the rights granted herein.

Executed this 22 day of AUGUST, 1993.

CITY OF ESCONDIDO

BY: Jerry C. Harmon
JERRY C. HARMON, MAYOR

CITY OF SAN DIEGO

BY: Jeanne Bunch
JEANNE BUNCH, CITY CLERK

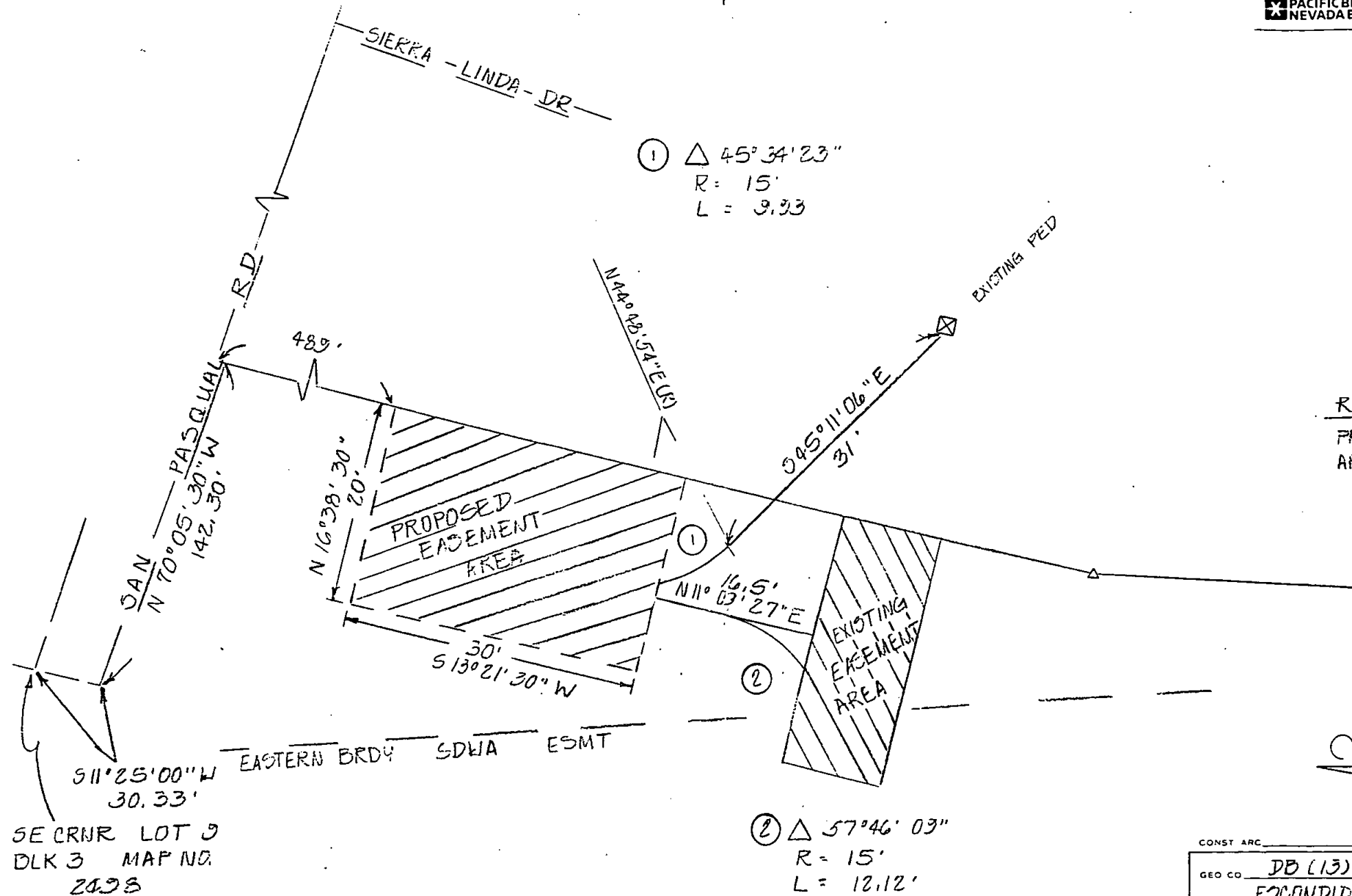
APPROVED AS TO FORM
D. B. Deputy City Attorney

BY: R. Collins
CITY MANAGER

Deputy Director, Property Dept
on behalf of the City Manager

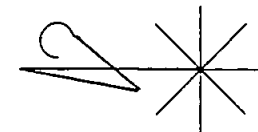
State of <u>California</u> County of <u>San Diego</u> On <u>8/24/93</u> before me, <u>Sylvia M. Pasek</u> Date Name, Notary Public personally appeared <u>Jerry Ramirez & Joanne Burch</u> Name(s) of Signer(s) ☒ personally known to me - OR - ☐ proved to me on the basis of satisfactory evidence to be the 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.  SYLVIA M. PASEK COMM. # 981845 Notary Public - California SAN DIEGO COUNTY My Comm. Expires FEB 5, 1997 Witness my hand and official seal. <u>Sylvia M. Pasek</u> Signature of notary	CAPACITY CLAIMED BY SIGNER ☐ INDIVIDUAL(S) ☒ CORPORATE OFFICER(S) <u>Mayor</u> Title(s) ☐ PARTNER(S) ☐ ATTORNEY-IN-FACT ☐ TRUSTEE(S) ☐ SUBSCRIBING WITNESS ☐ GUARDIAN/CONSERVATOR ☐ OTHER _____ SIGNER IS REPRESENTING: Name of Person(s) or Entity(ies) <u>City of Escondido</u>
---	---

State of California } County of San Diego } On _____ before me, _____ (Date) (Name, Notary Public) personally appeared _____ (Name(s) of Signer(s)) ☐ personally known to me - OR - ☐ 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. Witness my hand and official seal. _____ Signature of Notary	CAPACITY CLAIMED BY SIGNER ☐ INDIVIDUAL(S) ☐ CORPORATE OFFICER(S) _____ (Title(s)) ☐ PARTNER(S) ☐ ATTORNEY-IN-FACT ☐ TRUSTEES ☐ GUARDIAN/CONSERVATOR ☐ OTHER _____ SIGNER IS REPRESENTING: Name of Person(s) or Entity(ies) _____ _____ Copyright 1993 National Notary Association, Canoga Park, CA
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R/W NOTE:
PRIVATE PROPERTY
APN 271-07

TB: 28-A2



SCALE: 1:10

CONST ARC	DATE COMP
GEO CO DB (13)	
EXCH ESCONDIDO	
ENGR E. SILVERMAN	TEL 483-3649
ENGR ARC	
TYPE OF CONST	
R/W DWG.	
RO EST NO DB10055	
DWG 1 OF 1	P 504

RECORDING REQUESTED BY AND MAIL TO:
SAN DIEGO CITY CLERK - M.S. 2A

1129

(R-93-1738)



RESOLUTION NUMBER R- 281954

ADOPTED ON MAY 17 1993

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO, CALIFORNIA, AUTHORIZING THE
DEDICATION OF THE CITY'S ONE HALF INTEREST IN
THE CITY OF SAN DIEGO AND CITY OF ESCONDIDO
JOINTLY OWNED REAL PROPERTY FOR STREET AND
PUBLIC UTILITY PURPOSES.

WHEREAS, the City of Escondido and The City of San Diego
each own an undivided one half interest in the Escondido Golf
Course (now under construction) which is located on San Pasqual
Road; and

WHEREAS, the development plans for the golf course require
that two parcels of the property be dedicated along San Pasqual
Road and Bear Valley Parkway in order to reconstruct the street
intersection and to provide sufficient right of way for SDG&E
facilities; and

WHEREAS, the City of Escondido by Resolution No. 93-7 dated
January 6, 1993, has dedicated its one half interest in a strip
of land located at San Pasqual Road and Bear Valley Parkway to
the public for street and public utility proposes; and

WHEREAS, the Council of The City of San Diego desires at
this time and deems it to be in the best public interest to
dedicate its one half interest in the same strip of land located
at San Pasqual Road and Bear Valley Parkway for the same purpose;
NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego,
that the Council hereby accepts and dedicates for street and
public utility purposes a strip of City-owned land located at San

Pasqual Road and Bear Valley Parkway, as described in Attachment A, attached hereto and incorporated herein by reference.

APPROVED: JOHN W. WITT, City Attorney

By


Allisyn L. Thomas
Deputy City Attorney

ALT:lc
04/26/93
Or.Dept:Prop.
R-93-1738
Form=r+t

ATTACHMENT A

PARCEL ONE

LEGAL DESCRIPTION FOR SAN PASQUAL ROAD (PORTION)

That portion of RANCHO SAN BERNARDO, in the County of San Diego, State of California, according to Map in Book 2, Page 462 of Patents, records of said County, and the OAK'S TRACT, in the RANCHO SAN BERNARDO, according to Map thereof No. 1415, filed in the Office of the Recorder of San Diego County, February 8, 1912, all in the County of San Diego, State of California, described as follows:

BEGINNING at a point on the Easterly line of Bear Valley Parkway, said point being the Northerly terminus of that certain course described as "North 18° 58' 50" East, 1182.38 feet" per document recorded October 27, 1989 as File No. 89-585989; of Official Records and being the beginning of a tangent 20.00 foot radius curve, concave to the Southeast, a radial to said point bears North 71° 01' 10" West; thence Northeasterly, along the Southerly line of San Pasqual Road (PARCEL 'A') as dedicated per said document and along said curve, through a central angle of 90° 00' 00", a distance of 31.42 feet; thence South 71° 01' 10" East, 51.36 feet to the beginning of a tangent 212.00 foot radius curve, concave to the North; thence Easterly, along said curve, through a central angle of 11° 59' 31", a distance of 44.37 feet (Record Delta = 11° 58' 51", L = 44.33 feet) to a point of cusp; thence along the Westerly prolongation of said Southerly line, North 83° 00' 41" West, 97.74 feet (Record = North 83° 00' 01" West) to the beginning of a tangent 25.00 foot radius curve, concave to the Southeast; thence Southwesterly, along said curve, through a central angle of 78° 00' 29", a distance of 34.04 feet to a point of cusp with said Easterly line of Bear Valley Parkway; thence along said Easterly line, North 18° 58' 50" East, 20.13 feet to the POINT OF BEGINNING.

PARCEL TWO

LEGAL DESCRIPTION FOR BEAR VALLEY PARKWAY (PORTION)

That certain strip of land being 20.00 feet in width, being 10.00 feet measured at right angles, on each side of the following described center line:

Commencing at an angle point on the Easterly line of Parcel 2 of Parcel Map No. 11382, filed June 11, 1981 as File No. 81-182347 in the Office of the County Recorder of said County of San Diego, said angle point also being a point on the Westerly right-of-way line of that certain street commonly known as Bear Valley Parkway; thence along the Easterly line of said Parcel 2, North 19° 23' 20" East, 329.61 feet to a 2" iron pipe with brass disk stamped LS 3200, shown on said Parcel Map No. 11382; thence leaving said Easterly line, North 26° 42' 31" East, 837.17 feet to the TRUE POINT OF BEGINNING of the centerline herein described; thence South 71° 01' 10" East, 9.00 feet.

Excepting therefrom that portion described by the City Of Escondido in Resolution No. 89-434, filed in the Office of the County Recorder of San Diego County, October 27, 1989 as File No. 89-585989 of Official Records.

MAY 17 1993

Passed and adopted by the Council of The City of San Diego on _____ by the following vote:

YEAS: Roberts, Hartley, Stevens, Behr, McCarty, Vargas.

NAYS: Wolfsheimer.

NOT PRESENT: Stallings, Mayor Golding.

AUTHENTICATED BY:

SUSAN GOLDING
Mayor of The City of San Diego, California

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California

(SEAL)

By: Linda Lugano, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION
NO. R- 281954, passed and adopted by the Council of The City of San Diego, California
on MAY 17 1993.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California

(SEAL)

By: Linda Lugano, Deputy

RECEIVED
CITY CLERK'S OFFICE

93 JUN 15 AM 11:14

SAN DIEGO, CALIF.

1133

DBS # 1993-0324833
24-MAY-1993 08:41 AM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
ANNETTE EVANS, COUNTY RECORDER
FEES: 0.00

100188

271110

RESOLUTION NO. 90-266

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ESCONDIDO,
CALIFORNIA, AUTHORIZING THE MAYOR
AND CITY CLERK TO EXECUTE, ON
BEHALF OF THE CITY, AN AGREEMENT
WITH GOLF CORP. FOR DEVELOPMENT
AND OPERATION OF THE ESCONDIDO
PUBLIC GOLF COURSE

Lomas Del Lago Project

WHEREAS, the Escondido City Council authorized the proposed lease agreement with Golf Corp. for the construction and operation of the Escondido Public Golf Course for a 35 year period; and

WHEREAS, approximately 130 acres was acquired by the City of Escondido from the City of San Diego in a purchase agreement involving the Lomas Del Lago Project; and

WHEREAS, the lesee, Golf Corp. is prepared to invest approximately 6 million dollars in constructing an 18 hole golf course which will ultimately include a clubhouse; and

WHEREAS, the project includes a golf maintenance facility, driving range, and funding for off-site street improvements with the City having full architectural approval of all design and construction documents;

WHEREAS, the Deputy City Manager has recommended the execution of an agreement with Golf Corp. for the development and operation of the golf course; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve said agreement;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the Deputy City Manager.
3. The Mayor and City Clerk are authorized to execute, on behalf of the City, an agreement with Golf Corp. for the construction and operation of the Escondido Public Golf Course for a 35 year period. A copy of the agreement is attached as Exhibit "1" and incorporated by this reference.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof this 20th day of June, 1990, by the following vote to wit:

AYES : Councilmembers: COWAN, DE DOMINICIS, HARMON,
MURPHY, THURSTON

NOES : Councilmembers: NONE

ABSENT : Councilmembers: NONE

APPROVED:



DORIS THURSTON, Mayor of the
City of Escondido, California

ATTEST:



JEANNE BUNCH, City Clerk of the
City of Escondido, California

GOLF COURSE CONSTRUCTION AND LEASE AGREEMENT
BETWEEN
CITY OF ESCONDIDO
AND
CCA/SILBAND GOLFCORP

JUNE 1990

GOLF COURSE CONSTRUCTION AND
LEASE AGREEMENT
CITY OF ESCONDIDO - CCA/SILBAND GOLFCORP

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**GOLF COURSE CONSTRUCTION AND
LEASE AGREEMENT**

THIS AGREEMENT is entered into this _____ day of _____,
1990, by and between:

CITY OF ESCONDIDO, a
municipal corporation of the
State of California,
201 North Broadway
Escondido, CA 92025
("CITY")

and:

CCA/SILBAND GOLFCORP, a
California corporation,
15821 Ventura Boulevard, Suite 665
Encino, CA 91436
("LESSEE")

WHEREAS:

- A. The CITY desires to enter into an Agreement with a qualified entity for the construction, operation, and management of a municipal golf course; and
- B. LESSEE has provided CITY the former's qualifications and has reviewed the CITY's requirements and plans; and
- C. The CITY has determined that LESSEE is qualified and capable of performing the construction, operation and management of a municipal golf course, and the CITY and LESSEE desire to enter into an agreement for the same in accordance with the following terms and conditions;

NOW THEREFORE, in consideration of the premises, CITY and LESSEE agree as follows:

ARTICLE 1. DEMISED PREMISES

1.1 Property Identified. The parcel(s) of real property as shown in Appendix "A" attached hereto and are referred to herein as the "demised premises" or "premises."

1.2 Mineral Rights. Excepted and reserved from the demised premises are all minerals and mineral rights of every kind or nature lying below the surfaces of the demised premises.

1.3 Existing Conditions. The demised premises are subject to existing agreement, leases, subleases, permits, conditions, restrictions and rights of way of record and shall be subject to such rights of way for sewers, pipelines, conduits and utilities as the CITY shall, from time to time, determine to be reasonably necessary and which shall not materially interfere with the operation of the Golf Course.

1.4 Lessee Acceptance. By execution of this Lease Agreement, LESSEE acknowledges personal inspection of the demised premises and the surrounding area and evaluation of the extent to which the physical condition thereof will affect the Golf Course construction and operation. LESSEE further accepts the demised premises in their present physical "as is" condition, and agrees to make no demands upon the CITY for any improvements or alterations, except as expressly provided in this Agreement.

1.5 Title. LESSEE hereby acknowledges the title of the CITY and any other public agencies having jurisdiction in and to the demised premises and the improvements located thereof, and covenants and agrees never to assail, contest or resist said title.

1.6 Quiet Possession. The CITY covenants that, subject to the limitations expressly set forth in this Agreement, LESSEE upon LESSEE's timely payment of the rent and performance of LESSEE's covenants and obligations under this Lease, may quietly have, hold, and enjoy the premises during the term of this Lease, without hindrance or interruption by the CITY, subject to the CITY's right to enter upon the premises as provided herein.

1.7 Representations. The CITY has made no representations or warranties, express or implied, with respect to the premises and LESSEE shall acquire no rights, easements or licenses in or to the premises by implication or otherwise except as expressly set forth in this Agreement. The CITY represents that it has full authority and ability to enter into this Agreement. CITY further represents that infrastructure shall be provided to the LESSEE for utilities to the Premises to assure adequate water and sewer services. The CITY shall not be responsible for any latent defect or change of condition in the premises and, LESSEE's obligations under this Agreement shall in no case be withheld or diminished on account of any defect in the premises or for any change of condition, or for any damages occurring on the premises except as expressly provided in this Agreement.

1.8 Sensitive Lands Permits Contingency. CITY and LESSEE agree that in the event the sensitive lands permits are not issued by the applicable authorities, this Agreement shall be terminated, all obligations under this Agreement shall be excused, and the LESSEE shall be reimbursed on a time-and-materials basis for all work completed at the time of such termination of this Agreement.

1.9 Use of Reclaimed Water by LESSEE. CITY shall make every effort to provide a reclaimed water supply for nonconsumptive purposes, such as irrigation, which shall be used by the LESSEE upon its availability.

1.10 Right to Enter. CITY has the right to enter the premises for the purpose of making repairs to or developing municipal resources and services, provided, however, CITY will reimburse LESSEE for physical damages, if any, to the permanent improvements located on the leased premises resulting from CITY exercising the rights reserved in this section. Such reimbursement may include a reduction in the rent proportionate to the amount of physical damage as determined by CITY. CITY will pay the costs of maintenance and repair of all CITY installations made pursuant to these reserved rights. LESSEE shall permit the CITY to visit and inspect the Property to inspect the Improvements and Equipment therein, to examine the portions of books of account of author relating to receipts for which Percentage Fees are to be paid hereunder and to discuss LESSEE's affairs, finances, and accounts with respect to the Property with LESSEE and its certified public accountants, all during regular business hours and as often as the CITY may reasonably request. Any inspection or examination pursuant to this Section shall be for the sole purpose of protecting the property of the CITY and shall not be construed as a representation by the CITY that the Property is being properly operated and managed, or a waiver of any right the CITY may have against LESSEE for noncompliance with the terms, provisions, and conditions of this Agreement.

ARTICLE 2. USES

2.1 Premises. CITY hereby leases to LESSEE and LESSEE leases from CITY the demised premises situated in the City of Escondido and City of San Diego, County of San Diego, State of California, subject to the terms, covenants and conditions set forth in this lease.

2.2 Uses. It is expressly agreed that the premises are leased to LESSEE solely and exclusively for the purposes of the operation and maintenance of an 18-hole public golf course, driving range, pro shop, clubhouse, golf carts and restaurant, and for such other related or incidental purposes as may be first approved in writing by the CITY. LESSEE shall not use the leased premises for any other purpose without first having obtained the written approval of the CITY.

2.2.1 It is expressly agreed that the restaurant shall be open for business during the days and hours that the golf course is open for business, and that a menu and prices comparable to other golf courses in the Escondido area shall be provided.

2.2.2 LESSEE covenants and agrees to use the premises throughout the term of this Agreement for all of the above-

specified purposes and to diligently conduct the business for the benefit of the CITY and LESSEE as a public golf facility and to produce the most gross income that can be reasonably expected. Failure to continuously use the premises for said purposes, or the use of the premises for purpose not expressly authorized by this Agreement, shall be grounds for termination by CITY.

2.3 Off-Site Improvements. LESSEE shall pay the CITY such sums not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000.00) for the purpose of off-site improvements to be constructed by the CITY. CITY shall provide thirty-day (30-day) written notice of the date such sums are needed, which may occur on an incremental basis.

ARTICLE 3. LEASE TERM

3.1 Lease Term. The term of this Lease shall be for thirty-five (35) years, beginning on the first day of the calendar month following completion of the Construction Period as that term is defined in Section 3.2 of this Agreement. The LESSEE has the right to negotiate an extended term, not to exceed fifteen (15) years from the expiration of the lease term, subject to such additional or other terms and conditions as the CITY deems necessary or appropriate. Such right to negotiate shall be deemed to be the right of exclusive negotiation.

3.1.1 LESSEE shall provide City written notice of its request to enter into exclusive negotiations for extension no later than three hundred sixty-five (365) days prior to expiration of this Agreement. Within thirty (30) days of receiving such request to negotiate an extended term, CITY shall enter into exclusive good faith negotiations with LESSEE. If no agreement for an extended term is reached within two hundred seventy (270) days of the date of the request, CITY shall be entitled to enter into negotiations with any golf course operator of its choosing for a new lease or golf course operation agreement to become effective after the expiration of the term of this Agreement.

3.1.2 LESSEE shall submit all requests for negotiation by means of a written proposal.

3.2 Construction Period. The Construction Period shall be that period of time beginning with the execution of this Lease and continuing until such time as the parties recognize and agree in writing that the golf course is ready for public play. The standards for agreement that the golf course is ready for public play shall be: completion of improvements pursuant to approved plans in accordance with Article 4 of this Lease, issuance of a certificate of occupancy for the clubhouse and other structural improvements constructed upon the Leased Premises, installation of the irrigation system upon the golf course and successful

maturation of the turf grasses and other landscaping required for practical use and play upon the golf course; it being understood, however, that at such time as LESSEE begins accepting paying customers for a continuing and regular program of golf course play upon the Leased Premises, the Construction Period shall be deemed completed regardless of whether the standards set forth in this paragraph above have otherwise been satisfied in all respects. LESSEE's obligations for the payment of rent pursuant to Article 5 shall not commence until the first calendar month following the completion of the Construction Period or February 1, 1992, whichever comes first. LESSEE shall use its best efforts to complete the Construction Period prior to February 1, 1992.

3.3 Lease Year. A "Lease Year" is that period of 12 consecutive calendar months beginning with the term of the Lease as defined above. The Lease Year may be changed by written agreement of the parties. Each Lease Year will constitute a separate accounting period for the purpose of computing percentage rent, and gross revenue for any Lease Year shall not be carried forward or backward into any other Lease Year. If this Lease is terminated prior to the end of a Lease Year, minimum rent and percentage rent will be subject to proration.

3.4 Holding Over. Subject to Section 3.1, in the event LESSEE holds over beyond the term of this Agreement with the consent, express or implied, of the CITY, such holding over shall be from month to month only, subject to the terms and conditions of this Lease, and shall not be deemed a renewal or extension of this Agreement. In all circumstances rent shall be paid as otherwise provided in this Agreement, except that the minimum rental then in effect during the immediately preceding Lease Year ("previous rent") shall be increased by the Consumer Price Index, for all Urban Consumers, San Diego (1967 = 100) (the "CPI"), to the "CPI Adjusted Rent," as follows: The previous rent shall be multiplied by a fraction, the denominator of which is the average CPI for the twelve (12) months preceding the Commencement Date and the numerator which is the average CPI for the last twelve (12) months of the immediately preceding Lease Year.

3.5 Quitclaim and Surrender of Lessee's Interest. On completion of the Construction Period, LESSEE shall deliver to CITY a quitclaim deed in recordable form quitclaiming all its rights in and to the premises, subject to the further requirement that the quitclaim deed shall not be effective until the expiration or earlier termination of this Agreement. CITY may record such deed only on the expiration or earlier termination of this Agreement. In the event that CITY requires any subsequent quitclaim deed, LESSEE or its successor in interest shall deliver the same within five (5) days after receiving written demand therefor.

At the expiration or earlier termination of this Lease, LESSEE shall surrender the premises to CITY free and clear

of all liens and encumbrances, and in a decent, safe and sanitary condition. In the case of termination of this Agreement by CITY prior to the end of the specified lease term, any liens and encumbrances shall be removed by LESSEE within thirty (30) days of notice of termination, unless otherwise provided in writing by the CITY.

3.6 Surrender of Premises. At the termination of this Lease for any reason, LESSEE shall execute, acknowledge and deliver to CITY, within five (5) days after written CITY demand, a valid and recordable quitclaim deed covering all of the premises. The premises shall be delivered free and clear of all liens and encumbrances, and in a decent, safe and sanitary condition.

If LESSEE fails or refuses to deliver the required deed, the CITY may prepare and record a notice reciting LESSEE's failure to execute this lease provision and the notice will be conclusive evidence of the termination of this Lease and all LESSEE's rights to the premises.

ARTICLE 4. LESSEE'S CONSTRUCTION OBLIGATIONS

4.1 Golf Course Construction. The CITY shall have no duty to make any improvement or repair to the demised premises. LESSEE, at its sole responsibility and cost, shall supervise construction and the installation of a comprehensive golfing facility in accordance with the Master Plan for Golf Course Development attached as Exhibit "B" (the "Master Plan Improvements") by commencing construction of those improvements as therein described and diligently prosecuting each improvement to completion as expeditiously as possible and in no event later than the time period set forth in Section 3.2 of this Agreement.

4.2 Construction Plans and Approval. LESSEE will submit schematic plans for construction of the golf course to Lessor not later than ninety (90) days following execution of this Agreement for Lessor's approval, which is not to be unreasonably withheld. Lessor's response to the schematic plans, including any recommendations for change, is to be submitted to LESSEE not later than thirty (30) days following Lessor's receipt of the schematic plans.

Within ninety (90) days following approval of LESSEE's schematic plans, LESSEE shall submit to Lessor a development plan and final construction plan for Lessor's approval, which is not to be unreasonably withheld. Lessor's response to the development plan and final construction plan, including any recommendations for change, is to be submitted to LESSEE not later than sixty (60) days following Lessor's receipt of the development plan and final construction plan.

Within ninety (90) days following completion of construction upon the Leased Premises, LESSEE shall furnish Lessor a complete set of reproducible and two sets of prints of "as built" plans.

4.3 Construction. Following Lessor's approval of the final development plan and construction plans, LESSEE shall commence the Required Construction upon a date mutually agreed upon by Lessor and LESSEE. LESSEE shall mutually comply with all approved plans unless a change order or alteration is otherwise agreed to by Lessor. LESSEE shall obtain all approvals and permits required by the CITY which is incidental to improvement or development of real property. Lessor shall have the right to inspect all construction for the purpose of confirming that LESSEE is adhering to the approved plans and specifications. LESSEE shall also construct or cause to be constructed upon the Leased Premises all lines, structures and facilities required in order to provide the Leased Premises with all necessary utility services.

4.4 Lessee's Assurance of Completion. Prior to commencement of construction, LESSEE shall furnish Lessor suitable evidence of money available, in an amount of not less than Six Million Dollars (\$6,000,000.00) in order to complete the Required Construction. Such evidence may take the form of one of the following:

(i) A performance bond containing the provisions of a labor and material bond supplied by LESSEE's contractor or contractors, provided said bonds are issued jointly to LESSEE and Lessor as obligees; or

(ii) An irrevocable letter of credit, in an amount not less than Six Million Dollars (\$6,000,000.00); or

(iii) Cash deposited in an escrow acceptable to Lessor, with interest to accrue to LESSEE, but with instruction to the escrow agent to the effect that until construction is completed, funds deposited in the escrow may not be released or pledged without Lessor's written approval; or

(iv) Such other form acceptable to the City Attorney; or

(v) Any combination of the above. All bonds and letters of credit must be issued by a company qualified to do business in the state of California.

ARTICLE 5. RENT

5.1 Rent Types. In consideration of CITY executing this Lease and granting the rights provided in this Lease, LESSEE will pay to Lessor at the address listed in Article 20 of this Lease an annual rent in an amount that will be the greater of either

the minimum rental payment as set forth below or a rent based upon percentages of gross revenue as set forth below. The obligation for the payment of rent shall not commence until such time as the construction period is deemed completed in accord with Section 3.2 of this Agreement.

5.2 Minimum Rent Amount. LESSEE shall pay to the CITY without deduction, setoff, prior notice or demand for each month during each Lease Year minimum rent in accordance with the following schedule:

Lease Year 1	\$25,000 (which may be accrued and payable in Lease Year Two subject to ten percent (10%) interest until paid)
Lease Year 2	\$25,000
Lease Years 3-35	Not less than eighty percent (80%) of the average annual rent actually due and payable in all prior Lease Years not to exceed the three-year period which is most recent prior to the Lease Year for which rent is due.

5.3 Percentage Rent. In any Lease Year in which the amount of percentage rent set forth below exceeds the Minimum Rent specified in Section 5.2, LESSEE shall pay to Lessor Percentage Rent based upon the following formula:

<u>Item</u>	<u>Percentage of Gross Revenue</u>	<u>Year(s)</u>
Green Fees, Golf Cart Rental, Driving Range Fees	0%	Year 1
	3%	Year 2
	4%	Year 3
	5%	Year 4
	6%	Year 5
	7%	Year 6
	8%	Years 7-10
	10%	Years 11-15
	15%	Years 16-20
	25%	Years 21-35

<u>Item</u>	<u>Percentage of Gross Revenue</u>	<u>Year(s)</u>
Food and Beverage	0%	Years 1-3
Sales, Pro Shop Sales,	5%	Years 4-10
Golf Instruction Fees	5% (F&B)/	
	10% (PS/GI)	Years 11-15
	10%	Years 16-20
	10% (F&B)/	
	12% (PS/GI)	Years 21-35

<u>Item</u>	<u>Percentage of Gross Revenue</u>	<u>Year(s)</u>
Capital Replacement Reserve	3% (GF, GCR, DR)	Years 2-35

5.4 Payment Procedure. On or before the last day of the calendar month following the calendar month in which the gross income subject to rents was earned, LESSEE shall provide CITY with a correct statement together with a payment of percentage rent on all applicable gross receipts or the minimum rental amount as specified above in a form approved by CITY.

5.4.1 The statement will be signed by LESSEE or its authorized agent, attesting to the accuracy thereof, which shall be legally binding upon LESSEE. Each statement will indicate or include:

(i) One-twelfth of the annual minimum rent until the full annual rent is achieved in any Lease Year.

(ii) Total gross receipts for the subject month, itemized as to business categories for which separate percentage rents are established. A gross receipts breakdown of each business conducted on the premises must be included when a reported category shows gross income to be from more than one business operation.

(iii) The percentage rental due CITY, computed and totaled.

(iv) The accumulated total of all rents previously paid for the current Lease Year.

(v) Payment in the greater of the two following amounts: One-twelfth of the annual minimum rent or the total percentage rent due CITY computed as described in this Section.

5.4.2 Payments shall be reconciled annually, and the CITY shall refund an amount equal to the difference, if any, between the sum of monthly installments of percentage rents paid for such Lease Year and the actual percentage rent for such Lease Year based on gross receipts for the entire Lease Year.

5.4.3 In the event the monthly installments of percentage rents paid in any Lease Year are less than the percentage rent actually due for such Lease Year, the CITY shall, in addition to receiving payment for such additional percentage rent, receive interest thereon computed at the lesser of the maximum legal rate or the rate of ten percent (10%) per annum.

5.4.4 LESSEE shall not, in any manner, divert or attempt to divert from the property, any concessions or receipts which ordinarily would be transacted on the premises.

5.4.5 Payment of applicable fees under this section shall not be subject to setoff, counterclaim, abatement, suspension, deduction, diminution or defense, all of which are hereby waived by LESSEE.

5.5 Late Charges. In the event payment of rent is not made when due, a late charge of ten percent (10%) of the amount due shall be added to the unpaid amount, as liquidated damages, it being agreed that such amount is a reasonable estimate of the costs and expenses the CITY will incur as a result of such late payment. Acceptance of the late charge will not constitute a waiver by the CITY of LESSEE's default with respect to such nonpayment by LESSEE, nor prevent the CITY from exercising all other rights and remedies available under this Lease or at law or in equity.

5.6 Annual Statements. Within one hundred and twenty (120) days after the end of the Lease Year, LESSEE shall prepare and deliver or cause to be prepared and delivered to the CITY an annual audited financial statement for the Golf Course Facility certified to be correct by LESSEE and prepared by a certified public accountant in accordance with generally accepted accounting practices, which shall at a minimum contain:

(i) a statement of gross receipts for the Golf Course and the business activities conducted in, on and from said Golf Course, and

(ii) a computation of percentage rent.

5.7 Records. LESSEE shall make available, at the Golf Course Facility or such other convenient place as may be agreed upon by the parties, full, complete and true records, books, accounts, sales tax reports, and such other data, reflecting the results of all business transactions conducted in, on or from the Golf Course. Such books and records shall include a daily record of gross receipts derived from the operation of the Golf Course including, but not limited to, green fees and restaurant or food service or alcohol charges, professional shop, driving range, and golf cart rental fees. Such records shall categorize receipts by type of function from which derived.

5.7.1 LESSEE shall maintain a method of accounting, in accordance with generally accepted accounting practices, of all the disbursements in connection with the subject business which shall correctly and accurately reflect the gross receipts and disbursements received or made by LESSEE from business under this Lease. The method of accounting including bank accounts established from LESSEE's business shall be separate from the accounting system used for any other business operated by LESSEE or for recording the financial affairs or activities of any other entity including, without limitation, any parent company, wholly-owned subsidiary or affiliate of LESSEE. Such methods shall include the keeping of the following documents:

(i) Regular books of accounting such as general ledgers;

(ii) Cash receipts, sales and purchase journals including any supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.;

(iii) State and Federal income tax returns and sales tax returns and checks and other documents proving payment of such shown which shall be kept in confidence by the CITY;

(iv) Any other accounting records that the CITY, at its sole discretion, deems reasonably necessary for proper reporting of receipts; and

(v) LESSEE shall record all transactions on a cash register or computer. Cash registers or computers shall be nonresettable and sufficient to supply an accurate recording of all sales on tape. LESSEE shall not replace an existing cash register or purchase or install an additional cash register before obtaining the CITY's approval of the specific register to be purchased. LESSEE shall record or cause to be recorded on the cash registers every cash sale or other transaction occurring at the Golf Course. Receipts shall be issued to every customer for every sale or rental.

5.8 Audit. Every five (5) years following each five-year increment in which LESSEE pays rent, The CITY shall audit all documents, books and accounting records of the LESSEE, which shall be open for audit, reaudit, inspection and reinspection (collectively "audit") by the CITY's duly authorized representative(s) at any reasonable time during normal business hours during the term of this Lease and for a period of five (5) years thereafter; provided, however, that any such audit of LESSEE's books and accounting records shall be limited to the then current Lease Year and the four (4) previous Lease Years. In addition, the CITY may conduct an audit as described in this Section at its own expense as may be deemed necessary and appropriate by the CITY, at any time under this Agreement.

5.8.1 All information obtained in connection with the CITY's audits shall be received and maintained in confidence and shall not be disclosed to anyone not directly connected with the official business of the CITY.

5.8.2 LESSEE shall cooperate fully with the CITY's representative(s) in the making of any audit.

5.8.3 If there is a deficiency in the payment of actual rent due the CITY, the deficiency shall become immediately due and payable together with interest thereon at the lesser of the maximum legal rate or ten percent (10%) per annum from the date of the CITY's demand for payment of the deficiency. If the amount of any deficiency for any Lease Year or partial Lease Year (in the event the Lease is terminated prior to expiration), exceeds two percent (2%) of the rent paid, LESSEE shall pay the cost of the audit; otherwise, the cost thereof shall be paid by the CITY.

5.9 Failure to Furnish Accounting Statements. If LESSEE shall fail to prepare and deliver or cause to be prepared and delivered any statements required by the CITY and such failure shall continue after thirty (30) days written notice by the CITY to LESSEE, the CITY may cause an audit to be made of all books, records and accounts of business operations conducted in, on or from the premises and for such delinquent accounting period and may prepare the statement or statements which LESSEE shall have failed to prepare and deliver. Said audit or audits shall be in addition to the audit provided for in Section 5.8 and LESSEE shall pay on demand all expenses of such audit and the preparation of any such statements and all sums as may be shown by such audit to be due as rent together with interest thereon as the lesser of the maximum legal rate or ten percent (10%) per annum from the date of the CITY's demand until paid.

5.10 Gross Receipts. "Gross income or receipts" as used in this Lease, shall include all income resulting from occupancy of the Leased Premises from whatever source derived whether received or to become due. For the purpose of this Section, the phrase "to become due" shall refer to those amounts which would be captured under an accrual basis of accounting.

5.10.1 Gross income shall not include:

(i) Federal, state or municipal taxes collected from the consumer (regardless of whether the amount thereof is stated to the consumer as a separate charge) and paid over periodically by LESSEE to a governmental agency accompanied by a tax return or statement as required by law;

(ii) Refunds for goods returned for resale on the premises or refunds of deposits;

(iii) Proceeds from the sale of such assets which have been identified as clearly being owned by the LESSEE;

(iv) Proceeds from insurance or insurable losses related to the premises, provided that all such proceeds shall be used to repair or restore corresponding losses or destruction of the premises, including improvements, unless the CITY consents in writing to other use of the proceeds;

(v) Additional sums or funds provided by LESSEE on an equity or loan basis.

5.10.2 The amount of such taxes and refunds and other items excluded from gross income shall be clearly shown on the books and records of LESSEE.

5.10.3 The percentage rent shall be calculated and paid by LESSEE on the basis of said gross income whether the income is received by LESSEE or by any sublessee, permittee or licensee, or their agents, and all gross income received by any sublessee, permittee, licensee, or other party as a result of occupancy of said premises or the operation thereof shall be regarded as gross income of LESSEE for the purpose of calculating the percentage rate hereunder required to be paid by LESSEE to CITY, except as may be otherwise specified by or pursuant to this Lease.

5.11 Unauthorized Use Charge. LESSEE shall pay CITY twenty percent (20%) of the gross receipts for any service or use that is not permitted by this lease. This payment is subject to the due date provided in this lease for rental payments, and the provision for delinquent rent. The existence of the twenty percent (20%) charge in this clause and the payment of this charge or any part of it, does not constitute an authorization for a particular service or use, and does not waive any CITY rights to terminate a service or use or to default LESSEE for participating in or allowing any unauthorized use of the leased premises.

5.12 Increases in Fees. All fees which LESSEE charges to the public shall be subject to initial approval by the CITY. Thereafter, LESSEE may increase any fee which it charges the public as provided in this Agreement at such times in its business judgement such increases are necessary, provided, however, any increase shall not exceed the rate of the Consumer Price Index for San Diego County prevailing at the time of the proposed increase, when compared to the time in which the applicable fee was last established, or, with the Consent of the City Manager, which shall not be unreasonably withheld, may be the average on a three-year basis of area comparables chosen by the CITY if the proposed increase would be greater than the CPI-factored increase. Any increase over the amount permitted in this section shall not be made without the prior written or noticed approval of the CITY.

5.12.1 Further, when fees are established, they may be rounded to the nearest one-half dollar even if this results in a mathematical percentage increase which is slightly higher than the percentage authorized by the increase in the San Diego Consumer Price Index.

5.12.2 For the purposes of this Section, the "Comparables" shall mean such public or semi-public golf course operations selected by the City reflecting similar golf course characteristics, services, and amenities provided by the subject Golf Course Facility. Fees compared pursuant to this Section shall be the "base 18-hole weekday and weekend rates, cart rental fees, and range fees." Discounted fees for seniors, juniors, etc., nine-hole rates and other fees shall not exceed the amount based on their relative relationship to the "base fees" identified herein.

ARTICLE 6. CAPITAL RESERVE PROGRAM

6.1 Capital Improvement Reserve Fund. Commencing with the second year of the Lease Term and continuing each Lease Year thereafter, LESSEE, at its sole cost shall and in addition to the Master Plan Improvements, make additional improvements to the premises or Capital Improvements to the premises. For the purpose of this Section, "Capital Improvement" shall mean an improvement which has a minimum useful life or useful life expectancy of five (5) years and is not typically a maintenance activity. LESSEE shall on a monthly basis beginning in said Lease Year 2, accumulate for LESSEE's Additional Work an amount equal to three percent (3%) of the gross green fees, cart rental fees and driving range fees for the Golf Course reportable by LESSEE during the preceding month (the "Capital Improvement Reserve Fund").

6.2 Capital Improvement Reserve Program. All accumulated amounts in the Capital Improvement Fund shall be spent toward LESSEE's Additional Work. If the Fund is not used in any particular year of the Lease Term, it shall be accumulated toward the succeeding year or period. On or before the first day of the eleventh (11th) month of the 2nd Lease Year and each Lease Year thereafter, LESSEE shall submit to the CITY for approval an improvement program describing in reasonable detail the elements and costs of LESSEE's Additional Work to be performed during the subsequent Lease Year. The CITY shall approve or disapprove the improvement program by January 1 of each Lease Year. Upon approval by the CITY of LESSEE's Additional Work, LESSEE shall commence construction thereof and diligently prosecute LESSEE's Additional Work to completion during said Lease Year.

6.3 Deposits to Capital Improvement Reserve Fund. All funds accumulated under this Article shall be deposited in an interest-earning escrow account.

ARTICLE 7. ALTERATIONS AND IMPROVEMENTS

7.1 Approval Required. LESSEE shall not demolish, remove, alter, modify, replace or add to the improvements on the premises during the term of this Lease unless LESSEE secures the prior written approval of the CITY, which approval may be granted or withheld in the CITY's sole reasonable discretion. To obtain approval of any alteration, LESSEE shall submit detailed plans and specifications of the proposed alteration to the City Manager or his designee together with a statement of LESSEE's reasons for the alteration. Any such approved demolition, removal, alteration, modification, replacement or addition shall be commence and completed in accordance with all of the Sections of this Article.

7.2 Contracting Procedures. All work required or performed in connection with the Master Plan Improvements, LESSEE's Additional Work, or the construction of any other improvements on or alterations to the premises, including any site preparation, landscaping or utility installation, shall be performed only by LESSEE or by competent and financially responsible independent general contractors, duly licensed as such under the laws of the State of California, and shall be performed pursuant to written contracts with such contractors. Each such contract shall provide that the final payment due to the contractor under said contract shall be in an amount equal to at least ten percent (10%) of the full amount payable under the contract and said final payment shall not be paid to the contractor until the occurrence of both of the following events:

(i) The expiration of thirty-five (35) days from the date of recording by LESSEE of a Notice of Completion of said improvements, which LESSEE agrees to record promptly within the times specified by law for the recording of such Notice; and

(ii) The settlement and discharge of all liens and charges claimed by persons who supplied either labor or materials for the construction of said improvements.

7.3 Copy of Contract. For all such improvement work to be performed on the premises by an independent general contractor, LESSEE shall furnish the CITY with a true copy of LESSEE's contract with the general contractor and with evidence of the general contractor's financial condition for the CITY's approval. The contract shall give the CITY the right but not the obligation to assume LESSEE's obligations and rights under that contract if LESSEE should default.

7.4 Contractor Approval. The CITY may disapprove the general contractor or the proposed contract with the general contractor by notice given within thirty (30) days following delivery of said contract. The notice shall specify the grounds for disapproval. The CITY shall not unreasonably disapprove and shall be considered to have approved in the absence of notice of

disapproval given within thirty (30) days after LESSEE furnishes the contract and evidence specified above.

7.5 Performance Bond. In connection with any such improvements, and before such improvement work commences, LESSEE shall furnish the CITY with a performance bond in an amount not less than one hundred percent (100%) of the anticipated cost of such improvements, and a payment bond guaranteeing the completion of the improvements free from liens of materialmen, contractors, subcontractors, mechanics, laborers, and other similar liens. Said bonds shall be bonds of a responsible surety company, licensed to do business in California with a financial strength and credit rating acceptable to the CITY, and shall remain in effect until the entire cost of the work has been paid in full and the new improvements have been insured as provided in this Lease. Any such bonds shall be in a form satisfactory to the CITY. The CITY may accept such alternative or other security for the completion of such construction as it may, in its sole discretion, elect to accept.

7.6 Compliance With Laws. The Master Plan Improvements and LESSEE's Additional Work, alterations and other improvements shall conform with all applicable governmental rules, regulations and orders. Prior to commencement of construction, LESSEE shall procure at its expense, all necessary building, fire safety and other permits. The CITY will cooperate with LESSEE in obtaining such permits; provided, however, that this covenant to cooperate shall not be deemed or construed as a waiver of any right or obligation of the CITY acting in its governmental capacity. All work performed on the premises pursuant to this Lease, or authorized by this Lease, shall be done in a good professional manner and only with materials of good quality and high standard.

7.7 Builder's Risk and Other Insurance. LESSEE shall obtain insurance coverage for "builder's risk," and worker's compensation insurance in connection with any work performed on the premises in accordance with the conditions set forth in Article 10.

7.8 Completion of Work. The Master Plan Improvements, LESSEE's Additional Work, alteration or other improvements shall be deemed to have been completed upon (i) execution and delivery to the CITY of a written notice certifying completion thereof and further certifying that all costs and expenses thereof have been paid and that there are no unpaid costs or expenses of any nature related thereto, and (ii) independent verification by the CITY or its authorized representative.

7.9 Discharge of Liens. LESSEE shall keep the premises, including all buildings and improvements now or hereafter located on the premises, free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the premises.

7.9.1 If a lien or other encumbrance attaches to the premises, LESSEE shall:

(i) promptly pay and discharge, or cause the premises to be released from, any such lien or claim of lien, or, if LESSEE decides to contest said lien; and

(ii) furnish the CITY a bond issued by a surety company, satisfactory to the CITY, in an amount equal to one hundred twenty-five percent (125%) of the amount of the lien, securing the CITY against payment of such lien and against any and all loss or damage whatsoever in any way arising from LESSEE's failure to pay or discharge such lien.

7.9.2 In the event LESSEE provides a bond in lieu of paying or discharging a lien as set forth herein, LESSEE shall at LESSEE's sole cost and expense, within thirty (30) days of the CITY's written request therefor, provide the CITY with an endorsement to any existing title policy in favor of the CITY's interest in the premises free and clear of any such liens that have not been paid or discharged.

7.9.3 Should LESSEE fail to pay and discharge, or cause the premises to be released from, any such lien or claim of lien or to provide a bond as permitted hereunder within ten (10) days after service on LESSEE by the CITY of a written request to do so, the CITY may pay, adjust, compromise and discharge any such lien or claim of lien on such terms and in such manner as the CITY may deem appropriate. In such event, LESSEE shall, on or before the first day of the next calendar month following any such payment by the CITY, reimburse the CITY for the full amount so paid by the CITY, including any actual attorneys' fees or other costs expended by the CITY, together with interest thereon at the lesser of the maximum legal rate or ten percent (10%) per annum, from the date of payment by the CITY to the date of LESSEE's reimbursement of the CITY.

7.10 Notification of Commencement of Work. LESSEE shall notify the CITY in writing twenty (20) days prior to the commencement of any Master Plan Improvement or LESSEE's Additional Work, or of any alterations, work of improvement to facilities, structures, or other improvements to the premises for the purpose of enabling the CITY to, at its option, post and record notices of nonresponsibility under the provisions of Section 3094 of the California Civil Code, or any other similar notices which may be allowed by law.

7.11 Ownership of Improvements. Ownership of all structures, buildings, trade fixtures or improvements constructed by LESSEE upon the demised premises and all alterations, additions or betterments thereto, shall vest in accordance with Section 3.5 of this Agreement in the CITY without compensation being paid therefor. LESSEE shall not remove any of the improvements from the premises, nor waste, destroy or modify any improvements on

the premises, except as permitted by this Lease. Upon termination hereof, whether by expiration of the term, cancellation, forfeiture or otherwise, such structures, buildings, trade fixtures and/or improvements shall be surrendered with the demised premises, unless demand for the removal thereof shall be given by the CITY at least ninety (90) days prior to the date of termination. Should LESSEE fail to remove said structures, buildings and improvements, same may be sold, removed or demolished and LESSEE shall reimburse the CITY for any cost or expense in connection therewith in excess of any consideration received by the CITY as a result of said sale, removal or demolition.

Improvements remaining on the premises after expiration or sooner termination of this Lease shall become the CITY's property free and clear of all claims to or against them by LESSEE or any third person or entity, and LESSEE shall defend and indemnify the CITY, and its officers, council members, or other appointed officials, employees, agents, independent contractors, attorneys, accountants, representatives, predecessors, successors and assigns (collectively, "Representatives") against all liability and claims, loss, damage or expense, of whatsoever character, nature and kind, whether by direct or derivative action, known or unknown, suspected or unsuspected, latent or patent, existing or contingent, including actual attorneys' fees and costs (collectively, "Liabilities"), arising from such claims or from the CITY's exercise of the rights conferred by this Section.

7.12 Financing Improvements; Prohibition on Encumbrances. LESSEE shall have no right to mortgage, pledge or otherwise encumber the demised premises for purposes of financing improvements or otherwise without the CITY's prior written consent, which may be withheld at the CITY's sole discretion, provided, however, that LESSEE may mortgage, pledge or otherwise encumber its leasehold interest in the premises.

ARTICLE 8. LESSEE'S OPERATING RESPONSIBILITIES

8.1 Competent Management, Management Qualifications. Through the term of this Lease Agreement, LESSEE shall provide competent management of the leased premises to the satisfaction of the City Manager. For the purposes of this paragraph, "competent management" shall mean demonstrated ability in the management and operation of a golf course and related activities in a fiscally responsible manner.

LESSEE, at its cost and in addition to other personnel required hereby, shall obtain the services of a full time on-site, competent golf course manager, which may be a PGA "Class A" golf professional, to manage the pro shop and a full time on-site golf course superintendent to supervise grounds maintenance activities. Such golf course superintendent shall be working toward a "Class A" certification and be under the direct supervision of certified "Class A" golf course superintendent.

8.2 Public Use. LESSEE shall maintain the premises as a public golf course. The general public shall not be wholly or permanently excluded from any portion of the premises. LESSEE may develop reasonable restrictions for the facility use provided they are consistent with the rights of the general public, and are designed to allow LESSEE to use the premises for the purposes specified herein.

8.3 Compliance With Laws. LESSEE shall conform to and abide by all CITY and County ordinances, and all State and Federal laws and regulations, insofar as the same are applicable; and where permits and/or licenses are required for the Golf Course operation, the same must be first obtained from the regulatory agency having jurisdiction thereover. LESSEE agrees to keep the premises and improvements constructed thereon equipped with all safety appliances so required because of its use.

8.4 Compliance With Rules and Regulations. LESSEE shall conform to and abide by all rules and regulations established by the CITY insofar as the same are applicable to the operation of the Golf Course including Golf Course Maintenance Specifications, attached to this Agreement as Appendix "B" and fully incorporated into this Agreement by this reference. LESSEE shall create a golf course operations manual applicable to the Golf Course Facility which shall be subject to the approval of the CITY.

8.5 Disorderly Persons. LESSEE agrees to not allow any unreasonably loud, boisterous or disorderly persons to loiter about the demised premises.

8.6 Illegal Activities. LESSEE shall not knowingly permit any illegal activities to be conducted upon the demised premises.

8.7 Signs. LESSEE shall not post signs or advertising matter upon the premises or improvements thereon, unless prior written approval therefor is obtained from the CITY.

8.8 Lessee's Staff. LESSEE shall maintain an adequate and proper staff and discharge any employee whose conduct or activity shall, in the reasonable exercise of discretion, be deemed to be detrimental to the interests of the public patronizing the premises. LESSEE shall establish an identification system for personnel assigned to the starter service and golf shop which clearly indicates to golf course patrons that the name of the person(s) on duty are employed of LESSEE for various aspects of the golf course operations. The identification system shall be furnished at the LESSEE's expense and shall include appropriate attire, name badges and/or name plates.

8.9 Utilities. LESSEE shall provide and pay for all telephone service and utilities for the premises.

8.10 Sanitation. No offensive matter or refuse or substance constituting an unnecessary, unreasonable, or unlawful fire hazard, or material detrimental to the public health shall be permitted to remain on the premises and LESSEE shall prevent any accumulation thereof from occurring.

8.11 Safety. LESSEE shall immediately correct any unsafe condition of the premises, as well as any unsafe practices occurring thereon. LESSEE shall obtain emergency medical care for any member of the public who is in need thereof, because of illness or injury occurring on the premises. LESSEE shall cooperate fully with the CITY in the investigation of any accidental injury or death occurring on the premises, including a prompt report thereof to the City Manager.

8.12 Habitation. The premises shall not be used for human habitation; provided, however, that person(s) providing night watch or patrol services shall be permitted on the premises after closing.

8.13 Golf Clubs/Organizations. LESSEE acknowledges that there is a benefit to the operation of the Golf Course Facility to having responsible golfing organizations. Without granting any special privileges to any person or group, LESSEE may encourage, create and accommodate organizations, including without limitation senior citizens and a general nondiscriminatory golf club organization.

8.14 Golf Instruction and Junior Golf Program. LESSEE shall promote golf instruction and a Junior Golf Program by providing at a reduced charge to the CITY or participants therein group lessons, range balls, general golf instruction, actual play and junior tournaments. Such programs shall be taught by LESSEE's golf professionals and publicity for same shall be coordinated through City's Parks and Recreation Department publicity program.

8.15 High School Golf Team Support. LESSEE shall provide golf play, at no cost to the school, for a single Escondido High School District Golf Team, such team shall be designated by CITY. Such play will generally include a season from February 15 to May 15 with practice and home matches. All such practice and matches will be under direction of an adult coach appointed by the school, and only players designated as team members shall be eligible. Post-season tournaments of said school shall be determined through discussions with LESSEE. All High School use under this section shall be scheduled through consultation with LESSEE without conflicting with scheduled events and shall occur generally during weekday afternoons. LESSEE will make every effort to involve High School golfers in conduct of tournaments and events at golf course.

8.16 Professional Shop Inventory, Merchandise and Equipment. LESSEE shall display and maintain a professional shop

inventory comparable to other 18-hole public golf courses in Southern California. The inventory shall include golfing equipment, supplies and apparel which shall be offered for sale to the public and, in particular, to patrons of the Golf Course at prices reasonable and comparable to prices being paid for equipment, supplies, and apparel in other golf courses in this locality. The wholesale cost of the inventory at the Golf Course shall be not less than fifty thousand dollars (\$50,000.00) and shall increase annually based on the increase in the Consumer Price Index in the San Diego County region.

CITY retains the right to require LESSEE to discontinue sale or use of items that are of substandard quality as determined by CITY in the exercise of Lessor's reasonable discretion subject to CITY providing one hundred eighty (180) days' advance notice to LESSEE.

8.17 Ranging. LESSEE, at its cost, shall furnish such personnel as may be required to marshal the play of golfers without substantial delay.

8.18 Golf Instruction. Golf shall be taught only by qualified instructors.

8.19 Golf Carts. LESSEE shall provide, through purchase or lease as an expense to the operation, at its sole cost and expense, a sufficient number of power driven golf carts and manually operated golf carts to meet the public demand therefor at the demised premises.

8.20 Dress and Conduct Standards. LESSEE shall set dress and conduct standards consistent with similar golf facilities, subject to CITY's approval, and shall be permitted to deny entry or permission to play to anyone who fails to conform to those standards. LESSEE shall have the right to refuse admission and/or service to persons who are drunk, disorderly, under the influence of drugs, or who conduct themselves in a manner that could result in injury or harm to persons or property on the Leased Premises.

8.21 Tournaments. CITY shall have the right two times during each Lease Year to schedule a tournament or tournaments for the full day. LESSEE and Lessor will agree in advance, once a year, on the dates for such tournaments. Tournament participants will pay the then-prevailing rates for golf tournament fees and services. Such Tournaments shall be scheduled subject to providing LESSEE a one hundred-eighty-day (180-day) advance notice.

8.22 Charity Tournament. Subject to providing LESSEE one hundred eighty (180) days' advance notice, City shall have the right to annually schedule and conduct a tournament at no charge for green fees or golf cart rentals which shall be for the purpose of raising money for charities of the City of Escondido

as selected by the CITY. Such tournament shall not be scheduled during weekend playing times.

ARTICLE 9. REPAIRS AND MAINTENANCE.

9.1 City's Nonresponsibility. During the term of this Agreement, the CITY shall not be required to maintain or make any repairs or replacements of any nature or description whatsoever to the premises or the improvements thereon. LESSEE hereby expressly waives the right to make repairs at the expense of the CITY as provided of in any statute or law in effect at the time of execution of this Lease, or in any other statute of law which may hereafter be enacted.

9.2 Maintenance Specifications. LESSEE accepts the premises in their present condition and, at its sole cost and expense, agrees to keep the premises free of all rubbish, debris and litter and keep all future improvements which will be constructed in a good repair and condition, in accordance with all applicable laws, rules, ordinances, orders and regulations of (i) federal, state, county, municipal and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus and officials; (ii) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction, and (iii) all insurance companies insuring all or any part of the premises or improvements thereon or both, and LESSEE shall make whatever repairs and replacements are required by such enactments. LESSEE at its own cost and expense shall furnish all necessary equipment, supplies and materials of good quality and in the amount necessary to fulfill its maintenance obligations hereunder. Said equipment, supplies and materials shall include but not be limited to:

(i) All necessary gas, oil, and spare parts for all equipment;

(ii) All necessary top dressing, seed, fertilizers, fungicides, insecticides, and herbicides;

(iii) Parts necessary for the repair and maintenance of all irrigation systems;

(iv) Tee towels, soap, ball washers, putting green cups and flags, benches, trap rakes, tee markers, tee mats, trash receptacles, cleat brushes, tee and directional signs and all other pertinent golf course equipment;

(v) Materials for the installation and maintenance of french drains; and

(vi) Washed plaster sand for traps on an as needed basis.

9.3 Additional Maintenance. LESSEE, at its cost and expense, shall perform such additional maintenance and repair as may be required to maintain the Golf Course grounds in an attractive and playable condition in accordance with established maintenance standards attached to this Agreement as Exhibit "C." LESSEE acknowledges that its obligation to maintain and repair the premises shall include without limitation the landscape areas around the Club House and parking lot and those areas adjacent to the Golf Course which extend to the curbs of street, including without limitation all landscaped areas outside of the fence line.

9.4 Failure to Maintain. All required maintenance shall be commenced no later than ten (10) days from written notice of needed maintenance and repair from any source and completed within thirty (30) days of such notice, unless the CITY approves in writing an enlarged time period for completion. The CITY shall not unreasonably withhold extension to the specified time limit if LESSEE is proceeding with all due diligence in his efforts to correct the maintenance deficiency. Should LESSEE fail to perform its maintenance obligations required hereunder, the CITY in addition to all other available remedies may, but shall not be so obliged, enter upon the premises and perform LESSEE's said failed obligations, using any equipment or materials on the premises suitable for such purposes. LESSEE shall forthwith on demand reimburse the CITY for its costs so incurred, including direct and indirect overhead.

9.5 Repair. LESSEE agrees to give written notice to CITY of any fire or other damage occurring on the premises within ten (10) days of the incident or its discovery. LESSEE shall promptly and diligently repair, replace and restore all damage to or destruction of all or any part of the improvements on the premises resulting from any cause. Said repair, replacement or restoration shall be commenced no later than thirty (30) days from the date of such damage or destruction and shall thereafter be pursued to completion with diligence. The completed work of repair, restoration, or replacement shall be equal in value, quality, and use to the condition of the improvements before the event giving rise to the work, except as may be expressly provided to the contrary in this Lease. The CITY shall not be required to furnish any services or facilities or to make any repairs or alterations of any kind in or on the premises in connection with such work by LESSEE. The CITY may elect to perform any obligation of LESSEE under this provision upon LESSEE's failure or refusal to do so, but such election shall not constitute a waiver of any right or remedy for LESSEE's default, and LESSEE shall promptly reimburse, defend, and indemnify the CITY, and their Representatives, against all liabilities resulting from the CITY's performance of LESSEE's covenants. All such work or repair, replacement or restoration performed by LESSEE shall comply with all of the requirements prescribed by Article 7 of this Lease, including all requirements for the CITY's approval set forth therein. During a reasonable period

for repair and restoration, LESSEE shall be entitled to an abatement of rent on that portion of the premises which are not capable of being used or, in the event it is not reasonably practical from the standpoint of good business judgment to continue any operations on the premises during such reasonable period of restoration, LESSEE shall be entitled to a total abatement of rent during such period.

9.6 Destruction. Notwithstanding anything to the contrary herein, LESSEE shall not be required to repair or restore the premises and this Lease may be terminated by LESSEE in the event that all or a significant portion of the premises are destroyed or rendered unusable to operate a golf course by a casualty not covered by insurance, not required to be covered by insurance hereunder and requiring an expenditure in excess of \$500,000 to restore the premises. In determining whether LESSEE has acted promptly as required under this Section, one of the criteria to be considered is the availability of any applicable insurance proceeds.

ARTICLE 10. HOLD HARMLESS AND INDEMNIFICATION

LESSEE hereby indemnifies, defends, and holds harmless the CITY and its agents, officers and employees from and against any and all liability or claim of liability, loss or expense, including defense costs and legal fees and claims for damages of whatsoever character, nature and kind, whether directly or indirectly arising from or connected with an act or omission of LESSEE, or an agent, invitee, guest, employee, or anyone in, on or about the premises with the permission and consent of LESSEE, with respect to the premises or the operations or services under this Lease, including, but not limited to, liability, expense, and claims for: bodily injury, death, personal injury, or property damage caused by negligence, creation or maintenance of a dangerous condition of property, breach of express or implied warranty of product, defectiveness of product, or intentional infliction of harm, including any workers' compensation suits, liability, or expense, arising from or connected with services performed by on behalf of LESSEE by any person pursuant to this Lease; nonpayment for labor, materials, appliances, teams, or power, performed on, or furnished or contributed to the demised premises; infringement of a patent or copyright or disclosure of a trade secret; and violation of state and federal antitrust laws. This indemnity shall not require payment of a claim by the CITY or any of its officers or employees as a condition precedent to the CITY's recovery hereunder.

ARTICLE 11. INSURANCE

Without limiting LESSEE's indemnification of the CITY as provided above, LESSEE shall provide and maintain at its own expense during the term of this Agreement the below listed

policies of insurance covering its operations hereunder. Such insurance shall be secured through a carrier satisfactory to the CITY and evidence of such insurance satisfactory to the CITY along with required endorsements will be delivered to the City Manager on or before the Commencement Date, and shall contain express conditions that the CITY and its Representatives are additional insured under the policy and that the CITY is to be given at least thirty (30) days written notice in advance of any modification, termination or reduction of the limits of coverage of any policy of insurance for any cause. Each such policy shall be primary and shall not be deemed to be contributing with any insurance maintained by the CITY. Coverage limits shall be increased at CITY's request at reasonable intervals and to amounts that are reasonable and at that time generally prevailing. The CITY shall be named specifically and separately as additional insured under each of the policies provided in this Section in a form acceptable to the City Attorney. In addition, the City of San Diego shall separately be named an additional insured under all policies required by this section with all limits and rights which apply to the CITY.

11.1 General Liability. Such policy of insurance shall include, but not be limited to, comprehensive general liability with contractual liability coverage and comprehensive auto liability, each with a combined single limit of not less than TWO MILLION DOLLARS (\$2,000,000.00) per occurrence. The comprehensive general liability policy shall be endorsed to include all available sections of personal injury liability coverage.

11.2 Worker's Compensation. LESSEE's employees and all persons providing services by or on behalf of LESSEE with respect to this Lease shall be covered by Worker's Compensation and Employee's Liability Insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California.

11.3 Property Coverage.

11.3.1 Real Property - Insurance covering the full replacement value of the demised premises including all improvements thereon against the hazards of fire, extended coverage, vandalism and malicious mischief, flood and other property-related losses.

11.3.2 Personal Property - Insurance covering ninety percent (90%) of the replacement value of all personal property and equipment on the premises, including without limitation all golf carts and maintenance equipment, against the hazards of fire, burglary, vandalism and malicious mischief.

11.4 Employee Bonding. LESSEE, at its cost, shall insure that all of its employees authorized to sign checks or other documents of withdrawal from LESSEE's bank accounts shall be bonded by obtaining a comprehensive blanket crime policy insuring

against the loss of money or other property which may result from dishonesty or fraudulent acts of officers, directors or employees of LESSEE.

11.5 Other Insurance. LESSEE shall also procure and keep in place such other insurance as is required herein, including without limitation "builders risk" and workmen's compensation insurance in connection with the improvement work on the premises, and such other insurance as the CITY may reasonably require, which insurance shall be in such form and in such amounts as the CITY may reasonably prescribe.

11.6 Deductibles. For all required insurances, the City Manager shall require and the LESSEE shall provide adequate coverage including deductibles sufficient low enough to ensure the effectiveness of the insurance.

11.7 Failure to Insure. Failure on the part of LESSEE to procure or maintain required insurance shall constitute a material breach of this Lease under which the CITY may immediately terminate this Lease, or at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by the CITY shall be repaid by LESSEE to the CITY upon demand including interest thereon at the lesser of the legal rate or ten percent (10%) per annum from the date paid by the CITY through the date reimbursement is received from LESSEE.

11.8 Cancellation Response. If any insurance coverage is cancelled or reduced, LESSEE shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the CITY a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies, and said policy shall be submitted for approval as herein provided. At least fifteen (15) days prior to the expiration of any such policy, a certificate, showing that the insurance coverage has been renewed or extended, shall be filed with the CITY.

11.9 Suspension of Operations. LESSEE shall suspend and cease all operations hereunder on the premises during such periods of time as evidence of required insurance coverage has not been provided to the CITY, unless at its sole discretion the CITY waives such suspension.

ARTICLE 12. TAXES AND IMPOSITIONS

12.1 Lessee To Pay Impositions. In addition to the rents and other payments required to be paid under this Lease, LESSEE shall pay any and all taxes, assessments, and other charges of any description including, without limitation, any possessory interest tax (collectively, "Impositions") levied or assessed from the Commencement Date until the termination of this Lease by

any governmental agency or entity on or against the premises or any portion thereof, or on or against any interest in the premises (including the leasehold interest created by this Lease), or any improvements or other property in or on the premises excluding the Club House.

12.2 Payment Before Delinquency. Any and all Impositions and installments of Impositions required to be paid by LESSEE under this Lease shall be paid by LESSEE at least ten (10) days before each such Imposition, or installment thereof, become delinquent, and the official and original receipt for the payment for such Imposition or installment thereof shall immediately be given to the CITY.

12.3 Contest of Imposition. LESSEE shall have the right to contest, oppose, or object to the amount or validity of any Imposition levied on or assessed against the premises or any portion thereof and may in good faith diligently conduct any necessary proceeding to prevent or void or reduce the same; provided, however, that the contest, opposition, or objection must be filed before the Imposition at which it is directed become delinquent, and written notice of the contest, opposition, or objection must be given to the jurisdiction making such imposition in a timely manner. No such contest, opposition, or objection shall be continued or maintained after the date on which the Imposition at which it is directed becomes delinquent unless LESSEE has met one of the following conditions:

(i) Paid such Imposition under protest prior to its becoming delinquent; or

(ii) Obtained and maintained a stay of all proceedings for enforcement and collection of the Imposition by posting such bond or other matter as may be required by law for such a stay.

The CITY further shall not be required to join in any proceeding or contest brought by LESSEE, unless the provisions of any law require that the proceeding or contest be brought by or in the name of the CITY or any owner of the premises. In that case, the CITY shall join in the proceeding or contest or permit it to be brought in the CITY's name but such action shall be without cost to the CITY.

12.4 Tax Returns and Statements. LESSEE shall, as between the CITY and LESSEE, have the duty of attending to, preparing, making, and filing any statement, return, report, or other instrument required or permitted by law in connection with the determination, equalization, reduction, or payment of any Imposition that is or may be levied on or assessed against the premises, or any portion thereof, or any interest therein, or any improvements or other property on the premises.

12.5 Indemnification. LESSEE shall indemnify, defend and the CITY, and its Representatives, and the premises and any improvements now or hereafter located on the premises free and harmless from any claims, causes of action, liabilities, losses, damages, expenses, including attorneys' fees and costs, resulting from any Impositions required by this Article to be paid by LESSEE, and from all interest, penalties, and other sums imposed thereon, and from any sale or other proceeding to enforce collection of any such Imposition.

12.6 Payment by the City. Should LESSEE fail to pay within the time specified in this Article any Impositions required by this Article to be paid by LESSEE, the CITY may, without notice to or demand on LESSEE, pay, discharge, or adjust such imposition for the benefit of LESSEE. In such event, LESSEE shall, on or before the first day of the next calendar month following any such payment by the CITY, reimburse the CITY for the full amount incurred by the CITY in so paying, discharging, or adjusting such Imposition together with interest thereon at the legal rate per annum, from the date of payment by the CITY until the date of repayment by LESSEE.

ARTICLE 13. NONDISCRIMINATION

LESSEE, for itself, its successors and assigns and all persons claiming under or through it, covenants that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry, in the operation, subleasing, transferring, occupancy, tenure or enjoyment of the premises, nor shall LESSEE or any person claiming under or through it, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, licensees, employees or vendees in the premises or the improvements thereon. LESSEE further covenants to comply with all State and Federal nondiscrimination laws now or hereafter in effect. The foregoing covenants shall run with the leasehold.

All records, including without limitation, employment records, shall be open for inspection and reinspection at any reasonable time during the term of this Lease for the purpose of verifying the practice of nondiscrimination by LESSEE in the areas heretofore described.

LESSEE, for itself, its successors and assigns and all persons claiming under or through it, covenants that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the construction of any improvements on the premises.

ARTICLE 14. ASSIGNMENT OR TRANSFER OR TERMINATION OF LEASE

14.1 Restriction on Assignment or Transfer of Lease. The restrictions contained in this Section 14.1 upon any transfer, sale, assignment, sublease or hypothecation, ("Transfer") are imposed because LESSEE's qualifications, including CCA/Silband Golfcorp, and those individuals comprised by LESSEE, are of particular concern to the CITY and the CITY has entered into this Lease in reliance upon LESSEE's qualifications. Any transfer not permitted by this Section shall be null and void.

LESSEE shall not Transfer its interest in this Lease and/or any of the improvements constructed on the premises, directly or indirectly, voluntarily or by operation of law, unless the prior written consent of the CITY is obtained in each instance. During the initial five (5) Lease Years, the CITY may withhold its consent to any Transfer in its sole discretion; thereafter, the CITY's consent to any Transfer shall not be unreasonably withheld.

14.2 Investigation of Proposed Transferee; Costs. In the event that LESSEE requests the CITY's written consent to a proposed Transfer pursuant to Section 14.1 of this Lease, LESSEE agrees to provide the CITY with such information, including financial statements and tax returns, as the CITY may reasonably require in order to evaluate the financial net worth and liquidity and the staff, relevant business acumen and experience of any proposed transferee.

If the CITY consents to any Transfer, such consent, which shall not be unreasonably withheld, shall not be effective unless and until LESSEE gives notice of the Transfer and a copy of any documents effecting and/or evidencing such Transfer to the CITY, and unless and until any such transferee assumes all of the obligations and liabilities of LESSEE under this Lease. Notwithstanding anything to the contrary herein, any approved Transfer shall not relieve LESSEE of its liability and obligations hereunder which shall remain primary as to the CITY unless the CITY in writing releases LESSEE therefrom.

In order to enable the CITY to adequately investigate the proposed transferee's qualifications, LESSEE shall pay within five (5) days of the CITY's written request therefor, all actual expenses incurred by the CITY in connection with the investigation of the proposed transferee, including attorneys' fees and costs and all reasonable consultant fees.

14.3 Right to Terminate Lease. LESSEE may, at any time during the term of this Lease, terminate this Lease by tendering at least ninety (90) days' written notice to the CITY and surrendering the premises to the CITY. Provided, however, the premises and improvements thereon must be free and clear of any debt, lien, or other impairment or liability.

14.4 Financing Contingency. LESSEE shall have a period of sixty (60) days after the date hereof to obtain from a lending institution a commitment for a loan ("Lessee's Loan") for not less than FIVE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$5,800,000.00) upon terms and conditions acceptable to Lessee, in Lessee's sole discretion. In the event Lessee is unable to obtain a commitment for Lessee's Loan upon terms and conditions acceptable to Lessee, in its sole discretion, within such period, or such lender shall fail to fund Lessee's Loan by October 31, 1990, Lessee may, at its sole option, terminate this Agreement, in which event the parties hereto shall be released from all obligations hereunder; provided, however, that upon any termination by Lessee under this provision, Lessor shall be entitled to all plans and specifications for the golf facilities contemplated hereby which Lessee may have produced prior to such termination.

ARTICLE 15. CITY RIGHT TO PURCHASE/ADDITIONAL CONSIDERATION

15.1 City First Right to Purchase. In the event LESSEE desires to dispose of its interest in this lease, together with any furnishings owned by LESSEE on the leased premises, CITY shall be given the first right to purchase said interest and improvements at a mutually agreeable price. If CITY does not exercise such right to purchase, LESSEE shall not then sell or offer to sell its interest at a lower price without first reoffering to CITY the right to purchase at such lower price.

15.2 Additional Consideration to City. LESSEE and CITY agree that in the event of an assignment, in the event of a subletting of the majority portion of the leasehold, or in the event of a future refinancing creating an encumbrance against the leasehold after the permanent improvements have been constructed, LESSEE shall pay to CITY two percent (2%) of the gross amount paid for the leasehold in connection with an approved assignment of the lease, two percent (2%) of any amount paid LESSEE in consideration of a sublease of all or a majority portion of the leasehold, or two percent (2%) of the amount of any increased loan or encumbrance against the property over and above the amount of the encumbrance needed to finance the improvements.

ARTICLE 16. INDEPENDENT CONTRACTOR

This Lease is by and between the CITY and LESSEE and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the CITY and LESSEE.

LESSEE understands and agrees that all persons furnishing services pursuant to this Lease are, for purposes of Workers' Compensation liability, employees solely of LESSEE and not of the CITY.

ARTICLE 17. EMINENT DOMAIN

17.1 Total Taking. If, after the Commencement Date, the Golf Course shall be taken by right of eminent domain for any public or quasi-public use, then, when possession shall be taken thereunder by the condemnor, or the LESSEE is deprived of its practical use of the premises and other improvements, whichever date is earlier, this Lease and all rights of the CITY and LESSEE hereunder, shall terminate and any rent and all other payments required of LESSEE shall be immediately paid by LESSEE to the CITY through the date of taking.

17.2 Partial Taking. In the event of a partial taking of any part of the premises as a result of which the remaining portion of the premises cannot be restored to an economically operable facility of a comparable kind and quality to the facility existing prior to the taking, then this Lease, at LESSEE's option, shall terminate as of the time when possession of said premises shall be taken by the condemnor or LESSEE is deprived of its practical use thereof, whichever date is earlier. If the premises can be restored to an economically operable facility of comparable kind and quality to the facility existing prior to the taking, then this Lease shall not be affected and LESSEE shall retain the remaining portion thereof; provided, however, that the minimum rent shall be reduced to an amount proportional to the difference in total area of the premises before and after the partial taking.

17.3 Eminent Domain Award. If there is a taking by right of eminent domain, the rights and obligations of the Parties with reference to the award and the distribution thereof shall be determined in accordance with the provisions of this Section only. The award shall belong to and be paid to the CITY, except that LESSEE shall receive from the award a sum attributable to the value of improvements made to the premises by LESSEE but not greater than the amount necessary to discharge the mortgage obligation of the LESSEE for improvements made by LESSEE.

ARTICLE 18. DEFAULT

18.1 Events of Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by LESSEE ("Default(s)" or "Event(s) of Default"):

18.1.1 After written notice and right to cure, failure by LESSEE to observe and perform any provision of this Lease to be observed or performed by LESSEE shall constitute a default of this Agreement. The specification below of certain acts which are a violation of this Lease and which constitute events of default, shall not be construed as to limit the generality and enforceability of this Section 18.1.1 with respect to the fact that a violation of any provision of this Lease shall constitute an event of default.

18.1.2 Any failure by LESSEE to pay the minimum or percentage rental or make any other payment required to be made by LESSEE hereunder, on the date the payment is due;

18.1.3 The abandonment or surrender of the premises by LESSEE, or the vacation of the premises by LESSEE (defined to be ten (10) or more days of continuous absence from the premises by LESSEE coupled with LESSEE's failure to pay rent for that period);

18.1.4 An event of insolvency occurs, which event shall be any of the following: LESSEE shall make an assignment for the benefit of creditors; LESSEE shall file or acquiesce in a petition in any court (whether or not pursuant to any statute of the United States or of any state) in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings; LESSEE shall make an application in any such proceedings for, or acquiesce in, the appointment of a trustee or receiver for it of all or any portion of its property; any petition shall be filed against LESSEE to which it does not acquiesce in any court (whether or not pursuant to any statute of the United States or any state) in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings, and the proceedings shall not be dismissed, discontinued or vacated within ninety (90) days; any proceedings pursuant to the application of any person other than LESSEE to which LESSEE does not acquiesce, in which a receiver or trustee shall be appointed for LESSEE or for all or any portion of the property of LESSEE, and the receivership or trusteeship shall not be set aside within ninety (90) days after such appointment; or any judgment, writ, warrant, attachment or execution or similar process shall be issued or levied against a substantial part of the property of LESSEE and such judgment, writ or similar process shall not be released, vacated or fully bonded within ninety (90) days of its issue or levy; provided, that if it determined that this Lease may be assumed by the LESSEE's trustee in bankruptcy notwithstanding the above provision and notwithstanding the CITY's reliance on LESSEE's particular skill, expertise and character in entering this Lease, said trustee in bankruptcy may not assign this Lease unless said proposed assignee (i) is as financially responsible as LESSEE; (ii) is of good standing and repute; (iii) is comparably staffed, as experienced as LESSEE in the management of first-class golf courses, and possessed with comparable business acumen to that of LESSEE; and (iv) all other provisions of 11 U.S.C. Section 365(f), as well as other applicable bankruptcy law provisions for the CITY's benefit and protection, are satisfied before any assignment of LESSEE's rights, or assumption of LESSEE's obligations under this Lease. This paragraph shall not be deemed to waive any of the CITY's rights under bankruptcy law or otherwise;

18.1.5 If LESSEE shall fail to perform its obligations under, or fail to observe, Article 14 with respect to Transfer of the Lease or any interest thereto, or any other

Transfer prohibited therein; or LESSEE shall suffer or permit any of the foregoing, other than as specifically approved in writing by the CITY;

18.1.6 If a default or delinquency should occur under the provisions of the Bonds or any mortgage placed on the premises, including any mortgage of the leasehold interest of the LESSEE;

18.1.7 If LESSEE shall fail to pay or discharge any liens or claims of liens or to provide a bond therefor or title insurance in accordance with Section 6.4 hereof;

18.1.8 If LESSEE shall practice discrimination in violation of this Lease or State or Federal laws;

18.1.9 If any representations or warranties of any of the individuals or the corporation comprised by LESSEE as required by Section 20.1 are untrue or any of the Financial Statements, as defined in Section 20.1.4, delivered to the CITY contain any material inaccuracy;

18.1.10 If LESSEE does not reimburse the CITY pursuant to Section 18.3 of this Agreement.

18.2 Notice of Default; Lessee's Right to Cure. If LESSEE is in Default under this Lease, as defined in Section 18.1, as a precondition to pursuing any remedy for an alleged Default of LESSEE, the CITY shall give written notice of Default to LESSEE. Each notice of default shall specify the alleged event of Default.

If the alleged Default is nonpayment of rent, taxes or other sums to be paid by LESSEE as provided in this Lease, LESSEE shall have ten (10) days after notice is given to cure the Default. For any other Default, LESSEE shall, after notice, promptly and diligently commence curing the Default and shall have thirty (30) days after notice is given to complete the cure of said Default; provided, however, that if the nature of said Default is such that the same cannot reasonably be cured within said thirty-day (30) period, LESSEE shall commence such cure within said period and shall thereafter diligently prosecute the same to completion within no more than ninety (90) days from the notice of Default.

18.3 City's Right to Cure Lessee's Defaults. After expiration of the applicable time for curing a particular Default, or before the expiration of that time in the event of emergency, the CITY may, at the CITY's election, make any payment required of LESSEE under this Lease or under any note or other document pertaining to the financing of improvements or fixtures on the premises, or perform or comply with any covenant or condition imposed on LESSEE under this Agreement or any such note or document, and the amount so paid, plus the reasonable cost of any

such performance or compliance, plus interest on such sum at the legal rate from the date of payment, performance, or compliance until the date of repayment by LESSEE, shall be due and payable by LESSEE on the first day of the next calendar month following any such payment, performance or compliance by the CITY. No such act shall constitute a waiver of Default or of any remedy for Default or render the CITY liable for any loss or damage resulting from any such act.

18.4 Notice of the City's Default; Lessee Waiver. The CITY shall not be considered to be in default under this Lease unless (i) LESSEE has given written notice specifying the default and (ii) the CITY has failed for thirty (30) days to cure the default, if it is curable within that period, or to institute and diligently pursue reasonable corrective or ameliorative acts for defaults not curable within that time or which are not curable. LESSEE hereby waives the protections of California Civil Code Sections 1932 and 1933, or any other or successor statute containing like protections.

18.5 City's Remedies.

18.5.1 Right to Terminate. If any Default by LESSEE shall continue uncured following notice of Default as required by this Lease for the cure period applicable to the Default under the provisions of this Lease ("Uncured Default"), then in addition to any other remedies available to the CITY at law or in equity, the CITY shall have the immediate option to terminate this Lease and all rights of LESSEE hereunder by giving written notice of such termination. In the event that the CITY shall so elect to terminate this Lease then the CITY may recover from LESSEE:

(i) The worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that LESSEE proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid Rent for the balance of the Lease term after the time of award exceeds the amount of such rental loss that LESSEE proves could be reasonably avoided; plus

(iv) Any other amount necessary to compensate the CITY for all the detriment proximately caused by LESSEE's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

(v) At the CITY's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable California law.

The term "Rent" as used herein shall be deemed to include the minimum rental and percentage rental and all other sums required to be paid by LESSEE pursuant to the terms of this Lease.

As used in subsections (i) and (ii) above, the "worth at the time of award" is computed by allowing interest at the legal rate per annum. As used in subparagraph (iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

18.5.2 Right to Reenter. In the event of any such Uncured Default by LESSEE, the CITY shall also have the right, with or without terminating this lease, to reenter the premises and remove all persons and property therefrom by summary proceedings or otherwise. Such property on the premises may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of LESSEE. Notwithstanding any provisions of this Lease which may be or appears to be to the contrary, in the event of any such Uncured Default, the CITY may also elect to assume operation of the Golf Course and retain all of LESSEE's fixtures, furniture, equipment, and any other personal property ("fixtures, furniture, and equipment") on the premises and, in that event, and continuing during the length of said Uncured Default, the CITY shall have the right to take the exclusive possession of same and to use same, rent or charge free and without liability for damage. The election of one remedy for any one item of property should not foreclose an election of any other remedy for another item or for the same item at a later time.

18.5.3 Security Agreement. LESSEE agrees that, pursuant to this Lease and without the necessity of executing a separate security agreement, the CITY shall have a security interest in the fixtures, furniture, and equipment of LESSEE as collateral to secure the performance of LESSEE's obligations under this Lease, subject to prior perfected security interests in any such property. LESSEE agrees to execute, at any time, such additional security agreements and Uniform Commercial Code forms as the CITY may require to perfect the CITY's security interest in such fixtures, furniture, and equipment.

18.5.4 Right to Relet on Lessee's Account. In the event of the vacation or abandonment of the premises by LESSEE, or in the event that the CITY shall elect to reenter as provided in Section 18.5.2 above without exercising its option to terminate the Lease, then the CITY may either recover all rental as it becomes due (a percentage rent shall be calculated for the month or months after the premises are vacated or abandoned by LESSEE as the average percentage rent paid during the last Lease Year prior to the vacation or abandonment of the premises by LESSEE or relet for CITY's benefit the Leased Premises or any part thereof for such term or terms and at such rental or rentals and upon

such other terms and conditions as the CITY in its sole discretion may deem advisable and, in connection therewith, the CITY shall have the right to make alterations and repairs to the premises.

In the event that the CITY shall so elect to relet, then rentals received by the CITY from such reletting shall be applied: first, to the payment of any indebtedness other than rent due hereunder; second, to the payment of the cost of such reletting; third, to the payment of the cost of any alterations and repairs to the premises made by the CITY; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by the CITY and applied in payment of future rent as the same may become due and payable hereunder. Should that portion of such rentals received from such reletting during any month which is applied to the payment of rent hereunder be less than the rent payable during that month by LESSEE hereunder, then LESSEE shall pay such deficiency to the CITY. Such deficiency shall be calculated and paid monthly. LESSEE shall also pay to the CITY, as soon as ascertained, any costs and expenses incurred by the CITY in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

18.5.5 Effect of Reentry. No reentry or taking possession of the premises by the CITY pursuant to this Section 18.5 shall be construed as an election to terminate this Lease unless a written notice of such intention be given to LESSEE by the CITY or unless the termination thereof be decreed by a court of competent jurisdiction. The CITY may at any time after such reletting elect to terminate this Lease for any Default by LESSEE, and may thereafter pursue any and all remedies available to the CITY upon such termination.

18.5.6 Remedies Cumulative. Each right and remedy of the CITY provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or the beginning of the exercise by the CITY of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the CITY of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

18.6 Resolution of Disputes by Arbitration.

18.6.1 Any matter which is disputed, including interpretation or alleged breach of this Agreement and the adequacy of either party's performance or cure of nonperformance, shall be referred jointly to the City Manager and the duly authorized representative of the LESSEE for dispute resolution purposes. LESSEE shall identify such person within ten (10) days following execution of this Agreement.

18.6.2 If the City Manager and such authorized representative of the LESSEE do not agree upon a resolution within ten (10) days following referral of the matter to them, the parties agree to submit the matter to arbitration.

18.6.3 Subject to the approval of both parties, an unresolved dispute shall be submitted to arbitration for settlement. Such arbitration shall occur before a panel of three arbitrators in accordance with the Rules of the American Arbitration Association and the applicable laws of the State of California. The decision reached by such panel may be entered in a court of competent jurisdiction. If both parties do not agree to arbitrate, either party may elect to seek resolution through a court of competent jurisdiction. As part of agreement to arbitrate, the parties shall also agree as to the panel's authority to award damages, including punitive damages, if authorized under the laws of the State of California, the scope of injunctive relief available, and the ability of either party to disclose the decision of the panel.

18.7 No Waiver. The CITY's failure to enforce any provision of this Lease with respect to LESSEE's Default hereunder shall not constitute a waiver of the CITY's right to enforce such provision or any other provision with respect to any future Default by LESSEE. The acceptance of rent by the CITY, also shall not be deemed a waiver of the CITY's right to enforce such terms or conditions of this Agreement. The waiver of any term or condition of this Lease shall not be deemed to be a waiver of any other term or condition or of any subsequent failure of any term or condition.

18.8 Delays in Performance; Force Majeur. The time within which the Parties hereto shall be required to perform any act under this Lease, other than the payment of money, shall be extended by a period of time equal to the number of days during which performance of such act is delayed due to an act of God, fire, earthquake, flood, explosion, war, invasion, insurrection, riot, mob violence, or any other cause similar to the foregoing. Provided, however, that the payment of rent hereunder may be abated as provided in Sections 9.5 and 9.6 above in the event of the damage or destruction of the premises.

ARTICLE 19. EASEMENTS

The CITY reserves the right to establish, grant or utilize easements or rights of way over, under, along and across the premises provided the CITY shall exercise such rights in a manner as will avoid any substantial interference with the operations to be conducted hereunder. Should the establishment of such easement(s) permanently deprive LESSEE of the use of a portion of the premises, an abatement of minimum rent payments shall be provided in an amount proportional to the difference in total area of the premises before and after grant of such easement(s).

ARTICLE 20. MISCELLANEOUS

20.1 Lessee's Representations and Warranties. Each of the individuals and the corporation comprised by LESSEE covenants, represent and warrant to the CITY, as of the date of execution of this Lease, as follows:

20.1.1 CCA/Silband Golfcorp, the LESSEE, is a duly organized corporation qualified and validly existing and in good standing under the laws of California, and duly qualified to do business and in good standing under the laws of each other jurisdiction where the operation of its business or its ownership of property makes such qualification necessary, and has all requisite power and authority to own and operate its properties and to carry on its business as now and whenever conducted and to enter into and perform its obligations under this Lease.

20.1.2 The execution, delivery and performance of this Lease is consistent with the LESSEE's articles of incorporation and bylaws and has been duly authorized by all necessary action of the LESSEE's board of directors. All consents, approvals and authorizations of all applicable governmental authorities (including, without limitation, all consents or approvals, if any, required under applicable Securities Laws), and all consents or approvals of the LESSEE's board of directors required in connection with the execution, delivery and performance by the LESSEE of this Lease have been obtained and delivered to the CITY on or before the execution hereof.

20.1.3 Each of the individuals comprised by LESSEE have duly obtained and maintained, and will continue to obtain and maintain all materials licenses, permits, consents and approval required by all applicable governmental authorities to own and operate their respective businesses and properties as now owned and hereafter owned.

20.1.4 With respect to the financial condition of LESSEE:

(i) Each of the individuals comprised by LESSEE have furnished and will, from time to time, upon request by the CITY, furnish the CITY with true and correct copies of their Balance Sheets, related Statements of Income and Loss, and Statements of Changes in Financial Position (collectively, the "Financial Statements").

(ii) The Financial Statements have been and will be prepared in accordance with generally accepted accounting principles consistently applied throughout the periods indicated. The Balance Sheets fairly present and will fairly present financial conditions as of the date indicated, and the Statements of Income and Loss and Statements of Changes in Financial Condition fairly present and will fairly present, in accordance with such accounting principles, the results of operations, the application of

funds, and the changes in shareholder's equity for the respective periods indicated.

(iii) There has been no change in the assets, liabilities, financial condition or affairs of any of the individuals comprised by LESSEE as set forth or reflected in the most recent Financial Statements supplied to the CITY, other than changes which have not been, either in any one case or in the aggregate, materially adverse.

20.1.5 All filings, reports and tax returns of each of the individuals comprised by LESSEE which are required to be made or filed with any governmental authority have been and will continue to be duly made and filed, and all taxes, assessments, fees and other governmental charges upon any of such individuals or the LESSEE, or upon any of their respective properties, assets, income or franchises, which are due and payable, have been, and will continue to be, paid when due.

20.1.6 There are not suits, other proceedings or investigations pending or threatened against, or affecting the business or the properties of any of the individuals (or any of its shareholders) comprised by LESSEE, other than as previously disclosed to the CITY, nor are any of the individuals (or any of its shareholders) comprised by LESSEE in violation of any laws or ordinances.

20.1.7 There are no facts now in existence which would, with the giving of notice or the lapse of time, or both, constitute an "Event of Default" hereunder.

20.1.8 Each of the individuals and the Corporation comprising LESSEE have disclosed to the CITY all adverse conditions, circumstances, or pending or threatened litigation, governmental action, or other condition which could prevent or materially impair LESSEE's ability to operate the Golf Course or otherwise perform its obligations as provided by the terms of this Lease.

20.2 Estoppel Certificate. Within ten (10) days after request by the CITY (which request may be from time to time as often as reasonably required by the CITY) LESSEE shall execute and deliver to the CITY, without charge, an estoppel certificate in such form as the CITY may reasonably request. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of all or any portion of the premises. LESSEE's failure to deliver such statement within ten (10) days of the CITY's written request therefor shall be a binding agreement of LESSEE (i) that this Lease is in full force and effect without modification except as may be represented by the CITY, (ii) that there are no uncured defaults in the CITY's performance hereunder, and (iii) that there have not been any payments of advance rent other than as provided in the provisions of this Lease. Further, such failure to deliver such certificate (showing any

exceptions to any of the statements of fact required thereby) shall be a material breach of this Lease, and if after written notice from the CITY, LESSEE does not deliver such certificate to the CITY within seventy-two (72) hours, the CITY may, in addition to any other remedies it has at law or in equity, terminate this Lease.

20.3 Relocation Assistance. LESSEE agrees that nothing contained in this Lease shall create any right in LESSEE for relocation assistance or payment pursuant to the provisions of Title 1, Division 7, Chapter 16 of the Government Code, as same may be amended or supplemented, upon the expiration or earlier termination of this Lease.

20.4 Notices. Any notice provided for herein shall be given by registered or certified first-class United States mail, postage prepaid, returned receipt requested, addressed:

If to the CITY:

City Manager
City Hall
City of Escondido
201 North Broadway
Escondido, California 92025

and, if to LESSEE:

James A. Husband
CCA/SILBAND GOLFCORP
3030 LBJ Freeway, Suite 350, LB49
Dallas, TX 75234

Andrew Crosson
CCA/SILBAND GOLFCORP
15821 Ventura Boulevard, Suite 665
Encino, CA 91436

PAGE AND ADDISON
Attorneys at Law
14651 Dallas Parkway, Suite 700
Dallas, TX 75240

Any such notices shall be deemed given when deposited in the mail as required hereinabove and shall be deemed received forty-eight (48) hours after being deposited as required herein. The person and the place to which notices are to be mailed may be changed by either Party by notice to the other.

20.5 Attorneys' Fees. In the event that either Party hereto brings any action or files any proceeding in connection with the enforcement of its respective rights under this Lease as a consequence of any breach by the other party of its obligations under this Lease, the prevailing party in such action or proceeding shall be entitled to have its reasonable attorneys' fees and out-of-pocket expenditures paid by the losing party. All such fees shall be deemed to have accrued upon the commencement of such action.

20.6 Headings. The headings used in this Lease are inserted for reference purposes only and do not affect the interpretation of the terms and conditions hereof.

20.7 Rights of Successors. All of the rights and obligations of the Parties under this Lease shall bind and inure to the benefit of their respective heirs, successors and assigns; provided, however, that nothing in this Section 20.8 shall limit the provisions of Article 14 hereof.

20.8 Amendments in Writing. This Lease cannot be orally amended or modified. Any modification or amendment hereof must be in writing and signed by the party to be charged.

20.9 Time of Essence. TIME IS OF THE ESSENCE of each provision in this Lease.

20.10 Interpretation. Whenever the context of this Lease so requires, the masculine gender includes the feminine or neuter, the singular number includes the plural, and vice versa.

20.11 Applicable Law; Severability. The interpretation and enforcement of this Lease shall be governed by the laws of the State of California. If any provision of this Lease is determined to be prohibited by law or otherwise held invalid, such determination shall not invalidate or otherwise render ineffective any or all of the remaining provisions of this Lease.

20.12 Exhibits. All exhibits referred to in this Lease are attached hereto and incorporated herein by reference.

20.13 Waiver of Subrogation. The CITY and LESSEE hereby release the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to person or property, whether caused by fire or any other casualty, so long as said loss or damage is covered by insurance, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.

20.14 Subordination of Leasehold; Attornment by Lessee; Nondisturbance. At any time before or during the term hereof, the CITY or its assignee may encumber all or any portion of its

fee interest in the premises, and LESSEE's interest hereunder shall be subordinate to any such existing or future encumbrances. In the event any proceedings are brought for foreclosure of any such mortgage or deed of trust encumbering the premises, or any portion thereof, or in the event of the exercise of the power of sale under any such mortgage or deed of trust made by the CITY covering the premises, or should the CITY assign its interest in the premises or the Lease, or should a lease of the premises in which the CITY is the tenant be terminated, LESSEE shall attorn to such foreclosing entity, purchaser, assignee or lessor, and shall recognize same as lessor under this Lease. The CITY agrees that any encumbrances place upon the premises by the CITY or its assignee after the Commencement Date shall provide that if LESSEE is not then or thereafter in material default under any provision of this Lease and if LESSEE is then and thereafter in possession of the premises, then the right of LESSEE to possession of the premises shall not be disturbed by the lender under any such encumbrance, or its successors and assignees. In the event that the CITY or its assignee decides at any time during the term hereof to encumber all or any portion of its fee interest in the premises, LESSEE agrees to execute and deliver to the CITY or its assignee a "Subordination, Nondisturbance, and Attornment Agreement" as the CITY or its assignee may reasonably require.

20.15 Convenants and Conditions. All provisions hereof expressed as either covenants or conditions on the part of LESSEE or the CITY to be performed or observed shall be deemed to be both covenants and conditions.

20.16 Approvals by City Manager. Unless otherwise provided, all approvals required to be made by the CITY shall be made by its City Manager, whose decision shall be final.

20.17 Mutual Assistance; Good Faith. During the term of this Agreement, the parties agree to cooperate fully, to work in good faith, and to mutually assist each other in the performance of this Agreement. In this connection, the parties shall, from time to time, meet upon the reasonable request of each other and shall confer in good faith, amicably in a businesslike manner, with respect to the current and future operation of the Integrated System and with a view toward resolving any problems which may arise. A party shall not unreasonably withhold its approval of any act or request of the other as to which its approval is necessary or desirable.

20.18 Cooperation in Securing Permits. CITY shall assist LESSEE in securing any permits, including permits from other agencies, which may be required for the construction and operation of a golf course facility.

20.19 Construction of "This Agreement" and "This Lease." The words "this Agreement" shall be synonymous with the words "this Lease" and vice versa, as such terms appear in this agreement.

ARTICLE 21. ENTIRE AGREEMENT

This Agreement and its attachments shall constitute the entire Agreement and understanding between the parties, and there are no other terms or conditions, written or oral, which are controlling unless such matters have become part of this agreement as provided in this while,

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

CITY OF ESCONDIDO

Date: 8/10/90

Date: 8/10/90

Date: 8/1/90

Date: 8/1/90

Jerry Harmon
JERRY HARMON, Mayor

Jeanne Bunch
JEANNE BUNCH, City Clerk

CCA/SILBAND GOLFCORP
James A. Husband
JAMES A. HUSBAND, Chief
Executive Officer

Andrew Crosson
ANDREW CROSSON, Officer

8/1/90 Tina Marie Dickinson

APPROVED AS TO FORM:

[Signature]
City Attorney



Attorneys for Lessee

ALL SIGNATURES MUST BE NOTARIZED

APPENDIX "A"

GOLF COURSE LAND

All that real property situated partially in the City of Escondido, and entirely in the County of San Diego, State of California, as illustrated and depicted on the attached Exhibit B.

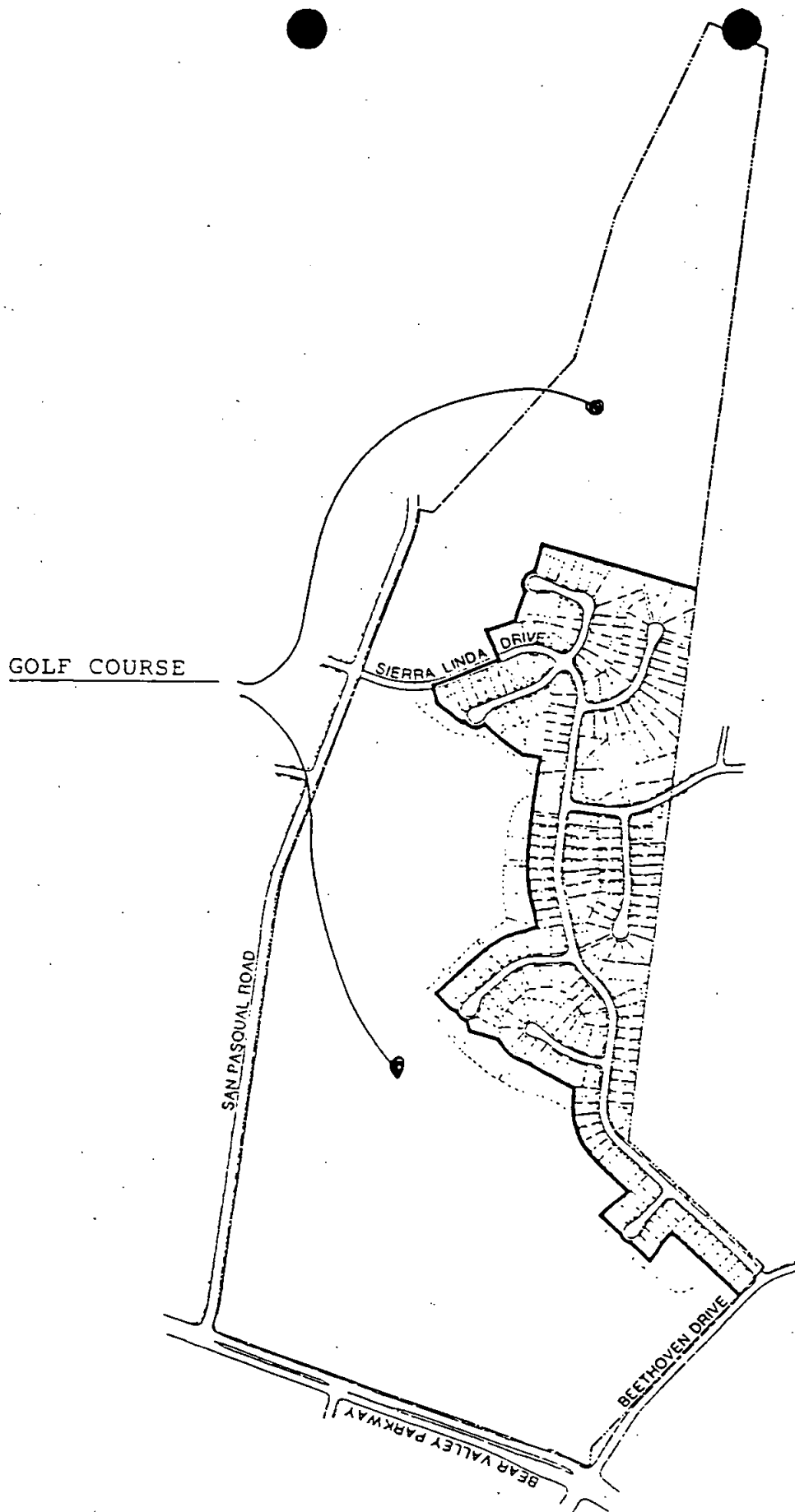


EXHIBIT "A"

ALL PARCELS 1A, 1B, AND 1C, DESCRIBED AS FOLLOWS:

PARCEL 1A:

THAT PORTION OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP IN BOOK 2, PAGE 462 OF PATENTS, RECORDS OF SAN DIEGO COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF RESURVEY OF OAKS TRACT SUBDIVIDED, ACCORDING TO MAP NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER, FEBRUARY 8, 1912, WITH THE EASTERLY BOUNDARY OF THAT CERTAIN 60.00 FOOT COUNTY ROAD, KNOWN AS COUNTY HIGHWAY COMMISSION, ROUTE 3, DIVISION 1, ALSO KNOWN AS SUNSET DRIVE, BEING SHOWN ON RECORD OF SURVEY MAP NO. 5234, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTH LINE OF THE SAID OAKS TRACT SOUTH 84°04'30" EAST 1571.67 FEET TO THE TRUE POINT OF BEGINNING, BEING AT THE NORTHERLY END OF COURSE NO. 54 OF THE APPROXIMATE 395 FOOT CONTOUR ABOVE MEAN SEA LEVEL, ACCORDING TO U. S. GEOLOGICAL SURVEY DATUM AS SHOWN ON SAID RECORD OF SURVEY MAP NO. 5234; THENCE SOUTH 42°22'30" WEST 869.74 FEET; THENCE NORTH 47°37'30" WEST 1177.53 FEET TO THE SOUTH LINE OF THE SAID OAKS TRACT; THENCE SOUTH 84°04'30" EAST ALONG SAID SOUTH LINE OF OAKS TRACT TO THE TRUE POINT OF BEGINNING.

PARCEL 1B:

THOSE PORTIONS OF THE OAK'S TRACT IN THE RANCHO SAN BERNARDO, ACCORDING TO THE MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY FEBRUARY 8, 1912 OF LONGVIEW ACRES SUBDIVISION, ACCORDING TO THE MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY NOVEMBER 28, 1947 AND OF LONGVIEW ACRES SUBDIVISION UNIT NO. 2, ACCORDING TO THE MAP THEREOF NO. 2582, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY AUGUST 15 1949, ALL IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 83°38'30" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°22' EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND AND THE NORTHERLY PROLONGATION THEREOF 1356.14 FEET TO A POINT ON A

500.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY, IN THE CENTER LINE OF SAN PASQUAL ROAD, AS SHOWN ON SAID MAP NO. 2438 OF LONGVIEW ACRES SUBDIVISION, A RADIAL LINE OF SAID CURVE BEARING SOUTH 4°39'30" WEST THROUGH SAID POINT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°15', A DISTANCE OF 133.08 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE OF SAN PASQUAL ROAD NORTH 70°05'30" WEST 1067.13 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO SHERMAN C. ANDERSON AND WIFE, BY DEED DATED FEBRUARY 5, 1949 AND RECORDED IN BOOK 3106, PAGE 179 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY, SOUTHERLY AND WESTERLY BOUNDARIES OF SAID LAND AS FOLLOWS:

SOUTH 13°21'30" WEST, 561.55 FEET; THENCE SOUTH 3°15'40" EAST, 205.46 FEET; THENCE NORTH 84°24'40" WEST, 455.42 FEET; THENCE NORTH 4°49'00" EAST, 890.14 FEET TO THE NORTHWESTERLY CORNER OF SAID ANDERSON'S LAND AT A POINT ON THE CENTER LINE OF SAID SAN PASQUAL ROAD; THENCE NORTH 70°05'30" WEST ALONG SAID CENTER LINE, 44.88 FEET TO THE BEGINNING OF A TANGENT CURVE THEREIN CONCAVE SOUTHERLY AND HAVING A RADIUS OF 1000 FEET; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 12°29', A DISTANCE OF 217.88 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE NORTH 82°34'20" WEST, 41.13 FEET; THENCE LEAVING SAID CENTER LINE NORTH 7°25'40" EAST, 30.00 FEET TO THE SOUTHEASTERLY CORNER OF LOT 3 IN BLOCK 3 OF SAID LONGVIEW ACRES SUBDIVISION; THENCE NORTH 7°08'45" EAST ALONG THE EASTERLY LINE OF SAID LOT, A DISTANCE OF 762.25 FEET TO THE NORTHEASTERLY CORNER THEREOF; THENCE SOUTH 88°29'20" WEST ALONG THE NORTHERLY LINE OF SAID LOT 3, A DISTANCE OF 780.38 FEET TO THE EASTERLY LINE OF LOT 2 IN SAID BLOCK 3 OF LONGVIEW ACRES SUBDIVISION; THENCE NORTH 1°25'30" WEST ALONG THE EAST LINES OF LOTS 2 AND 1 IN SAID BLOCK 3 AND ALONG THE NORTHERLY PROLONGATION THEREOF, A DISTANCE OF 859.92 FEET TO A POINT IN THE CENTER LINE OF MARY LANE AS SHOWN ON SAID MAP NO. 2438; THENCE NORTH 87°51'40" WEST ALONG SAID CENTER LINE, 413.03 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO J. R. ELLEDGE AND WIFE, BY DEED DATED JANUARY 24, 1949 AND RECORDED IN BOOK 3116, PAGE 265 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY AND SOUTHERLY LINES OF SAID LAND SOUTH 2°08'20" WEST, 450.00 FEET AND NORTH 87°51'40" WEST 543.83 FEET TO A POINT IN THE CENTER LINE OF SAN DIEGO COUNTY HIGHWAY COMMISSION ROUTE 3, DIVISION 1, AS SHOWN ON SAID MAP NO. 2438; THENCE NORTH 19°24'30" EAST ALONG SAID CENTER LINE, 143.90 FEET TO THE BEGINNING OF A TANGENT CURVE THEREIN CONCAVE WESTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 8°55', A DISTANCE OF 155.63 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE NORTH 10°29'30" EAST (NORTH 10°03'50" EAST AS SHOWN ON MAP NO. 2582 OF LONGVIEW ACRES SUBDIVISION UNIT NO. 2 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON AUGUST 15, 1949), A DISTANCE OF 1818.63 FEET; THENCE LEAVING SAID CENTER LINE NORTH 78°35' WEST 975.00 FEET; THENCE SOUTH 10°03'50" WEST (RECORD SOUTH 10°29'30" WEST) PARALLEL WITH SAID CENTER LINE OF SAN DIEGO COUNTY HIGHWAY COMMISSION ROUTE 3, DIVISION 1, A DISTANCE OF 500.00 FEET TO A POINT ON THE SOUTHERLY LINE OF THE

OLIVER OAKS TRACT, AS DESCRIBED IN A DEED RECORDED FEBRUARY 16, 1912 IN BOOK 550, PAGE 154 OF DEEDS; THENCE NORTH 78°35' WEST ALONG SAID SOUTHERLY LINE OF THE OLIVER OAKS TRACT, 2328.10 FEET TO THE NORTHEASTERLY CORNER OF LAND DESCRIBED IN PARCEL 1 OF A DEED TO HELEN BANISTER, DATED AUGUST 31, 1953 IN BOOK 4973, PAGE 163 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY BOUNDARY OF SAID LAND DUE SOUTH 920.00 FEET DUE EAST 116.45 FEET AND DUE SOUTH 654+47 FEET TO THE SOUTHEASTERLY CORNER THEREOF AT A POINT ON THE NORTHEASTERLY LINE OF LOT 9 IN BLOCK 8 OF SAID LONGVIEW ACRES SUBDIVISION ON UNIT NO. 2; THENCE SOUTH 64°17' EAST ALONG SAID NORTHEASTERLY LINE 60.00 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 9; THENCE ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAST MENTIONED SUBDIVISION AS FOLLOWS:

SOUTH 20°13'10" WEST 528.48 FEET; THENCE SOUTH 23°28'20" WEST, 75.00 FEET; THENCE SOUTH 8°38'40" WEST 251.74 FEET; THENCE SOUTH 46°58'20" WEST 361.06 FEET TO THE MOST SOUTHERLY CORNER OF LOT 14 IN BLOCK 8 OF SAID SUBDIVISION, SAID POINT BEING ALSO THE BEGINNING OF A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 40 FEET, THE CENTER OF WHICH BEARS SOUTH 41°49'45" WEST; THENCE SOUTHERLY, WESTERLY AND NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH AN ANGLE OF 262°49'10" A DISTANCE OF 183.48 FEET TO A POINT IN THE SOUTH LINE OF BLOCK 9 OF SAID LONGVIEW ACRES SUBDIVISION UNIT NO. 2; THENCE SOUTH 83°14'20" WEST ALONG THE SOUTHERLY LINE OF SAID BLOCK 9 A DISTANCE OF 400.00 FEET TO THE SOUTHWESTERLY CORNER THEREOF AT A POINT ON THE EASTERLY LINE OF THE RIGHT OF WAY OF THE STATE HIGHWAY (DISTRICT XI, ROUTE 77, SECTION "B"), AS SAID RIGHT OF WAY IS DESCRIBED IN A DEED RECORDED SEPTEMBER 2, 1936 IN BOOK 571, PAGE 31 OF OFFICIAL RECORDS; THENCE SOUTH 6°45'40" EAST (RECORD SOUTH 6°42' EAST) ALONG SAID EASTERLY LINE 12.74 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF HOMELAND ACRES ADDITION TO ESCONDIDO, NO. 2, ACCORDING TO MAP THEREOF NO. 1241, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY, MARCH 11, 1910; THENCE NORTH 77°20'30" WEST (RECORD NORTH 77°30' WEST) ALONG SAID PROLONGATION 106.03 FEET TO THE WESTERLY LINE OF SAID STATE HIGHWAY; THENCE CONTINUING NORTH 77°20'30" WEST (RECORD NORTH 77°30' WEST) ALONG SAID PROLONGATION AND ALONG THE SOUTHERLY LINE OF SAID LAST MENTIONED SUBDIVISION, 3036.61 FEET TO THE MOST EASTERLY CORNER OF LAND CONVEYED TO AMOS J. SCHONEMAN AND WIFE BY DEED DATED NOVEMBER 10, 1945 AND RECORDED IN BOOK 2002, PAGE 237 OF OFFICIAL RECORDS; THENCE SOUTH 36°56'05" WEST (RECORD SOUTH 36°59'20" WEST) ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAND, 532.63 FEET (RECORD 532.80 FEET) TO AN ANGLE POINT THEREIN; THENCE CONTINUING ALONG SAID SOUTHEASTERLY BOUNDARY SOUTH 5°57'30" WEST (RECORD SOUTH 5°41' WEST) 20.54 FEET TO THE COMMON CORNER OF SAID SCHOENMAN'S LAND AND LAND CONVEYED TO HERMAN R. WISEMAN AND WIFE BY DEED DATED MAY 4, 1944 AND RECORDED IN BOOK 1691 PAGE 146 OF OFFICIAL RECORDS; SAID COMMON CORNER BEING AT ENGINEERS STATION 22 + 03.04 IN THE CENTER OF ROAD SURVEY NO. 461, A MAP OF WHICH IS ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID SAN DIEGO COUNTY AND BEING A POINT ON A CURVE IN SAID CENTER LINE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE ALONG

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EXHIBIT "B"

SAID CENTER LINE AND BEING ALSO THE NORTHEASTERLY BOUNDARY OF SAID WISEMAN'S LAND, AS FOLLOWS:

EASTERLY ALONG SAID LAST MENTIONED CURVE, THROUGH A CENTRAL ANGLE OF 31°07'04" A DISTANCE OF 271.55 FEET; THENCE TANGENT TO SAID CURVE SOUTH 52°57' EAST 169.65 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 48°37' A DISTANCE OF 424.26 FEET; THENCE TANGENT TO SAID CURVE SOUTH 4°20' EAST 471.39 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 200.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 58°42' A DISTANCE OF 204.90 FEET; THENCE TANGENT TO SAID CURVE SOUTH 63°02' EAST 439.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 7°25'20" A DISTANCE OF 129.54 FEET; THENCE TANGENT TO SAID CURVE SOUTH 55°36'40" EAST 265.72 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°40'20" A DISTANCE OF 238.63 FEET; THENCE TANGENT TO SAID CURVE SOUTH 69°17' EAST 858.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°46' A DISTANCE OF 128.86 FEET TO THE NORTHERLY TERMINUS OF THE MOST EASTERLY LINE OF SAID LAND SO CONVEYED TO WISEMAN; THENCE SOUTH 5°57' WEST (RECORD SOUTH 5°55'30" WEST) ALONG SAID MOST EASTERLY LINE 30.00 FEET TO THE SOUTHEASTERLY CORNER OF SAID LAND AT A POINT ON THE SOUTHERLY LINE OF THE OAK'S TRACT; THENCE SOUTH 84°03' EAST (RECORD SOUTH 84°04'30" EAST) ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT 937.22 FEET TO THE WESTERLY LINE OF THE HEREINBEFORE MENTIONED 100.00 FOOT CALIFORNIA STATE HIGHWAY; THENCE CONTINUING SOUTH 84°03' EAST ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT 51.25 FEET, MORE OR LESS TO THE CENTER LINE OF SAID STATE HIGHWAY; THENCE CONTINUING ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT SOUTH 84°04'40" EAST (RECORD SOUTH 84°04'30" EAST) 2620.93 FEET TO THE CENTER LINE OF THE HEREINBEFORE MENTIONED SAN DIEGO COUNTY HIGHWAY COMMISSION ROUTE 3, DIVISION 1; THENCE CONTINUING ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT SOUTH 83°38'30" EAST (RECORD SOUTH 84°04'30" EAST) 4221.26 FEET, MORE OR LESS TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION LYING WESTERLY OF THE EASTERLY BOUNDARY OF PARCEL MAP 11382, IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 11, 1981 AS FILE NO. 81-182347 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION LYING NORTHERLY OF THE CENTER LINE OF SAN PASQUAL ROAD ALL AS SHOWN ON LONGVIEW ACRES IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 28, 1947.

ALSO EXCEPTING THEREFROM A PORTION OF THE OAK'S TRACT SITUATED IN THE RANCHO SAN BERNARDO, ACCORDING TO MAP NO. 1415 FILED IN THE RECORDER'S OFFICE, WHICH PORTION IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 83°38'30" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE, BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°22' EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND AND THE NORTHERLY PROLONGATION THEREOF, 1356.14 FEET TO A POINT ON A 500.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY IN THE CENTER LINE OF SAN PASQUAL ROAD, AS SHOWN ON MAP NO. 2438 OF LONGVIEW ACRES SUBDIVISION, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY ON NOVEMBER 28, 1947, A RADIAL LINE OF SAID CURVE BEARING SOUTH 4°39'30" WEST THROUGH SAID POINT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°15' A DISTANCE OF 133.08 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE OF SAN PASQUAL ROAD, NORTH 70°05'30" WEST 1067.13 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO SHERMAN C. ANDERSON AND WIFE, BY DEED DATED FEBRUARY 5, 1949, RECORDED IN BOOK 3106, PAGE 179 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY AND SOUTHERLY BOUNDARIES OF SAID LAND AS FOLLOWS:

SOUTH 13°21'30" WEST 561.55 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET AND THENCE NORTH 84°24'40" WEST 455.42 FEET TO THE SOUTHWESTERLY CORNER OF SAID LAND; THENCE SOUTHWESTERLY IN A STRAIGHT LINE TO A POINT ON THE AFOREMENTIONED SOUTHERLY LINE OF OAK'S TRACT, DISTANT THEREON NORTH 83°38'30" WEST 1900.00 FEET FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 83°38'30" EAST (RECORD 84°04'30" EAST) ALONG SAID SOUTHERLY LINE, 1900.00 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL THAT PORTION OF THE OAKS TRACT IN THE RANCHO SAN BERNARDO, ACCORDING TO MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 8, 1912 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF LOT 9, BLOCK 3 OF LONGVIEW ACRES SUBDIVISION ACCORDING TO MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 28, 1947; THENCE SOUTH 11°25'00" WEST 30.33 FEET, MORE OR LESS TO AN INTERSECTION WITH THE CENTERLINE OF SAN PASQUAL ROAD, AS THE SAME IS SHOWN ON SAID MAP NO. 2438, BEING THE TRUE POINT OF BEGINNING; THENCE

SOUTH 70°05'30" EAST ALONG SAID CENTER LINE 142.30 FEET; THENCE SOUTH 13°21'36" WEST 561.53 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET; THENCE NORTH 84°24'40" WEST 455.42 FEET; THENCE NORTH 4°49'00" EAST 890.14 FEET, MORE OR LESS TO THE INTERSECTION WITH THE CENTERLINE OF SAID SAN PASQUAL ROAD; THENCE SOUTH 70°05'30" EAST ALONG SAID CENTERLINE 385.83 FEET MORE OR LESS TO THE TRUE POINT OF BEGINNING.

PARCEL 1C:

THAT PORTION OF THE OAK'S TRACT SITUATED IN THE RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP NO. 1415 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH PORTION IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 83°38'30" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE, BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°22' EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND AND THE NORTHERLY PROLONGATION THEREOF, 1356.14 FEET TO A POINT ON A 500.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY IN THE CENTER LINE OF SAN PASQUAL ROAD, AS SHOWN ON MAP NO. 2438 OF LONGVIEW ACRES SUBDIVISION, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY ON NOVEMBER 28, 1947, A RADIAL LINE OF SAID CURVE BEARING SOUTH 4°39'30" WEST THROUGH SAID POINT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°15' A DISTANCE OF 133.08 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE OF SAN PASQUAL ROAD, NORTH 70°05'30" WEST 1067.13 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO SHERMAN C. ANDERSON AND WIFE, BY DEED DATED FEBRUARY 5, 1949, RECORDED IN BOOK 3106, PAGE 179 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY AND SOUTHERLY BOUNDARIES OF SAID LAND AS FOLLOWS:

SOUTH 13°21'30" WEST 561.55 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET AND THENCE NORTH 84°24'40" WEST 455.42 FEET TO THE SOUTHWESTERLY CORNER OF SAID LAND; THENCE SOUTHWESTERLY IN A STRAIGHT LINE TO A POINT ON THE AFOREMENTIONED SOUTHERLY LINE OF OAK'S TRACT, DISTANT THEREON NORTH 83°38'30" WEST 1900.00 FEET FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 83°38'30" EAST (RECORD SOUTH 84°04'30" EAST) ALONG SAID SOUTHERLY LINE, 1900.00 FEET TO THE TRUE POINT OF BEGINNING.

AND ALSO THE FOLLOWING DESCRIBED PARCEL:

ALL THAT PORTION OF THE OAKS TRACT IN THE RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 8, 1912, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF LOT 9, IN BLOCK 3 OF LONGVIEW ACRES SUBDIVISION, ACCORDING TO MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 28, 1947; THENCE SOUTH 11°25'00" WEST 30.33 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE CENTER LINE OF SAN PASQUAL ROAD, AS THE SAME IS SHOWN ON SAID MAP NO. 2438, BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH 70°05'30" EAST ALONG SAID CENTER LINE 142.30 FEET; THENCE SOUTH 13°21'30" WEST 561.55 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET; THENCE NORTH 84°24'40" WEST 455.42 FEET; THENCE NORTH 4°49'00" EAST 890.14 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE CENTER LINE OF SAID SAN PASQUAL ROAD; THENCE SOUTH 70°05'30" EAST ALONG SAID CENTER LINE 385.83 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

AND ALSO THAT 40 ACRE PARCEL LEASED BY THE CITY OF ESCONDIDO FROM THE CITY OF SAN DIEGO, AS DESCRIBED IN DOCUMENT NO. RP-270925, FILED IN THE OFFICE OF THE SAN DIEGO CITY CLERK.

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EXHIBIT "B"

EXCEPTING FROM THE PREVIOUSLY DESCRIBED PARCELS 1A, 1B AND 1C,
THE FOLLOWING:

THOSE PORTIONS OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP IN BOOK 2, PAGE 462 OF PATENTS, RECORDS OF SAID COUNTY AND THE OAK'S TRACT IN THE RANCHO SAN BERNARDO ACCORDING TO THE MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY FEBRUARY 8, 1912, ALL IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 84°04'31" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4,916.79 FEET (RECORD 4,913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE BY DEED DATED APRIL 30, 1928 IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°29'53" EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND 698.13 FEET; THENCE LEAVING SAID WESTERLY LINE NORTH 39°10'59" WEST, 216.48 FEET; THENCE SOUTH 82°38'15" WEST, 100.28 FEET; THENCE NORTH 43°33'34" WEST, 153.56 FEET; THENCE NORTH 54°56'18" WEST, 160.96 FEET; THENCE NORTH 68°00'04" WEST, 280.92 FEET; THENCE SOUTH 19°40'36" WEST, 346.93 FEET; THENCE SOUTH 37°05'13" WEST, 165.40 FEET; THENCE SOUTH 47°33'25" WEST, 193.92 FEET; THENCE NORTH 54°41'44" WEST, 195.97 FEET; THENCE NORTH 05°55'48" EAST, 94.99 FEET; THENCE NORTH 86°13'39" WEST, 310.98 FEET; THENCE SOUTH 75°15'30" WEST, 255.90 FEET; THENCE NORTH 17°47'13" WEST, 177.82 FEET; THENCE NORTH 43°08'40" WEST, 400.98 FEET; THENCE SOUTH 50°14'12" WEST, 165.90 FEET; THENCE SOUTH 45°41'11" WEST, 153.44 FEET; THENCE SOUTH 34°07'35" WEST, 217.08 FEET; THENCE SOUTH 13°39'26" WEST, 264.75 FEET; THENCE NORTH 87°44'02" WEST, 133.99 FEET; THENCE SOUTH 70°47'01" WEST, 157.50 FEET; THENCE SOUTH 42°22'26" WEST, 291.29 FEET; THENCE NORTH 41°18'18" WEST, 211.00 FEET; THENCE SOUTH 41°44'57" WEST, 309.75 FEET; THENCE SOUTH 52°12'13" EAST, 207.00 FEET; THENCE SOUTH 42°22'26" WEST, 252.37 FEET; THENCE SOUTH 54°23'23" WEST, 182.53 FEET; THENCE SOUTH 47°37'16" EAST, 208.00 FEET; THENCE NORTH 42°22'26" EAST, 869.76 FEET TO THE SOUTH LINE OF SAID OAK'S TRACT; THENCE ALONG SAID SOUTH LINE SOUTH 84°04'31" EAST (RECORD SOUTH 84°04'30" EAST), 2,618.94 FEET TO THE TRUE POINT OF BEGINNING.

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EXHIBIT "B"

APPENDIX "B"

GOLF COURSE MAINTENANCE SPECIFICATIONS

A. SUPERVISION OF MAINTENANCE

1. The golf course superintendent shall be responsible for supervising the maintenance of the course. He will report directly to a Class "A" superintendent who will develop the maintenance program and conduct on-site visits at a minimum of every other week. At least one full-time crew member shall have a current pesticide applicator's license.

Other than during inclement weather, a full maintenance crew shall be on duty at the course daily, supervised by an on-duty superintendent. Regular hours will be established and maintained. The superintendent's hours shall normally be the same as those of his crew.

B. WEATHER IMPACT ON MAINTENANCE

1. When horticultural tasks are specified to be performed in a scheduled basis (as daily, every other day, etc.), the crew will not be expected to perform the task on the specified schedule if the performance of the task is precluded by weather conditions. The tasks shall be performed on the next available day on which the weather conditions will not interfere with the reasonable performance of the task.

C. GREENS MAINTENANCE

1. Mowing the Greens

- a. The greens shall be mowed at least five days per week (Saturday and Sunday required). Greens shall be cut at a length of 3/16" but may be adjusted, depending on the time of year and the amount of play. A stimp meter reading of not less than five feet is desired.
- b. Basket devices for catching grass clippings shall be used on mowers each time a green is cut, except for the first mowing after the green has been top-dressed.
- c. The mowing pattern shall be alternated each time a green is mowed.

- d. "Graining" or "thatch" in the greens shall be controlled as necessary by use of combs, brushes, or "verticut" attachments on greens mowers.

2. Watering on Greens

- a. The crew shall water the greens as necessary to keep the grass in optimal growing condition.
- b. Irrigation should produce greens that are wet evenly over the total green. Wet and dry spots are to be minimized by controller settings and by hand-watering as necessary.

3. Top-Dressing of Greens

- a. The crew shall top-dress each green after aeration in the summer, winter, spring, and fall; using sand similar to that used for construction. Sand shall be applied at the rate of approximately one (1) yard of materials per green in each top-dressing process. Greens shall not be closed more than two hours for top-dressing.

4. Aeration of Greens

- a. The crew shall aerate each green four (4) times each year, using a recognized greens aerator manufactured for the purpose. Each green may be closed by the superintendent for not more than one (1) hour during each aeration.

5. Overseeding Greens

- a. The crew shall overseed each green a minimum of two (2) times each year during the top-dressing or aeration/top-dressing process only if their growing pattern is weak or shows a thin contrast. Only certified Penncross bent grass seed shall be used for overseeding, and the seed shall be applied as necessary to insure uniformity.

6. Vertical Mowing of Greens

- a. The greens shall be vertically mowed as necessary to control "graining" or "thatching."
- b. The greens shall be vertically mowed on a 45-degree angle of difference each time they are vertically mowed to assure the most benefit from this process.

7. Fertilizing Greens

- a. All greens shall be fertilized with nitrogen, phosphorous, potash, and other elements as needed to maintain color, growth, health, and turgidity of the turf without allowing excessive or succulent growth.
- b. The goal of the greens fertilization program is to provide the best possible putting surface, not to produce the maximum amount of growth.
- c. Greens shall not be closed for fertilization.

8. Pest Control on Greens

- a. Pest control management of the greens is considered to be a constant ongoing responsibility of the superintendent.
- b. The greens shall be checked daily for fungus activity, insect infestations, or any other pest problem which will adversely affect the quality of the putting surface. The appropriate controls for these pests shall be applied as soon as necessary after their detection.

9. Weed Control on Greens

- a. All greens shall be maintained free of undesirable grasses and weeds. Preemergent herbicides shall be used as necessary to prevent intrusion into the greens of weeds difficult to eradicate such as goose grass, crabgrass, etc.

10. Repair of Greens

- a. Any damage done to the greens from any source which affects the putting surface shall be repaired immediately by the crew. All such areas shall be sodded with bent grass sod.

11. Other Greens Requirements

- a. The crew shall repair ball marks on all greens on a daily basis.
- b. The crew shall change the pin placement on the greens every day.

D. MAINTENANCE OF TEES AND APRONS

1. Mowing of Tees and Aprons

- a. The crew shall mow all tee areas and aprons around the greens not less frequently than three times per week. Tees and aprons shall be cut at a maximum height of $\frac{5}{8}$ inch, but may be adjusted for different types of grasses.
- b. The crew shall not use mowing implements intended for mowing fairways for the mowing of tees or aprons.

2. Watering of Tees and Aprons

- a. Tees and aprons are to be watered as necessary to keep the grass in optimal growing condition. Hand-watering shall be used by the crew where necessary to augment the irrigation system.

3. Aeration and Top-Dressing of Tees and Aprons

- a. The tees shall be aerated four (4) times per year or more as needed. Plugs shall be chopped and returned to the tee surface. They shall be top-dressed two (2) times per year using $\frac{1}{4}$ yard of sand per square foot per application.
- b. The aprons shall be aerated two (2) times per year. Plugs shall be chopped and returned to the apron surface.
- c. A recognized greens aerator, manufactured for the purpose, shall be used for each area.

4. Vertical Mowing of Tees and Aprons

- a. Tees and aprons shall be vertically mowed as necessary to prevent thatching. They shall be mowed at different angles each time to assure the most benefit from the process.

5. Fertilizing of Tees and Aprons

- a. All tees and aprons shall be fertilized with nitrogen, phosphorous, potash, and other elements as needed to maintain color, growth, health, and turgidity of the turf without allowing excessive or succulent growth.

6. Pest Control of Tees and Aprons

- a. The tees and aprons shall be checked daily for fungus activity and insect infestations or any other pest, gopher, or burrowing animal infestations which would interfere with the playing surface or the health of the turf grasses. The appropriate controls for these pests shall be put into force as soon as necessary after their discovery.

7. Weed Control on Tees and Aprons

- a. Tees and aprons shall be kept weed-free to an extent of at least 90 percent of the area by the proper and timely application of preemergent and/or postemergent herbicides.

8. Overseeding of Tees and Aprons

- a. The tees shall be overseeded two (2) times per year using the type of seed originally planted at construction or a native blend at the seeding rate of two (2) pounds per 1,000 square feet. This process may be combined with the aeration/top-dressing process if the superintendent so desires.
- b. All divots on tees are to be filled with seed/sand mixture weekly or as needed.

9. Setup

- a. Tee markers and all tee equipment shall be moved daily for proper play and control of turf wear.

E. MAINTENANCE OF FAIRWAYS/DRIVING RANGE

1. Mowing of Fairways/Driving Range

- a. The fairways shall be mowed every four (4) days at a height of 1". The mowing heights may be adjusted as needed.
- b. The driving range shall be mowed one (1) time per week at a height of 1".
- c. During periods of rainy weather which interfere with the normal fairway mowing schedule, the crew shall be expected to use additional mowing resources to catch up on mowing requirements so as to prevent overlying long grass.

2. Watering of Fairways/Driving Range
 - a. Fairways and the driving range are to be watered as necessary to keep the grass in optimal playing condition.
3. Aeration of Fairways/Driving Range
 - a. The fairways and driving range shall be aerated a minimum of two (2) times per year or as needed, using an aerator with 5/8" diameter spoon and a minimum penetration depth of three (3) inches.
4. Vertical Mowing of Fairways/Driving Range
 - a. Vertical mowing of fairways and the driving range is not required except in extraordinary circumstances for disease control or to reduce thatch of stoniferous weed grasses.
5. Fertilization of Fairways/Driving Range
 - a. All fairways/driving range shall be fertilized with nitrogen, phosphorous, potash, or other elements as needed to maintain color, growth, health, and turgidity of the turf without allowing excessive or succulent growth.
 - b. Fairways and the driving range are to be fertilized four (4) times per year.
6. Pest Control on Fairways/Driving Range
 - a. The fairways and the driving range shall be checked daily for any pest infestation, gophers, and other burrowing animals which will affect the playing surface of the ongoing health of the turf grass.
 - b. Any pest problem recognized as such shall be dealt with as soon as possible.

F. HAZARD MAINTENANCE

1. Sand Maintenance
 - a. All sand traps shall be edged as necessary to maintain an appropriate lip, raked daily, and filled with fresh sand as needed to maintain a minimum 1 1/2" depth on slopes and 4" in the bottom.
 - b. The sand shall be raked five (5) times per week in each trap.

c. The sand traps shall be kept weed-free.

G. TREES, SHRUBS, AND OTHER LANDSCAPING

1. The superintendent will be responsible for the maintenance of all the landscaping at the course.
2. All landscaped planter areas shall be kept weed-free.
3. All trees and shrubs shall be pruned as necessary to provide ease of play on the course and to provide aesthetic value throughout. The crew shall replace trees damaged by wind, etc., and provide staking as necessary.
4. Any pruning on larger trees that necessitates the use of the ladders and/or mechanical raising and lowering devices to carry a person about in order to prune, thin out dead wood or debris or unwanted growth is the responsibility of the crew.
5. The crew shall irrigate all tree shrubs and other landscape plants as necessary to maintain them in the optimum condition for growth.
6. All dead trees, for whatever cause, shall be removed. Replacement shall be with a tree of appropriate type and size.
7. The landscaped slope separating the golf course from the adjacent housing shall be cultivated, weeded, and pruned on a regular basis.
8. The crew is to keep grass adjacent to trees mowed at the same frequency and to the same height as is applicable to the location of each tree (e.g., whether fairway or rough). Large area mowers shall not be used within one (1) foot of the trunk of any tree.

H. ROUGHS

All turfed areas of play except greens, tees, fairways, and natural growth areas.

1. Mowing

All roughs shall be mowed weekly during the growing season, and as necessary during the balance of the year, at heights between 3/4' and 1 1/2". Rough height shall not exceed 2" without the direct approval of the regional superintendent, and rough mowing shall not be suspended for any tournament without such approval.

2. Aeration

- a. Fairway-to-tree-line play areas shall be aerated at least two (2) times per year.
- b. Within wooded play areas, aeration shall be performed as necessary to establish and/or maintain turf.

3. Fertilization

Roughs shall be fertilized as necessary to maintain turf.

4. Weed Control

Shall be performed as necessary to prevent seed formation and to allow proper play.

I. WINTER OVERSEEDING PROGRAM

1. Each fall, all tees, aprons, and fairways shall be dethatched and overseeded with perennial rye grass seed at an appropriate rate to produce an even stand of grass during the winter months.

J. WETLANDS

All areas that are designated wetlands shall be maintained in their natural condition. Exotic weed species such as tamarisk, pampas grass, giant reed, and castor bean shall be removed.

K. MAINTENANCE OF IMPROVEMENTS, EQUIPMENT, ETC., NOT OF A HORTICULTURAL NATURE

1. Irrigation System

- a. The lessee shall provide at its sole cost all irrigation water. Lessee shall bear all costs for the maintenance of the irrigation systems on the course as outlined below:

- (1) Maintenance means the cleaning, adjusting, repair, and replacement of all components of the pumping and irrigation systems downstream of the pump control panels and the main sprinkler control panels.

- (2) The maintenance will include but not be limited to:

- (a) Gate valves.
- (b) Lateral irrigation lines.
- (c) Automatic valves.
- (d) Irrigation controllers.
- (e) Wiring from controllers to valves.
- (f) Controller transformers.
- (g) Sprinkler heads.
- (h) Quick coupler valves.

(3) Lessee shall provide all mainline repairs and materials.

(4) The superintendent shall be responsible for weed and fungus control in golf course lakes.

2. Lessee shall be responsible for the maintenance of the potable water system on the course.

a. All potable waterlines from the street meter to the clubhouse and from the clubhouse to the rest rooms shall be the lessee's maintenance responsibility.

b. All potable waterlines serving drinking fountains, quick couplers, faucets, etc., on the course itself shall be the responsibility of the lessee.

c. All indoor plumbing found in the maintenance shop will be the maintenance responsibility of the lessee.

3. Fences

All fences and walls--block, chain line, or barbed wire, etc.--on or within boundaries of the property.

a. Repair all broken or damaged fencing as necessary.

b. Immediately repair or replace as necessary all fences, gates, and locking devices needed for the protection of the golf course or equipment.

4. Clubhouse and Structures

All structures within the boundaries of the golf course.

a. Course Rest Rooms

All course rest rooms shall be maintained daily to provide clean and sanitary facilities for the users and employees of the course. Soap, towels, toilet paper, etc., shall be provided in adequate quantity at all times. Portable facilities shall be maintained similarly.

b. All buildings and structures shall be maintained in good repair at all times. Surrounding areas shall be maintained free of weeds, brush, disorganized junk or broken-down equipment, trash piles, etc. Interior areas shall be clean and neatly organized, safe, and sanitary for customers and employees. Painting, rodent and insect control, and landscaping shall be performed as necessary. "Housekeeping" duties shall be assigned to all maintenance crew members and shall be performed daily.

c. Cart Paths

Maintain all cart paths in a smooth and clean condition and repair promptly as needed.

d. Parking lot

Maintain all roads and parking lots on an "as needed" basis. An annual inspection shall be done to identify needed work such as crack sealing, restriping, and/or sealing. All work shall be done to City Public Works Department standards.

5. Edging

All sidewalks, patios, and concrete cart paths must be kept edged. Edging around valve boxes, meter boxes, backflow preventers, etc., shall be done as needed to insure that there is no obstruction of play or maintenance from growth around these items.

L. NONHORTICULTURAL MAINTENANCE RELATED TO PLAY ON THE COURSE

1. Lessee shall be responsible for the maintenance of all tee markers, cups, flags, ball washers, trap rakes, yardage signs, and benches on the course. Maintenance shall include repairing, painting, replacing, furnishing towels, and otherwise keeping these amenities in a good condition that is conducive to player enjoyment of and respect for the course.
2. The cups on each green and the tee markers on each tee shall be relocated every day.
3. The ball washers located around the course shall be serviced Monday, Wednesday, Friday, Saturday, and Sunday. The towels for the ball washers shall be changed on the same schedule with clean towels furnished as needed.
4. The superintendent shall have the responsible to mark temporary hazards, out-of-bounds areas, and other course

conditions as they occur or are required by tournament play. Definition of tournament requirements will be furnished by the starter staff in the Pro Shop at the clubhouse of the course.

5. The crew shall pick up litter throughout the course on a daily basis. Litter receptacles are to be furnished by the Lessee and maintained by the lessee.
6. Vertebrate pest control shall be routinely performed throughout the property on an ongoing basis in such a manner that vertebrate pest populations are steadily reduced and eventually eliminated.
7. A soil analysis shall be performed yearly by an approved professional laboratory.
8. Any change in the physical characteristics of any area of the golf course such as addition or removal of sand traps, addition or removal of any hazards (water, trees, or native vegetation), movement of soil exceeding 20 cubic yards in any single area, or the modification of any portion of the golf course or the buildings shall only be undertaken with the direct approval of the City Manager or his designated representative.

M. GENERAL MAINTENANCE STATEMENT

1. These specifications indicate minimum practices necessary for the proper maintenance of any golf course. In no way do they limit the responsibility of the golf course superintendent for the professional care and maintenance of the property.

P/0214-21/4

DUPLICATE ORIGINAL

ESCONDIDO MUNICIPAL GOLF COURSE
OPERATION AGREEMENT

Between the following parties:

CITY OF ESCONDIDO
Civic Center Plaza
201 N. Broadway
Escondido, CA 92025

CITY OF SAN DIEGO
City Administration Building
202 C Street
San Diego, CA 92101

The following shall constitute our mutual understanding and agreement regarding the relationship between the cities of Escondido and San Diego for the development and operation of a municipal golf course.

- 1) The golf course shall be 18 holes with the minimum necessary public facilities to properly operate the course, but not including those golf course improvements which are severable in title from the golf course land, i.e., the clubhouse and maintenance buildings and appurtenances.
- 2) The exact boundaries of the golf course land shall be shown on Exhibit A and described on Exhibit B.
- 3) The golf course to be developed on the golf course land shall be of regulation size, having a total playing length of not less than 6,000 yards and be designed and developed to USGA standards. The City of Escondido shall notify the City Manager of the City of San Diego in writing after completion of the proposed site plan for the golf course. The City of San Diego shall have an opportunity to review the site plan and submit its comments within thirty (30) working days after receipt of the site plan concerning the same. The City of Escondido shall consider such comments when it renders its decision of whether to approve or disapprove the plans for the golf course.
- 4) The golf course improvements to be completed on the golf course land shall be undertaken by the City of Escondido or by the selected developer-operator of the golf course. If a developer-operator is used, it shall post appropriate bonding to insure a lien-free completion of the improvements and shall complete the improvements on a time schedule acceptable to the City of Escondido.

5) Upon completion of the golf course improvements or prior to January 1, 1991, whichever event first occurs, the City of Escondido shall transfer to the City of San Diego, free of monetary encumbrances (except as described in paragraph 6 herein and other than non-delinquent taxes and assessments), but subject to a lease agreement the City of Escondido executes with the golf course developer-operator, if any, an undivided 1/2 (one-half) interest in the golf course land (but not including those golf course improvements which are severable in title from the golf course land, i.e., the clubhouse and maintenance buildings and appurtenances). The City of San Diego shall receive an undivided 1/2 (one-half) fee interest on the approximate eight acres known as the "Townsend Property" only in the event the City of San Diego compensates the City of Escondido for 50% of the fair market value of the property.

6) It is anticipated that a clubhouse (including food and beverage service) and a pro shop will be constructed in the Townsend Property. The Cities of Escondido and San Diego shall divide the revenues received from such facilities as follows:

a. If the City of San Diego compensates the City of Escondido for 50% of the fair market value of the Townsend Property, the gross lease revenues (less reasonable direct administrative costs of lease administration), or gross revenues less reasonable administrative expenses (all such terms being defined and used as set forth in paragraphs 9 and 10), as the case may be, shall be divided equally. (For the purposes of this paragraph 6 such revenues subject to distribution, whether attributable to the clubhouse and pro shop or either of them, shall be referred to as "net revenues.")

b. If the City of San Diego does not compensate the City of Escondido for 50% of the fair market value of the Townsend Property

(i) the net revenues from the pro shop and golf course activities shall be divided equally.

(ii) the revenues net from the clubhouse shall be divided 10 percent to the City of San Diego and 90 percent to the City of Escondido.

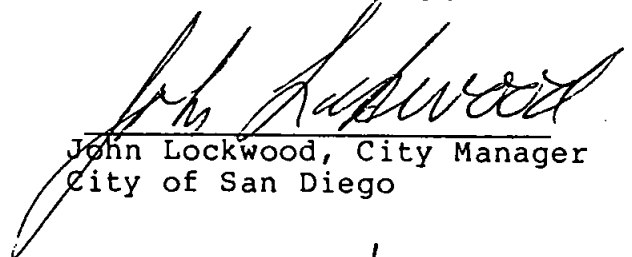
- 7) The City of San Diego shall have no obligation to incur any indebtedness in connection with the development or maintenance of, or the City of San Diego's ownership interest in, the golf course land. The developer-operator of the golf course shall pay any and all taxes and assessments resulting from the City of San Diego's interest in the golf course land. The City of Escondido may use debt financing for all improvements necessary by the City of Escondido and/or the developer-operator to complete the golf course. If the debt instrument encumber the land as well as the improvements, the City of Escondido shall secure the security of the land debt by pledging its General Funds as security. Also, the City of Escondido shall not use the golf course as security for borrowing funds for other purposes and shall use the funds from its debt financing of the golf course on golf course improvements only.
- 8) The City of Escondido has the exclusive right and responsibility to oversee the management and operation of the golf course. However, the City of San Diego shall consult with and advise the City of Escondido on the request for proposal process for a developer-operator, the selection of the developer-operator, and lease form used by the City of Escondido and the developer-operator. The City of San Diego shall be advised in writing prior to any change of operator, any amendment to the lease document, any assignment of the lessee's interest or encumbrance of the leasehold premises.
- 9) *Escondido* The City of Escondido and the City of San Diego shall evenly share the gross lease revenues (less reasonable direct administrative cost of lease administration) paid by the developer-operator of the golf course as described in Paragraph 1 to the City of Escondido for the operation of the golf course. The City of San Diego shall not be required to share in any losses from the golf course operation. Direct administrative costs shall include actual expenditures for such items as direct labor, audits, or enforcement of the lease provisions including legal cost but, shall not include indirect cost such as general overhead expenses of the City of Escondido.

In no event shall the deduction allowed for Escondido's direct administrative expenses exceed \$75,000 in the first year and in subsequent years \$25,000 or 10% of the gross lease revenues, whichever is greater, without the express written consent of the City of San Diego. Expenses shall be charged on an annual basis and shall not be cumulative.

- 10) In the event the City of Escondido develops and operates the golf course or hires an operator for the golf course, the cities of Escondido and San Diego shall evenly share the gross revenues of the golf course less reasonable direct administrative expenses. Direct administrative expenses shall include the reasonable cost of City employees and equipment used in connection with the operation of the golf course, a reasonable equipment replacement reserve, and all costs of financing the development of the golf course.
- 11) The City of San Diego shall not be required to share in any loss if the City of Escondido or a hired operator operates the golf course. The City of Escondido shall give one year's notice prior to the completion and opening of the the golf course for public play or to an intended change in the form of operation, i.e., from the developer-operator to operation by the City of Escondido or to another operator. The City of Escondido shall stipulate the basis on which the course shall be operated, i.e., enterprise or cost recovery. The City of San Diego shall be entitled, with ten (10) days prior notice, to inspect, during normal business hours, all records kept by the City of Escondido and developer-operator concerning the operation of the golf course. In the event the City of Escondido chooses to operate the golf course, or hires an operator for the golf course, it will, at a minimum, pay any taxes and assessments on the City of San Diego's interest in the golf course land.
- 12) The City of Escondido shall require at all times the lessee and/or operator to provide adequate liability insurance and fire insurance for the full replacement cost of the improvements. The liability policy limit shall be in an amount not less than \$1 million combined single limit and shall be subject to change from time to time as is deemed necessary. If the City of Escondido operates the golf course, it shall provide at all times similar insurance or provide self-insurance. The City of San Diego shall be named as an additional insured on all such policies.
- 13) All residents of the City of San Diego and City of Escondido shall be eligible to use the golf course at a discounted rate to be determined by the developer-operator and the City of Escondido. In no event shall there be a difference in rates between residents of either City.
- 14) The City of San Diego and the City of Escondido may enter into such further agreements as may be required from time to time and are mutually agreeable, to fulfill the intent of this agreement; provided, however, no such agreements shall result in any expenditure of City of San Diego funds or provisions for City of San Diego services without express authorization by the City Council of San Diego.

- 15) A portion of the golf course land (premises) is governed by a lease agreement, dated May 9, 1988, Document RR-270925 (City of San Diego Records) between the City of Escondido and City of San Diego. It is anticipated that the City of Escondido will enter into an agreement with the developer-operator of the golf course which in part covers the premises. Said lease with the developer-operator shall be subject to the prior written approval of the City of San Diego. Such approval shall not be unreasonably withheld and shall be acted upon within a reasonable time after request by the City of Escondido.
- 16) The City of Escondido shall hold harmless, defended and indemnify the City of San Diego for any claim resulting from the golf course operation and any claim that might arise as a result of the City of San Diego's interest in the golf course. This provision is not intended to relieve any party of its responsibilities as may be required by State or Federal law.
- 17) Should any dispute arise between the City of San Diego and City of Escondido over any provision of this agreement which cannot be resolved by the parties, the parties may, by mutual agreement, submit the dispute to arbitration in compliance with the rules of the American Arbitration Association.

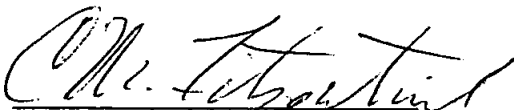
Date: 11/23/88


John Lockwood, City Manager
City of San Diego

Date: 11/16/88


Vernon Hazen, City Manager
City of Escondido

Approved As To Form:


City Attorney

GOLF COURSE LAND

All that real property situated partially in the City of Escondido, and entirely in the County of San Diego, State of California, as illustrated and depicted on the attached Exhibit "A", and more particularly described on the attached Exhibit "B".

GOLF COURSE

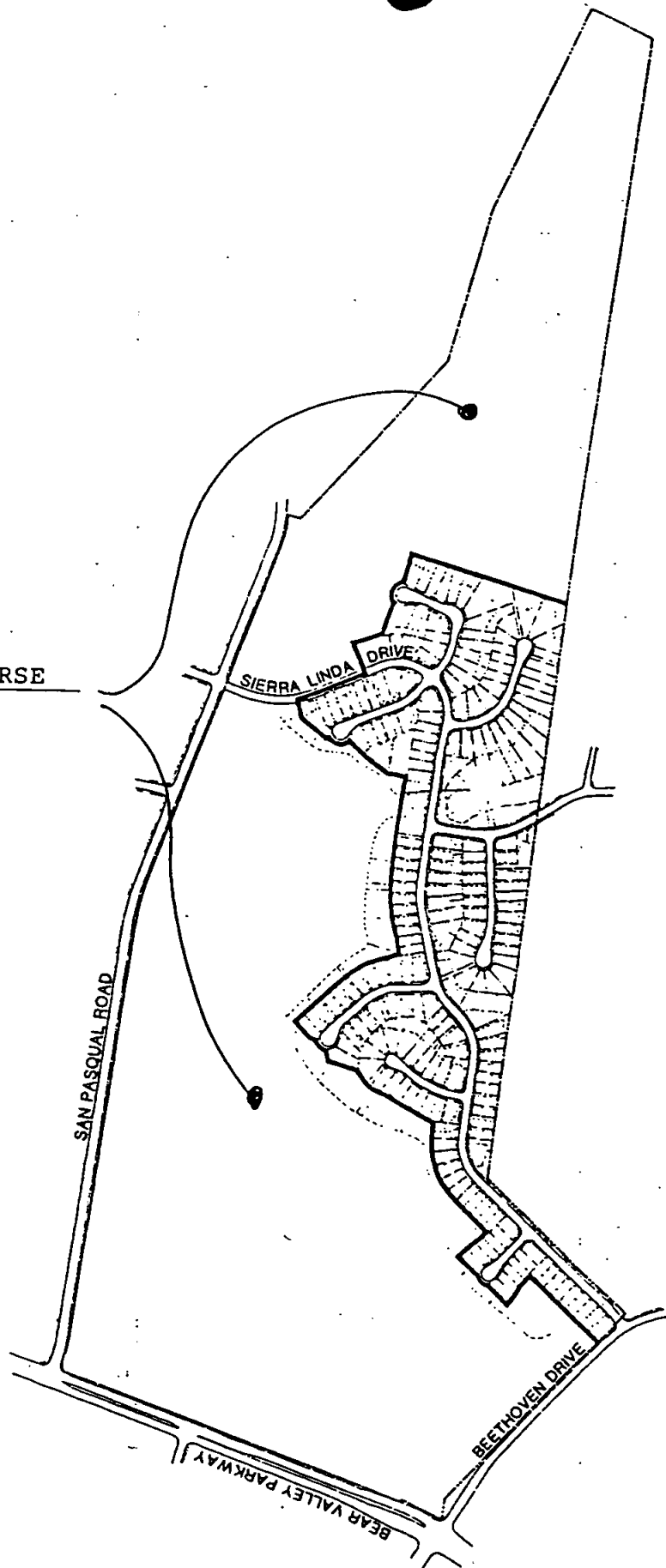


EXHIBIT "A"

ALL PARCELS 1A, 1B, AND 1C, DESCRIBED AS FOLLOWS:

PARCEL 1A:

THAT PORTION OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP IN BOOK 2, PAGE 462 OF PATENTS, RECORDS OF SAN DIEGO COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF RESURVEY OF OAKS TRACT SUBDIVIDED, ACCORDING TO MAP NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER, FEBRUARY 8, 1912, WITH THE EASTERLY BOUNDARY OF THAT CERTAIN 60.00 FOOT COUNTY ROAD, KNOWN AS COUNTY HIGHWAY COMMISSION, ROUTE 3, DIVISION 1, ALSO KNOWN AS SUNSET DRIVE, BEING SHOWN ON RECORD OF SURVEY MAP NO. 5234, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTH LINE OF THE SAID OAKS TRACT SOUTH 84°04'30" EAST 1571.67 FEET TO THE TRUE POINT OF BEGINNING, BEING AT THE NORTHERLY END OF COURSE NO. 54 OF THE APPROXIMATE 395 FOOT CONTOUR ABOVE MEAN SEA LEVEL, ACCORDING TO U. S. GEOLOGICAL SURVEY DATUM AS SHOWN ON SAID RECORD OF SURVEY MAP NO. 5234; THENCE SOUTH 42°22'30" WEST 869.74 FEET; THENCE NORTH 47°37'30" WEST 1177.53 FEET TO THE SOUTH LINE OF THE SAID OAKS TRACT; THENCE SOUTH 84°04'30" EAST ALONG SAID SOUTH LINE OF OAKS TRACT TO THE TRUE POINT OF BEGINNING.

PARCEL 1B:

THOSE PORTIONS OF THE OAK'S TRACT IN THE RANCHO SAN BERNARDO, ACCORDING TO THE MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY FEBRUARY 8, 1912 OF LONGVIEW ACRES SUBDIVISION, ACCORDING TO THE MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY NOVEMBER 28, 1947 AND OF LONGVIEW ACRES SUBDIVISION UNIT NO. 2, ACCORDING TO THE MAP THEREOF NO. 2582, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY AUGUST 15 1949, ALL IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 83°38'30" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°22' EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND AND THE NORTHERLY PROLONGATION THEREOF 1356.14 FEET TO A POINT ON A

EXHIBIT "B"

500.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY, IN THE CENTER LINE OF SAN PASQUAL ROAD, AS SHOWN ON SAID MAP NO. 2438 OF LONGVIEW ACRES SUBDIVISION, A RADIAL LINE OF SAID CURVE BEARING SOUTH 4°39'30" WEST THROUGH SAID POINT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°15', A DISTANCE OF 133.08 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE OF SAN PASQUAL ROAD NORTH 70°05'30" WEST 1067.13 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO SHERMAN C. ANDERSON AND WIFE, BY DEED DATED FEBRUARY 5, 1949 AND RECORDED IN BOOK 3106, PAGE 179 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY, SOUTHERLY AND WESTERLY BOUNDARIES OF SAID LAND AS FOLLOWS:

SOUTH 13°21'30" WEST, 561.55 FEET; THENCE SOUTH 3°15'40" EAST, 205.46 FEET; THENCE NORTH 84°24'40" WEST, 455.42 FEET; THENCE NORTH 4°49'00" EAST, 890.14 FEET TO THE NORTHWESTERLY CORNER OF SAID ANDERSON'S LAND AT A POINT ON THE CENTER LINE OF SAID SAN PASQUAL ROAD; THENCE NORTH 70°05'30" WEST ALONG SAID CENTER LINE, 44.88 FEET TO THE BEGINNING OF A TANGENT CURVE THEREIN CONCAVE SOUTHERLY AND HAVING A RADIUS OF 1000 FEET; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 12°29', A DISTANCE OF 217.88 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE NORTH 82°34'20" WEST, 41.13 FEET; THENCE LEAVING SAID CENTER LINE NORTH 7°25'40" EAST, 30.00 FEET TO THE SOUTHEASTERLY CORNER OF LOT 3 IN BLOCK 3 OF SAID LONGVIEW ACRES SUBDIVISION; THENCE NORTH 7°08'45" EAST ALONG THE EASTERLY LINE OF SAID LOT, A DISTANCE OF 762.25 FEET TO THE NORTHEASTERLY CORNER THEREOF; THENCE SOUTH 88°29'20" WEST ALONG THE NORTHERLY LINE OF SAID LOT 3, A DISTANCE OF 780.38 FEET TO THE EASTERLY LINE OF LOT 2 IN SAID BLOCK 3 OF LONGVIEW ACRES SUBDIVISION; THENCE NORTH 1°25'30" WEST ALONG THE EAST LINES OF LOTS 2 AND 1 IN SAID BLOCK 3 AND ALONG THE NORTHERLY PROLONGATION THEREOF, A DISTANCE OF 859.92 FEET TO A POINT IN THE CENTER LINE OF MARY LANE AS SHOWN ON SAID MAP NO. 2438; THENCE NORTH 87°51'40" WEST ALONG SAID CENTER LINE, 413.03 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO J. R. ELLEDGE AND WIFE, BY DEED DATED JANUARY 24, 1949 AND RECORDED IN BOOK 3116, PAGE 265 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY AND SOUTHERLY LINES OF SAID LAND SOUTH 2°08'20" WEST, 450.00 FEET AND NORTH 87°51'40" WEST 543.83 FEET TO A POINT IN THE CENTER LINE OF SAN DIEGO COUNTY HIGHWAY COMMISSION ROUTE 3, DIVISION 1, AS SHOWN ON SAID MAP NO. 2438; THENCE NORTH 19°24'30" EAST ALONG SAID CENTER LINE, 143.90 FEET TO THE BEGINNING OF A TANGENT CURVE THEREIN CONCAVE WESTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 8°55', A DISTANCE OF 155.63 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE NORTH 10°29'30" EAST (NORTH 10°03'50" EAST AS SHOWN ON MAP NO. 2582 OF LONGVIEW ACRES SUBDIVISION UNIT NO. 2 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON AUGUST 15, 1949), A DISTANCE OF 1818.63 FEET; THENCE LEAVING SAID CENTER LINE NORTH 78°35' WEST 975.00 FEET; THENCE SOUTH 10°03'50" WEST (RECORD SOUTH 10°29'30" WEST) PARALLEL WITH SAID CENTER LINE OF SAN DIEGO COUNTY HIGHWAY COMMISSION ROUTE 3, DIVISION 1, A DISTANCE OF 500.00 FEET TO A POINT ON THE SOUTHERLY LINE OF THE

EXHIBIT "B"

OLIVER OAKS TRACT, AS DESCRIBED IN A DEED RECORDED FEBRUARY 16, 1912 IN BOOK 550, PAGE 154 OF DEEDS; THENCE NORTH 78°35' WEST ALONG SAID SOUTHERLY LINE OF THE OLIVER OAKS TRACT, 2328.10 FEET TO THE NORTHEASTERLY CORNER OF LAND DESCRIBED IN PARCEL 1 OF A DEED TO HELEN BANISTER, DATED AUGUST 31, 1953 IN BOOK 4973, PAGE 163 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY BOUNDARY OF SAID LAND DUE SOUTH 920.00 FEET DUE EAST 116.45 FEET AND DUE SOUTH 654+47 FEET TO THE SOUTHEASTERLY CORNER THEREOF AT A POINT ON THE NORTHEASTERLY LINE OF LOT 9 IN BLOCK 8 OF SAID LONGVIEW ACRES SUBDIVISION ON UNIT NO. 2; THENCE SOUTH 64°17' EAST ALONG SAID NORTHEASTERLY LINE 60.00 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 9; THENCE ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAST MENTIONED SUBDIVISION AS FOLLOWS:

SOUTH 20°13'10" WEST 528.48 FEET; THENCE SOUTH 23°28'20" WEST, 75.00 FEET; THENCE SOUTH 8°38'40" WEST 251.74 FEET; THENCE SOUTH 46°58'20" WEST 361.06 FEET TO THE MOST SOUTHERLY CORNER OF LOT 14 IN BLOCK 8 OF SAID SUBDIVISION, SAID POINT BEING ALSO THE BEGINNING OF A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 40 FEET, THE CENTER OF WHICH BEARS SOUTH 41°49'45" WEST; THENCE SOUTHERLY, WESTERLY AND NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH AN ANGLE OF 262°49'10" A DISTANCE OF 183.48 FEET TO A POINT IN THE SOUTH LINE OF BLOCK 9 OF SAID LONGVIEW ACRES SUBDIVISION UNIT NO. 2; THENCE SOUTH 83°14'20" WEST ALONG THE SOUTHERLY LINE OF SAID BLOCK 9 A DISTANCE OF 400.00 FEET TO THE SOUTHWESTERLY CORNER THEREOF AT A POINT ON THE EASTERLY LINE OF "B"), AS SAID RIGHT OF WAY IS DESCRIBED IN A DEED RECORDED SEPTEMBER 2, 1936 IN BOOK 571, PAGE 31 OF OFFICIAL RECORDS; THENCE SOUTH 6°45'40" EAST (RECORD SOUTH 6°42' EAST) ALONG SAID EASTERLY LINE 12.74 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF HOMELAND ACRES ADDITION TO ESCONDIDO, NO. 2, ACCORDING TO MAP THEREOF NO. 1241, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY, MARCH 11, 1910; THENCE NORTH 77°20'30" WEST (RECORD NORTH 77°30' WEST) ALONG SAID PROLONGATION 106.03 FEET TO THE WESTERLY LINE OF SAID STATE HIGHWAY; THENCE CONTINUING NORTH 77°20'30" WEST (RECORD NORTH 77°30' WEST) ALONG SAID PROLONGATION AND ALONG THE SOUTHERLY LINE OF SAID LAST MENTIONED SUBDIVISION, 3036.61 FEET TO THE MOST EASTERLY CORNER OF LAND CONVEYED TO AMOS J. SCHONEMAN AND WIFE BY DEED DATED NOVEMBER 10, 1945 AND RECORDED IN BOOK 2002, PAGE 237 OF OFFICIAL RECORDS; THENCE SOUTH 36°56'05" WEST (RECORD SOUTH 36°59'20" WEST) ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAND, 532.63 FEET (RECORD 532.80 FEET) TO AN ANGLE POINT THEREIN; THENCE CONTINUING ALONG SAID SOUTHEASTERLY BOUNDARY SOUTH 5°57'30" WEST (RECORD SOUTH 5°41' WEST) 20.54 FEET TO THE COMMON CORNER OF SAID SCHOENMAN'S LAND AND LAND CONVEYED TO HERMAN R. WISEMAN AND WIFE BY DEED DATED MAY 4, 1944 AND RECORDED IN BOOK 1691 PAGE 146 OF OFFICIAL RECORDS; SAID COMMON CORNER BEING AT ENGINEERS STATION 22 + 03.04 IN THE CENTER OF ROAD SURVEY NO. 461, A MAP OF WHICH IS ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID SAN DIEGO COUNTY AND BEING A POINT ON A CURVE IN SAID CENTER LINE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE ALONG

EXHIBIT "B"

SAID CENTER LINE AND BEING ALSO THE NORTHEASTERLY BOUNDARY OF SAID WISEMAN'S LAND, AS FOLLOWS:

EASTERLY ALONG SAID LAST MENTIONED CURVE, THROUGH A CENTRAL ANGLE OF 31°07'04" A DISTANCE OF 271.55 FEET; THENCE TANGENT TO SAID CURVE SOUTH 52°57' EAST 169.65 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 48°37' A DISTANCE OF 424.26 FEET; THENCE TANGENT TO SAID CURVE SOUTH 4°20' EAST 471.39 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 200.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 58°42' A DISTANCE OF 204.90 FEET; THENCE TANGENT TO SAID CURVE SOUTH 63°02' EAST 439.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 7°25'20" A DISTANCE OF 129.54 FEET; THENCE TANGENT TO SAID CURVE SOUTH 55°36'40" EAST 265.72 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°40'20" A DISTANCE OF 238.63 FEET; THENCE TANGENT TO SAID CURVE SOUTH 69°17' EAST 858.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°46' A DISTANCE OF 128.86 FEET TO THE NORTHERLY TERMINUS OF THE MOST EASTERLY LINE OF SAID LAND SO CONVEYED TO WISEMAN; THENCE SOUTH 5°57' WEST (RECORD SOUTH 5°55'30" WEST) ALONG SAID MOST EASTERLY LINE 30.00 FEET TO THE SOUTHEASTERLY CORNER OF SAID LAND AT A POINT ON THE SOUTHERLY LINE OF THE OAK'S TRACT; THENCE SOUTH 84°03' EAST (RECORD SOUTH 84°04'30" EAST) ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT 937.22 FEET TO THE WESTERLY LINE OF THE HEREINBEFORE MENTIONED 100.00 FOOT CALIFORNIA STATE HIGHWAY; THENCE CONTINUING SOUTH 84°03' EAST ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT 51.25 FEET, MORE OR LESS TO THE CENTER LINE OF SAID STATE HIGHWAY; THENCE CONTINUING ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT SOUTH 84°04'40" EAST (RECORD SOUTH 84°04'30" EAST) 2620.93 FEET TO THE CENTER LINE OF THE HEREINBEFORE MENTIONED SAN DIEGO COUNTY HIGHWAY COMMISSION ROUTE 3, DIVISION 1; THENCE CONTINUING ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT SOUTH 83°38'30" EAST (RECORD SOUTH 84°04'30" EAST) 4221.26 FEET, MORE OR LESS TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION LYING WESTERLY OF THE EASTERLY BOUNDARY OF PARCEL MAP 11382, IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 11, 1981 AS FILE NO. 81-182347 OF OFFICIAL RECORDS.

EXHIBIT "B"

ALSO EXCEPTING THEREFROM THAT PORTION LYING NORTHERLY OF THE CENTER LINE OF SAN PASQUAL ROAD ALL AS SHOWN ON LONGVIEW ACRES IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 28, 1947.

ALSO EXCEPTING THEREFROM A PORTION OF THE OAK'S TRACT SITUATED IN THE RANCHO SAN BERNARDO, ACCORDING TO MAP NO. 1415 FILED IN THE RECORDER'S OFFICE, WHICH PORTION IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 83°38'30" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE, BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°22' EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND AND THE NORTHERLY PROLONGATION THEREOF, 1356.14 FEET TO A POINT ON A 500.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY IN THE CENTER LINE OF SAN PASQUAL ROAD, AS SHOWN ON MAP NO. 2438 OF LONGVIEW ACRES SUBDIVISION, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY ON NOVEMBER 28, 1947, A RADIAL LINE OF SAID CURVE BEARING SOUTH 4°39'30" WEST THROUGH SAID POINT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°15' A DISTANCE OF 133.08 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE OF SAN PASQUAL ROAD, NORTH 70°05'30" WEST 1067.13 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO SHERMAN C. ANDERSON AND WIFE, BY DEED DATED FEBRUARY 5, 1949, RECORDED IN BOOK 3106, PAGE 179 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY AND SOUTHERLY BOUNDARIES OF SAID LAND AS FOLLOWS:

SOUTH 13°21'30" WEST 561.55 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET AND THENCE NORTH 84°24'40" WEST 455.42 FEET TO THE SOUTHWESTERLY CORNER OF SAID LAND; THENCE SOUTHWESTERLY IN A STRAIGHT LINE TO A POINT ON THE AFOREMENTIONED SOUTHERLY LINE OF OAK'S TRACT, DISTANT THEREON NORTH 83°38'30" WEST 1900.00 FEET FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 83°38'30" EAST (RECORD 84°04'30" EAST) ALONG SAID SOUTHERLY LINE, 1900.00 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL THAT PORTION OF THE OAKS TRACT IN THE RANCHO SAN BERNARDO, ACCORDING TO MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 8, 1912 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF LOT 9, BLOCK 3 OF LONGVIEW ACRES SUBDIVISION ACCORDING TO MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 28, 1947; THENCE SOUTH 11°25'00" WEST 30.33 FEET, MORE OR LESS TO AN INTERSECTION WITH THE CENTERLINE OF SAN PASQUAL ROAD, AS THE SAME IS SHOWN ON SAID MAP NO. 2438, BEING THE TRUE POINT OF BEGINNING; THENCE

EXHIBIT "B"

SOUTH 70°05'30" EAST ALONG SAID CENTER LINE 1030 FEET; THENCE SOUTH 13°21'36" WEST 561.53 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET; THENCE NORTH 84°24'40" WEST 455.42 FEET; THENCE NORTH 4°49'00" EAST 890.14 FEET, MORE OR LESS TO THE INTERSECTION WITH THE CENTERLINE OF SAID SAN PASQUAL ROAD; THENCE SOUTH 70°05'30" EAST ALONG SAID CENTERLINE 385.83 FEET MORE OR LESS TO THE TRUE POINT OF BEGINNING.

PARCEL 1C:

THAT PORTION OF THE OAK'S TRACT SITUATED IN THE RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP NO. 1415 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH PORTION IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 83°38'30" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE, BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°22' EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND AND THE NORTHERLY PROLONGATION THEREOF, 1356.14 FEET TO A POINT ON A 500.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY IN THE CENTER LINE OF SAN PASQUAL ROAD, AS SHOWN ON MAP NO. 2438 OF LONGVIEW ACRES SUBDIVISION, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY ON NOVEMBER 28, 1947, A RADIAL LINE OF SAID CURVE BEARING SOUTH 4°39'30" WEST THROUGH SAID POINT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°15' A DISTANCE OF 133.08 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE OF SAN PASQUAL ROAD, NORTH 70°05'30" WEST 1067.13 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO SHERMAN C. ANDERSON AND WIFE, BY DEED DATED FEBRUARY 5, 1949, RECORDED IN BOOK 3106, PAGE 179 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY AND SOUTHERLY BOUNDARIES OF SAID LAND AS FOLLOWS:

SOUTH 13°21'30" WEST 561.55 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET AND THENCE NORTH 84°24'40" WEST 455.42 FEET TO THE SOUTHWESTERLY CORNER OF SAID LAND; THENCE SOUTHWESTERLY IN A STRAIGHT LINE TO A POINT ON THE AFOREMENTIONED SOUTHERLY LINE OF OAK'S TRACT, DISTANT THEREON NORTH 83°38'30" WEST 1900.00 FEET FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 83°38'30" EAST (RECORD SOUTH 84°04'30" EAST) ALONG SAID SOUTHERLY LINE, 1900.00 FEET TO THE TRUE POINT OF BEGINNING.

AND ALSO THE FOLLOWING DESCRIBED PARCEL:

ALL THAT PORTION OF THE OAKS TRACT IN THE RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 8, 1912, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF LOT 9, IN BLOCK 3 OF LONGVIEW ACRES SUBDIVISION, ACCORDING TO MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 28, 1947; THENCE SOUTH 11°25'00" WEST 30.33 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE CENTER LINE OF SAN PASQUAL ROAD, AS THE SAME IS SHOWN ON SAID MAP NO. 2438, BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH 70°05'30" EAST ALONG SAID CENTER LINE 142.30 FEET; THENCE SOUTH 13°21'30" WEST 561.55 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET; THENCE NORTH 84°24'40" WEST 455.42 FEET; THENCE NORTH 4°49'00" EAST 890.14 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE CENTER LINE OF SAID SAN PASQUAL ROAD; THENCE SOUTH 70°05'30" EAST ALONG SAID CENTER LINE 385.83 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

AND ALSO THAT 40 ACRE PARCEL LEASED BY THE CITY OF ESCONDIDO FROM THE CITY OF SAN DIEGO, AS DESCRIBED IN DOCUMENT NO. RR-270925, FILED IN THE OFFICE OF THE SAN DIEGO CITY CLERK.

EXHIBIT "B"

EXCEPTING FROM THE PREVIOUSLY DESCRIBED PARCELS 1A, 1B AND 1C,
THE FOLLOWING:

THOSE PORTIONS OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP IN BOOK 2, PAGE 462 OF PATENTS, RECORDS OF SAID COUNTY AND THE OAK'S TRACT IN THE RANCHO SAN BERNARDO ACCORDING TO THE MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY FEBRUARY 8, 1912, ALL IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 84°04'31" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4,916.79 FEET (RECORD 4,913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE BY DEED DATED APRIL 30, 1928 IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°29'53" EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND 698.13 FEET; THENCE LEAVING SAID WESTERLY LINE NORTH 39°10'59" WEST, 216.48 FEET; THENCE SOUTH 82°38'15" WEST, 100.28 FEET; THENCE NORTH 43°33'34" WEST, 153.56 FEET; THENCE NORTH 54°56'18" WEST, 160.96 FEET; THENCE NORTH 68°00'04" WEST, 280.92 FEET; THENCE SOUTH 19°40'36" WEST, 346.93 FEET; THENCE SOUTH 37°05'13" WEST, 165.40 FEET; THENCE SOUTH 47°33'25" WEST, 193.92 FEET; THENCE NORTH 54°41'44" WEST, 195.97 FEET; THENCE NORTH 05°55'48" EAST, 94.99 FEET; THENCE NORTH 86°13'39" WEST, 310.98 FEET; THENCE SOUTH 75°15'30" WEST, 255.90 FEET; THENCE NORTH 17°47'13" WEST, 177.82 FEET; THENCE NORTH 43°08'40" WEST, 400.98 FEET; THENCE SOUTH 50°14'12" WEST, 165.90 FEET; THENCE SOUTH 45°41'11" WEST, 153.44 FEET; THENCE SOUTH 34°07'35" WEST, 217.08 FEET; THENCE SOUTH 13°39'26" WEST, 264.75 FEET; THENCE NORTH 87°44'02" WEST, 133.99 FEET; THENCE SOUTH 70°47'01" WEST, 157.50 FEET; THENCE SOUTH 42°22'26" WEST, 291.29 FEET; THENCE NORTH 41°18'18" WEST, 211.00 FEET; THENCE SOUTH 41°44'57" WEST, 309.75 FEET; THENCE SOUTH 52°12'13" EAST, 207.00 FEET; THENCE SOUTH 42°22'26" WEST, 252.37 FEET; THENCE SOUTH 54°23'23" WEST, 182.53 FEET; THENCE SOUTH 47°37'16" EAST, 208.00 FEET; THENCE NORTH 42°22'26" EAST, 869.76 FEET TO THE SOUTH LINE OF SAID OAK'S TRACT; THENCE ALONG SAID SOUTH LINE SOUTH 84°04'31" EAST (RECORD SOUTH 84°04'30" EAST), 2,618.94 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT "E"

EXCEPTING FROM THE PREVIOUSLY DESCRIBED PARCELS 1A, 1B AND 1C,
THE FOLLOWING:

THOSE PORTIONS OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP IN BOOK 2, PAGE 462 OF PATENTS, RECORDS OF SAID COUNTY AND THE OAK'S TRACT IN THE RANCHO SAN BERNARDO ACCORDING TO THE MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY FEBRUARY 8, 1912, ALL IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 84°04'31" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4,916.79 FEET (RECORD 4,913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE BY DEED DATED APRIL 30, 1928 IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°29'53" EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND 698.13 FEET; THENCE LEAVING SAID WESTERLY LINE NORTH 39°10'59" WEST, 216.48 FEET; THENCE SOUTH 82°38'15" WEST, 100.28 FEET; THENCE NORTH 43°33'34" WEST, 153.56 FEET; THENCE NORTH 54°56'18" WEST, 160.96 FEET; THENCE NORTH 68°00'04" WEST, 280.92 FEET; THENCE SOUTH 19°40'36" WEST, 346.93 FEET; THENCE SOUTH 37°05'13" WEST, 165.40 FEET; THENCE SOUTH 47°33'25" WEST, 193.92 FEET; THENCE NORTH 54°41'44" WEST, 195.97 FEET; THENCE NORTH 05°55'48" EAST, 94.99 FEET; THENCE NORTH 86°13'39" WEST, 310.98 FEET; THENCE SOUTH 75°15'30" WEST, 255.90 FEET; THENCE NORTH 17°47'13" WEST, 177.82 FEET; THENCE NORTH 43°08'40" WEST, 400.98 FEET; THENCE SOUTH 50°14'12" WEST, 165.90 FEET; THENCE SOUTH 45°41'11" WEST, 153.44 FEET; THENCE SOUTH 34°07'35" WEST, 217.08 FEET; THENCE SOUTH 13°39'26" WEST, 264.75 FEET; THENCE NORTH 87°44'02" WEST, 133.99 FEET; THENCE SOUTH 70°47'01" WEST, 157.50 FEET; THENCE SOUTH 42°22'26" WEST, 291.29 FEET; THENCE NORTH 41°18'18" WEST, 211.00 FEET; THENCE SOUTH 41°44'57" WEST, 309.75 FEET; THENCE SOUTH 52°12'13" EAST, 207.00 FEET; THENCE SOUTH 42°22'26" WEST, 252.37 FEET; THENCE SOUTH 54°23'23" WEST, 182.53 FEET; THENCE SOUTH 47°37'16" EAST, 208.00 FEET; THENCE NORTH 42°22'26" EAST, 869.76 FEET TO THE SOUTH LINE OF SAID OAK'S TRACT; THENCE ALONG SAID SOUTH LINE SOUTH 84°04'31" EAST (RECORD SOUTH 84°04'30" EAST), 2,618.94 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT "E

DUPLICATE

DOCUMENT NO. RR-269816-1

FILED NOV 24 1987

OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

AGREEMENT TO PURCHASE REAL PROPERTY

THIS AGREEMENT TO PURCHASE REAL PROPERTY ("Agreement") is made and entered into this 25 day of January, 1988 by and between the CITY OF SAN DIEGO, a municipal corporation ("San Diego"), and the CITY OF ESCONDIDO, a municipal corporation ("Escondido"), pursuant to the following recitals.

R E C I T A L S:

A. San Diego is the owner of four (4) parcels of land located within the city limits of Escondido and more particularly described on Exhibit "1" attached hereto as "Parcels 1, 2, 3 and 4", and referred to as such in this Agreement.

B. This Agreement provides for the sale to Escondido of Parcels 1 and 2 described on Exhibit "1". The parties contemplate golf course use of an approximately 120-acre portion of Parcel 1 (referred to in this Agreement as the "Golf Course Land") and residential use of the remainder of Parcel 1 and all of Parcel 2 ("Residential Land"). The exact boundaries of the Golf Course Land (and therefore also the Residential Land) will be determined pursuant to the paragraph below entitled "Condition Precedent - Golf Course Vesting and Co-Tenancy Agreement".

C. The sale by San Diego of Parcels 1 and 2 is authorized pursuant to Government Code Sections 54222 through 54232.

NOW, THEREFORE, the parties hereto agree as follows:

1. Price. Escondido shall purchase the Residential Land and the Golf Course Land for the cash price of \$11,254,480.00, being the fair market value of Parcels 1 and 2 as determined by the appraisal dated October 15, 1987 and prepared by James Brabant. The full purchase price shall be paid at close of escrow from the sale proceeds resulting from the concurrent closing of the resale of the Residential Land by Escondido ("Resale Agreement"), as is more fully described in the paragraph below entitled "Concurrent Escrow Closing".

2. Status of Title; Title Insurance. San Diego shall convey (i) the Golf Course Land to Escondido subject to all covenants, conditions, restrictions, reservations and easements of record and (ii) the Residential Land to Escondido subject to those covenants, conditions, restrictions, reservations and other items of record permitted by the Resale Agreement. Escondido may obtain, at its expense, a commitment for a CLTA owner's policy of title insurance from First American Title Insurance Company, consistent with the requirements of this paragraph; provided, however, Escondido may elect to obtain, at its expense, a commitment for an ALTA owner's policy of title insurance; Escondido may also elect not to obtain any commitment for title insurance.

3. Escrow Instructions. Within fifteen (15) business days after entering into this Agreement, the parties shall open an escrow account with First American Title Insurance Company ("Escrow"). All fees and costs of Escrow shall be paid by Escondido. Escrow instructions, consistent with the terms of this Agreement, shall be executed by the parties.

4. Proration. General and special real property taxes and assessments shall be prorated to close of escrow based upon the latest regular tax bill available to Escrow and without regard to the proration of any supplemental assessments levied pursuant to California Revenue and Taxation Code Sections 75 and following; provided, however, only one-half (1/2) of the general and special real property taxes and assessments shall be prorated for the Golf Course Land. In the event separate tax bills do not exist for the Golf Course Land and the Residential Land, the taxes and assessments deemed applicable to each shall be based upon acreage.

5. Conditions Precedent - General Plan Amendment and Approval of Specific Plans. San Diego's obligation to sell the Residential Land and the Golf Course Land is subject to the approval by Escondido of:

5.1 An amendment to the Escondido General Plan, designating Parcels 1, 2, 3 and 4 as being within a Specific Plan zoning area;

5.2 A Specific Plan(s) allowing: (a) the Golf Course to be improved on the Golf Course Land, (b) neighborhood convenience center uses on Parcel 3 and (c) agricultural use of Parcel 4; and

5.3 A separate Specific Plan allowing the Residential Land to be developed for residential use.

The parties expect that the Lomas Serenas Company (being the buyer under the Resale Agreement) will apply for approval of a specific plan covering the Residential Land. Escondido shall

initiate the general plan amendment described in Subparagraph 5.1 and the specific plan described in Subparagraph 5.2 and consider the merits of such approvals by holding the appropriate public hearings. Neither the doctrine of implied covenants of fair dealing nor anything stated or implied herein is intended to restrict, limit or affect Escondido's right to exercise its discretion in deciding whether to grant any such approvals.

6. Condition Precedent - Golf Course Vesting and Co-Tenancy Agreement. San Diego's obligation to sell the Residential Land and Golf Course Land, and Escondido's obligation to purchase, are subject to the City Managers of San Diego and Escondido each approving, and San Diego and Escondido entering into through their respective City Managers, an agreement which provides for:

6.1 The exact boundaries of the Golf Course Land; the parties contemplate that the Golf Course will be of regulation size and Escondido will use its best reasonable efforts to cause it to be of regulation size. San Diego may be asked to obtain with Escondido a ten-acre privately-owned parcel not within Parcels 1, 2, 3 or 4 in order to add the ten acres to the Golf Course.

6.2 Escondido to cause, at its expense, the Golf Course improvements to be completed on the Golf Course Land.

6.3 Escondido to transfer to San Diego, free of monetary encumbrances (other than non-delinquent taxes and assessments) an undivided one-half (1/2) interest in the Golf Course Land (but not including those Golf Course improvements which are severable in title from the Golf Course Land. San Diego shall have no obligation to incur any indebtedness.

6.4 The management and operation by Escondido of the Golf Course.

6.5 San Diego to share in one-half (1/2) of the profits (but not the losses) which result from the operation of the Golf Course.

7. Concurrent Escrow Closing. Escondido has previously entered into a Resale Agreement with Lomas Serenas Company which provides for the resale of the Residential Land. San Diego acknowledges having received a copy of the Resale Agreement. Escondido's obligation to close escrow hereunder is subject to the concurrent close of the escrow pursuant to the Resale Agreement or pursuant to a similar resale agreement with another developer should the Resale Agreement with Lomas Serenas Company be rescinded. For purposes of this Agreement, reference to "Developer" shall mean the purchaser from Escondido of the Residential Land.

8. Condition Precedent - Agreement With Developer. San Diego's obligation to sell is subject to it entering into an agreement with the Developer, in form acceptable to the City Attorney of San Diego, whereby:

(a) Should the Developer rezone the Residential Land to a density greater than 534 dwelling units or for commercial or industrial use anytime within ten (10) years after the close of escrow whereby the Developer acquired the Residential Land, or during the original term of the Development Agreement, whichever is longer, then Developer shall pay to San Diego, as consideration for San Diego waiving its rights under the Covenant Running With Residential Land referred to in Paragraph 10 below, fifty percent (50%) of any increase in fair market value of the Residential Land which results from such change in zoning ("Zoning Change"). Fair market value will be determined by arbitration through the American Arbitration Association in accordance with its Commercial Rules of arbitration. Such sum shall be paid within thirty (30) days after close of escrow for resale of any portion of the Residential Land after such Zoning Change or ninety (90) days after issuance of an occupancy permit for any portion of the Residential Land after a Zoning change, whichever shall first occur.

(b) Except as stated below, Developer shall not resell more than twenty-five percent (25%) of the residential lots allowed on the Residential Land by the Specific Plan during any of the first five (5) fiscal years after close of escrow whereby it acquired the Residential Land. This restriction is non-cumulative, and no more than such twenty-five percent (25%) of the lots may be sold during any such fiscal year. This restriction does not, however, apply to any of the following "Exempt Sales":

(1) Any sale of a lot improved with a residence or if Developer has entered into a binding agreement with the lot buyer to complete the residence;

(2) Any sale to a buyer who certifies in writing, under penalty of perjury, that he intends to build a residence on the lot for his own use and not for resale;

(3) In addition to the sales exempted in Subparagraphs (1) and (2) above, up to ten (10) residential lots may be sold in any fiscal year and be deemed Exempt Sales;

(4) Any foreclosure sale or deed in lieu of foreclosure to an institutional trust deed secured lender under a bona fide loan transaction and any sale

by such lender (or successful bidder at foreclosure) shall be deemed Exempt Sales;

(5) Any sale which closes escrow more than five (5) years after close of escrow whereby Developer acquired the Residential Land (i.e. the resale restriction shall expire after five (5) years); and

(6) Any transfer of Residential Land to a general or limited partnership of which Developer is the managing general partner.

(c) Should Developer make any non-Exempt Sale within such five (5) year period, it shall pay to San Diego the following percentage of net proceeds derived from such sale, depending upon during which fiscal year such sale closes escrow:

(1) First fiscal year - 100% of net proceeds;

(2) Second fiscal year - 75% of net proceeds;

(3) Third fiscal year - 50% of net proceeds;

(4) Fourth fiscal year - 25% of net proceeds; and

(5) Fifth fiscal year - 25% of net proceeds.

"Fiscal year" refers to each twelve (12) month period following close of escrow whereby Developer acquired the Residential Land. "Net proceeds" refers to gross revenues from a non-Exempt Sale of the Residential Land, less (i) direct costs of the sale (including commissions, title and escrow costs, etc.) and (ii) prorata Authorized Costs. Authorized Costs will include all direct costs of: Acquiring the Residential Land (i.e. the price paid, any commissions and closing costs), obtaining development entitlements, holding the Residential Land (interest and taxes, etc.) preparing and planning for the improvement of the Residential Land (i.e. costs of architects, planners, designers, attorneys, etc.) and costs of improving the Residential Land (contractors, subcontractors, material suppliers, etc.). However, only costs for work directly related to the Residential Land and paid to third parties shall be deemed Authorized Costs, and no "overhead" shall be included in calculating Authorized Costs. The prorata amount of Authorized Costs shall generally be calculated on an authorized per lot basis; that is, the Authorized Costs will be multiplied by a fraction, the numerator of which is the number of lots authorized by the Development Agreement on the portion of the Residential Land being sold and the denominator of which is the total number of residential lots authorized by the Develop-

ment Agreement for all the Residential Land. Direct construction costs shall, however, be prorated based upon the portion of the Residential Land improved versus the portion of the Residential Land being sold.

(d) Any dispute regarding calculation of net proceeds shall be resolved by arbitration before the American Arbitration Association in accordance with its Commercial Rules.

(e) Sums payable to San Diego hereunder shall be paid in cash within thirty (30) days after close of escrow for the non-Exempt Sale.

9. Review and Comment by San Diego of Golf Course. At such time as the proposed site plan for the Golf Course is prepared by Escondido, Escondido shall notify San Diego and give San Diego the opportunity to review the site plan and submit its comments concerning the same. Escondido shall consider such comments when it renders its decision of whether to approve or disapprove the plans for the Golf Course, pursuant to the Resale Agreement.

10. Covenant Running With Residential Land. Concurrent with close of escrow, Escondido and San Diego shall enter into (execute and acknowledge) the Covenant Running With Residential Land attached hereto as Exhibit "2", and such Covenant shall be recorded with the County Recorder of San Diego County prior to close of escrow for the Resale Agreement.

11. Purchase of Water Connection Rights. Escondido shall repurchase from San Diego water connection rights held by San Diego to serve all four (4) parcels (i.e. Parcels 1, 2, 3 and 4). The repurchase shall occur pursuant to the terms and conditions set forth in that certain Purchase Agreement between San Diego and Escondido dated June 23, 1983 and shall be a sufficient number of rights to serve the land uses for all four (4) parcels as set forth in the Specific Plans described in Paragraph 5 above.

12. Escrow Closing Date. Escrow shall close on or before May 31, 1988. TIME IS OF THE ESSENCE OF THIS AGREEMENT. Should escrow fail to close on or before such date, either party may terminate this Agreement by so notifying the other party. Should the City Managers of Escondido and San Diego so agree, the closing date may be extended for another six (6) months, provided that (i) the Residential Land and the Golf Course Land are reappraised by the appraiser referred to in the paragraph above entitled "Price", and (ii) the price of the Residential Land and Golf Course Land is adjusted to the reappraised value.

13. Inspection of Land. Escondido and its agents shall have the right to inspect Parcels 1 and 2 and to conduct reason-

able soils tests and other activities thereon. Escondido hereby holds San Diego harmless from any claim, damage or lien which results from it so entering upon Parcel 1 or 2. San Diego agrees to grant Developer and its agents such rights of inspection and soils testing subject to Developer agreeing to hold San Diego harmless from any claim, damage or lien which results from it so entering upon Parcel 1 or 2. Developer shall be deemed a third party beneficiary of this paragraph.

14. Notices. All notices herein required shall be in writing and shall be served on the parties at the addresses following their signatures. The mailing of a notice by registered or certified mail, return receipt requested, or by overnight delivery service, shall be sufficient service.

15. Counterparts. This Agreement may be executed in two or more counterparts.

16. Attorneys' Fees. Should any action be brought by either party against the other, the prevailing party (as determined by the court) shall be entitled to recover from the other party its actual costs and reasonably incurred attorneys' fees.

17. As Is Purchase. San Diego is selling the Residential Land and an undivided one-half (1/2) interest in the Golf Course Land in as is condition and without any warranties, express or implied. Escondido acknowledges that it has made such investigations as it deems appropriate of the land being sold hereby.

18. No Partnership. Nothing stated in this Agreement or which will be stated in the agreement with the Developer required by Paragraph 8 above shall be deemed to create any partnership relationship between San Diego, Escondido and/or the Developer.

Dated: January 25, 1998

"ESCONDIDO"

CITY OF ESCONDIDO, a municipal corporation

By Dermot Hazen

100 Valley Boulevard
Escondido, California 92025
Attention: City Manager

Dated: NOV 24 1987

"SAN DIEGO"

CITY OF SAN DIEGO, a municipal
corporation

By _____

202 "C" Street, 10th Floor
San Diego, California 92101
Attention: City Manager

Donald Van Wanselle
ASSISTANT TO THE CITY MANAGER

Approved as to form and legality	
this <u>24th</u> day of <u>November</u> , 19 <u>87</u>	JOHN W. WITT, City Attorney
By <u>[Signature]</u>	Assistant City Attorney



EXHIBIT "1"

ORDER NO. 957439-19

LEGAL DESCRIPTION

PARCEL 1:

PARCEL A:

THAT PORTION OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP IN BOOK 2, PAGE 462 OF PATENTS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF RESURVEY OF OAKS TRACT SUB-DIVIDED, ACCORDING TO MAP NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER, FEBRUARY 8, 1912, WITH THE EASTERLY BOUNDARY OF THAT CERTAIN 60.00 FOOT COUNTY ROAD, KNOWN AS COUNTY HIGHWAY COMMISSION, ROUTE 3, DIVISION 1, ALSO KNOWN AS SUNSET DRIVE, BEING SHOWN ON RECORD SURVEY MAP NO. 5234, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTH LINE OF THE SAID OAKS TRACT SOUTH 84°04'30" EAST, 1571.67 FEET TO THE TRUE POINT OF BEGINNING, BEING AT THE NORTHERLY END OF COURSE NO. 54 OF THE APPROXIMATE 395 FOOT CONTOUR ABOVE MEAN SEA LEVEL, ACCORDING TO U. S. GEOLOGICAL SURVEY DATUM AS SHOWN ON SAID RECORD OF SURVEY MAP NO. 5234; THENCE SOUTH 42°22'30" WEST, 869.74 FEET; THENCE NORTH 47°37'30" WEST, 1177.53 FEET TO THE SOUTH LINE OF THE SAID OAKS TRACT; THENCE SOUTH 84°04'30" EAST ALONG SAID SOUTH LINE OF OAK TRACT TO THE TRUE POINT OF BEGINNING.

PARCEL 3:

THOSE PORTIONS OF THE OAK'S TRACT IN THE RANCHO SAN BERNARDO, ACCORDING TO THE MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY FEBRUARY 8, 1912 OF LONGVIEW ACRES SUBDIVISION, ACCORDING TO THE MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY NOVEMBER 28, 1947 AND OF LONGVIEW ACRES SUBDIVISION UNIT NO. 2, ACCORDING TO THE MAP THEREOF NO. 2582, FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY AUGUST 15 1949, ALL IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 83°38'30" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°22' EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND AND THE NORTHERLY PROLONGATION THEREOF 1356.14 FEET TO A POINT ON A 500.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY, IN THE CENTER LINE OF SAN PASQUAL ROAD, AS SHOWN ON SAID MAP NO. 2438 OF LONGVIEW ACRES SUBDIVISION, A RADIAL LINE OF SAID CURVE BEARING SOUTH 4°39'30" WEST THROUGH SAID POINT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°15', A DISTANCE OF 133.08 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE OF SAN PASQUAL ROAD



PARCEL 1 CONTINUED

NORTH 70°05'30" WEST 1067.13 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO SHERMAN C. ANDERSON AND WIFE, BY DEED DATED FEBRUARY 5, 1949 AND RECORDED IN BOOK 3106, PAGE 179 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY, SOUTHERLY AND WESTERLY BOUNDARIES OF SAID LAND AS FOLLOWS:

SOUTH 13°21'30" WEST, 561.55 FEET; THENCE SOUTH 3°15'40" EAST, 205.46 FEET; THENCE NORTH 84°24'40" WEST, 455.42 FEET; THENCE NORTH 4°49'00" EAST, 890.14 FEET TO THE NORTHWESTERLY CORNER OF SAID ANDERSON'S LAND AT A POINT ON THE CENTER LINE OF SAID SAN PASQUAL ROAD; THENCE NORTH 70°05'30" WEST ALONG SAID CENTER LINE, 44.88 FEET TO THE BEGINNING OF A TANGENT CURVE THEREIN CONCAVE SOUTHERLY AND HAVING A RADIUS OF 1000 FEET; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 12°29', A DISTANCE OF 217.88 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE NORTH 82°34'20" WEST, 41.13 FEET; THENCE LEAVING SAID CENTER LINE NORTH 7°25'40" EAST, 30.00 FEET TO THE SOUTHEASTERLY CORNER OF LOT 3 IN BLOCK 3 OF SAID LONGVIEW ACRES SUBDIVISION; THENCE NORTH 7°08'45" EAST ALONG THE EASTERLY LINE OF SAID LOT, A DISTANCE OF 762.25 FEET TO THE NORTHEASTERLY CORNER THEREOF; THENCE SOUTH 88°29'20" WEST ALONG THE NORTHERLY LINE OF SAID LOT 3, A DISTANCE OF 780.38 FEET TO THE EASTERLY LINE OF LOT 2 IN SAID BLOCK 3 OF LONGVIEW ACRES SUBDIVISION; THENCE NORTH 1°25'30" WEST ALONG THE EAST LINES OF LOTS 2 AND 1 IN SAID BLOCK 3 AND ALONG THE NORTHERLY PROLONGATION THEREOF, A DISTANCE OF 859.92 FEET TO A POINT IN THE CENTER LINE OF MARY LANE AS SHOWN ON SAID MAP NO. 2438; THENCE NORTH 87°51'40" WEST ALONG SAID CENTER LINE, 413.03 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO J. R. ELLEDGE AND WIFE, BY DEED DATED JANUARY 24, 1949 AND RECORDED IN BOOK 3116, PAGE 265 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY AND SOUTHERLY LINES OF SAID LAND SOUTH 2°08'20" WEST, 450.00 FEET AND NORTH 87°51'40" WEST 543.83 FEET TO A POINT IN THE CENTER LINE OF SAN DIEGO COUNTY HIGHWAY COMMISSION ROUTE 3, DIVISION 1, AS SHOWN ON SAID MAP NO. 2438; THENCE NORTH 19°24'30" EAST ALONG SAID CENTER LINE, 143.90 FEET TO THE BEGINNING OF A TANGENT CURVE THEREIN CONCAVE WESTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 8°55', A DISTANCE OF 155.63 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE NORTH 10°29'30" EAST (NORTH 10°03'50" EAST AS SHOWN ON MAP NO. 2582 OF LONGVIEW ACRES SUBDIVISION UNIT NO. 2 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON AUGUST 15, 1949), A DISTANCE OF 1818.63 FEET; THENCE LEAVING SAID CENTER LINE NORTH 78°35' WEST 975.00 FEET; THENCE SOUTH 10°03'50" WEST (RECORD SOUTH 10°29'30" WEST) PARALLEL WITH SAID CENTER LINE OF SAN DIEGO COUNTY HIGHWAY COMMISSION ROUTE 3, DIVISION 1, A DISTANCE OF 500.00 FEET TO A POINT ON THE SOUTHERLY LINE OF THE OLIVER OAKS TRACT, AS DESCRIBED IN A DEED RECORDED FEBRUARY 16, 1912 IN BOOK 550, PAGE 154 OF DEEDS; THENCE NORTH 78°35' WEST ALONG SAID SOUTHERLY LINE OF THE OLIVER OAKS TRACT, 2328.10 FEET TO THE NORTHEASTERLY CORNER OF LAND DESCRIBED IN PARCEL 1 OF A DEED TO HELEN BANISTER, DATED AUGUST 31, 1953 IN BOOK 4973, PAGE 163 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY BOUNDARY OF SAID LAND DUE SOUTH 920.00 FEET DUE EAST 116.45 FEET AND DUE SOUTH 654+47 FEET TO THE SOUTHEASTERLY CORNER THEREOF AT A POINT ON THE NORTHEASTERLY LINE OF LOT 9 IN BLOCK 8 OF SAID LONGVIEW ACRES SUBDIVISION ON UNIT NO. 2; THENCE SOUTH 64°17' EAST ALONG SAID NORTHEASTERLY LINE 60.00 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 9; THENCE ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAST MENTIONED SUBDIVISION AS FOLLOWS:



[The body of the document contains extremely faint, illegible text that appears to be a series of lines or paragraphs. Due to the low contrast and quality of the scan, the specific content cannot be transcribed.]

PARCEL 1 CONTINUED

SOUTH 20°13'10" WEST 528.48 FEET; THENCE SOUTH 23°28'20" WEST, 75.00 FEET; THENCE SOUTH 8°38'40" WEST 251.74 FEET; THENCE SOUTH 46°58'20" WEST 361.06 FEET TO THE MOST SOUTHERLY CORNER OF LOT 14 IN BLOCK 8 OF SAID SUBDIVISION, SAID POINT BEING ALSO THE BEGINNING OF A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 40 FEET, THE CENTER OF WHICH BEARS SOUTH 41°49'45" WEST; THENCE SOUTHERLY, WESTERLY AND NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH AN ANGLE OF 262°49'10" A DISTANCE OF 183.48 FEET TO A POINT IN THE SOUTH LINE OF BLOCK 9 OF SAID LONGVIEW ACRES SUBDIVISION UNIT NO. 2; THENCE SOUTH 83°14'20" WEST ALONG THE SOUTHERLY LINE OF SAID BLOCK 9 A DISTANCE OF 400.00 FEET TO THE SOUTHWESTERLY CORNER THEREOF AT A POINT ON THE EASTERLY LINE OF THE RIGHT OF WAY OF THE STATE HIGHWAY (DISTRICT XI, ROUTE 77, SECTION "B"), AS SAID RIGHT OF WAY IS DESCRIBED IN A DEED RECORDED SEPTEMBER 2, 1936 IN BOOK 571, PAGE 31 OF OFFICIAL RECORDS; THENCE SOUTH 6°45'40" EAST (RECORD SOUTH 6°42' EAST) ALONG SAID EASTERLY LINE 12.74 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF HOMELAND ACRES ADDITION TO ESCONDIDO, NO. 2, ACCORDING TO MAP THEREOF NO. 1241, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY, MARCH 11, 1910; THENCE NORTH 77°20'30" WEST (RECORD NORTH 77°30' WEST) ALONG SAID PROLONGATION 106.03 FEET TO THE WESTERLY LINE OF SAID STATE HIGHWAY; THENCE CONTINUING NORTH 77°20'30" WEST (RECORD NORTH 77°30' WEST) ALONG SAID PROLONGATION AND ALONG THE SOUTHERLY LINE OF SAID LAST MENTIONED SUBDIVISION, 3036.61 FEET TO THE MOST EASTERLY CORNER OF LAND CONVEYED TO AMOS J. SCHONEMAN AND WIFE BY DEED DATED NOVEMBER 10, 1945 AND RECORDED IN BOOK 2002, PAGE 237 OF OFFICIAL RECORDS; THENCE SOUTH 36°56'05" WEST (RECORD SOUTH 36°59'20" WEST) ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAND, 532.63 FEET (RECORD 532.80 FEET) TO AN ANGLE POINT THEREIN; THENCE CONTINUING ALONG SAID SOUTHEASTERLY BOUNDARY SOUTH 5°57'30" WEST (RECORD SOUTH 5°41' WEST) 20.54 FEET TO THE COMMON CORNER OF SAID SCHOENMAN'S LAND AND LAND CONVEYED TO HERMAN R. WISEMAN AND WIFE BY DEED DATED MAY 4, 1944 AND RECORDED IN BOOK 1691 PAGE 146 OF OFFICIAL RECORDS; SAID COMMON CORNER BEING AT ENGINEERS STATION 22 + 03.04 IN THE CENTER OF ROAD SURVEY NO. 461, A MAP OF WHICH IS ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID SAN DIEGO COUNTY AND BEING A POINT ON A CURVE IN SAID CENTER LINE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE ALONG SAID CENTER LINE AND BEING ALSO THE NORTHEASTERLY BOUNDARY OF SAID WISEMAN'S LAND, AS FOLLOWS:

EASTERLY ALONG SAID LAST MENTIONED CURVE, THROUGH A CENTRAL ANGLE OF 31°07'04" A DISTANCE OF 271.55 FEET; THENCE TANGENT TO SAID CURVE SOUTH 52°57' EAST 169.65 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 48°37' A DISTANCE OF 424.26 FEET; THENCE TANGENT TO SAID CURVE SOUTH 4°20' EAST 471.39 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 200.00 FEET; THENCE

PARCEL 1 CONTINUED

SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 58°42' A DISTANCE OF 204.90 FEET; THENCE TANGENT TO SAID CURVE SOUTH 63°02' EAST 439.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 7°25'20" A DISTANCE OF 129.54 FEET; THENCE TANGENT TO SAID CURVE SOUTH 55°36'40" EAST 265.72 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°40'20" A DISTANCE OF 238.63 FEET; THENCE TANGENT TO SAID CURVE SOUTH 69°17' EAST 858.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°46' A DISTANCE OF 128.86 FEET TO THE NORTHERLY TERMINUS OF THE MOST EASTERLY LINE OF SAID LAND SO CONVEYED TO WISEMAN; THENCE SOUTH 5°57' WEST (RECORD SOUTH 5°55'30" WEST) ALONG SAID MOST EASTERLY LINE 30.00 FEET TO THE SOUTHEASTERLY CORNER OF SAID LAND AT A POINT ON THE SOUTHERLY LINE OF THE OAK'S TRACT; THENCE SOUTH 84°03' EAST (RECORD SOUTH 84°04'30" EAST) ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT 937.22 FEET TO THE WESTERLY LINE OF THE HEREINBEFORE MENTIONED 100.00 FOOT CALIFORNIA STATE HIGHWAY; THENCE CONTINUING SOUTH 84°03' EAST ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT 51.25 FEET, MORE OR LESS TO THE CENTER LINE OF SAID STATE HIGHWAY; THENCE CONTINUING ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT SOUTH 84°04'40" EAST (RECORD SOUTH 84°04'30" EAST) 2620.93 FEET TO THE CENTER LINE OF THE HEREINBEFORE MENTIONED SAN DIEGO COUNTY HIGHWAY COMMISSION ROUTE 3, DIVISION 1; THENCE CONTINUING ALONG SAID SOUTHERLY LINE OF THE OAK'S TRACT SOUTH 83°38'30" EAST (RECORD SOUTH 84°04'30" EAST) 4221.26 FEET, MORE OR LESS TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION LYING WESTERLY OF THE EASTERLY BOUNDARY OF PARCEL MAP 11382, IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 11, 1981 AS FILE NO. 81-182347 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION LYING NORTHERLY OF THE CENTER LINE OF SAN PASQUAL ROAD ALL AS SHOWN ON LONGVIEW ACRES IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 28, 1947.

ALSO EXCEPTING THEREFROM A PORTION OF THE OAK'S TRACT SITUATED IN THE RANCHO SAN BERNARDO, ACCORDING TO MAP NO. 1415 FILED IN THE RECORDER'S OFFICE, WHICH PORTION IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 83°38'30" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE, BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°22' EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND AND THE NORTHERLY PROLONGATION THEREOF, 1356.14 FEET TO A POINT ON A 500.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY IN THE CENTER LINE OF SAN PASQUAL ROAD, AS SHOWN ON MAP NO. 2438 OF LONGVIEW ACRES SUBDIVISION, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY ON

PARCEL 1 CONTINUED

NOVEMBER 28, 1947, A RADIAL LINE OF SAID CURVE BEARING SOUTH 4°39'30" WEST THROUGH SAID POINT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°15' A DISTANCE OF 133.08 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE OF SAN PASQUAL ROAD, NORTH 70°05'30" WEST 1067.13 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO SHERMAN C. ANDERSON AND WIFE, BY DEED DATED FEBRUARY 5, 1949, RECORDED IN BOOK 3106, PAGE 179 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY AND SOUTHERLY BOUNDARIES OF SAID LAND AS FOLLOWS:

SOUTH 13°21'30" WEST 561.55 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET AND THENCE NORTH 84°24'40" WEST 455.42 FEET TO THE SOUTHWESTERLY CORNER OF SAID LAND; THENCE SOUTHWESTERLY IN A STRAIGHT LINE TO A POINT ON THE AFOREMENTIONED SOUTHERLY LINE OF OAK'S TRACT, DISTANT THEREON NORTH 83°38'30" WEST 1900.00 FEET FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 83°38'30" EAST (RECORD 84°04'30" EAST) ALONG SAID SOUTHERLY LINE, 1900.00 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL THAT PORTION OF THE OAKS TRACT IN THE RANCHO SAN BERNARDO, ACCORDING TO MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 8, 1912 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF LOT 9, BLOCK 3 OF LONGVIEW ACRES SUBDIVISION ACCORDING TO MAP THEREOF NO. 2438, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 28, 1947; THENCE SOUTH 11°25'00" WEST 30.33 FEET, MORE OR LESS TO AN INTERSECTION WITH THE CENTERLINE OF SAN PASQUAL ROAD, AS THE SAME IS SHOWN ON SAID MAP NO. 2438, BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH 70°05'30" EAST ALONG SAID CENTER LINE 142.30 FEET; THENCE SOUTH 13°21'36" WEST 561.53 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET; THENCE NORTH 84°24'40" WEST 455.42 FEET; THENCE NORTH 4°49'00" EAST 890.14 FEET, MORE OR LESS TO THE INTERSECTION WITH THE CENTERLINE OF SAID SAN PASQUAL ROAD; THENCE SOUTH 70°05'30" EAST ALONG SAID CENTERLINE 385.83 FEET MORE OR LESS TO THE TRUE POINT OF BEGINNING.

PARCEL C:

THAT PORTION OF THE OAK'S TRACT SITUATED IN THE RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP NO. 1415 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH PORTION IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID OAK'S TRACT; THENCE NORTH 83°38'30" WEST (RECORD NORTH 84°04'30" WEST) ALONG THE SOUTHERLY LINE OF SAID TRACT, 4916.79 FEET (RECORD 4913.20 FEET, MORE OR LESS) TO THE SOUTHWESTERLY CORNER OF LAND CONVEYED TO FREDERICK M. WHITE, BY DEED DATED APRIL 30, 1928 AND RECORDED IN BOOK 1459, PAGE 487 OF DEEDS, BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 15°22' EAST (RECORD NORTH 15°30' EAST) ALONG THE WESTERLY LINE OF SAID LAND AND THE NORTHERLY PROLONGATION THEREOF, 1356.14 FEET TO A POINT ON A



PARCEL 1 CONTINUED

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500.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY IN THE CENTER LINE OF SAN PASQUAL ROAD, AS SHOWN ON MAP NO. 2438 OF LONGVIEW ACRES SUBDIVISION, FILED IN THE OFFICE OF THE RECORDER OF SAID SAN DIEGO COUNTY ON NOVEMBER 28, 1947, A RADIAL LINE OF SAID CURVE BEARING SOUTH 4°39'30" WEST THROUGH SAID POINT; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°15' A DISTANCE OF 133.08 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG SAID CENTER LINE OF SAN PASQUAL ROAD, NORTH 70°05'30" WEST 1067.13 FEET TO THE NORTHEASTERLY CORNER OF LAND CONVEYED TO SHERMAN C. ANDERSON AND WIFE, BY DEED DATED FEBRUARY 5, 1949, RECORDED IN BOOK 3106, PAGE 179 OF OFFICIAL RECORDS; THENCE ALONG THE EASTERLY AND SOUTHERLY BOUNDARIES OF SAID LAND AS FOLLOWS:

SOUTH 13°21'30" WEST 561.55 FEET; THENCE SOUTH 3°15'40" EAST 205.46 FEET AND THENCE NORTH 84°24'40" WEST 455.42 FEET TO THE SOUTHWESTERLY CORNER OF SAID LAND; THENCE SOUTHWESTERLY IN A STRAIGHT LINE TO A POINT ON THE AFOREMENTIONED SOUTHERLY LINE OF OAK'S TRACT, DISTANT THEREON NORTH 83°38'30" WEST 1900.00 FEET FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 83°38'30" EAST (RECORD SOUTH 84°04'30" EAST) ALONG SAID SOUTHERLY LINE, 1900.00 FEET TO THE TRUE POINT OF BEGINNING.

LEGAL DESCRIPTION

PARCEL 2:

BEING A SUBDIVISION OF THAT PORTION OF THE OAKS TRACT IN THE RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 8, 1912.

BEGINNING AT THE INTERSECTION OF THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF HOMELAND ACRES ADDITION TO ESCONDIDO NO. 2, ACCORDING TO MAP THEREOF NO. 1241, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 11, 1910 WITH THE WESTERLY LINE OF THE 100.00 FOOT CALIFORNIA STATE HIGHWAY (DISTRICT XI, ROUTE 77, SECTION "B"), AS SAID HIGHWAY IS DESCRIBED IN A DEED RECORDED SEPTEMBER 2, 1936 IN BOOK 571, PAGE 31 OF OFFICIAL RECORDS; THENCE ALONG SAID PROLONGATION AND ALONG THE SOUTHERLY LINE OF SAID HOMELAND ACRES, NORTH 77°20'30" WEST (RECORD NORTH 77°30' WEST) 3036.61 FEET TO THE MOST EASTERLY CORNER OF LAND CONVEYED TO AMOS J. SCHONEMAN AND WIFE, BY DEED DATED NOVEMBER 10, 1945 AND RECORDED IN BOOK 2002, PAGE 237 OF OFFICIAL RECORDS; THENCE SOUTH 36°56'05" WEST (RECORD SOUTH 36°59'20" WEST) ALONG THE SOUTHEASTERLY LINE OF SAID LAND, 532.63 FEET (RECORD 532.80 FEET) TO AN ANGLE POINT THEREIN; THENCE CONTINUING ALONG SAID SOUTHEASTERLY LINE, SOUTH 5°57'30" WEST (RECORD SOUTH 5°41' WEST) 20.54 FEET TO THE COMMON CORNER OF SAID SCHONEMAN'S LAND AND LAND CONVEYED TO HERMAN R. WISEMAN AND WIFE BY DEED DATED MAY 4, 1944 AND RECORDED IN BOOK 1691, PAGE 146 OF OFFICIAL RECORDS, SAID COMMON CORNER BEING AT ENGINEER'S STATION 22 PLUS 03.04 ON THE CENTER LINE OF ROAD SURVEY NO. 461, A MAP OF WHICH IS ON FILE IN THE OFFICE OF COUNTY SURVEYOR OF SAN DIEGO COUNTY AND BEING A POINT ON A CURVE IN SAID CENTER LINE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE ALONG SAID CENTER LINE AND BEING ALSO THE NORTHEASTERLY BOUNDARY OF SAID WISEMAN'S LAND, AS FOLLOWS:

EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 31°07'04", A DISTANCE OF 271.55 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 52°57' EAST, 169.65 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 48°37', A DISTANCE OF 424.26 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 4°20' EAST, 471.39 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 200.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 58°42', A DISTANCE OF 204.90 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 63°02' EAST, 439.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 7°25'20", A

PARCEL 2 CONTINUED

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DISTANCE OF 129.54 FEET; THENCE TANGENT TO SAID CURVE SOUTH 55°36'40" EAST, 265.72 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°40'20" A DISTANCE OF 238.63 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 69°17' EAST, 858.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°46', A DISTANCE OF 128.86 FEET TO THE NORTHERLY TERMINUS OF THE MOST EASTERLY LINE OF SAID LAND SO CONVEYED TO WISEMAN; THENCE SOUTH 5°57' WEST (RECORD SOUTH 5°55'30" WEST) ALONG SAID MOST EASTERLY LINE 30.00 FEET TO THE SOUTHEASTERLY CORNER OF SAID LAND AT A POINT ON THE SOUTHERLY LINE OF THE OAKS TRACT; THENCE SOUTH 84°03' EAST (RECORD SOUTH 84°04'30" EAST) ALONG SAID SOUTHERLY LINE OF THE OAKS TRACT, 937.22 FEET TO THE WESTERLY LINE OF HEREINBEFORE MENTIONED 100.00 FOOT CALIFORNIA STATE HIGHWAY; THENCE ALONG SAID WESTERLY LINE, NORTH 6°43'45" WEST, 1913.50 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED MAY 27, 1968 AS FILE NO. 87832 OF OFFICIAL RECORDS AS FILED IN THE OFFICE OF COUNTY RECORDER OF SAN DIEGO COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 5, 1972 AS FILE NO. 2130 OF OFFICIAL RECORDS, AS FILED IN THE OFFICE OF COUNTY RECORDER OF SAN DIEGO COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION LYING EASTERLY AND SOUTHEASTERLY OF THE WESTERLY AND NORTHWESTERLY SIDE LINE OF THAT CERTAIN EASEMENT GRANTED TO THE CITY OF ESCONDIDO, A MUNICIPAL CORPORATION, IN DEED RECORDED NOVEMBER 10, 1983, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY AS FILE NO. 83-408738 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL WATER PIPES AND APPURTENANCES NOW USED FOR THE DISTRIBUTION OF WATER WHICH PIPES AND APPURTENANCES ARE LOCATED ON THE PROPERTY OF THE GRANTORS HEREINBELOW DESCRIBED, INCLUDING SPECIFICALLY FOURTEEN WATER WELLS, TOGETHER WITH THE PUMPS, PIPELINES, ELECTRIC LINES, EQUIPMENT AND FACILITIES USED IN THE OPERATION OF SAID WELLS UPON THE SAID PROPERTY HEREINBELOW DESCRIBED, TOGETHER WITH A NON-EXCLUSIVE EASEMENT AND RIGHT OF WAY TO BE USED IN COMMON WITH THE GRANTORS, THEIR SUCCESSORS AND ASSIGNS, FOR THE PURPOSE OF INSTALLING, MAINTAINING OPERATING AND REPAIRING WATER PIPES, WITH METERS AND OTHER MEASURING DEVICES, FOR THE PURPOSE FOR MEASURING OR CONTROLLING THE FLOW OF WATER, PROVIDED THAT ALL SUCH PIPES SHALL BE INSTALLED AND MAINTAINED AT LEAST 18 INCHES BELOW THE NATURAL SURFACE OF THE LAND THROUGH WHICH THEY SHALL EXTEND, AS SET FORTH IN A QUIT CLAIM DEED FROM GREEN MUTUAL WATER COMPANY OF SAN DIEGO COUNTY TO CITY OF SAN DIEGO DATED DECEMBER 26, 1953, RECORDED DECEMBER 30, 1953 IN BOOK 5098, PAGE 401 OF OFFICIAL RECORDS.

LEGAL DESCRIPTION

PARCEL 3:

BEING A SUBDIVISION OF THAT PORTION OF THE OAKS TRACT IN THE RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1415, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 8, 1912.

BEGINNING AT THE INTERSECTION OF THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF HOMELAND ACRES ADDITION TO ESCONDIDO NO. 2, ACCORDING TO MAP THEREOF NO. 1241, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 11, 1910 WITH THE WESTERLY LINE OF THE 100.00 FOOT CALIFORNIA STATE HIGHWAY (DISTRICT XI, ROUTE 77, SECTION "B"), AS SAID HIGHWAY IS DESCRIBED IN A DEED RECORDED SEPTEMBER 2, 1936 IN BOOK 571, PAGE 31 OF OFFICIAL RECORDS; THENCE ALONG SAID PROLONGATION AND ALONG THE SOUTHERLY LINE OF SAID HOMELAND ACRES, NORTH 77°20'30" WEST (RECORD NORTH 77°30' WEST) 3036.61 FEET TO THE MOST EASTERLY CORNER OF LAND CONVEYED TO AMOS J. SCHONEMAN AND WIFE, BY DEED DATED NOVEMBER 10, 1945 AND RECORDED IN BOOK 2002, PAGE 237 OF OFFICIAL RECORDS; THENCE SOUTH 36°56'05" WEST (RECORD SOUTH 36°59'20" WEST) ALONG THE SOUTHEASTERLY LINE OF SAID LAND, 532.63 FEET (RECORD 532.80 FEET) TO AN ANGLE POINT THEREIN; THENCE CONTINUING ALONG SAID SOUTHEASTERLY LINE, SOUTH 5°57'30" WEST (RECORD SOUTH 5°41' WEST) 20.54 FEET TO THE COMMON CORNER OF SAID SCHONEMAN'S LAND AND LAND CONVEYED TO HERMAN R. WISEMAN AND WIFE BY DEED DATED MAY 4, 1944 AND RECORDED IN BOOK 1691, PAGE 146 OF OFFICIAL RECORDS, SAID COMMON CORNER BEING AT ENGINEER'S STATION 22 PLUS 03.04 ON THE CENTER LINE OF ROAD SURVEY NO. 461, A MAP OF WHICH IS ON FILE IN THE OFFICE OF COUNTY SURVEYOR OF SAN DIEGO COUNTY AND BEING A POINT ON A CURVE IN SAID CENTER LINE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE ALONG SAID CENTER LINE AND BEING ALSO THE NORTHEASTERLY BOUNDARY OF SAID WISEMAN'S LAND, AS FOLLOWS:

EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 31°07'04", A DISTANCE OF 271.55 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 52°57' EAST, 169.65 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 48°37', A DISTANCE OF 424.26 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 4°20' EAST, 471.39 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 200.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 58°42', A DISTANCE OF 204.90 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 63°02' EAST, 439.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 7°25'20", A

PARCEL 3 CONTINUED

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DISTANCE OF 129.54 FEET; THENCE TANGENT TO SAID CURVE SOUTH 55°36'40" EAST, 265.72 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 1000.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°40'20" A DISTANCE OF 238.63 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 69°17' EAST, 858.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°46', A DISTANCE OF 128.86 FEET TO THE NORTHERLY TERMINUS OF THE MOST EASTERLY LINE OF SAID LAND SO CONVEYED TO WISEMAN; THENCE SOUTH 5°57' WEST (RECORD SOUTH 5°55'30" WEST) ALONG SAID MOST EASTERLY LINE 30.00 FEET TO THE SOUTHEASTERLY CORNER OF SAID LAND AT A POINT ON THE SOUTHERLY LINE OF THE OAKS TRACT; THENCE SOUTH 84°03' EAST (RECORD SOUTH 84°04'30" EAST) ALONG SAID SOUTHERLY LINE OF THE OAKS TRACT, 937.22 FEET TO THE WESTERLY LINE OF HEREINBEFORE MENTIONED 100.00 FOOT CALIFORNIA STATE HIGHWAY; THENCE ALONG SAID WESTERLY LINE, NORTH 6°43'45" WEST, 1913.50 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED MAY 27, 1968 AS FILE NO. 87832 OF OFFICIAL RECORDS AS FILED IN THE OFFICE OF COUNTY RECORDER OF SAN DIEGO COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 5, 1972 AS FILE NO. 2130 OF OFFICIAL RECORDS, AS FILED IN THE OFFICE OF COUNTY RECORDER OF SAN DIEGO COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION LYING EASTERLY AND SOUTHEASTERLY OF THE WESTERLY AND NORTHWESTERLY SIDE LINE OF THAT CERTAIN EASEMENT GRANTED TO THE CITY OF ESCONDIDO, A MUNICIPAL CORPORATION, IN DEED RECORDED NOVEMBER 10, 1983, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY AS FILE NO. 83-408738 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL WATER PIPES AND APPURTENANCES NOW USED FOR THE DISTRIBUTION OF WATER WHICH PIPES AND APPURTENANCES ARE LOCATED ON THE PROPERTY OF THE GRANTORS HEREINBELOW DESCRIBED, INCLUDING SPECIFICALLY FOURTEEN WATER WELLS, TOGETHER WITH THE PUMPS, PIPELINES, ELECTRIC LINES, EQUIPMENT AND FACILITIES USED IN THE OPERATION OF SAID WELLS UPON THE SAID PROPERTY HEREINBELOW DESCRIBED, TOGETHER WITH A NON-EXCLUSIVE EASEMENT AND RIGHT OF WAY TO BE USED IN COMMON WITH THE GRANTORS, THEIR SUCCESSORS AND ASSIGNS, FOR THE PURPOSE OF INSTALLING, MAINTAINING OPERATING AND REPAIRING WATER PIPES, WITH METERS AND OTHER MEASURING DEVICES, FOR THE PURPOSE FOR MEASURING OR CONTROLLING THE FLOW OF WATER, PROVIDED THAT ALL SUCH PIPES SHALL BE INSTALLED AND MAINTAINED AT LEAST 18 INCHES BELOW THE NATURAL SURFACE OF THE LAND THROUGH WHICH THEY SHALL EXTEND, AS SET FORTH IN A QUIT CLAIM DEED FROM GREEN MUTUAL WATER COMPANY OF SAN DIEGO COUNTY TO CITY OF SAN DIEGO DATED DECEMBER 26, 1953, RECORDED DECEMBER 30, 1953 IN BOOK 5098, PAGE 401 OF OFFICIAL RECORDS.



ORDER NO. 957442-19

LEGAL DESCRIPTION

PARCEL 4:

ALL THAT PORTION OF LOT 7 OF RANCHO SAN BERNARDO, IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF RECORDED IN BOOK 2, AT PAGE 462 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT ON THE EASTERLY BOUNDARY OF RECORD OF SURVEY MAP NO. 7877, IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MAY 23, 1974 AS FILE NO. 74-135964 OF OFFICIAL RECORDS, SAID POINT BEING THE SOUTHERLY TERMINUS OF THAT COURSE SHOWN AS "NORTH 6°38'08" WEST 192.90 FEET" ON SAID RECORD OF SURVEY; THENCE ALONG THE BOUNDARY OF SAID RECORD OF SURVEY MAP NORTH 06°38'08" WEST 192.90 FEET; THENCE NORTH 28°57'10" WEST 168.26 FEET; THENCE NORTH 34°58'12" WEST 102.98 FEET; THENCE NORTH 35°07'20" WEST 273.57 FEET; THENCE NORTH 37°08'49" WEST 128.04 FEET; THENCE NORTH 15°37'48" WEST 154.54 FEET; THENCE NORTH 29°07'27" WEST 204.61 FEET; THENCE NORTH 35°37'14" WEST 232.30 FEET; THENCE SOUTH 57°07'06" WEST 78.49 FEET; THENCE NORTH 21°08'11" EAST 91.68 FEET; THENCE NORTH 34°21'18" WEST 51.27 FEET; THENCE NORTH 68°38'45" WEST 78.20 FEET; THENCE NORTH 72°52'45" EAST 93.64 FEET; THENCE NORTH 15°25'49" EAST 96.63 FEET; THENCE NORTH 20°47'13" EAST 142.43 FEET; THENCE NORTH 40°57'48" WEST 100.78 FEET; THENCE NORTH 62°30'44" WEST 88.76 FEET; THENCE NORTH 38°55'03" WEST 71.24 FEET; THENCE NORTH 39°50'02" WEST 97.58 FEET; THENCE NORTH 71°27'41" WEST 77.86 FEET; THENCE NORTH 88°04'10" WEST 206.57 FEET; THENCE NORTH 44°56'46" WEST 117.60 FEET; THENCE NORTH 66°44'40" WEST 205.28 FEET; THENCE NORTH 21°35'51" WEST, 174.30 FEET TO A POINT ON THE SOUTHERLY LINE OF THE RESURVEY OF OAKS TRACT, AS SAID RESURVEY IS SHOWN ON MAP NO. 1415; THENCE ALONG SAID SOUTHERLY LINE SOUTH 84°04'30" EAST 635.31 FEET TO A POINT ON THE BOUNDARY OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MAY 27, 1968 AS FILE NO. 87832 OF OFFICIAL RECORDS; THENCE ALONG SAID BOUNDARY SOUTH 66°08'17" EAST 519.75 FEET; THENCE SOUTH 02°57'48" WEST 245.86 FEET; THENCE SOUTH 24°45'38" EAST 237.17 FEET; THENCE SOUTH 35°34'29" EAST 429.80 FEET; THENCE SOUTH 26°35'09" EAST 343.72 FEET; THENCE SOUTH 08°40'54" EAST 418.04 FEET; THENCE SOUTH 08°03'11" WEST 442.86 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN THE FOLLOWING DESCRIBED LAND: COMMENCING AT A 3/4 INCH IRON PIN STAMPED L.S. 1344 ON THE NORTHERLY LINE OF SAID LOT 7 OF THAT TRACT OF LAND DESIGNATED AS "M. BARNETT" AS SHOWN ON LICENSED SURVEYOR'S MAP NO. 180, FILED IN SAID



PARCEL 4 CONTINUED

ORDER NO. 957442-19

RECORDER'S OFFICE, MARKING THE SOUTHEASTERLY CORNER OF THAT 30 FOOT WIDE EASEMENT AND RIGHT OF WAY AS DESCRIBED IN PARCEL 1 OF THAT REAL PROPERTY CONVEYED TO C. SHIMA, ET AL, BY DEED RECORDED JUNE 15, 1960 AS FILE NO. 122603 OF OFFICIAL RECORDS; THENCE ALONG SAID NORTHERLY LINE, SOUTH 83°38'26" EAST, 632.53 FEET; THENCE SOUTH 66°08'12" EAST, 168.92 FEET TO THE POINT OF BEGINNING, THENCE ALONG THE FOLLOWING NUMBERED COURSES:

1. SOUTH 20°07'40" WEST, 41.48 FEET;
2. SOUTH 67°52'04" EAST, 200.12 FEET;
3. SOUTH 64°09'42" EAST, 100.50 FEET;
4. SOUTH 09°20'42" EAST, 275.88 FEET;
5. SOUTH 30°21'54" EAST, 199.86 FEET;
6. NORTH 24°45'38" WEST, 237.17 FEET;
7. NORTH 02°57'48" EAST, 245.86 FEET;
8. NORTH 66°08'12" WEST, 350.75 FEET TO THE POINT OF BEGINNING.

11/9/87

JK

Recording Requested By
and
When Recorded Mail To:
The City of San Diego

Attention: _____

COVENANT RUNNING WITH RESIDENTIAL LAND

This Covenant is entered into as of January 25, 1988 by and between the CITY OF SAN DIEGO, a municipal corporation ("San Diego"), and the CITY OF ESCONDIDO, a municipal corporation ("Escondido"), pursuant to the following recitals.

R E C I T A L S:

A. San Diego is the owner of the following land located in the City of Escondido, California:

1. The Golf Course Land described on the exhibit attached hereto; and

2. The Residential Land described on the exhibit attached hereto.

B. San Diego is, concurrently with the recordation of this Covenant, conveying to Escondido the Residential Land and an undivided one-half (1/2) interest in the Golf Course Land. San Diego is retaining an undivided one-half (1/2) interest in the Golf Course Land.

C. The parties intend, by means of this agreement and pursuant to California Civil Code Section 1468, to restrict the use of the Residential Land to residential uses and to bind owners and successive owners of the Residential Land for the benefit of San Diego and successive owners of its undivided one-half (1/2) interest in the Golf Course Land.

NOW, THEREFORE, the parties hereto agree as follows:

1. Residential Restriction. The Residential Land shall be improved and used only for not more than 534 residential dwelling units and those recreational uses which are ancillary thereto; provided, however, nothing herein stated is intended to limit or restrict the use of the Residential Land for model homes or other

promotional activities relating to the development and sale of the Residential Land.

2. Term. This Covenant shall commence upon the recordation hereof with the County Recorder of San Diego County and shall expire [the term will be the same original term of the Development Agreement] years thereafter.

3. Attorneys' Fees. Should any action be brought to enforce or interpret the provisions hereof, the prevailing party shall be entitled to its actual costs and reasonably incurred attorneys' fees.

4. Successive Owners. This Covenant shall be binding on the owners and successive owners of the Residential Land and shall be enforceable by San Diego and the successive owners of its undivided one-half (1/2) interest in the Golf Course Land.

IN WITNESS WHEREOF, this agreement has been executed as of the date first written above in San Diego County, California.

"San Diego"

CITY OF SAN DIEGO, a municipal corporation

By Deborah Van Wanselle
ASSISTANT TO THE CITY MANAGER

"Escondido"

CITY OF ESCONDIDO, a municipal corporation

By Lennon Hayden

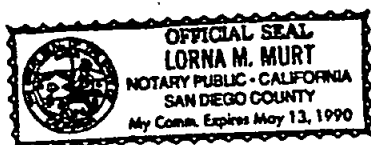
Approved as to form and legality	
this <u>25th</u> day of <u>JANUARY</u>	19 <u>88</u>
JOHN W. WITT, City Attorney	
By <u>[Signature]</u>	Assistant City Attorney

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

)
) ss.
)

On this 3rd day of March, 1988, before me,
Lorna M. Murt, a Notary Public in and for said
state, personally appeared Deborah Van Wanseele,
personally known to me (or proved to me on the basis of satisfac-
tory evidence) to be the Assistant to the City Mgr. of the CITY OF SAN
DIEGO, the municipal corporation that executed the within instru-
ment, known to me to be the person who executed the within
instrument on behalf of the municipal corporation therein named,
and acknowledged to me that such municipal corporation executed
the within instrument pursuant to its bylaws or a resolution of
its board of directors.

WITNESS my hand and official seal.



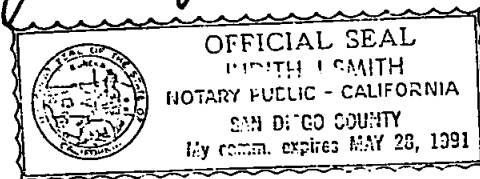
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

)
) ss.
)

Lorna M. Murt
NOTARY PUBLIC
Lorna M. Murt

On this 25th day of January, 1988, before me,
JUDITH J. SMITH, a Notary Public in and for said
state, personally appeared VERNON HAZEN,
personally known to me (or proved to me on the basis of satisfac-
tory evidence) to be the City Manager of the CITY OF
ESCONDIDO, the municipal corporation that executed the within
instrument, known to me to be the person who executed the within
instrument on behalf of the municipal corporation therein named,
and acknowledged to me that such municipal corporation executed
the within instrument pursuant to its bylaws or a resolution of
its board of directors.

WITNESS my hand and official seal.



Judith J. Smith
NOTARY PUBLIC

Golf Course Land Exhibit

(to be attached)

Residential Land Exhibit

(to be attached)

RESOLUTION NUMBER R- 269816

ADOPTED ON NOV 24 1987

BE IT RESOLVED, by the Council of The City of San Diego, that the City Manager be and he is hereby authorized and empowered to execute, for and on behalf of said City, an agreement with the CITY OF ESCONDIDO, concerning certain City of San Diego-owned properties that are within the jurisdiction of the City of Escondido, under the terms and conditions set forth in the Agreement on file in the office of the City Clerk as Document No. RR- 269816 -1

BE IT FURTHER RESOLVED, that the sale to the City of Escondido of two of the parcels be and it is hereby authorized.

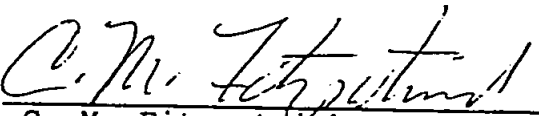
BE IT FURTHER RESOLVED, that the Mayor and City Clerk be and they are hereby authorized to execute a Grant Deed to the City of Escondido affecting the two sale parcels, under the terms and conditions set forth in the Grant Deed on file in the office of the City Clerk as Document No. RR- 269816 -2

BE IT FURTHER RESOLVED, that the City Manager be and he is hereby authorized and empowered to execute, for and on behalf of said City, a Second Amendment to Agreement with the CITY OF ESCONDIDO, concerning the right to acquire an additional 300,000 gallons per day of sewer capacity in the Escondido Sewer System,

under the terms and conditions set forth in the Second Amendment to Agreement on file in the office of the City Clerk as Document No. RR- 269816-3, provided that Escondido reimburse San Diego for any and all monies due under the First Amendment to Sewer Agreement between the parties dated July 12, 1982; and for all other surplus sewer and water connection rights heretofore purchased by San Diego from Escondido in connection with the properties being sold to Escondido.

APPROVED: John W. Witt, City Attorney

By



C. M. Fitzpatrick
Assistant City Attorney

CMF:js
11/20/87
12/03/87 Rev. 1
Or.Dept:Prop.
R-88-986
Form=r.auagr

Passed and adopted by the Council of The City of San Diego on
NOV 24 1987 by the following vote:

YEAS: Cleator, McColl, Struiksma, McCarty, Ballesteros.

NAYS: Wolfsheimer, Gotch, O'Connor.

NOT PRESENT: None.

VACANT: District 4.

AUTHENTICATED BY:

MAUREEN O'CONNOR
Mayor of The City of San Diego, California

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California

(SEAL)

By: JUNE A. BLACKNELL, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true
and correct copy of RESOLUTION NO. R- 269816, passed
and adopted by the Council of The City of San Diego, California
on NOV 24 1987.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California

(SEAL)

By: June A. Blacknell, Deputy

