



Real Estate Assets Department

SDC003

Canyonside Ranch, LLC.

H504RD-006-A00

14

Document Type

LEGAL DOCUMENTS



Sub - Category

AGREEMENTS



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Canyonside Ranch, LLC
Attention: Robert Osborne
12115 Black Mountain Road
San Diego, CA 92129



9590 9402 6959 1225 9630 85

2. Article Number (Transfer from service label)

7011 1150 0000 1971 4857

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X☐ Agent☒ Addressee

B. Received by (Printed Name)

C. Date of Delivery

1-26-23

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☒ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Insured Mail Restricted Delivery
(over \$500)☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted
Delivery☐ Signature Confirmation™☐ Signature Confirmation
Restricted Delivery

USPS TRACKING #



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

9590 9402 6959 1225 9630 85

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

CITY OF SAN DIEGO
REAL ESTATE ASSETS DEPT.
CIVIC CENTER PLAZA
1200 THIRD AVENUE, SUITE 1700
SAN DIEGO, CA 92101

Attn: HEF

Farst, Heide

From: Farst, Heide
Sent: Monday, January 23, 2023 8:29 AM
To: Robert Osborne
Subject: Notice of Termination
Attachments: Canyonside Ranch - Notice of Termination - FULLY EXECUTED.pdf

Rob,

Please find attached the 30 days' Notice of Termination to Canyonside Ranch, LLC for the City-owned property located at 12115 Black Mountain Road, San Diego, CA 92129.

Heide E. Farst, CSM
Supervising Property Agent, Real Estate Lease Administration
Department of Real Estate and Airport Management
City of San Diego
1200 Third Avenue, Suite 1700, MS 51A
San Diego, CA 92101
(619) 236-6727
hfurst@sandiego.gov



Department of Real Estate
and Airport Management

January 23, 2023

SENT VIA CERTIFIED MAIL #7011 1150 0000 1971 4857

SENT VIA GOLDEN STATE OVERNIGHT #558622906

SENT VIA EMAIL Canyonsidemail@aol.com

Canyonside Ranch, LLC
Attention: Robert Osborne
12115 Black Mountain Road
San Diego, CA 92129

Reference: NOTICE OF TERMINATION – Percentage Lease Agreement between the City of San Diego ("City") and Canyonside Ranch, LLC ("Lessee"), dated February 16, 2017 ("Agreement"), for 12115 Black Mountain Road, San Diego, CA 92129 ("Premises")

Dear. Mr. Osborne:

This letter shall constitute a 30-day written notice from the City to Lessee terminating Lessee's occupancy of the Premises under the Agreement as of February 23, 2023 ("Termination Date"). The Agreement terminated by its own terms on January 31, 2020, and has been in post-termination holdover status since that time. Under Section 2.2 (Holdover) of the Agreement, Lessee's holdover tenancy is a month-to-month tenancy that may be terminated on 30 days' notice.

This letter also constitutes the City's written demand under Section 2.3 (Quitclaim and Surrender of Premises) of the Agreement for Lessee to sign and deliver to the City, within five (5) days after the Termination Date (i.e., March 2, 2023) ("Deed Delivery Deadline"), a valid and recordable quitclaim deed covering all of the Premises ("Deed"). For your convenience, a form of Deed that is acceptable to the City is enclosed with this letter. Lessee's failure to deliver the required Deed by the Deed Delivery Deadline shall entitle the City to prepare and record a notice reciting Lessee's failure to execute the Deed, and the notice shall be conclusive evidence of the termination of the Agreement and all of Lessee's rights to the Premises.

Additionally, the City is aware that Lessee has breached at least the following terms of the Agreement:

1. Section 1.2 Uses; Exhibit B Other Rules and Regulations: These sections require that Lessee is solely responsible for the daily removal of horse manure from stalls and the scheduled weekly horse manure removal from the Premises. During the City's September 16, 2021 inspection of the Premises, City staff observed that the horse stalls were full of manure. During the City's February 17, 2022 inspection of the Premises, City staff observed that horse stalls were full of manure, the bin used to haul manure offsite was full, and piles of manure were laying outside of the bin underneath a tarp. City staff found the Premises in the same condition during a June 23, 2022 inspection of the Premises.

Page 2

Mr. Robert Osborne

January 23, 2023

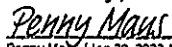
2. **Section 1.7 Competent Management:** This section requires that Lessee provide full time, onsite, competent management of the Premises, meaning a demonstrated ability in the management of an equestrian center and all related activities. As described above, City staff observed during its three site inspections that manure had accumulated in the horse stalls, bins, and in piles on the Premises. City staff also received numerous complaints from horse boarders that Lessee has not adequately fed the horses or maintained the Premises.
3. **Section 1.10 Public Use:** This section requires that the general public shall not be wholly or permanently excluded from any portion of the Premises. During its three inspections of the Premises, City staff found that the public restrooms were closed and not available to the public.
4. **Section 7.8:** This section requires that Lessee, at its sole cost and expense, maintain the Premises in a decent, safe, healthy, and sanitary condition. During the City's September 16, 2021 inspection of the Premises, City staff observed that the public restroom was in an unsanitary condition and required immediate attention. During the City's February 17, 2022 inspection of the Premises, City staff observed weeds throughout the Premises. Further, as described above, during the City's three inspections of the Premises, City staff found that the horse stalls were full of manure and that the manure had accumulated in a bin and in piles on the Premises.

Notwithstanding the fact that the Agreement is terminated, and that Lessee is required to vacate the Premises, the City continues to reserve all of its rights and remedies with respect to Lessee's breaches of the Agreement.

Lessee must vacate the Premises no later than February 23, 2023 and return the Premises to City free and clear of all liens and encumbrances and in a decent, safe, and sanitary condition. Lessee must not remove any City-owned property from the Premises, including, but not limited to, all tack sheds and stables on the Premises, and all other improvements, fixtures, structures, and installations that existed on the Premises at the beginning of the Term.

If you have any questions about the termination of the Agreement, please contact Heide Farst at hfarst@sandiego.gov or 619-236-6727.

Sincerely,


Penny Maus (Jan 20, 2023 17:59 PST)

Penny Maus

Director, Department of Real Estate and Airport Management

cc: Erika Ferreira, Deputy Director, Department of Parks and Recreation
Matthew Ostlund, Interim Program Manager, Department of Real Estate and Airport Management

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of San Diego
Department of Real Estate and Airport
Management
Attention: Director
1700 Third Avenue, Suite 1700 (MS 51A)
San Diego, CA 02101

SPACE ABOVE LINE FOR RECORDER'S USE ONLY

Exempt from recording fees per Government Code § 27383
Exempt from Documentary Transfer Tax per Government Code § 11922

QUITCLAIM DEED

(12115 Black Mountain Road, San Diego, CA 92129)

FOR A VALUABLE CONSIDERATION, receipt of which is acknowledged,

CANYONSIDE RANCH, LLC, a California limited liability company ("**Grantor**"),

remises, releases, and forever quitclaims to

CITY OF SAN DIEGO, a California municipal corporation ("**Grantee**"),

all right, title and interest of Grantor in and to that certain real property in the City of San Diego, County of San Diego, State of California, specifically described in Exhibit "A" attached to this Quitclaim Deed ("**Property**") and made a part of this Quitclaim Deed by this reference.

Dated: _____, 2023

CANYONSIDE RANCH, LLC, a California
limited liability company,

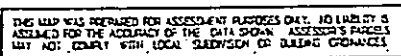
By: _____
Name: _____
Title: _____

Exhibit "A"
To
Quitclaim Deed
([TO BE DETERMINED])

Property Legal Description

[Attached behind this cover page]

1 of 2



15-5-73

SAN DIEGO COUNTY ASSESSOR'S MAP BE 315 PG 05

315-03

1" - 800'

29. 25 32

[illegible]

PB 2-PG 385 - RHO LOS PENASQUITOS - POR
(POR SEC 19-1145-P.28)
ROS 8446

 Department of Real Estate
and Airport Management

Document Routing Form

Notice of Termination - Canyonside Ranch

Heide Farst

Title of document to be signed

Your Name/Property Agent's Name

Matthew Ostlund

Jan 18, 2023

Program Manager/Supervisor Signature

Date

Print name of City Attorney: Julie Inman

NORA: ☐ Yes Date: _____
☒ No, see explanation below

Date City Attorney approval: 12/01/22

Appeal: ☐ Yes ☐ No ☒ N/A

Explanation/Notes:

Lucy,

Attached for your review is a Notice of Termination to be served to Canyonside Ranch, LLC on January 23, 2023. The notice will be served via email, certified return receipt via USPS and Golden State Overnight delivery.

This termination notice is the culmination of many boarder complaints and concerns for the health and safety of their horses along with incompetent management of the Ranch over the past several years, which boards approximately 100 horses in the beautiful and pristine Los Penasquitos Canyon Preserve.

An Interim Manager will enter a one year License Agreement in order to keep the Ranch operational until such time the RFP is approved for release.

The Department of Real Estate and Airport Management completed briefings with CD5 and Penny on Thursday, January 12, 2023, and both parties have given their approval to move forward with the service of the Termination notice to Canyonside Ranch, LLC.

Thank you.

Environmental Determination Notes (if applicable):

The posting of a NORA is not required for termination of a contract.

Deputy Signature: *Lucy Contreras* Date: Jan 19, 2023

Attachments:

Staff Report

Notice of Termination

Lease Agreement



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: January 17, 2023

TO: Penny Maus, Director, Department of Real Estate and Airport Management

FROM: Heide Farst, Property Agent, Department of Real Estate and Airport Management via Lucy Contreras, Deputy Director – Department of Real Estate and Airport Management

Subject: Notice of Termination – Canyonside Ranch, LLC

Background & Purpose:

Pursuant to that certain Percentage Lease Agreement ("Lease") between the City of San Diego ("City") and Canyonside Ranch, LLC ("Lessee"), Lessee manages and operates the approximate 15.44 acre ranch as a boarding facility for horses, horse instruction and horse training with direct access to the Public Trails located throughout Los Penasquitos Canyon Preserve.

This memo is to provide documentation to support the approval of the attached Notice of Termination. The current lease term was for three (3) years commencing in February 2017 and expired in January 2020. The Lessee has been in holdover status since January 31, 2020.

Discussion:

Original Lease Agreement for the Property

Pursuant to that certain Percentage Lease Agreement with Canyonside Stables, LLC, Canyonside Stables managed and operated the approximate 15.44 acre ranch as a boarding facility for horses, horse instruction and horse training with direct access to the Public Trails located throughout Los Penasquitos Canyon Preserve for fifteen (15) years from January 2002 through January 2017.

Current Lease Agreement for the Property

Pursuant to that certain Percentage Lease Agreement with Canyonside Ranch, LLC, Canyonside Ranch manages and operates the approximate 15.44 acre ranch as a boarding facility for horses, horse instruction and horse training with direct access to the Public Trails located throughout Los Penasquitos Canyon Preserve from February 2017 through January 31, 2020. The current Lessee is in holdover status.

Reasons and Causes for Notice of Termination

Over the years, the City has been receiving signed and many anonymous letters of complaints from boarders about the health, safety and welfare of their horses being boarded at this facility along with health concerns over the proper feed and diet being provided and, in some cases, not provided at all to their horses.

The City has given the Lessee many opportunities to correct the boarders concerns along with City's concerns over the lack of maintenance of the facility and the lack of proper removal of manure off site in a timely manner. There is also proof of incompetent management and lack of access to the facility's public restrooms and access to hot water at the facility.

The City has inspected the property on several occasions only to see no improvement after each inspection of the property. The Lessee has been notified after each visit addressing the City's concerns and complaints received. The City's concerns are consistently being ignored by the Lessee.

And, due to this incompetent management, the result being seen by City staff is the Lessee is not properly maintaining the existing facility and it is progressively deteriorating.

Lease Administration recommends the Notice of Termination be issued on January 23, 2023. A new Interim Manager will enter into a one (1) year License Agreement with the City in order to manage and operate the Ranch until the RFP has been approved for release.

Insurance

Lessee insurance expires February 1, 2023.

Rent Payment History

The Lessee is current on its rent.

RECOMMENDED FOR APPROVAL:

Heide Farst

Heide Farst
Property Agent, Lease Administration

Roswitha Sanchez

Roswitha Sanchez
Supervising Property Agent, Lease Administration

Matthew Ostlund

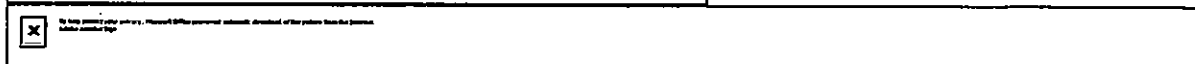
Matt Ostlund
Interim Program Manager, Lease Administration

Attachments: Notice of Termination Letter
Canyonside Ranch, LLC Lease Agreement

Farst, Heide

From: Adobe Sign <adobesign@adobesign.com>
Sent: Friday, January 20, 2023 5:59 PM
To: Farst, Heide
Subject: [EXTERNAL] Notice of Termination Letter - Canyonside Ranch, LLC between City of San Diego and Penny Maus is Signed and Filed!
Attachments: Notice of Termination Letter - Canyonside Ranch, LLC - signed.pdf

****This email came from an external source. Be cautious about clicking on any links in this email or opening attachments.****



Notice of Termination Letter - Canyonside Ranch, LLC between City of San Diego and Penny Maus is Signed and Filed!

To: Penny Maus and Heide Farst

Cc: Lucy Contreras and Matthew Ostlund

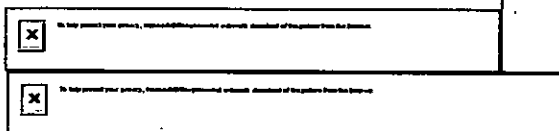
Attached is a final copy of **Notice of Termination
Letter - Canyonside Ranch, LLC.**

Copies have been automatically sent to all parties to
the agreement.

You can view the document in your Adobe Acrobat Sign
account.

Why use Adobe Acrobat Sign:

- Exchange, Sign, and File Any Document. In Seconds!
- Set-up Reminders. Instantly Share Copies with Others.
- See All of Your Documents, Anytime, Anywhere.



To ensure that you continue receiving our emails, please add adobesign@adobesign.com to your address book or safe list.

Farst, Heide

From: Adobe Sign <adobesign@adobesign.com>
Sent: Friday, January 20, 2023 10:48 AM
To: Farst, Heide
Subject: [EXTERNAL] Notice of Termination Letter - Canyonside Ranch, LLC has been sent out for signature to pmaus@sandiego.gov
Attachments: Notice of Termination Letter - Canyonside Ranch, LLC.pdf

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Your Agreement Has Been Sent for Signature!

- Adobe Acrobat Sign has sent Notice of Termination Letter - Canyonside Ranch, LLC to pmaus@sandiego.gov for signature.
- A copy (cc) has also been sent to Lucy Contreras and Matthew Ostlund.
- When pmaus@sandiego.gov completes Notice of Termination Letter - Canyonside Ranch, LLC all parties (including a cc to Lucy Contreras and Matthew Ostlund) will receive a final PDF copy by email.

Click [here](#) to view this document online in your Adobe Acrobat Sign account.

You can always Login to Adobe Acrobat Sign to:

- Check the status of this document
- Set up a reminder informing another party that you are waiting for their signature
- Share your agreements with a colleague

To ensure that you continue receiving our emails, please add adobesign@adobesign.com to your address book or safe list.

Farst, Heide

From: Adobe Sign <adobesign@adobesign.com>
Sent: Wednesday, January 18, 2023 3:03 PM
To: Farst, Heide
Subject: [EXTERNAL] Matthew Ostlund has signed Canyonside Ranch Notice of Termination Letter
Attachments: Canyonside Ranch Notice of Termination Letter - unsigned.pdf

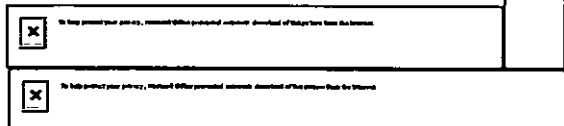
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Canyonside Ranch Notice of Termination Letter has been signed by Matthew Ostlund (MOstlund@sandiego.gov). It has now been sent to Lucy Contreras (lucontreras@sandiego.gov) to sign.

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- See All of Your Documents, Anytime, Anywhere.



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Farst, Heide

From: Adobe Sign <adobesign@adobesign.com>
Sent: Wednesday, January 18, 2023 2:23 PM
To: Farst, Heide
Subject: [EXTERNAL] Roswitha Sanchez has signed Canyonside Ranch Notice of Termination Letter
Attachments: Canyonside Ranch Notice of Termination Letter - unsigned.pdf

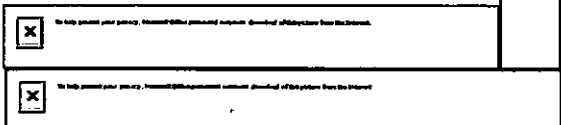
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Canyonside Ranch Notice of Termination Letter has been signed by Roswitha Sanchez (roswithas@sanidiego.gov). It has now been sent to Matthew Ostlund (MOstlund@sanidiego.gov) to sign. You will be notified as each participant completes their part.

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- Exchange, Sign, and File Any Document. In Seconds!
- Set-up Reminders. Instantly Share Copies with Others.
- See All of Your Documents, Anytime, Anywhere.

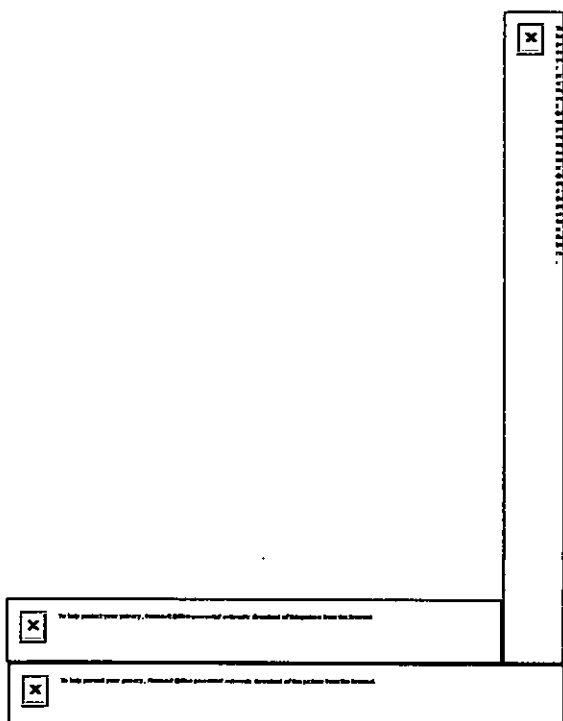
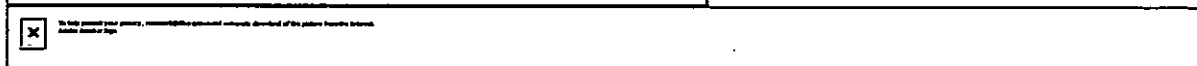


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Farst, Heide

From: Adobe Sign <adobesign@adobesign.com>
Sent: Wednesday, January 18, 2023 2:06 PM
To: Farst, Heide
Subject: [EXTERNAL] Canyonside Ranch Notice of Termination Letter has been sent out for signature to Roswitha Sanchez, Matthew Ostlund, and Lucy Contreras
Attachments: Canyonside Ranch Notice of Termination Letter.pdf

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Canyonside Ranch Notice of Termination Letter is Out for Signature!

- Adobe Acrobat Sign has sent Canyonside Ranch Notice of Termination Letter to Roswitha Sanchez, Matthew Ostlund, and Lucy Contreras for signature.
- When all participants have completed Canyonside Ranch Notice of Termination Letter all parties will receive a final PDF copy by email.

You can always Login to Adobe Acrobat Sign to:

- Check the status of this document
- Set up a reminder informing another party that you are waiting for their signature
- Share your agreements with a colleague

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