

EDWARD C. DOWD
ATTORNEY AT LAW
651 EAST GRAND AVENUE
ESCONDIDO, CALIFORNIA 92025
TELEPHONE 745-6342

May 4, 1970

City of San Diego
City Administration Building
Community Concourse
San Diego, California

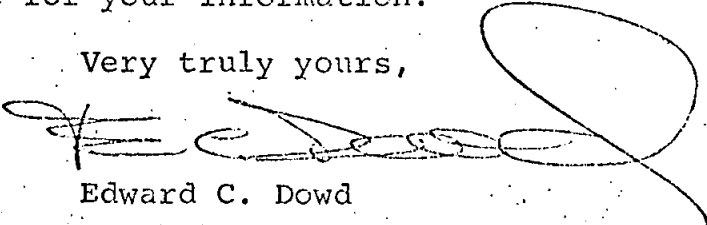
-Attention: Walter Hahn, City Manager

Re: Lease Agreement between the City of San Diego
and Dennis L. Lindshield, Document No. 730192.

Dear Mr. Hahn:

I represent L. P. Ranches, Inc., a California corporation. In accordance with the terms of the captioned Lease, notification is hereby given pursuant to Paragraph 31 of said Lease of the fact that Dennis L. Lindshield has assigned his rights under the terms of said Lease to L. P. Ranches, Inc., a California corporation. You are further advised that the said assignee does, in fact, own fifty-one percent of the voting stock of said corporation. I enclose a copy of the assignment and a copy of the first page of the Lease for your information.

Very truly yours,


Edward C. Dowd

ECD:eas

Enclosures

RECEIVED

MAY 8 1970

CITY MANAGER

ASSIGNMENT OF REAL ESTATE LEASE AND AGREEMENT

This assignment of lease and agreement made and entered into by and between DENNIS L. LINDSHIELD and L. P. Ranches, Inc. (Lessee- hereinafter called "Borrower"); and The City of San Diego (hereinafter called "Lessor"); and SMALL BUSINESS ADMINISTRATION (hereinafter called "ASSIGNEE"): Witnesseth:

WHEREAS, Borrower has heretofore leased from Lessor certain real property by lease dated November 13, 1969, recorded in Book 1969, Page 69-730192, Instrument No. _____, of the records of the County of San Diego, State of California, for a term of Thirty (30) years, and described as follows:

See Exhibit "A" attached hereto and made a part hereof.

AND, Whereas, Assignee has authorized the making of a loan to Borrower in the amount of FORTY THREE THOUSAND FIVE HUNDRED ----- (\$43,500.00) due and payable on or before FIFTEEN (15) years from date of Note;

AND, Whereas, such loan is for the benefit of both Borrower and Lessor, in that the funds are to be used for the benefit of the Business conducted on the leased premises:

Now, Therefore, for and in consideration of the premises and of disbursement of said loan or any part thereof, Borrower, which the consent of Lessor, hereby Assigns, Transfers, and Conveys unto Assignee for lease above described, To Have and To Hold the same for and during the remainder of the term mentioned in the lease, and all renewals and extensions of said term.

A. Borrower and Lessor further Covenant and Agree:

1. Borrower is not now in default in the performance of lease; and Borrower and Lessor will each perform the covenants and conditions required of him by said lease for the term of said loan and any extensions, substitutions, or renewals of it.
2. Except as otherwise herein permitted, Borrower and Lessor will not, alone or by agreement between them, modify or terminate said lease without consent of Assignee.
3. In the event of default by Borrower under the terms of said lease, Lessor shall have the right to terminate said lease in accordance with its terms, provided, however, Lessor shall first give Assignee 60 days written notice of such default and the right, at the option of Assignee, during such period, to cure such default; and during such period, Lessor will take no action to enforce its claim arising from such default without Assignee's consent.
4. In the event of any default by Borrower in the performance of any of the obligations of his noteto Assignee evidencing the aforesaid loan, any renewal, substitution, or extension thereof, or any other agreement made in connection therewith, including his agreements herein, then,

cont'd.

ASSIGNMENT OF REAL ESTATE LEASE AND AGREEMENT

This assignment of lease and agreement made and entered into by and between Dennis L. Lindshield and L. P. Ranches, Inc. (Lessee- hereinafter called "Borrower"); and THE CITY OF SAN DIEGO (hereinafter called "Lessor"); and SMALL BUSINESS ADMINISTRATION (hereinafter called "ASSIGNEE"): Witnesseth:

WHEREAS, Borrower has heretofore leased from Lessor certain real property by lease dated November 13, 1969, recorded in Book 1969, Page 69-730192, Instrument No. _____, of the records of the County of San Diego, State of California, for a term of Thirty (30) years, and described as follows:

See Exhibit "A" attached hereto and made a part hereof.

AND, Whereas, Assignee has authorized the making of a loan to Borrower in the amount of FOURTEEN THOUSAND (\$14,000.00) due and payable on or before TEN (10) YEARS FROM DATE OF NOTE;

AND, Whereas, such loan is for the benefit of both Borrower and Lessor, in that the funds are to be used for the benefit of the Business conducted on the leased premises:

Now, Therefore, for and in consideration of the premises and of disbursement of said loan or any part thereof, Borrower, which the consent of Lessor, hereby Assigns, Transfers, and Conveys unto Assignee for lease above described; To Have and To Hold the same for and during the remainder of the term mentioned in the lease, and all renewals and extensions of said term.

A. Borrower and Lessor further Covenant and Agree:

1. Borrower is not now in default in the performance of lease; and Borrower and Lessor will each perform the covenants and conditions required of him by said lease for the term of said loan and any extensions, substitutions, or renewals of it.
2. Except as otherwise herein permitted, Borrower and Lessor will not, alone or by agreement between them, modify or terminate said lease without consent of Assignee.
3. In the event of default by Borrower under the terms of said lease, Lessor shall have the right to terminate said lease in accordance with its terms, provided, however, Lessor shall first give Assignee 60 days written notice of such default and the right, at the option of Assignee, during such period, to cure such default; and during such period, Lessor will take no action to enforce its claim arising from such default without Assignee's consent.
4. In the event of any default by Borrower in the performance of any of the obligations of his note to Assignee evidencing the aforesaid loan, any renewal, substitution, or extension thereof, or any other agreement made in connection therewith, including his agreements herein, then,

cont'd.

Assignee, at its option, may without notice using such force as may be necessary, enter said leased premises:

- a. Transfer and assign said lease and Borrower's rights therein to parties satisfactory to Assignee, and upon Assignment, the obligations of said lease shall be binding on said transferee; said transfer and assignment shall be in accordance with the terms and provisions thereof as set out in paragraph 28 of the Master Lease covering the leased premises. In the event Assignee shall make transfer of said lease as provided in Paragraph 4A, Assignee will cure all defaults in said lease, and its sole other obligation shall be in the payment of rent which accrued prior to the transfer of said lease.
- B. Lessor agrees to, and does hereby, subordinate any lien it may, now or hereafter, have on the property of Borrower, that is now or hereafter, security for the aforesaid loan, to Assignee's lien or liens on said property and to Assignee's rights herein.
- C. Lessor hereby represents and warrants that title to said leased premises is held by it in fee simple and that it has full power and authority to enter into this agreement.
- D. This Agreement shall be binding upon and inure to the benefit of the personal representatives, successors and assigns of the parties hereto.

Witness our hands and seals this 13 day of Sept. 1979.

L.P. RANCHES, INC.

Maye I. Lindshield
MAYE I. LINDSHIELD, President

Eric S. Peterson
ERIC S. PETERSON, Secretary

Dennis L. Lindshield
DENNIS L. LINDSHIELD

THE CITY OF SAN DIEGO
(Lessor)

BY: [Signature]
Deputy City Manager

ACKNOWLEDGMENT

State of California)

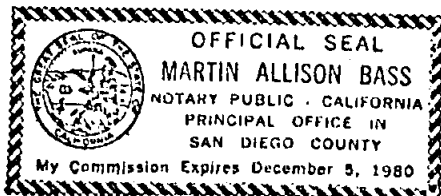
SS.

County of San Diego)

On Sept 13 1979 before me, the undersigned, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared J. P. Fowler of the City of San Diego, the municipal corporation that executed the within instrument and 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 same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, in the County of San Diego, State of California, the day and year in this certificate first-above written.

SEAL



Martin Allison Bass
Notary Public in and for said San Diego County,
State of California

Approved as to form and legality this 18 day of Sept., 1979.

BY: [Signature]
Deputy City Attorney

PY-1078 CITY OF SAN DIEGO

DOCUMENT 742364 ^{OK}

RESOLUTION NO. D

ORDINANCE NO. C/R #1

LENGTH OF LEASE: Thirty (30) Years BEGINNING December 5, 1972

LEGAL DESCRIPTION: Portion of Section 31, T12S, R1W
14 acres

CHMM
PROPERTY FILE CODE

PURPOSE OF LEASE: Avocado production and other agricultural uses

Water Dept. Dwg #1
6524-W

REMARKS:

BILLED BY: Property DEPARTMENT: Annually within 45 days

FOR PERIOD IN Arrears CREDIT FUND 500 ACCOUNT 7906-2

RENTAL IS \$ 720.00 PER year AND/OR 15% of gross income - first 5 years
720.00 year 25% of gross income for remainder of term

PENALTY: 5% after 45 days and 10% after 60 days.

ADDRESS 1462 Maye Pl., Escondido, California 92025

PHONE

(NAME OF LESSEE)

(BRIEF LEGAL)

(EXPIRATION DATE)

LINDSHIELD, DENNIS

Portion Sec. 31, T12S, R1W

December 4, 2001

5-A

RESOLUTION No. 198410

ADOPTED ON NOV 13 1969

BE IT RESOLVED, by the Council of The City of San Diego as follows:

That the City Manager be, and he is hereby authorized and empowered to execute, for and on behalf of said City a Lease Agreement with DENNIS L. LINDSHIELD, as lessee, leasing approximately 130 acres in San Pasqual Valley, for a term of thirty (30) years, at a rental of \$1,300 per year for the first two years; \$1,300 per year or 21% of lessee's gross income, whichever is greater, for the third and fourth year; beginning on the fifth year and for the remainder of the term, \$5,200 per year or 25% of lessee's gross income, whichever is greater, for the purpose of avocado production and such other general agricultural uses as are approved by City, under the terms and conditions set forth in the form of Lease Agreement, on file in the office of the City Clerk as Document No. 730044.

APPROVED: JOHN W. WITT, City Attorney

By R. K. Fox, Deputy

rb/11-6-69

DOCUMENT NO. 730192 *Lead*

FILED DEC 2 1969

OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

273437

FILE/PAGE NO. _____
BOOK 1971
RECORDED REQUEST OF

CITY CLERK

Nov 23 3 22 PM '71

OFFICIAL RECORDS
SAN DIEGO COUNTY, CALIF.
HARLEY F. BLOOM
RECORDER

(Lease)

NO FEE

Agreement with Dennis L. Lindshield, leasing
approx. 130 acres in San Pasqual Valley for
avocado production and general agriculture - 30 yrs.

cc: Aud 3C

Farm Mgr - 5A

Property Dept. 5A

Util. Director - 9B

County Assessor-E.C. Williams - BB

Dup. Orig. - Prop. - 5A *12/2/69 - Lead*

R-198410 11/13/69

8VAT

Feb. 1, P.
Ranches

A G R E E M E N T

THIS AGREEMENT is hereby entered into between J.B. UNLIMITED INC., a California corporation, hereinafter referred to as "J.B.", whose address is 1508 Mission Road, Escondido, CA 92025; and L.P. RANCHES, INC., a California corporation, hereinafter referred to as "L.P. RANCHES," whose address is 1462 Maye Place, Escondido, California, 92025

WHEREAS, L.P. RANCHES is the lessee of property from the City of San Diego being that certain property in the San Pasqual Valley, City and County of San Diego, State of California, which property includes certain river-bed property which contains sand; and

WHEREAS, L.P. RANCHES is under an obligation to keep the channel of said river-bed open and desires that sand be removed from said river-bed property; and

WHEREAS, "J.B." desires to remove said sand for its own commercial usage and is willing to pay a fair price for the sand removed;

NOW, THEREFORE, IT IS MUTUALLY COVENANTED AND AGREED as follows:

1. J.B. shall have the right to remove sand from the river-bed portion of the property leased by L.P. RANCHES from the City of San Diego, and which right to remove sand shall be exclusive to J.B. and shall continue for a period of THREE (3) years from the date of this Agreement. The said property is particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

2. J.B. agrees to pay to L.P. RANCHES, ONE THOUSAND DOLLARS (\$1,000.00) per month or FORTY CENTS (.40) for each net cubic yard of sand removed from said property, whichever sum is greater. For ease of computation, a truck and trailer load of sand shall be deemed to contain twenty (20) cubic yards. The FORTY CENT (.40) price shall be increased to FORTY-FIVE CENTS (.45) effective July 1, 1979. The books of J.B. shall be accessible to L.P. RANCHES for the purpose of computing the quantities of sand removed.

3. J.B. shall be under the direction of THE CITY OF SAN DIEGO and L.P. RANCHES regarding the width or depth or quantities of sand removed; J.B. is not to materially interfere with the farming operations conducted by L.P. RANCHES.

4. J.B. shall have access by way of a roadway from San Pasqual Road to the area where the sand is being removed. J.B. may select the roadway in such a manner as to provide the most practical and direct route between San Pasqual Road and the area where sand is being excavated and removed. In no event shall J.B. interfere with any of the operations conducted by L.P. RANCHES on the subject property. J.B. shall maintain the access routes used in the same condition as at the inception of this Agreement and shall not create any hazard or conduct any private or public nuisance on said premises.

5. J.B. shall have the right to use an area for the purpose of storing sand, equipment, supplies, machinery and related items necessary and related to the sand removal operation, and shall maintain such areas so used in a neat, clean and orderly manner and not allow the accumulation of any rubbish or trash thereon.

6. L.P. RANCHES will supply J.B. with its reasonable water needs in connection with J.B.'s removing and processing of sand.

7. J.B. shall make payments according to Paragraph 2 hereinabove to L.P. RANCHES by the fifteenth (15th) day of the succeeding calendar month commencing on the fifteenth (15th) day of August, 1978 and continuing on the fifteenth (15th) day of each successive month thereafter during the term hereof. A finance charge of .833% per month will be imposed on late payments.

8. L.P. RANCHES warrants to J.B., and J.B. relies upon said warranty and representation that L.P. RANCHES has a right to enter into this Agreement, has a valid and existing lease upon the aforesaid property, and covenants to fully cooperate in any and all ways with J.B. to carry out the terms and objects of this Agreement, including but not limited to cooperation in obtaining any and all necessary licenses and permits which may be required. All equipment and improvements shall remain the property of J.B.

9. J.B. is to be solely liable and responsible for the acts and omissions of its workmen or those under it by contract or otherwise, and J.B. is to indemnify and save

harmless L.P. RANCHES from all suits, actions and claims on accounts of injuries to persons or property caused by any alleged act or omission of J.B., its workmen, or those under J.B. in connection with the work under this Agreement.

10. J.B. shall maintain in effect at all times during the performance of the work under this Agreement Public Liability and Property Damage Insurance in amounts and in insurance companies which are acceptable to L.P. RANCHES, and will also carry Workmen's Compensation and Employer's Liability as required under the Labor Code of California. In no event shall Public Liability coverage be in limits less than ONE MILLION DOLLARS (\$1,000,000.00) one person, and ONE MILLION DOLLARS (\$1,000,000.00) each occurrence, and Property Damage Insurance, including Automobile, be less than the amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) one occurrence or series of occurrences. Said insurance will be evidenced by certification filed with L.P. RANCHES. Ten (10) days' written notice to this office is required in the event of any cancellation or reduction in coverage.

11. The rights hereby granted and assigned to J.B. and the obligations with respect thereto which are hereby assumed by J.B., are subject to the terms and conditions set forth in that certain lease dated November 13, 1969, entered into by and between the City of San Diego and Dennis L. Lindshield and subsequently assigned to L.P. RANCHES, INC. in accordance with Paragraph 31 of said lease on November 13, 1969. The said rights and duties assigned and assumed are particularly set forth in Paragraph 29 of said lease. A copy of said lease is

attached hereto as Exhibit B. The rights hereby granted and assigned are subject to the written consent of the City Manager of the City of San Diego as provided in Paragraph 11 of that certain lease attached hereto as Exhibit B.

12. The rights herein assigned and granted are not assignable without written permission from L.P. RANCHES.

13. In the event J.B. does not remove that cubic yardage of sand which would result in payments in excess of the minimum monthly amount as specified in article two (2), for a continuous period of six (6) months during the term hereof, this Agreement may terminate at the option of L.P. RANCHES or J.B.

14. J.B. shall have the right to renew this Agreement (under the same terms and conditions save and except price to be determined as set forth hereinbelow) for an additional three (3) year period by delivery written notice thereof to L.P. RANCHES ninety (90) days prior to the termination hereof. The monthly minimum and the FORTY CENT (.40) price per cubic yard shall at that time be adjusted once at the beginning of that three year period so as to correspond with any increase in the Consumer Price index for all Urban Consumers for San Diego, California, over the month of July 1978. Should said index be discontinued or revised by the Government, the parties hereto shall substitute therefor the revised index or the then most comparable cost of living index. In the event the basis for computing the Consumer Price Index is changed, an appropriate adjustment will thereafter be made in the Consumer Price Index to take into account any increase or decrease therein resulting from such change. The intent of the parties is that the price paid

for sand should be increased in direct proportion to the increase in the cost of living, and that the said price should not be affected by an increase due solely to the fact that items are added to or deleted from said Consumer Price Index.

It shall be the duty and obligation of L.P. RANCHES to make the computation and determination as specified above and to furnish a copy of same to J.B. at such time as the right of renewal is exercised and prior to the commencement of the extended three (3) year term, and J.B. shall pay to L.P. RANCHES the new price as thereby determined on the fifteenth (15th) day of each month from and after the commencement of the extended term.

In the event the preparation and publication of said agreed price index shall be discontinued during the term of this Agreement, then and in order to carry out the purpose and intent of this paragraph, the parties agree to select and agree upon and conform to a price index or standard which is most nearly like the one herein adopted, or in the event of a revision thereof providing for a different period, the formula herein adopted shall be amended to conform with the conversion of said figure. Until such new index or standard is agreed upon or the conversion is standardized, as the case may be, the price due shall be that last in force prior to the discontinuance of said price index herein adopted as the basis of the revision thereof. After such new index or standard of conversion is determined the price shall be retroactively adjusted.

15. This Agreement contains the entire understanding

between the parties and cannot be altered or amended in whole or in part unless done by writing signed by all of the parties hereto.

16. Both parties agree to sign any and all necessary documents and to take any and all necessary steps incidental or related to the terms, provisions and intent of this Agreement.

17. If either party should find it necessary to file suit to enforce the terms and provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees.

DATED:

6-23-78

J.B. UNLIMITED, INC.

By

Jacob Brouwer

Jacob Brouwer, President

E.P. RANCHES, INC.

By

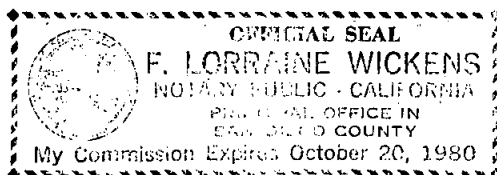
Maye I. Lindshield

Maye I. Lindshield, President

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

On June 23, 1978, before me, the undersigned, a Notary Public in and for said State, personally appeared Jacob Brouwer, known to me to be the President of J.B. Unlimited, Inc. a California corporation, the corporation that executed the within Instrument, known to me to be the person who executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

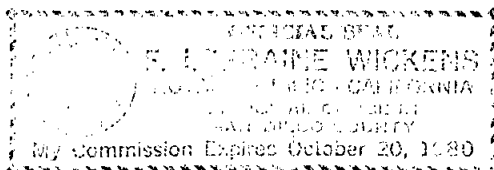


F. Lorraine Wickens
Notary Public in and for said
County and State
F. Lorraine Wickens

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

On June 23, 1978, before me, the undersigned, a Notary Public in and for said State, personally appeared Maye I Lindshield, known to me to be the President of L.P. Ranches, Inc., a California corporation, the corporation that executed the within Instrument, known to me to be the person who executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



F. Lorraine Wickens
Notary Public in and for said
County and State
F. Lorraine Wickens

CONSENT

The undersigned, City Manager of the City of San Diego, California, hereby consents to the hereinabove set forth grant and assignment of right heretofore vested in L.P. RANCHES, INC., by virtue of that certain lease dated November 13, 1969 and assignment thereof dated _____, _____, copies of which documents are attached hereto as Exhibit B.

ORANGE LOCATION

SAN PASCUAL, CALIF.
SW/4, RAMONA 15' QUADRANGLE
N3300-W11652.5/7.5

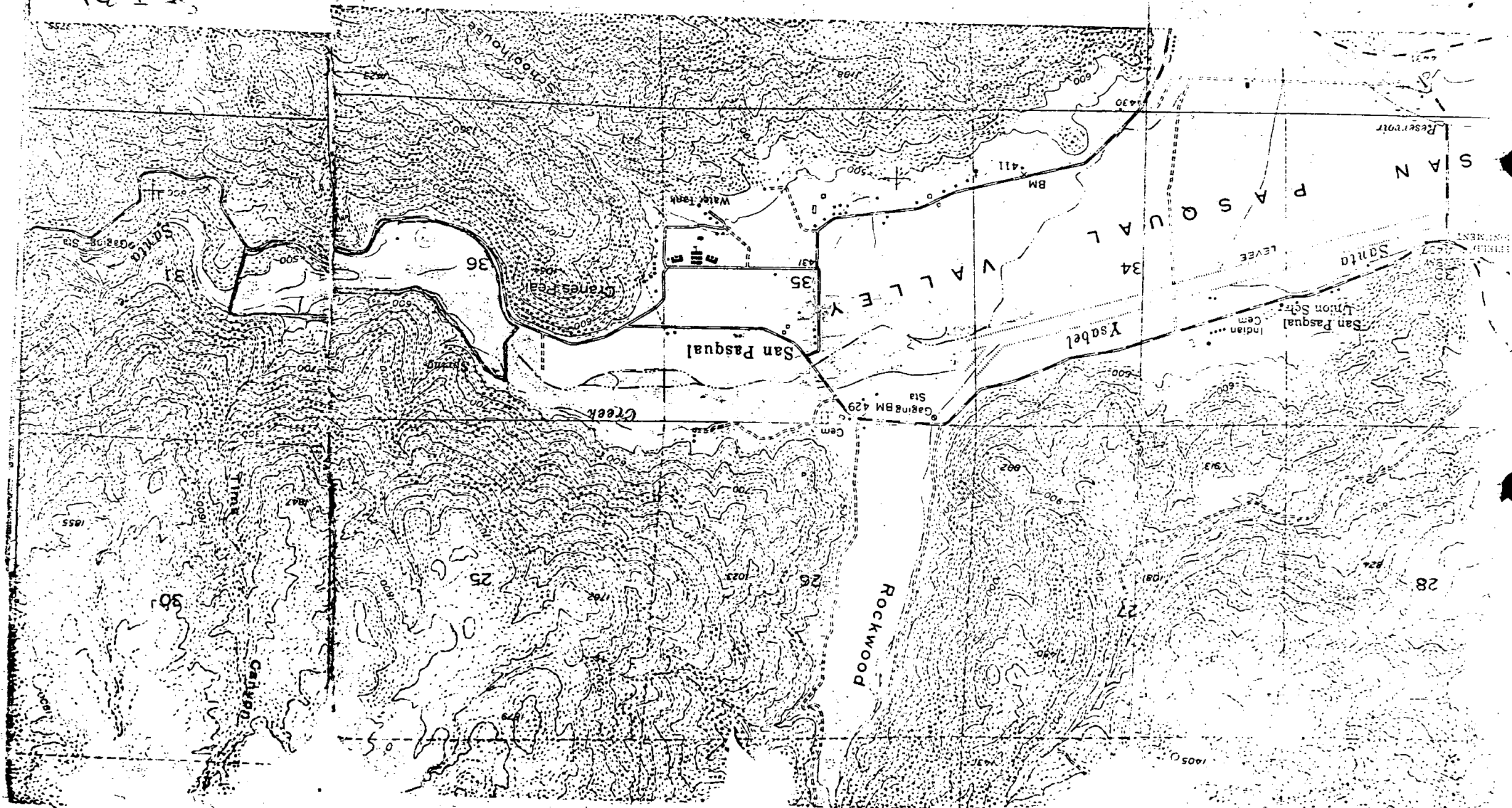
1954

CO.

EXHIBIT "A"

Range 13
Sect 34

DIAGRAM OF LAND
1954



PROPERTY DEPARTMENT

DOCUMENT NO. 730192

FILED DEC 2 1969

LEASE AGREEMENTOFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

THIS LEASE AGREEMENT, executed this 13th day of November, 1969,
by and between THE CITY OF SAN DIEGO, a municipal corporation in the County of
San Diego, State of California, and DENNIS L. LINDSHIELD, whose address is 1462
Maye Place, Escondido, California 92025, hereinafter called respectfully "CITY"
and "LESSEE" without regard to number or gender, WITNESSETH:

(A) DEMISE: Subject to all covenants and conditions hereinafter set out,
CITY hereby leases to LESSEE and LESSEE leases from CITY, for the purpose of
avocado production and such other general agricultural uses as are approved by
CITY and for no other uses, those certain premises, together with appurtenances
thereto situated in the County of San Diego, State of California, described
as follows:

All that real property outlined in red
consisting of approximately 130 acres
as shown on "EXHIBIT A" attached hereto
and made a part of this agreement.

(B) TERM: The term shall be thirty (30) years, beginning on the date of
execution of this agreement, and ending on the 12th day of November, 1999.

(C) RENT: LESSEE shall pay to CITY, at the Office of the City Treasurer,
City Administration Building, Community Concourse, San Diego, California 92101,
the following rent:

1. For the first two years of said term, commencing on the effective
date of this agreement, the rent shall be TEN DOLLARS (\$10.00)
per acre per year, or THIRTEEN HUNDRED DOLLARS (\$1300.00) per year,
payable annually in arrears within FORTY-FIVE (45) days.
2. For the third and fourth years of this agreement the annual rent
shall be TWENTY-ONE PERCENT (21%) of LESSEE'S annual gross income,
payable yearly in arrears within FORTY-FIVE (45) days of the last
day of each year of the term hereof; PROVIDED, that the minimum
annual rent shall be TEN DOLLARS (\$10.00) per acre or THIRTEEN
HUNDRED DOLLARS (\$1300.00) per year, whichever amount is greater.
3. Beginning on the fifth year of this agreement and for the remainder
of said term the annual rent shall be TWENTY-FIVE PERCENT (25%) of
LESSEE'S annual gross income payable yearly in arrears within
FORTY-FIVE (45) days of the last day of each year of the term
hereof; PROVIDED, that the minimum annual rent shall be FORTY
DOLLARS (\$40.00) per acre per year or FIFTY-TWO HUNDRED DOLLARS
(\$5200.00) per year, whichever amount is greater, which shall be
paid to CITY quarterly in advance, on or before the first day of
each quarter, in equal installments and shall be credited against
the amount of annual rent due as determined according to this
paragraph.

*Billings
to over 1 year changed
on letter Jan 31, 1978
signed by [unclear]*

this lease as to the land affected by such occurrence and upon clearing and removing from the leased premises all debris resulting from said damages, may continue lease operations on a limited scale. In such event, minimum yearly rental hereunder shall be reduced on an equitable basis. In the event the leased premises are substantially damaged or destroyed by any cause whatever, including disease, flood, disaster to the land or to any of the improvements thereon, including the avocado trees, and such damage, in the opinion of the City Manager, cannot be repaired within ninety (90) days, then LESSEE, at its option, may elect to terminate this lease entirely upon giving CITY thirty (30) days prior written notice thereof. Nothing herein shall be construed to permit cancellation or termination of this lease by LESSEE if the damage or destruction contemplated above is the result of LESSEE'S negligence or international act. In the event of conflicting opinions between CITY and LESSEE with respect to this provision, the decision of the City Manager shall be final.

The performance of any specific obligation to be performed by either the CITY or the LESSEE shall be executed during such period as the performance thereof is not prohibited by the elements, act of God, public catastrophe, war or law or regulation of a governmental body which would render performance of such obligation a violation of such law or regulation, or any other cause beyond the reasonable control of either party hereto provided, however, in the event that such cause is removed to the extent that such performance thereof shall not be excused. In the event any of the foregoing causes delay LESSEE in preparing the leased premises during the initial three (3) years of the term of this lease, then said term shall be extended by an amount of time equal to such delay and, in such event, the parties hereto agree to execute amendment to this lease for the purpose of so extending said term.

24. IMPROVEMENTS TO PREMISES. During the first three years of the term of this agreement, LESSEE shall complete the following improvements to the lease premises:

- 1-7-72
APPROVED
\$6,000
- (a) Installation of main irrigation supply line to said premises at an approximate cost of \$6,000.00.
Completed at inspection on 7-26-73

1-7-72
-0-

- (b) Drilling and equipping one irrigation well at an approximate cost of \$6,500.00, or installation of portable irrigation pipe to upper portion of premises whichever is most feasible and economical. *6" permanent supply installed at 7-26-73 inspection LSW.*

\$3500

- (c) Renovation of residence and outbuilding at an approximate cost of \$3,500.00. *There is no residence, outbuilding finished 7-26-73 inspection LSW.*

\$500

- (d) Grading and planting 3/4 mile of Santa Ysabel Creek Channel at an approximate cost of \$1,500.00. *A continuing operation, was completed but new sand washes in each year. Removal in progress continually. 7-26-73 LSW.*

Physical locations of all such improvements shall be designated on "EXHIBIT B" attached hereto as part of this agreement. All improvements completed pursuant to this provision shall be subject to the approval of the City Manager and shall be and remain the property of the CITY.

25. TAXES. LESSEE shall pay and discharge before delinquency, all taxes and assessments which may be levied against personal property of LESSEE and against LESSEE'S possessory interest in said premises.

26. AGRICULTURAL PRACTICE. LESSEE agrees to use only CITY-approved agricultural practices upon said premises. All husbandry and agriculture methods shall be subject to CITY'S approval. Such methods shall include, but are not limited to, the following requirements:

- (1) All preparation of land and plantings under this provision shall conform to a time schedule acceptable to CITY. Provided, however, any obligation of LESSEE under this provision shall explicitly be subject to the provisions of Section (D) 23. *ok 7-26-73 LSW.*

- (2) LESSEE shall prepare the land for planting in a manner consistent with good agricultural practice, taking maximum advantage of natural water sources. Such actions of LESSEE shall be performed in a manner satisfactory to the City Manager. *ok 7-26-73 LSW.*

- (3) LESSEE shall install a drag hose, Rain Bird sprinkler head or other approved type irrigation system of sufficient size to irrigate the acreage devoted to crop production at least once every 28 days. The main lines shall consist of either agricultural grade transite or CITY-approved plastic. The hoses and sprinklers, which shall remain the property of LESSEE, shall be adequately sized so as to properly distribute the water over said net usable acreage in the required time. *Capable of irrigating every 4 days LSW 7-26-73*

- (4) The avocado trees planted on said premises shall be inspected and certified by the State Nursery Service. Said trees shall come from nurseries planted on new ground or ground fumigated in accordance with State Nursery Service requirements and shall be of types approved by CITY. *all trees state inspected LSW 7-26-73*

Southwest Calif Prod. Credit Assn

DEC 16 11 42 AM '71

AND WHEN RECORDED MAIL TO

NAME

Southwest California Production

STREET

Credit Association

ADDRESS

Suite 102, 560 East Valley Parkway

CITY

Escondido, Calif. 92025

STATE

ZIP

OFFICIAL RECORDS
SAN DIEGO COUNTY, CALIF.
HARLEY F. BLOOM
RECORDER

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST

THIS DEED OF TRUST, made December 10, 1971, between L. P. RANCHES, INC.

as Grantor,

and SOUTHWEST CALIFORNIA PRODUCTION CREDIT ASSOCIATION OF Colton, California
a corporation, having its principal place of business in Colton, California, as Trustee,
and SOUTHWEST CALIFORNIA PRODUCTION CREDIT ASSOCIATION OF Colton, California
a corporation organized and existing under the provisions of Title 2 of the Farm Credit Act of 1933, approved June 16,
1933, as amended, Beneficiary.

WITNESSETH: That the said Grantor hereby grants, conveys and confirms unto said Trustee, with power of sale that certain leasehold estate, together with and including all right, title and interest of Grantor therein, which said leasehold estate embraces and covers the real property hereinafter described, situate, lying and being in the City of San Diego, County of San Diego, State of California, and is more particularly described as follows to wit:

The leasehold estate created by that certain Lease (hereinafter called "Ground Lease") dated November 13, 1969, executed by and between the City of San Diego, a municipal corporation, as Lessor, and DENNIS L. LINDSHIELD, as Lessee, assigned to L. P. RANCHES, INC., a California corporation, in accordance with Paragraph (D) 31 of the lease, which said Lease was recorded November 23, 1971 as Instrument No. 273437, in the office of the County Recorder of San Diego County, State of California, and covers the following described real property:

Those portions of Sections 31 and 36, Township 12 South, Range 1 West in San Pasqual Valley shown outlined on the drawing marked "Exhibit A" attached hereto and made a part of this Deed of Trust and consisting of approximately 130 acres.

EXCEPTING THEREFROM, all public roads and highways,

together with and including all right, title and interest which Grantor now has or may hereafter acquire in and to said real property and in and to the buildings and improvements located thereon as of the date of said Lease or at any time thereafter erected thereon during the term of these trusts; together with all of Grantor's existing and future rights, however evidenced, to the use of water for irrigating said real property and for domestic use thereon, including ditches, laterals, conduits, and rights of way used to convey such water or to drain such real property, and all pumping plants now or hereafter used in connection therewith, and all wind machines used on said real property; together with all rents, issues and profits of said real property with the right, but not the obligation, to collect the same, which right may be exercised by the Beneficiary while in or out of possession and either prior to or after any default by the Grantor; and together with all rights, privileges and easements appurtenant to said leased premises (said land, buildings and improvements being referred to in said Lease as the "leased premises"); subject, however: (a) to all the agreements, terms, covenants and conditions of the Ground Lease; and (b) the condition that (unless this condition be released, or waived by the lessor under the Ground Lease, or its successors in interest, by an instrument in writing) no purchaser or transferee (who may be a nominee of the

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holder hereof) of the Ground Lease at any foreclosure sale hereunder, or other transfer authorized by law by reason of a default hereunder shall, as a result of such sale or transfer, acquire any right, title or interest in or to said Lease or the leasehold estate hereby mortgaged or pledged unless: (i) said purchaser or transferee shall, in the instrument transferring the same or by separate instrument executed concurrently therewith, assume and agree to keep, observe and perform during the period of ownership of the Ground Lease by such purchaser or transferee all of the agreements, terms, covenants and conditions of the Ground Lease upon the part of the Grantor to be kept, observed and performed, and (ii) a duplicate original of said assumption, duly executed and acknowledged by such purchaser or transferee, shall be delivered to the lessor under the Ground Lease.

The Grantor also grants, transfers and assigns to said Trustee, in trust, with power of sale; all right, title and interest of the Grantor, to the extent not prohibited by or inconsistent with the terms of the Ground Lease, in and to all awards hereafter made for the taking by eminent domain of the whole or any part of the leased premises, or any estate or easement therein, including any awards for change or grade of streets, all of which awards are hereby assigned to the Beneficiary, which is hereby authorized to collect and receive the proceeds of such awards and to give proper receipts and acquittances therefor and to apply the same in accordance with the provisions of the Ground Lease and in case thereafter there shall be any excess of such proceeds, the Beneficiary shall have the right and option to apply such excess toward the payment of any sum owing on account of the note secured by this Deed of Trust, notwithstanding the fact that such sum may not then be due and payable.

TO HAVE AND TO HOLD the same unto the Trustee and to its successors and assigns upon the trusts, covenants and agreements herein expressed, to wit:

This Deed of Trust is intended to secure, and does hereby secure, the payment of indebtedness evidenced by promissory note(s) in favor of the Beneficiary, as follows:

Dated	Amount	On demand; or, if no demand is made, then on
Dec. 10, 1971	\$21,590.00	December 6, 1972
_____	_____	_____
_____	_____	_____

with interest, said Note(s) having been executed by one or more of the persons named as Grantor herein, subject however to the following:

1. The covenants, agreements, terms and conditions set forth in the Ground Lease.
2. Present and future building restrictions and regulations and present and future zoning laws, ordinances, resolutions and regulations of the city in which the leased premises are situated and all present and future ordinances, laws, regulations and orders of all boards, bureaus, commissions and bodies of any municipal, county, state or federal sovereign, now or hereafter having acquired jurisdiction of the leased premises and the use and improvement thereof.
3. The condition and state of repair of the leased premises as the same may be on the date of commencement of the term of this Deed of Trust.
4. Taxes and assessments not delinquent on the date hereof.

This Deed of Trust is also security for the payment of substitution notes and renewals and extensions of the aforementioned notes in favor of the Beneficiary.

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As additional security, Grantor assigns, without obligation on Beneficiary to effect collection, all damages, rentals, royalties and other revenue from all present and future rights and operations affecting the leasehold interest created under the Ground Lease.

Grantor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Grantor at the address herein designated, and covenants, warrants and agrees:

1. That the Ground Lease is in full force and effect and unmodified.
2. That all rents (including additional rents and other charges) reserved in the Ground Lease have been paid to the extent they were payable prior to the date hereof.
3. The quiet and peaceful possession of the Beneficiary, and Grantor further agrees (a) to comply with the Farm Credit Act of 1933, as amended; (b) to protect the security and lien in any litigation; (c) to care for the leasehold estate created under the Ground Lease in a farmerlike manner; (d) to maintain fire insurance on the improvements as required by the Beneficiary; and (3) to warrant and defend the leasehold estate created under the Ground Lease for the entire remainder of the term set forth therein, against all and every person or persons lawfully claiming, or who may claim the same or any part thereof, subject only to the payment of the rents in said Ground Lease reserved and to the performance and observance of all of the terms, covenants, conditions and warranties thereof.
4. That there is no existing default under the provisions of the Ground Lease or in the performance of any of the terms, covenants, conditions or warranties thereof upon the part of Grantor to be observed and performed.
5. That Grantor will pay or cause to be paid all rents, additional rents, taxes, assessments, water rates, sewer rents, and other charges mentioned in and made payable by the Ground Lease when and as often as the same shall become due and payable.
6. That Grantor will at all times promptly and faithfully keep and perform, or cause to be kept and performed, all the covenants and conditions contained in the Ground Lease by the lessee therein to be kept and performed and in all respects conform to and comply with the terms and conditions of the Ground Lease and Grantor further covenants that it will not do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which, will impair or tend to impair the security of this Deed of Trust or will be grounds for declaring a forfeiture of the Ground Lease.
7. That Grantor will not modify, extend or in any way alter the terms of the Ground Lease or cancel or surrender the same, or waive, excuse, condone or in any way release or discharge the lessor thereunder of or from the obligations, covenants, conditions and agreements by said lessor to be done and performed; and Grantor does by these presents expressly release, relinquish and surrender unto the Beneficiary all its right, power and authority to cancel, surrender, amend, modify or alter in any way the terms and provisions of the Ground Lease and any attempt on the part of Grantor to exercise any such right without the written authority and consent of the Beneficiary thereto being first had and obtained shall constitute a default under the terms hereof and the entire indebtedness secured hereby shall, at the option of the Beneficiary, become due and payable forthwith and without notice.
8. That the entire indebtedness secured hereby shall immediately become due and payable at the option of the Beneficiary if Grantor fails to give the Beneficiary immediate notice of any default under the Ground Lease or of the receipt by it of any notice of default from the lessor thereunder or if Grantor fails to furnish to the Beneficiary immediately any and all information which it may request concerning the performance by Grantor of the covenants of the Ground Lease or of this Deed of Trust, or if Grantor fails to permit forthwith the Beneficiary or its representative at all reasonable times to make investigation or examination concerning the performance by Grantor of the covenants of the Ground Lease or of this Deed of Trust, or if Grantor fails to permit forthwith the Beneficiary or its representative at all reasonable times to make investigation or examination concerning such performance.

9. That Grantor will promptly deposit with the Beneficiary an original executed copy of the Ground Lease and any and all documentary evidence received by it showing compliance by Grantor with the provisions of the Ground Lease and will also deposit with the Beneficiary an exact copy of any notice, communication, plan, specification or other instrument or document received or given by it in any way relating to or affecting the Ground Lease which may concern or affect the estate of the lessor or lessee in or under the Ground Lease or in the real property thereby demised, and upon Grantor's failure so to do, the Beneficiary may, at its option, declare the entire indebtedness secured hereby immediately due and payable.

10. That in the event of any failure by Grantor to perform any covenant on the part of Grantor to be observed and performed under the Ground Lease, the performance by the Beneficiary on behalf of Grantor of said lease covenant shall not remove or waive, as between Grantor and the Beneficiary, the corresponding default under the terms hereof and any amount so advanced or any costs incurred in connection therewith, with interest thereon at the same rate per annum as set forth in the note or notes herein described, shall be repayable by Grantor without demand, secured hereby and any such failure aforesaid shall be subject to all of the rights and remedies of the Beneficiary hereunder available on account of any default.

11. That in the event Grantor (or any of them) shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or shall make a general assignment for the benefit of creditors, then the entire indebtedness secured hereby shall, at the option of the Beneficiary, be deemed to have become immediately due and payable and the same, with interest thereon at the same rate per annum as set forth in the note or notes herein described and with all other costs and charges, shall thereupon be collectible by suit at law or foreclosure of this Deed of Trust in the same manner as if the whole of the indebtedness secured hereby had been made payable at the time when any of such contingencies shall have occurred.

12. That upon Grantor's default or breach the Beneficiary may: (a) take possession of the leasehold estate under the Ground Lease with all rights of a mortgagee in possession or have a receiver appointed; (b) at its option, accelerate the maturity of the indebtedness secured hereby; (c) have the power of sale exercised in accordance with the law then in force; (d) have the security sold in one parcel; (e) purchase at any trustee's sale.

13. That the Beneficiary may: (a) change any trustee by certificate referring specifically to any deed of trust or referring in general terms to all deeds of trust held by the Beneficiary, which upon recordation shall be conclusive proof of a proper substitution of the successor, and such new trustee shall have all the estate, powers and duties of said trustee predecessor, without the necessity of a deed from the retiring to the new trustee; (b) litigate any matters and appear in any condemnation or bankruptcy proceeding affecting the security or lien hereunder, incur necessary costs, expenses and attorney fees therefor, and advance money for payment thereof and of all Grantor's obligations incurred hereunder, which, together with interest at the same rate per annum as set forth in the note or notes herein described, shall be immediately payable and a part of the debt secured hereby.

14. That the Trustee may: (a) at any time reconvey, without warranty, any portion of the security and consent to easements; (b) upon full payment reconvey, without warranty, to "the person or persons legally entitled thereto" and such reconveyance shall be at the cost and expense of such person; (c) postpone sales by proclamation at time and place of sale; (d) apply sale proceeds to expenses thereof, attorney fees, title expenses, indebtedness secured hereby, and any surplus to parties entitled thereto. Recitals in full and in partial reconveyances and in any trustee's deed shall be conclusive.

15. That the acceptance by the Beneficiary of any payment shall not operate as a waiver of any prior default, and the release of any portion of said security or any release from personal liability shall not affect the personal liability of any person not specifically released, nor the lien of this Deed of Trust upon the remainder of the leasehold estate under the Ground Lease for the full amount of the indebtedness then remaining.

16. Each Grantor is jointly and severally liable for all obligations secured hereby, which obligations shall extend to and bind the heirs, executors, administrators, successors and assigns of each Grantor.

Executed the date first hereinabove written.

Address 1462 Maye Place, Escondido, Calif.

Rt. 1, Box 728, Escondido, Calif.

1380 Birch Avenue, Escondido, Calif.

L. P. RANCHES, INC.

By Maye I. Lindshield
Maye I. Lindshield President

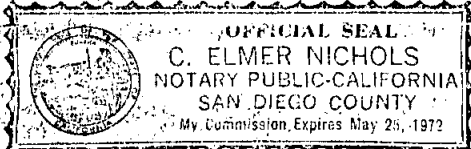
By Dennis L. Lindshield
Dennis L. Lindshield Vice President

By Eric S. Peterson
Eric S. Peterson Secretary

STATE OF California ss. ACKNOWLEDGMENT
County of San Diego (Corporation Form).
On Dec. 13, 1971, before me, the undersigned Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Maye I. Lindshield known to me to be the President, and Dennis L. Lindshield known to me to be the Vice President of L. P. Ranches, Inc. the corporation that executed the within and foregoing instrument, known to me to be the persons who executed the within instrument in behalf of the corporation therein named, and acknowledged to me that said corporation executed the same.

My commission expires:

(SEAL)



560 Valley Pkwy. Escondido, Calif. 92025

C. Elmer Nichols
Notary Public in and for said County and State

lic in and for said County and State, personally

known
cribed to the within instrument, and acknowledged

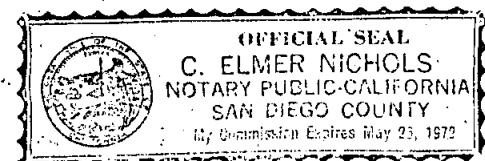
Notary Public in and for said County and State

STATE OF California ss. ACKNOWLEDGMENT
County of San Diego (Corporation Form).
On Dec. 14, 1971, before me, the undersigned Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Eric S. Peterson known to me to be the Secretary, and L. P. Ranches, Inc. known to me to be the Secretary of L. P. Ranches, Inc. the corporation that executed the within and foregoing instrument, known to me to be the persons who executed the within instrument in behalf of the corporation therein named, and acknowledged to me that said corporation executed the same.

My commission expires:

(SEAL)

C. Elmer Nichols
Notary Public in and for said County and State



560 Valley Pkwy. Escondido, Calif. 92025

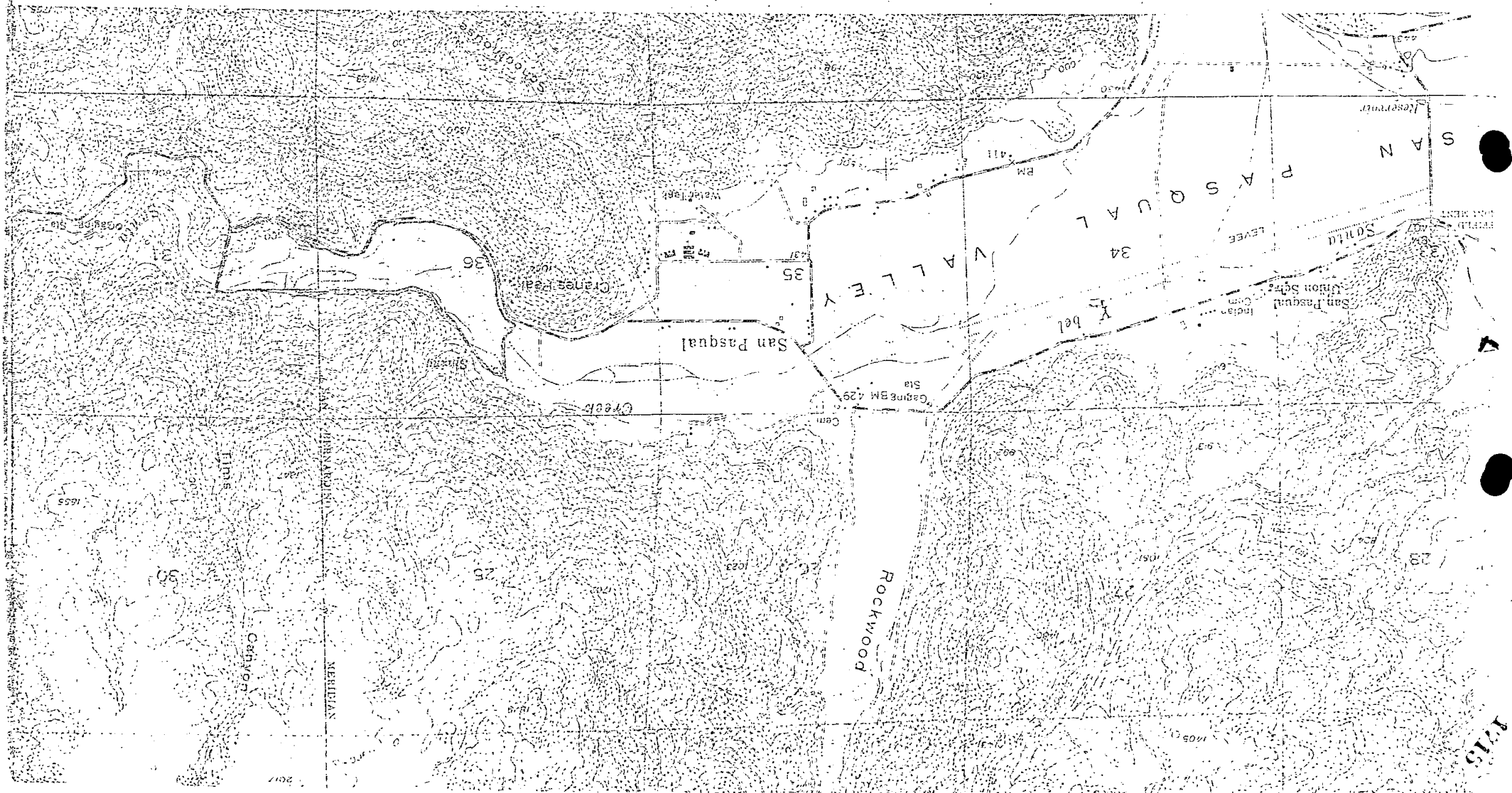


SAN PASQUAL, CALIF.
SW/4 RAMONA 15' QUADRANGLE
N3300—W11652.5/7.5

1954

RODNEY STOKES CO.

EXHIBIT "A"



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