

ASSIGNMENT OF LEASE

WHEREAS, SLOOP & WITMAN, a partnership consisting of Paul Samuel Sloop, Henry William Witman III and Gordon Donson Sloop, previously entered into a lease agreement with THE CITY OF SAN DIEGO on , 1965, covering real property identified in Exhibit A to said lease agreement, and identified as Document #694595; and,

WHEREAS, SLOOP & WITMAN desire to assign their interest in said lease to a joint venture known as RANCHO VISTA MONTANAS in which Paul Samuel Sloop, Henry William Witman III and Gordon Donson Sloop have a 46 1/4% interest and 50% control factor; and,

WHEREAS, RANCHO VISTA MONTANAS is desirous of receiving an assignment of said lease; and

WHEREAS, paragraph 11 of said lease contains the provisions governing assignment and requires written consent of the City Manager of THE CITY OF SAN DIEGO to any assignment.

IT IS THEREFORE AGREED that SLOOP & WITMAN, a partnership, hereby assigns its interest in said lease to RANCHO VISTA MONTANAS, a joint venture, and THE CITY OF SAN DIEGO, through the City Manager, hereby consents to such assignment.

provided

IT IS FURTHER UNDERSTOOD that paragraph 14 of said lease binds the assignee RANCHO VISTA MONTANAS to all covenants, stipulations and agreements contained in the lease.

Dated: _____

THE CITY OF SAN DIEGO

By _____
City Manager

Dated: _____

LESSEE:

SLOOP & WITMAN

By Paul Samuel Sloop
Alvin William Witman III
Alvin William Witman III

Dated: _____

ASSIGNEE:

RANCHO VISTA MONTANAS

By _____

Approved as to form and legality:

Dated: _____

CITY ATTORNEY
EDWARD T. BUTLER

By _____

ADDENDUM TO RANCHO VISTA MONTANAS

JOINT VENTURE AGREEMENT

That Joint Venture Agreement entered into on the 24th day of August, 1966, by and between Paul Samuel Sloop, Henry William Witman III, Gordon Donson Sloop, Ernest A. Alne, Carl G. Warnick, Arthur A. Mayhew, J. H. Henion, Inc., Paul Case, Amos Swayne, and Stephen Larson, is hereby modified and supplemented in the following regard:

Addendum to Paragraph 8 - Management Committee

Vacancies on the committee may be filled by a majority of the remaining committee members, though less than a quorum, or by a sole remaining committee member, and each committee member so elected shall hold that position until his successor is elected at an annual or special election.

A vacancy or vacancies in the committee shall be deemed to exist in case of the death, resignation, or removal of any member of the committee or if the parties entitled to vote fail to elect the full authorized number of committee members to be voted for.

Elections of the entire committee membership may be called and held upon written demand therefor by any party or parties hereto entitled to at least 1250 votes. Such demand shall be at least twenty-one (21) days before the date designated and shall be mailed to each party hereto at least twenty-one (21) days before the date of the election by the party demanding the election.

Paul W. Case
Paul Case
Amos Swayne
Amos Swayne
Stephen J. Larson
Stephen Larson

Paul Samuel Sloop
Paul Samuel Sloop
Henry William Witman III
Henry William Witman III
Gordon Donson Sloop
Gordon Donson Sloop

J. H. HENION, INC.

By Arthur Mayhew

By _____

Photo Copy of signatures
on Addendum

RANCHO VISTA MONTANAS
JOINT VENTURE AGREEMENT

This Joint Venture Agreement made and entered into this 5th day of August, 1966, at Pasadena, California, by and between Paul Samuel Sloop, Henry William Witman III, and Gordon Denson Sloop, whose address is Post Office Box 185, San Luis Rey, California; Ernest A. Alne, Carl G. Warnick and Arthur A. Mayhew, whose address is 2086 E. Colorado, Pasadena, California; J. H. Henion, Inc., a California corporation, whose address is 2086 E. Colorado, Pasadena, California; Paul Case, whose address is 1065 Singingwood Drive, Arcadia, California; Amos Swayne, whose address is 19241 Canyon Drive, Orange, California; Stephen Larson, whose address is 7733 Easley Canyon Drive, Glendora, California; and other investors who may become parties hereto by executing this agreement and agreeing to be bound by the terms hereof.

W I T N E S S E T H:

That whereas the parties hereto, having mutual confidence in each other and desiring to set forth in writing the terms and conditions under which they will conduct their business, do hereby agree among themselves and with each other upon the terms, covenants and conditions hereinafter set forth:

1. Purpose: The parties agree to participate in the joint venture for the purpose of acquiring by lease or other means, and the development thereof, of real properties within the State of California to be developed and operated as citrus properties.

2. Name: The parties agree that the name of the joint venture shall be RANCHO VISTA MONTANAS.

3. Term: The parties agree that this joint venture agreement shall continue until December 31, 1995 unless extended by mutual agreement of the parties hereto.

4. Lease Assignment: Messrs. Sloop, Witman and Sloop will concurrently with the execution of this agreement, assign to the joint venture their official interest in and to the lease between themselves and the City of San Diego relative to 110 acres more or less, of potential citrus land.

5. Contributions: The parties to this agreement agree to make contributions to the joint venture as follows:

a) Messrs. Sloop, Witman and Sloop will contribute to the partnership their beneficial interest in and to the lease referred to in the next preceding paragraph.

b) Messrs. Alne, Warnick and Mayhew have promoted and organized and will continue to promote and organize the joint venture, obtaining further financing as required and coordinate such efforts for financing and organization until such time as the duties of such are assumed by the management committee.

c) The cash investor parties to this agreement, as such cash investors are hereinafter identified, agree to contribute a sum of \$200,000.00 cash or a lesser amount should bank financing be available to the joint venture entity which would indicate in the discretion of Messrs. Alne, Warnick and Mayhew and the management committee that the total amount of \$200,000.00 would not be necessary to be contributed or to be put up by the parties hereto. It is understood and agreed that the cash investors will advance to the joint venture all of the cash required to develop the property hereinabove referred to which is not generated by loans, the property, or its operation. It is also understood and agreed

that the cash investors will include Messrs. Sloop, Witman and Sloop, either as partners or in their individual capacities. The cash investment in said joint venture to be made in such sums and upon such dates as may be demanded by the management committee up to the following committed amounts:

J. H. Henion, Inc.	-	\$ 50,000.00
Messrs. Sloop, Witman and Sloop	-	\$ 25,000.00
Paul Case	-	\$ 12,500.00
Anoa Swayne	-	\$ 12,500.00
Stephen Larson	-	\$ 50,000.00
Other investors (Messrs. Aine, Warnick & Mayhew will designate the names and amounts of such investors having the commitment to promote such cash investment.)	-	\$ 50,000.00

Amounts of cash actually advanced shall be identified by Exhibit B which shall be attached hereto and made a part hereof. Such exhibit shall identify the date of each contribution and the person contributing such.

6. Participation in Profits: The cash investors hereinabove referred to shall be entitled to take all of the operating net profits received by the joint venture until such time as they have had a complete return of their investment made herein, without any interest being computed thereupon. After repayment of all investors' cash advances, net profits thereafter shall be divided on the following ratios:

Messrs. Sloop, Witman and Sloop (to be divided among them in such proportions as they may from time to time determine.)	-	66-1/4 %
Messrs. Aine, Warnick and Mayhew (to be divided among them in such	-	10 %

proportions as they may from time to time determine.)

J. H. Henion, Inc.	-	12-1/2 %
Paul Case	-	3-1/8
Amos Swayne	-	3-1/8
Stephen Larson	-	12-1/2
Other investors (designated in accordance with paragraph 5 (c) above, to be divided among them in proportion to their actual cash investment made.)	-	12-1/2

The cash investors identified in paragraph 5 (c) above shall be entitled to take all operating losses, benefits of rent prepayment, depreciation and investment credits on an allocation to be made in accordance with the cash advances hereinabove provided in paragraph 5 and as actually made per Exhibit B, until such time as the cash investors' original investment has been returned to them. Ultimately and thereafter, operating losses, benefits of rent prepayments, depreciation and investment credits will be shared on the profit and loss ratio as in this paragraph hereinabove described. It is to be understood, however, that in any and all events any losses suffered by the joint venture entity after December 31, 1970, which exceed cash invested by the cash investors, will be borne by the parties on the same ratio as that described after the investors' initial capital is returned to them as in this paragraph defined.

7. Prior cash advances: It is acknowledged and agreed that certain cash advances have been made prior to reduction to writing of this agreement and such advances shall be credited to the respective parties in full as though made concurrently with, or after the execution of this agreement. Such cash advances are identified on Schedule A attached hereto and made a part hereof.

8. Management committee: The management of the joint venture shall be vested in a committee of five (5) persons to be selected by the parties to this agreement. Each of the parties hereinafter named shall have votes toward the selection of such management committee as follows:

Messrs. Sloop, Witman & Sloop - in the aggregate
50% or 10,000 votes.

Messrs. Aine, Warnick & Mayhew - in the aggregate
6-1/4% or 1250 votes.

J. H. Henion, Inc. - 12-1/2% or 2500 votes.

Paul Case - 3-1/8% or 625 votes.

Amos Swayne - 3-1/8% or 625 votes.

Stephen Larson - 12-1/2% or 2500 votes.

Others - In the aggregate 12-1/2% or 2500 votes.

Parties named in the aggregate above may divide their votes among themselves as they may see fit. Cumulative voting toward the selection of said committee is prescribed.

The management committee shall be governed by a simple majority vote of the members. The committee will select from among its members a chairman to preside and officiate at committee meetings; a decision by the majority of such committee members, which shall meet from time to time at the call of the chairman, shall be binding on the joint venture. Such committee members shall meet not less often than annually and such committee members may be changed at least annually by the vote of the parties hereto as hereinabove provided. The committee may select and employ for the joint venture a person or persons to act as general manager and who will manage the affairs of the joint venture under the committee's supervision. In the absence of the selection and designation of such a general manager by the committee,

the committee chairman shall act as general manager.

The designated committee shall make all contracts on behalf of and in the name of the joint venture, establish policies, operate the real property involved and do all, any and other things necessary or desirable in the general management of the joint venture, including but not limited to the employment of agents, representatives or other persons, and to do all things necessary or desirable as an individual or corporation may do pursuant to this joint venture agreement or any other supplements agreed upon. The joint venture management committee or employed personnel shall, when required, make available to any investor or duly designated agent of the investor, such information relative to the operation of the joint venture as such investor or agent may reasonably require. Each of the parties hereto do hereby agree to afford each other and the joint venture entity every assistance in carrying on the business of the joint venture for the mutual benefit of the parties.

The joint venture management committee shall seek the concurrence of all of the parties to this agreement in the acquisition of equipment or expenditures which in any single instance shall exceed \$10,000.00 per item, or the sale of the leasehold interests owned by the joint venturers, such major decisions to be resolved by a 2/3 vote of the parties hereto as such relate to profit distribution.

9. Transfers, Encumbrances or Hypothecations:

Each of the parties hereto agree that they will not transfer, encumber or hypothecate their respective interests in the joint venture, save and except to their respective spouses, children or grandchildren, directly or in trust for such persons, without the express written consent of all of the other parties to this agreement except as hereinafter provided.

10. Hold Harmless: Each party to this agreement agrees to promptly meet and satisfy their respective and individual liabilities so as to prevent any creditors of any of the parties to this agreement making any claim against such party's interest in and to the joint venture assets. Each party agrees to save, keep and hold harmless the other party from any liability or expenses, including attorney's fees, caused by such party as not agreed upon herein. Each of the parties do hereby agree that they will not in any way obligate the joint venture in any manner or incur any liability to the joint venture or the joint venturers, except as contemplated within the terms and conditions of the joint venture agreement and the scope of operation of the joint venture.

11. Termination: If any party to this agreement files a bankruptcy proceeding, is declared bankrupt by a court of competent jurisdiction, or makes an assignment for the benefit of creditors, the other parties to this agreement are hereby given the absolute right to purchase the interest of such party for the book value thereof. The computation of book value shall be made by the then accountants servicing the joint venture.

12. Right of First Refusal: Each of the parties hereto agree that before they sell, transfer, encumber or hypothecate their interests in this joint venture, that they will first offer to the other parties to this agreement the right of first refusal, such right of first refusal to be on the same terms and conditions as any offer being contemplated by such party. Such offer shall be made to the chairman of the management committee who will cause within one week notices to be sent to all parties to this agreement, who in turn shall within two weeks advise the chairman whether they desire to accept their prorata share of such offer. Those desiring to

avail themselves of the offer will do so in the same proportion that their ultimate participation in the joint venture bears to the other participating parties. Such ultimate participation is defined in accordance with paragraph 6 herein. (For instance, if three persons desire to participate in the offer and such three persons between them represent a 40% ultimate participation in the joint venture, and each of their interests are equal, they would participate equally.) The chairman shall within thirty days after receipt of the original notice notify the offeror of the offeree's acceptance or rejection. In the event the offerees reject said offeror's offer then said offeror shall be free to sell his interest in the joint venture to a third person, however, the offeror cannot, and shall not, conclude a transaction with any third person for a sum less than, or upon terms more favorable than, that offered to the offerees. Any third party acquiring such an interest takes such subject to the terms and conditions of this joint venture agreement and shall thereafter be bound by such as a condition of his acquiring such interest.

13. Bookkeeping: The usual books of account shall be kept and each party to this agreement shall have free access to them at all times and shall be at liberty to make such extracts therefrom as deemed advisable. The joint venture shall maintain its books on a fiscal year ending August 31st of each year and shall make available to each of the parties hereto a balance sheet and profit and loss not later than November 15th of each year. All receipts of money, checks and other negotiable securities for money shall, as and when received, be deposited in a bank account to the credit of the joint venture and all withdrawals therefrom shall be made in the name of the joint venture. The management committee may determine from time to time who may sign such drafts.

14. Arbitration: All disputes whatsoever which may arise either during the existence of the joint venture or afterwards between the parties or their respective representatives relating to this agreement or the construction or application thereof, or any account, valuation or division of assets to be made hereunder or any act or omission of either party, or any other matter in any way relating to the business or the affairs of the joint venture, or the rights, duties and liabilities of either party, shall be referred to a single arbitrator if the parties agree upon one; otherwise, to a board of three arbitrators, one of whom shall be selected by each party and the third arbitrator to be selected by the two previously selected arbitrators. Cost of arbitration shall be included in any award in amounts as the arbitrator or arbitrators decide. The decision in award of such single arbitrator or of any two of such board of arbitration, as the case may be, shall be final and binding upon the parties and their respective representatives. The arbitrators appointed by the parties shall abide by all of the rules and procedures as established by the American Arbitration Association.

15. Death of a Party: Upon the death of any of the parties hereto, the interest of such party shall pass to his respective heirs, legatees or devisees who will be bound by the terms and conditions under this agreement the same as if such parties had executed this agreement.

16. Prohibited Acts: None of the parties of this agreement, without the consent of the management committee of the joint venture, shall 1) loan or borrow money in the firm name or utilize collateral loaned by the joint venture as security for such loan, 2) make, execute or deliver any assignment of assets including any assignment of assets for the benefit of creditors, 3) assign, transfer, pledge,

compromise or release any claims or debts due to the joint venture except on payment thereof in full, 4) execute any bonds, guarantee, confession of judgment, contract to sell, bill of sale, deed, mortgage or lease relating to any substantial part of the firm's assets or his interest therein and such documents as herein permitted shall be done only in the ordinary course of business, 5) become a surety, guarantor or accommodation party in the name of the joint venture to any obligation, 6) do any act which would constitute a violation of his duties to the other joint venturers.

17. Alteration or Amendment: No amendment or exhibit to this agreement shall be effective unless it has received unanimous approval of the parties hereto then entitled to management vote; is thereafter reduced to writing; and is executed by the parties accordingly. Copies of all amendments are to be delivered to each party and to the joint venture for the joint venture records.

18. Interpretation: All provisions of this agreement shall be construed according to the laws of the State of California, irrespective of the fact that one or more of the parties hereto may become a resident of a different state. The clause headings are for convenience only and shall not be resorted to for interpretation of this agreement. Whenever the context so requires, the masculine shall include the feminine and neuter and the singular shall include the plural. If any portion of this agreement is held to be void or unenforceable, the balance of the agreement shall nevertheless be carried into effect insofar as is possible.

19. Agreement Binding upon Successors: Each person executing this agreement and all amendments or supplements to it, binds and obligates himself, his spouse, his estate and all persons claiming by, through or under him, and further

agrees to execute any further instruments or perform any further acts which may be necessary and proper to carry out the purpose and intent of this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement in multiple copies, each of which shall be deemed to be a duplicate original, the day and year first above written.

Paul Samuel Sloop
Paul Samuel Sloop

Henry William Witman III
Henry William Witman III

Gordon Donson Sloop
Gordon Donson Sloop

J. H. HENION, INC.

By Paul Case

Carl Schmitt, Secy.

Paul Case
Paul Case

Amos Swayne
Amos Swayne

Stephen J. Larson
Stephen Larson

Photo copy of signatures
on last page of
agreement

ADDENDUM TO RANCHO VISTA MONTANAS

JOINT VENTURE AGREEMENT

That Joint Venture Agreement entered into on the 24th day of August, 1966, by and between Paul Samuel Sloop, Henry William Witman III, Gordon Donson Sloop, Ernest A. Alna, Carl G. Warnick, Arthur A. Mayhew, J. H. Henion, Inc., Paul Case, Amos Swayne, and Stephen Larson, is hereby modified and supplemented in the following regard:

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J. H. Henion, Inc.
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