

**CITY OF SAN DIEGO
CONSENT TO ASSIGNMENT AND ASSUMPTION AGREEMENT**

THIS CONSENT TO ASSIGNMENT AND ASSUMPTION AGREEMENT [Consent] is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation [CITY], and LINDSHIELD RANCHES AND DEVELOPMENT, INC., a California corporation [Lessee/Assignor], to be effective upon execution by the parties and approval by the San Diego City Attorney [Effective Date], as follows:

RECITALS

A. CITY owns the real property located at as 2185 Cloverdale Road consisting of approximately 35 acres currently leased to Lindshield Ranches and Development, Inc., a California Corporation (formerly known as San Pasqual Christmas Tree Farm, Inc., a California Corporation) under a lease filed March 6, 2000 as Document No. 292825-3 [Lease], which will expire December 31, 2024.

B. Lindshield Ranches and Development, Inc. (Lessee/Assignor) desires to assign its right, title, and interest in the remainder of the Lease to San Pasqual Organic Farms, LLC, a California limited liability company (Assignee).

C. The Lease requires CITY to consent to the assignment of any of Lessee/Assignor's leasehold.

NOW, THEREFORE, CITY hereby consents to an Assignment of Lessee/Assignor's interest in its leasehold, with the following conditions:

1. CITY is merely consenting to the assignment requested by Lessee/Assignor. That all terms and conditions of the Lease shall control and supersede any inconsistent or contrary provisions in any assignment agreement executed between Lessee/Assignor and Assignee, except as otherwise set forth herein;
2. CITY does not release, discharge or modify Lessee/Assignor's obligations to CITY under the Lease. As set forth in applicable law, Lessee/Assignor's obligations under the Lease shall survive said assignment and shall continue through the termination date of the Lease set forth therein; and
3. Lessee/Assignor shall pay CITY all processing and/or administrative fees associated with this Consent, as set forth in the Lease, Administrative Regulation 95.25, and/or Council Policy 700-10.

FURTHER, the parties hereto agree as follows:

4. Assumption. Assignee agrees to assume, be bound by, and to conform and comply with, the terms and conditions of the Lease.

5. Assignments; Recapture. This Consent does not constitute a consent to any existing or subsequent subletting or assignment not approved by CITY in writing under the terms of the Lease, and does not relieve Lessee/Assignor, Assignee, or any person claiming under or through Lessee/Assignor or Assignee, of the obligation to obtain the consent of the CITY pursuant to Section 4.2 of the Lease
6. Additional Consideration to City. Section 4.2 of the Lease requires, as a condition of approval for any assignment, that the Lessee/Assignor pay additional consideration to CITY. Additional consideration shall be two percent (2%) of the value of the Assignment, as received by Lessee/Assignor. Based on the information provided by Lessee/Assignor, the value of the Additional Consideration to be paid CITY shall be \$1,374, and shall be paid at commencement of this assignment.
7. Default Under the Lease. In the event of any default of Assignee under the Lease, CITY may proceed directly against Assignee, Lessee/Assignor, any guarantors, or anyone else liable under the Lease, without first exhausting CITY's remedies against any other person or entity liable under the Lease, pursuant to Section 4.4 of the Lease.
8. General Provisions.
 - 8.1 Controlling Law. The terms and provisions of this Consent shall be construed in accordance with, and governed by, the laws of the State of California.
 - 8.2 Captions. Captions to the sections in this Consent are included for convenience only and do not modify any of the terms of this Consent.
 - 8.3 Entire Agreement; Waiver. This Consent constitutes the final, complete and exclusive statement between the parties to this Consent pertaining to the terms of the CITY'S Consent, supersedes all prior and contemporaneous understandings or agreements of the parties, and is binding on and inures to the benefit of their respective heirs, representatives, successors or assigns. No party has been induced to enter into this Consent by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Consent. This Consent may be amended only in writing if mutually agreed to and signed by CITY, Lessee/Assignor and Assignee.
 - 8.4 Attorney Fees. If any party commences litigation against any other party for the specific performance of this Consent, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the prevailing party shall be entitled to recover from the applicable party such costs and reasonable attorney fees as have been incurred.

8.5 Waiver. Except as explicitly stated in this Consent, nothing contained herein will be deemed or construed to modify, waive, impair, or affect any of the covenants, agreements, terms, provisions, or conditions contained in the Lease. In addition, the acceptance of rents by CITY from Assignee or anyone else liable under the Lease will not be deemed a waiver by the CITY of any provisions of the Lease.

8.6 Notice. Any notice required or permitted to be given shall be done so in writing and may be served personally or by United States mail, postage prepaid, addressed to Assignee, or other address designated in writing by Lessee, as follows:

San Pasqual Organic Farms, LLC
500 N. Tulip Street
Escondido, CA 92025

IN WITNESS WHEREOF, this Consent is executed by CITY acting by and through its Mayor, or his designee, and by Lessee/Assignor and Assignee acting by and through their lawfully authorized designees.

THE CITY OF SAN DIEGO, a California
Municipal corporation

Date: 10/13/09

By: [Signature]
James F. Barwick
Director, Real Estate Assets Dept.

LESSEE/ASSIGNOR:

LINDSHIELD RANCHES AND
DEVELOPMENT, INC., a California
Corporation

Date: 10-8-09

By: [Signature]
Name: DENNIS LINDSHIELD
Title: PRESIDENT

Date: 10-8-09

By: [Signature]
Name: MARC D. LINDSHIELD
Title: VP - CFO

Date: 10-8-09

By: Arleta Lindshield
Name: ARLETA LINDSHIELD
Title: Secretary

ASSIGNEE:

SAN PASQUAL ORGANIC FARMS,
LLC., a California limited liability company

Date: 10/09/09

By: George W. Weir
Name: George W. Weir
Title: President

APPROVED AS TO FORM AND LEGALITY this 13th day of October, 2009.

JAN I. GOLDSMITH, City Attorney

Date: 10/12/09

By: Debra J. Bevier
Debra J. Bevier
Deputy City Attorney

DCM/cb
10-07-09

I: SUPPORT STAFF GROUP/WPO/2009/MARTENS/CONSENT TO ASSIGNMENT LINDSHIELD

Assignment and Assumption of Lease

This Assignment and Assumption of Lease ("Assignment") is made as of September 29, 2009, by and between Lindshield Ranches and Development Incorporated, a California corporation, formerly known as "San Pasqual Christmas Tree Farm, Inc., a California corporation," ("Assignor"), and San Pasqual Organic Farms, LLC, a California limited liability company ("Assignee").

Recitals

This Assignment is made with regard to the following facts:

A. Assignor is the tenant under the Percentage Rate Lease dated March 6, 2000 (the "Lease"), between The City of San Diego, a municipal corporation ("Landlord"), as landlord, and Assignor, as tenant, for the real property comprising approximately 35 acres, situated in the City of San Diego, County of San Diego, State of California as described in the lease (the "Property"). A copy of the Lease is attached hereto as Exhibit A.

B. Assignor desires to assign its right, title, and interest in, to, and under the Lease and the Property to Assignee, and Assignee desires to accept that assignment on, and subject to, all of the terms and conditions in this Assignment.

NOW THEREFORE, in consideration of the mutual covenants contained in this Assignment, and for valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows.

1. **Assignment and Assumption.** Effective upon the timely receipt of Landlord's consent pursuant to Section 4.6, below, Assignor assigns to Assignee all of its right, title and interest in, to, and under the Lease and the Property (including all of Assignor's right, title, and interest in and to any deposits that have been paid or advanced by Assignor under the Lease). Assignee accepts this assignment, assumes all of Assignor's obligations under the Lease, and agrees to be bound by all of the provisions of the Lease and to perform all of the obligations of the tenant under the Lease as a direct obligation to Landlord from and after the effective date of this Assignment. Assignor shall remain liable for all obligations of the tenant under the Lease prior to the date of this Assignment, except as is expressly assumed by Assignee in Section 2, below. This assignment and assumption is made on, and is subject to, all of the terms, conditions, and covenants of this Assignment.

2. **Consideration for Assignment.** In consideration of this Assignment and upon Landlord's approval of this Assignment pursuant to Section 4.6, below, Assignee agrees in favor of Assignor as follows:

- a. Assignee shall deliver to Assignor an executed "pink slip" transferring title to Assignor to the Dodge Ram 2008 Truck, VIN 3D3MX39A88G175797;
- b. Assignee shall satisfy the existing San Diego Gas & Electric account, which the parties estimate at \$5,000, plus, the current billing;

c. Assignee shall satisfy the existing due and owing rent to Landlord, which the parties estimate at \$9,700;

d. Assignee shall pay Landlord the assignment fee, which the parties estimate at \$1,600;

e. Assignor shall be allowed to continue residing in his manufactured house on the Property until the expiration of the Lease in 2025, on the following terms: Assignor shall contribute to Assignee \$600 each year, due and payable on September 1, 2010, and every anniversary thereafter for the remainder of the Lease, for his utilities; Assignor shall maintain homeowners insurance (naming Assignee as an additional insured. If Assignor dies before the expiration of the Lease, Assignor's heirs, at their election, shall promptly remove the manufactured house or sell the manufactured house to Assignee for the appraised value, payable within 15 days of the election of the heirs.

3. Condition of Property. The Property will be delivered by Assignor to Assignee in "as is" condition with all those items of furniture, fixtures, and equipment set forth in Exhibit B, attached hereto (the "FF&E"). All FF&E will be and become the property of Assignee on the effective date of this Assignment. Assignor represents and warrants that the FF&E is not subject to any liens, conditional sales contracts, or other encumbrances, except for any rights the Landlord may have in the FF&E, as provided in the Lease.

4. General Provisions

4.1. Assignor's Use of Home. The Assignor may enjoy quiet possession of its manufactured house and the immediate surrounding area. Assignor shall be responsible for any notices of violation given to Assignee by the City and agrees to diligently participate in the development and execution of the remedies necessary to avoid default of the lease. If there should become an unsolvable dispute between the parties including but not limited to: failure of the Assignor to maintain insurance or protect the interests of the Assignee, the Assignee has the option to buyout the Assignor interest in the home at fair market value, certified by a licensed appraiser.

4.2. Enforcement by Landlord. Landlord is a third party beneficiary of this Assignment. As such, the provisions of this Assignment inure to the benefit of, and are enforceable by, Landlord.

4.3. Entire Assignment; Waiver. This Assignment constitutes the final, complete and exclusive statement between the parties to this Assignment pertaining to the terms of Assignor's assignment of the Lease and the Property to Assignee, supersedes all prior and contemporaneous understandings or agreements of the parties, and is binding on and inures to the benefit of their respective heirs, representatives, successors and assigns. Neither party has been induced to enter into this Assignment by, nor is either party relying on any representation or warranty outside those expressly set forth in this Assignment. Any agreement made after the date of this Assignment is ineffective to modify, waive, or terminate this Assignment, in whole or in part, unless that agreement is in writing, is signed by the parties to this Assignment, and specifically states that agreement modifies this Assignment.

4.4. Governing Law. This Assignment will be governed by, and construed in accordance with, California law.

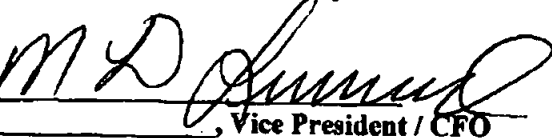
4.5. Severability. If any term or provision of this Assignment is, to any extent, held to be invalid or unenforceable, the remainder of this Assignment will not be affected, and each term or provision of this Assignment will be valid and be enforced to the fullest extent permitted by law. If the application of any term or provision of this Assignment to any person or circumstances is held to be invalid or unenforceable, the application of that term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected, and each term or provision of this Assignment will be valid and be enforced to the fullest extent permitted by law.

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4.6. Consent of Landlord. The Landlord's written consent to this Assignment (without any further consideration or amendment to the Lease, unless consented to by Assignee) in accordance with the terms of Section 4.2 of the Lease is a condition subsequent to the validity of this Assignment. If the Landlord's consent has not been obtained and a copy of that consent delivered to Assignee by the tenth (10th) day following the date of this Assignment, Assignee shall thereafter have the ongoing right, subject to the terms of this Section 4.6, to terminate this Assignment pursuant to a notice (the "Termination Notice") so stating delivered to Assignor. If Assignor fails to deliver to Assignee the consent of Landlord to this Assignment within five (5) days following receipt of the Termination Notice (the "Termination Date"), this Assignment shall automatically terminate and the parties shall be released from any further obligations under this Assignment. If, however, Assignor delivers to Assignee the consent of Landlord on or before the Termination Date, the condition subsequent set forth in this Section 4.6 shall be satisfied and this Assignment shall continue in full force and effect.

Assignor and Assignee have executed this Assignment as of the above date.

Assignor:

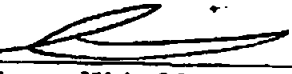
**Lindshield Ranches and Development
Incorporated, a California corporation**

By: 

, Vice President / CFO

Assignee:

**San Pasqual Organic Farms, LLC,
a California limited liability company**

By: 

George Weir, Manager

EXHIBIT A

[Append City Lease]

EXHIBIT B

One 25 horsepower water pump

FIRST AMENDMENT AND RESTATEMENT
OF THE FLAT RATE LEASE BETWEEN
THE CITY OF SAN DIEGO AND
SAN PASQUAL CHRISTMAS TREE FARM INC., (S.P.C.T.F., INC.)
LEASE I.D. C701WW-082-B00

THIS FIRST AMENDMENT AND RESTATEMENT of the Percentage Rate Lease is made by and between the City of San Diego [CITY] and San Pasqual Christmas Tree Farm Inc., (S.P.C.T.F., Inc.) [LESSEE], to be effective as of the date of execution by CITY and when signed by the San Diego City Attorney [Effective Date], as follows:

RECITALS

LESSEE entered into a twenty-five (25) year percentage rate lease with CITY for the lease of an approximate 35 acre parcel located within the San Pasqual Valley area of the City of San Diego; the lease was filed on March 6, 2000, with the Office of the City Clerk as Document No. RR-292825-2 [Original Lease]; and

Subsequent to the execution of the Original Lease, LESSEE, filed a Certificate of Amendment of Articles of Incorporation wherein the name of the corporation was changed from "San Pasqual Christmas Tree Farm Incorporated" to "Lindshield Ranches and Development Incorporated"; and

Although its legal name has changed, LESSEE, its general partners, or principals, under the Original Lease have not changed; and

The parties to the Original Lease now desire to amend and restate the Original Lease for the sole purpose of evidencing the correct name of LESSEE; and

Pursuant to the terms of the Original Lease, the City Manager [now the Mayor or his designee] has the authority to allow this First Amendment and Restatement;

NOW, THEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, CITY and LESSEE hereby mutually agree that the Original Lease be amended and restated as of the Effective Date hereof as follows:

1. The name of the lessee to the twenty-five (25) year percentage rate lease between the City of San Diego [CITY] and San Pasqual Christmas Tree Farm Inc., (S.P.C.T.F., Inc.), filed on March 6, 2000, with the Office of the City Clerk as Document No. RR-292825, is hereby amended to reflect LESSEE's new legal name/identity which is:

Lindshield Ranches and Development Incorporated.

2. This First Amendment and Restatement of the Original Lease is prepared for the sole purpose of modifying the LESSEE's legal name and restating all terms and conditions of the Original Lease. This First Amendment and Restatement does not serve as a termination of the Original Lease. Accordingly, the rights and obligations of each of CITY and LESSEE both prior to the Effective Date hereof and on and after the Effective Date hereof, are those duties and obligations as set forth in the Original Lease, which remain in full force and effect.

IN WITNESS WHEREOF, this First Amendment and Restatement of the Percentage Rate Lease is executed by the parties hereto so as to be effective as of the Effective Date.

LINDSHIELD RANCHES AND DEVELOPMENT INCORPORATED

By: Dennis L Lindshield Date: 9/3/09
Name: DENNIS L LINDSHIELD
Title: PRESIDENT

By: M. D. Lumsden Date: 9/3/09
Name: MARC D LINDSHIELD
Title: VP CFO

By: Arleta Lindshield Date: 9/3/09
Name: ARLETA LINDSHIELD
Title: Secretary

THE CITY OF SAN DIEGO, a Municipal Corporation

By: James F. Barwick Date: 9/9/09
Name: JAMES F. BARWICK, CCIM
Title: Real Estates Assets Director

APPROVED AS TO FORM AND LEGALITY
this 11th day of September, 2009

JAN I. GOLDSMITH, City Attorney

By: Debra J. Bevier
Name: Debra J. Bevier
Title: Deputy City Attorney