

Witman Ranch, Inc.

P.O. BOX 1959
ESCONDIDO, CA 92025

13613 SAN PASQUAL ROAD — (714) 747-3632

February 24, 1988

Landesigns, Inc.
P.O. Box 80596
Las Vegas, Nevada 89180

This letter will serve as a sub-lease agreement between Witman Ranch, In. and Wally Besuden or Landesigns, Inc. for the purpose of operating a wholesale nursery and tree growing operation. The term of this agreement shall be concurrent with Witman Ranch leases as well as any extensions. The rental rates will be tied to the percentage deviation that is at present.

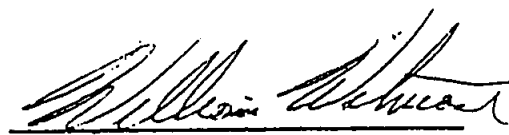
The area is described as 13900 San Pasqual Rd., Escondido (see attached sketch). The initial acreage is approximately 3 acres which maybe increased up to 6 acres.

The annual rent shall be \$350 per acre. The 1st year payable in advance and then \$400 per acre per year thereafter. Sub-leasee will be responsible for adequate fencing and all the improvements shall be made by the sub-leasee.

The sub-leasee will maintain insurance in effect naming City of San Diego and Witman Ranch, Inc. as additional insureds.



Wally Besuden



William Witman



THE CITY OF

SAN DIEGO

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

RECEIVED

OCT 06 1989

PROPERTY DEPT.

November 6, 1987

OFFICE OF THE
CITY MANAGER
236-6363

Mr. William Witman, President
Witman Ranch, Inc.
P.O. Box 1959
Escondido, CA 92025

Dear Mr. Witman:

Re: Approval of Sublease Agreement

Your sublease agreement with Victor Gausepohl and Gary Wood for 20 acres of your leasehold is approved, subject to the following:

The City of San Diego is to receive fifty percent (50%) of [the sublease rent, less the land rent Witman Ranch pays for the 20-acre parcel.]

A Certificate of Insurance showing the sublessee has the insurance coverage required by the master lease agreement is to be forwarded to the Property Department, Attention: Bill Knowles, within 10 working days following your receipt of this letter.

Very truly yours,

Maureen A. Stapleton
Deputy City Manager

5 acres x 100 an acre per quarter = \$2,000
less City Rent 390 (5 x 78)
\$1610. x 50% = \$805
JLS:WRK:hb

due City

now 5 acres

Witman Ranch, Inc.

P. O. BOX 1959
ESCONDIDO, CA 92025

13613 SAN PASQUAL ROAD — (714) 747-3632

SUB-LESSEE

THIS SUB-LEASE is made the 1st day of August 1987 between Witman Ranch, Inc. hereinafter "Lessee," and Victor Gausepohl and Gary Wood hereinafter "Sub-Lessee".

Witnesseth: That Lessee hereby lets to Sub-Lessee all of the property described as follows: 13613 San Pasqual Rd., San Diego California consisting of 20 acres for the purpose of operating a wholesale nursery.

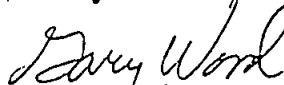
SUB-LESSEE SHALL HAVE AND HOLD these premises for the term of 5 years and 5 months from the 1st day of August 1987 to the 31st day of December 1992, at the total rent or sum of \$34,530 payable as follows: The rent for the first 2 months August and September 1987 will be \$405. Thereafter beginning of each quarter shall be \$1625. The rent after the first year shall be subject to increase in the event Lessee's rent is increased by the City of San Diego. Increase shall not exceed 6% a year based on the CPI for San Diego with 1987 being the base year.

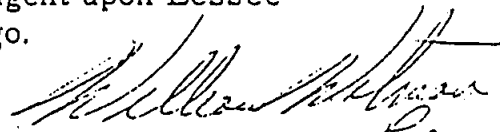
The Sub-Lessee will be responsible for all utility charges caused by their operations, and all possessory use taxes and personal property tax, and will maintain in force at all times insurance as required by the City of San Diego and Witman Ranch naming them as additional insureds.

Witman Ranch will provide irrigation water at an initial rate of \$90 per ac/ft for the year. The rate will be subject to review each year after 1988 due to the power charges and repair costs.

Sub-Lessee shall have the right and option at least six (6) months but no more than nine (9) months before the expiration of this Sub-Lease to extend the term of this Lease for an additional term of five (5) years from the date of termination of this Lease by giving written notice to the Lessee. Rent and utility costs will be based upon negotiated agreement between Lessee and Sub-Lessee. The above rights shall be contingent upon Lessee renewing their Lease with the City of San Diego.


Victor H. Gausepohl


Gary Wood


William Witman



THE CITY OF

SAN DIEGO

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

February 9, 1987

OFFICE OF THE
CITY MANAGER
236-6363

File: Lease - Witman Ranch, Inc.

CITY OF SAN DIEGO	
CITY DEPT.	
☐	CLERK
☐	DEPUTY MANAGER
☐	FILE COPY
☐	CHRON. COPY
☒	ORIGINATOR

Mr. William Witman, President
Witman Ranch, Inc.
P.O. Box 1959
Escondido, CA 92025

Dear Mr. Witman:

In accordance with your request, your sublease agreement with Mr. Phil Sargent for the 4-acre parcel shown on the attached map, to be used for the purpose of raising ostrichs, is approved, subject to the following:

1. The City is to receive 50% of the sublease rental, less the land rent you are presently paying for the subleased property.
2. Mr. Sargent shall obtain and maintain the same insurance coverage on the 4-acre parcel that your master lease agreement requires. A Certificate of Insurance showing that the proper insurance is being carried is to be provided to the Property Department within two weeks following your receipt of this letter.

Very truly yours,

John P. Fowler
Assistant City Manager

JLS:WRK:hb
Attachments



THE CITY OF

SAN DIEGO

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

Lease File

OFFICE OF THE
CITY MANAGER
236-6363

May 23, 1984

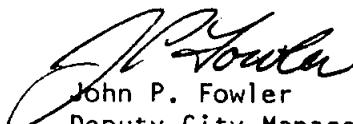
File: Lease - Witman Ranch, Inc.

William Witman, President
Witman Ranch, Inc.
P.O. Box 1959
Escondido, California 92025

Dear Mr. Witman:

Your sublease agreement with Mr. Robert Petinak for growing crops on 20 acres of your leasehold during the calendar year 1984 is approved.

Very truly yours,


John P. Fowler
Deputy City Manager

JLS:WRK:ab

cc: Roy Quon - Auditor

Alberta Barker - County Assessor's Office

Witman Ranch, Inc.

P. O. BOX 1959
ESCONDIDO, CA 92025

13613 SAN PASQUAL ROAD — (714) 747-3632

To Whom it May Concern:

This letter will serve as an agreement between Witman Ranch, Inc. and Robert Petinak concerning the sub-leasing of 20 acres of farm land rented by Witman Ranch, Inc., from the City of San Diego.

The term will be for calendar year 1984, ending on December 31, 1984. The cash rental shall be \$100.00 per acre, \$500.00 in advance, balance August 1, 1984.

The water cost will be initially charged at \$90.00 an acre ft. The quantity used will be determined by mutual agreement and paid on a monthly basis to Witman Ranch as used. At the end of the lease period a reconciliation of water expense and income shall be established and either a refund of additional charge shall be determined. The aim being the lowest actual cost of water shared equally by all users, proportional to their usage. A copy of the computation shall be delivered at year end to Mr. Petinak.

Robert Petinak 5/2/84
Robert Petinak Date

William Witman 5/2/84
William Witman Date

Witman Ranch, Inc.

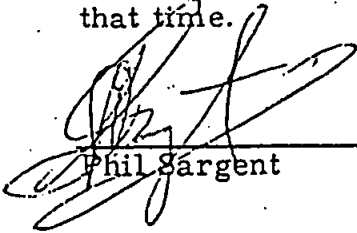
P. O. BOX 1959
ESCONDIDO, CA 92025

13613 SAN PASQUAL ROAD — (714) 747-3632

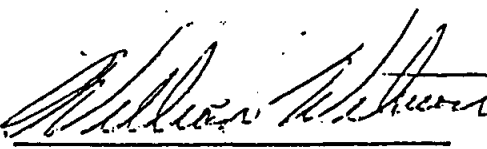
This letter will serve as an agreement between Witman Ranch, Inc. and Phil Sargent concerning his sub-lease of 4 acres more or less for the purpose of cultivating Ostrich's.

The area is defined by map attached. The term is for 3 years unless cancelled sooner by sublessee. Rent shall be \$1000 annually beginning January 1, 1987, payable in advance each year. Sargent shall be responsible for fencing and water for his purposes and shall carry sufficient liability insurance to meet the City's specifications, holding Witman and the City of San Diego harmless.

It is envisioned that the venture is successful, a larger acreage would be required in the future. The rent at that time shall be no less than \$300 per acre per year and a percentage of the profits. Such consideration shall be determined by the parties involved, by negotiation at that time.


Phil Sargent

9/29/1986
Date


William Witman

9/29/86
Date

Witman Ranch, Inc.

P. O. BOX 1959
ESCONDIDO, CA 92025

13613 SAN PASQUAL ROAD — (714) 747-3632

To Whom it May Concern:

This letter will serve as an agreement between Witman Ranch, Inc. and Ken Oliver for the purpose of grazing livestock on land leased by Witman Ranch from the City of San Diego.

The term of this agreement shall be continuous until either of the parties gives notice to the other, indicating a wish to terminate the agreement. In the event either party cares to cancel this agreement, 60 day notice shall be given.

The livestock shall be grazed on native pasture and residues after harvest of crops. Witman Ranch shall maintain pit silos for the purpose of storing supplemental forage. There will be an adjustment in the pasture rate to provide equity to both parties as to the periods when there is insufficient pasture available. Witman Ranch agrees to provide forage for the maximum number of animals.

Maintenance of corrals, stock water and fences shall be the responsibility of Witman Ranch.

The current rate for pasture shall be on a head basis by the month: \$4.00 for small animals (400-600 lbs.), \$5.00 for medium (600-800 lbs.), \$6.00 for large animals. This rate is subject to adjustment by special circumstances, or by mutual agreement. The over all rate shall be subject to periodical evaluation, subject to pasture rental in comparable areas. Possesary interest and City fees shall be paid by Witman Ranch. Personal property on livestock are the responsibility of Ken Oliver.

Ken Oliver

5-12-84
Date

Witman Ranch Date

FRANK L. ASARO
ROSCOE D. KEAGY
RICHARD R. FREELAND
JOHN M. TURNER
KEVIN R. GRAHAM

ASARO & KEAGY
ATTORNEYS AT LAW
304 KALMIA STREET
SAN DIEGO, CALIFORNIA 92101
TELEPHONE (619) 239-3861

RECEIVED
JAN 03 1984
PROPERTY DEPT.

December 28, 1983

IN REPLY _____
REFER TO: P-399.01

Mr. Bill Knowles
Real Property Department
CITY OF SAN DIEGO
City Administration Building
202 "C" Street
San Diego, CA 92101

Re: Pepper Tree Nursery
The Pinery Tree Farm
Conditional Use Permit Case No. C-17562

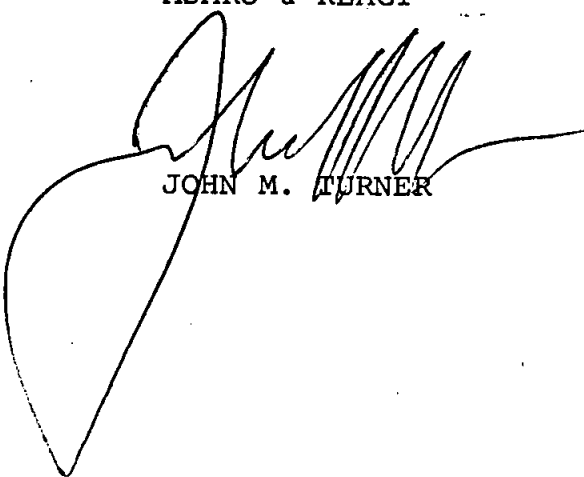
Dear Mr. Knowles:

Enclosed is a Conditional Use Permit for a portion of The Witman Ranch property. I would appreciate it if you would have an authorized representative of the City sign the document on page 3 before a Notary Public, and thereafter return the document to me immediately.

Thank you for your courtesy and cooperation in this matter.

Sincerely,

ASARO & KEAGY


JOHN M. TURNER

JMT/djl

Enclosure

ZONING ADMINISTRATION
(Mail Station 300)
City Operations Building
1222 First Avenue
San Diego, California 92101

CITY OF SAN DIEGO

The Zoning Admini
for Amendment to
owner; WITMAN RAN
FARM, sub-lessees
retail nursery wi

(Res. 6081), at 12460 Highland Valley Road, Zone A-1-10; and after con-
sideration of the following finding of facts, has APPROVED the follow-
ing:

(1) PINERY TREE FARM - approved use of property for production of
christmas trees, including retail sales of christmas trees during
November and December;

(2) PEPPER TREE NURSERY - approved use of property for retail and
wholesale sales of nursery related materials;

(3) Approved two identification signs of 24 sq. ft. each, maximum
height of 26'.

(4) Approved one 32 sq. ft., 4' x 8' sign, 12' high for Pinery Tree
Farm, to be used during November and December, for directional pur-
poses only.

Subject to the following conditions:

1. That final plans shall be submitted to and approved by the Zoning
Administrator within thirty (30) days of final approval;
2. That all signs for the premises shall comply with all San Diego
ordinances;
3. That the project shall comply with all requirements of Building
Inspection Department, and Engineering and Development Department;
4. That this Permit shall be for a period, to expire on January 1,
1985, and shall be subject to extension based upon compliance with
the above conditions;
5. That this Amendment shall be recorded with the County Recorder
within thirty (30) days of receipt of final approval.

FINDING OF FACTS

Upon review by the Board of Zoning Appeals, the zoning ordinance in dis-
cussion of nurseries was not deemed to preclude retail uses under the
conditional use permit. Modification on the signs is based upon topo-
graphic conditions, and the extension of time on christmas tree sales
is based upon the particulars of the Pinery Tree Farm operation.

Mr. Turner: The original must be
signed by all parties, on Page 3,
attaching the proper jurats, and
returning that entire copy to me for
recording. A copy is enclosed for
each of those parties, including you.
Thanks, - Faye Bales

ZONING ADMINISTRATION
(Mail Station 300)

City Operations Building

1222 First Avenue

San Diego, California 92101

-17562

8/24/83,
SAN DIEGO,
PINERY TREE
sale and
Bernardo

ZONING ADMINISTRATION
(Mail Station 300)
City Operations Building
1222 First Avenue
San Diego, California 92101

CITY OF SAN DIEGO - DECISION OF THE ZONING ADMINISTRATOR - C-17562

AMENDMENT - CONDITIONAL USE PERMIT

The Zoning Administrator has considered your request, dated 8/24/83, for Amendment to Case No. 17562, which permitted THE CITY OF SAN DIEGO, owner; WITMAN RANCH, INC., lessee; PEPPER TREE NURSERY and PINERY TREE FARM, sub-lessees, which permitted use of property for wholesale and retail nursery with accessory uses - Portion of Rancho San Bernardo (Res. 6081), at 12460 Highland Valley Road, Zone A-1-10; and after consideration of the following finding of facts, has APPROVED the following:

- (1) PINERY TREE FARM - approved use of property for production of christmas trees, including retail sales of christmas trees during November and December;
- (2) PEPPER TREE NURSERY - approved use of property for retail and wholesale sales of nursery related materials;
- (3) Approved two identification signs of 24 sq. ft. each, maximum height of 26 ft.
- (4) Approved one 32 sq. ft., 4' x 8' sign, 12' high for Pinery Tree Farm, to be used during November and December, for directional purposes only.

Subject to the following conditions:

1. That final plans shall be submitted to and approved by the Zoning Administrator within thirty (30) days of final approval;
2. That all signs for the premises shall comply with all San Diego ordinances;
3. That the project shall comply with all requirements of Building Inspection Department, and Engineering and Development Department;
4. That this Permit shall be for a period, to expire on January 1, 1985, and shall be subject to extension based upon compliance with the above conditions;
5. That this Amendment shall be recorded with the County Recorder within thirty (30) days of receipt of final approval.

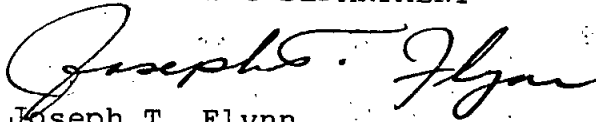
FINDING OF FACTS

Upon review by the Board of Zoning Appeals, the zoning ordinance in discussion of nurseries was not deemed to preclude retail uses under the conditional use permit. Modification on the signs is based upon topographic conditions, and the extension of time on christmas tree sales is based upon the particulars of the Pinery Tree Farm operation.

This Amendment is not a permit or license and any permits and licenses required by law must be obtained from the proper department. Furthermore, if any condition of this grant is violated, or if the same be not complied with in every respect, then this variance shall be subject to revocation; provided, however, that after being notified in writing by the City that a condition has been violated and that subject permit is null and void within five (5) days, an appeal may be filed with the Board of Zoning Appeals to show cause why subject permit should be reinstated.

The permission granted by this Amendment shall become effective and final on the sixth day after a decision is made, unless a written appeal is filed on official form and accompanied by required fee within five (5) days; said appeal to be filed in Zoning Administration, Third Floor, City Operations Building, 1222 First Avenue. An appeal from any decision of the Zoning Administrator may be taken to the Board of Zoning Appeals by the applicant, any governmental body or agency, or by any owner of real property located within the City or by any resident of the City. See Municipal Code Section 101.0504.

CITY PLANNING DEPARTMENT


Joseph T. Flynn
Zoning Administrator

JTF:ML:fb

CC: Witman Ranch, Inc.
P.O. Box 1959
Escondido, CA 92025

Pepper Tree Nursery
1019 San Marcos Blvd.
San Marcos, CA 92069

Pinery Tree Farm
1019 San Marcos Blvd.
San Marcos, CA 92069

John M. Turner
304 Kalmia St.
San Diego, CA 92101

Bill Knowles
City Property

NOV 25 1983

RIGHT OF APPEAL expires
~~10 DAYS~~
after the above date

NOV 25 1983
RIGHT OF APPEAL expires
~~5~~ 10 DAYS
after the above date

Applicant shall have agreed to each and every condition hereof by having this permit signed within thirty (30) days of the decision of the Zoning Administrator.

The undersigned Permittee by execution hereof agrees to each and every condition of this permit and promises to perform each and every obligation of Permittee hereunder.

CITY OF SAN DIEGO

William Witman, Pres.

Witman Ranch, Inc.

By:

Stephen Bergquist Secretary
Pepper Tree Nursery

State of California) ss
County of San Diego)

Charles T. Jancie Pres.
Pinery Tree Farm

On December 21, 1983 before me, the undersigned, a Notary Public in and for said State, personally appeared Charles T. Jancie

personally known to me ~~or proved to me on the basis of satisfactory evidence~~ to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

CAT. NO. NN00737

STATE OF CALIFORNIA

COUNTY OF San Diego } ss.

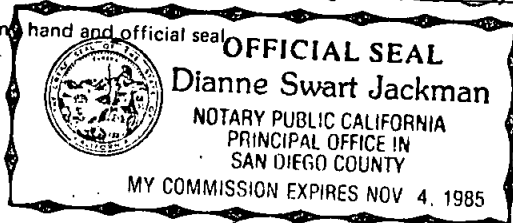
Amendment-Conditional Use

On December 22, 1983

, before me, the undersigned, a Notary Public in and for said State, personally appeared

Stephen Bergquist known to me to be the person(s) whose name(s) is subscribed to the within Instrument and acknowledged that he executed the same.

WITNESS my hand and official seal



Dianne Swart Jackman
(Notary Public's Signature)

Signature Nancy A. Meyer

Applicant shall have agreed to each and every condition hereof by having this permit signed within thirty (30) days of the decision of the Zoning Administrator.

The undersigned Permittee by execution hereof agrees to each and every condition of this permit and promises to perform each and every obligation of Permittee hereunder.

CITY OF SAN DIEGO

William Witman, Pres.

Witman Ranch, Inc.

Stephen Bergquist Secretary
Pepper Tree Nursery

Charles T. Jancie Pres.
Pinery Tree Farm

By:

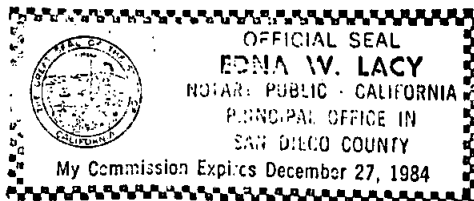
State of California) ss
County of San Diego)

On December 21, 1983 before me, the undersigned, a Notary Public in and for said State, personally appeared Charles T. Jancie

personally known to me ~~or proved to me on the basis of satisfactory evidence~~ to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

(Notary Stamp)



Edna W. Lacy
Notary Public in and for the County of San Diego, State of California



THE CITY OF

SAN DIEGO

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

Valderhaug

OFFICE OF THE
CITY MANAGER
236-6363

February 16, 1983

File: Lease - Witman Ranch, Inc.

William Witman, President
Witman Ranch, Inc.
13613 San Pasqual Road
Escondido, California 92025

Re: Sublease Agreement with Terra-Bella, Inc.

Dear Mr. Witman:

Your sublease agreement with Terra-Bella, Inc. is approved subject to the following conditions:

1. The City is to receive fifty percent (50%) of all rental income as well as any other revenues paid to you for the use of the subleased premises. All monies due the City shall be paid quarterly in arrears.
2. Sublessee shall not assign its sublease or further sublease all or part of the demised premises without the written consent of the City Manager.
3. The installation of the storage bins, loading conveyor and office on the subleased premises is approved. No other additional structures, roofing or equipment shall be installed on said premises without the prior written consent of the City Manager.
4. Landscaping shall be installed adjacent to and around all structures and permanently installed equipment. Said landscaping shall include planting of trees and shrubs of sufficient height to partially screen and break up the outline of all structures and permanent equipment.

In the event you have any questions concerning the above, please call Bill Knowles at 236-5548.

Very truly yours,

J. P. Fowler
John P. Fowler
Deputy City Manager

JLS:WRK:ab

Witman Ranch, Inc.

P. O. BOX 1959
ESCONDIDO, CA 92025

RECEIVED

FEB 14 1983

PROPERTY DEPT.

13613 SAN PASQUAL ROAD — (714) 747-3632

February 11, 1983

City of San Diego
1222 First Ave
San Diego, Ca. 92101

Bill Knowles
Property Dept.

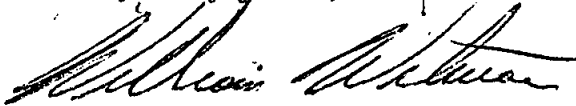
Dear Sir:

Enclosed are the copies of the final agreement between Terra-Bella, Inc. and Witman Ranch, Inc.

You will note it very closely parallels the preliminary agreement already submitted for your approval. I believe all the concerns have been dealt with and therefore I am submitting this sublease for your convenience and your records. The financial consideration were discussed in the previous letters.

Please indicate your approval at the earliest convenience.

Very truly yours,



William Witman
Pres.

SUBLEASE

This Sublease made this 17th day of February, 1983 by and between WITMAN RANCH, INC., hereinafter referred to as "WITMAN," and TERRA BELLA, INC., hereinafter called "TERRA BELLA."

Recitals

1. The City of San Diego, as Lessor, and WITMAN, as lessee, executed a lease on September 28, 1977, identified as Lease No. 761316. By the terms of that lease, hereinafter referred to as "CITY LEASE," WITMAN leases acreage in the San Pasqual Valley which includes the area leased to TERRA BELLA by this Sublease.

2. WITMAN desires to Sublease to TERRA BELLA 6 acres of the land leased from the City by WITMAN, which acreage is identified on the map attached hereto as Exhibit "A," and TERRA BELLA desires to lease such acreage from WITMAN under the terms set forth herein.

THEREFORE, WITMAN and TERRA BELLA agree as follows:

1. WITMAN hereby leases to TERRA BELLA and TERRA BELLA hereby leases from WITMAN, under the terms, conditions and covenants hereinafter set forth, the property, hereafter referred to as the subleased premises, located in the San Pasqual Valley, San Diego County, California, outlined on the map attached hereto as Exhibit "A".

2. The term of this Sublease shall be for a period of five years, commencing February 1, 1983 and ending on January 31, 1988 provided that this Sublease shall terminate sooner upon a termination of the CITY LEASE by the City of San Diego.

3. TERRA BELLA shall pay to WITMAN as rent for the Subleased premises, a monthly rental of One Thousand Dollars (\$1,000.00) in advance on the first (1st) day of each calendar month during the term commencing February 1, 1983. On each anniversary year the rent shall increase by One hundred Twenty Dollars (\$120.00) per month so that during the fifth (5th) year of the Sublease the monthly rent shall be One Thousand Four Hundred Eighty Dollars (\$1,480.00) per month. Rent shall be paid to WITMAN at P. O. Box 1959, Escondido, California or such other place as WITMAN shall designate.

4. The subleased premises shall be used by TERRA BELLA for the mixing and preparation of soil mixes for use by Nurseries and landscapers and similar industries.

5. TERRA BELLA expressly agrees to comply with all of the obligations and covenants required of WITMAN in CITY LEASE and acknowledges that it has received and read a copy of the CITY LEASE. WITMAN agrees that it will not permit the CITY LEASE to be terminated due to any of its actions.

6. TERRA BELLA agrees to construct a fence around the subleased premises adequate to keep livestock out of the subleased premises. TERRA BELLA agrees to maintain the fence and any other structures constructed by TERRA BELLA for its operations on the premises in good condition. At the termination of this sublease for any reason, TERRA BELLA may, within thirty (30) days after termination of this sublease, remove all of its property, including buildings, machinery, equipment and fencing without penalty, TERRA BELLA shall leave the premises in as good a condition as at the start of this lease.

7. TERRA BELLA shall pay for all utilities serving the subleased premises except water which WITMAN will provide to the premises.

8. TERRA BELLA may terminate this Sublease on six (6) months written notice to WITMAN without penalty.

9. TERRA BELLA shall pay any licenses, special fees and taxes on its inventory and personal property.

10. TERRA BELLA will save WITMAN free and harmless and indemnify WITMAN against all claims for labor and material in connection with the use of or improvements on the demised premises, and the cost of defending against such claims, including reasonable attorney fees.

11. TERRA BELLA covenants and agrees at all times during the term of this Sublease to save WITMAN free and harmless of and from each and every claim or demand at any time made or asserted, or claimed by or on behalf of any person or persons against WITMAN, arising out of or resulting from the use and occupancy of the said premises by TERRA BELLA, its agent or servants. TERRA BELLA agrees to pay all costs and attorney's fees of WITMAN in defending against any loss or liability thereunder.

TERRA BELLA shall, at its' own expense, at all times during this Sublease, cause to be maintained in full force and effect a policy or policies of public liability and property damage insurance in limits of at least Three Hundred Thousand Dollars (\$300,000.00) for injury or death of any one person and One Million Dollars (\$1,000,000.00) for injury or death of any two or more persons and Twenty-Five Thousand Dollars (\$25,000.00) for property damage in any one accident, happening

or event. The policy or policies shall have TERRA BELLA and WITMAN as assureds and shall insure said assureds, and each of them, against all claims or demands of any and all persons for injuries, including death, and/or property damage, sustained by any person or persons resulting from, arising out of, or in anywise connected with the use and occupancy of the demised premises by TERRA BELLA.

12. TERRA BELLA, if not then in default under any conditions of this Sublease, shall have the right, upon Ninety (90) days written notice to WITMAN, to extend the term of this Sublease for an additional period of Five (5) years under the same terms and conditions except rent shall be One Thousand Four Hundred Eighty Dollars (\$1,480.00) per month plus any percentage increase assessed under the CITY LEASE but not to exceed six percent (6%) per year. The percent increase, if any, in the first (1st) year of the extension, shall be based upon the rent for the fifth (5th) year of the basic lease.

13. TERRA BELLA may not assign, this Sublease or further sublease all or a part of the demised premises without the written consent of WITMAN; which WITMAN will not unreasonably withhold.

14. Should default be made in the payment of any rent due hereunder, which default continues for fifteen (15) days, or in the performance of any terms or conditions herein contained, WITMAN shall have the right to terminate this Sublease, provided that if the default is other than payment of rent, WITMAN shall give TERRA BELLA written notice of the default and TERRA BELLA shall have thirty (30) days from receipt of the notice to correct the default and if corrected within that time, WITMAN may not terminate this Sublease; or treat the sublease as continuing and enforce it by such appropriate legal remedy as is then available to it.

15. If TERRA BELLA shall become insolvent or make an assignment for the benefit of creditors or be adjudged a bankrupt or a receiver or trustee of the property of TERRA BELLA be appointed, or this Sublease dissolve or pass to any person or entity other than TERRA BELLA, or its successors, WITMAN shall have the right and option to terminate this Sublease.

16. In the event either party is compelled to retain the services of an attorney to enforce any of the provisions of this Sublease or for damages for breach of any term thereof, the prevailing party shall be entitled to recover from the other party reasonable sums as and for the fees charged by the attorney for the prevailing party or if a court action is involved, fees and costs as determined reasonable by the Court.

Miscellaneous

1. In the event TERRA BELLA shall, for any reason, remain in possession of the premises, or any part thereof, after expiration of the term hereof or any extension thereof, with the consent of WITMAN, such holding over shall be considered to be a month to month tenancy only upon the same terms and conditions as herein set forth.

2. Any notice or demand which TERRA BELLA may wish to serve on WITMAN may be given by delivering it to WITMAN's office, or by mailing it, certified mail, return receipt requested, to WITMAN RANCH, INC., P. O. Box 1959, Escondido, California 92025.

3. Any notice or demand which WITMAN may wish to serve on TERRA BELLA may be given by delivering it to any of TERRA BELLA's employees on the demised premises or by mailing it, certified mail, return receipt requested, to 13425 Highland Valley Rd. Escondido, Ca 92085
TERRA/BELLA's agent for service in California.

4. It is agreed and understood that this Sublease must be approved by the City of San Diego and this Sublease only becomes effective upon receipt of such approval.

5. Each party shall provide to the other a copy of the resolution of the respective Boards of Directors that the named representative is authorized to enter into this Sublease. TERRA BELLA shall in addition certify that it is authorized to do business in California.

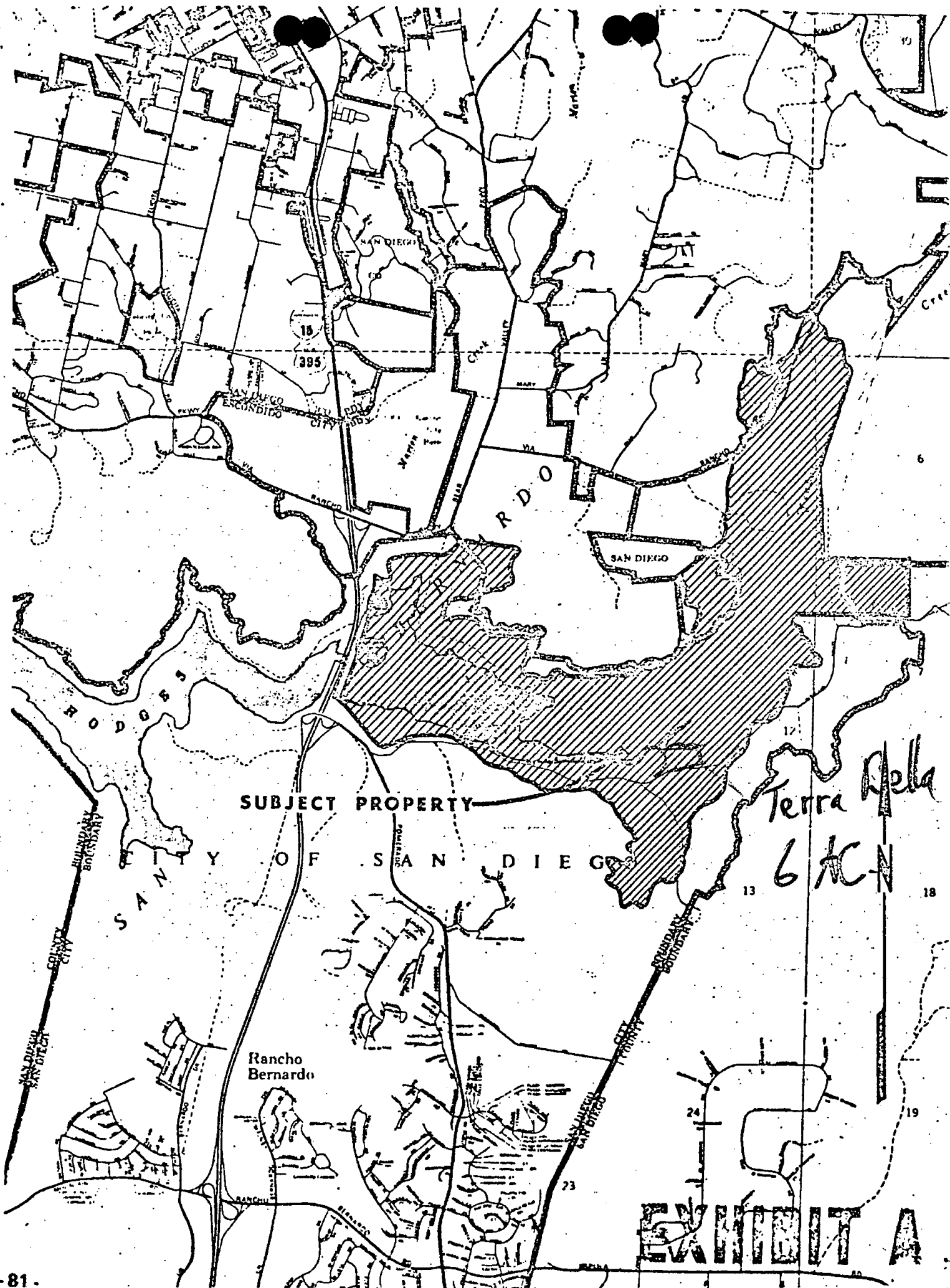
Executed at Escondido, California, on the day and year first above written.

WITMAN RANCH, INC., SUBLESSOR

By: Henry H. Witman III, President.

TERRA BELLA, INC., SUBLESSEE

By: Robert N. Lando, Vice President and Secretary.



SUBJECT PROPERTY

CITY OF SAN DIEGO

Rancho Bernardo

Terra Bella
6 AC

EXHIBIT A



THE CITY OF

SAN DIEGO

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

January 4, 1982.

OFFICE OF THE
CITY MANAGER
236-6363

File: Lease - Witman Ranch, Inc. (1453 acres)

RECEIVED
JAN 14 1982
PROPERTY DEPT.

William Witman, President
Witman Ranch, Inc.
P. O. Box 1959
Escondido, CA 92025

Dear Mr. Witman:

Your sublease agreements with the Pinery Tree Farm and Pepper Tree Nursery are hereby approved subject to the following conditions:

1. The City of San Diego is to receive 50 percent of the gross income received from both sublessees less the rent which you are required to pay for the subleased land.
2. The City's share of the gross income that you are receiving from both the Pinery Tree Farm and Pepper Tree Nursery is to be retroactive to January 1, 1980.
3. Payment of the City's share of the gross income you have received, or will receive, from both sublessees for the calendar year 1981 and each succeeding year thereafter for the term of the sublease agreements, is to be paid within 30 days following your receipt thereof.
4. The complaint that the Pepper Tree Nursery is violating the City Zoning Code by conducting unauthorized retail sales on the subleased premises is to be resolved to the satisfaction of the City Zoning Department by March 1, 1982.

If you agree to the above conditions, please so indicate by signing below and returning this letter to the Property Department, Attention: Bill Knowles, no later than January 18, 1982. Also, enclose a check in the amount of \$5,235 which is the City's share of the gross income you received from both sublessees for the period January 1, 1980 through December 31, 1980. The computations for determining this amount are shown on the attached.

To: William Witman, President
Re: Lease - Witman Ranch, Inc.

Following your agreement to the above conditions, the remaining Witman Ranch, Inc. sublease agreements will be submitted to the City Manager for his consideration and approval.

In the event that you do not agree to the aforementioned conditions within the period indicated above, the City will have no alternative but to place your lease in default as provided by Section IV. Paragraph A of your lease agreement.

Very truly yours,

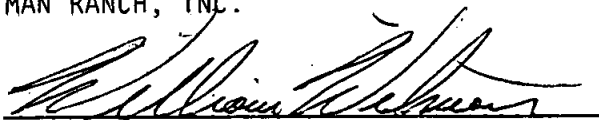

John P. Fowler
Deputy City Manager

JLS:WRK:jas

Attachment

The above is acknowledged and agreed to this 13 day of Jan, 1982.

WITMAN RANCH, INC.

By 
William Witman, President

SUBLEASES

Pinery Tree Farm and Pepper Tree Nursery

Pinery Tree Farm - 40 acres subleased at \$60 per acre per year

Gross Income	\$13,200	
City's Share (50%)		\$6,600
Less Land Rent		
(40 acres at \$60 per acre)		<u>2,400</u>
Total Amount Owed City	\$4,200	\$4,200

Pepper Tree Nursery - 10 acres subleased at \$60 per acre per year

Gross Income	\$3,270	
City's Share		\$1,635
Less Land Rent		
(10 acres at \$60 per acre)		<u>600</u>
Total Amount Owed City	\$1,035	<u>\$1,035</u>
TOTAL		\$5,235

Lease To
Witman Ranch
Witman Ranch, Inc.

P. O. BOX 1959
ESCONDIDO, CA 92025

13613 SAN PASQUAL ROAD — (714) 747-3632

February 27, 1981

City of San Diego
1222 First Avenue
San Diego, Ca. 92101

William Knowles
Property Dept.

Dear Mr. Knowles:

This letter will confirm our verbal agreement concerning the subleasing portions of the former Byrnes lease to various other growers.

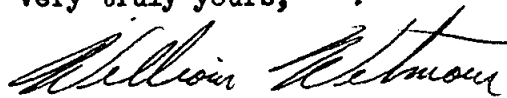
We have concluded agreements for the following acreages to the listed organizations:

TMY Farms	45 acres
Earl Bishop Dairy	40 acres
Edwin Frazee, Inc.	100 acres

The balance of the land will be utilized by ourselves. The rental we will be receiving will not exceed our per acre costs from the City. Our organizations will remain the responsible party in so far as the City is concerned.

If you need further information, please contact me.

Very truly yours,



William Witman
Pres.

cc: TMY Farms
E. Bishop
Ed Frazee

RECEIVED
MAR 3 1981
PROPERTY DEPT.

AGREEMENT FOR MANAGEMENT SERVICES

THIS AGREEMENT, effective from the first day of March, 1980, by and between BYRNES RANCH, hereinafter referred as "FARMER", and WITMAN RANCH, INC., hereinafter referred to as "MANAGEMENT",

WITNESSETH:

WHEREAS, ROY L. BYRNES dba BYRNES RANCH possesses one certain lease of farm and ranch property and under a lease agreement with the City of San Diego;

WHEREAS, MANAGEMENT has in its employ personnel who are experienced in all phases of farm and ranch management and in services relating to farm and ranch businesses; and

WHEREAS, FARMER is desirous of availing itself of the benefits and advantages of MANAGEMENT'S experience;

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties hereto, it is mutually agreed as follows:

ARTICLE I

TERM

FARMER does hereby engage MANAGEMENT, and MANAGEMENT does agree to work for FARMER upon the terms and conditions hereinafter set forth, for the period commencing on the 1st day of March, 1980, through November 15, 1980, thereafter this agreement may be renewed at FARMER'S option.

ARTICLE II

MANAGEMENT'S OBLIGATIONS

1. MANAGEMENT shall, for the best interests of FARMER in all respects, dilligently and to the best of its ability:

a. Within the limits which may from time to time be specified by FARMER, exercise general supervision over the farm and ranch activities of FARMER to the end that the said activities shall be maintained in a proper manner and take charge of the maintenance of said FARMER'S farm activities on two hundred and fifty (250) or more but not to exceed two hundred and ninety (290) acres of the property as shall be designated by FARMER and as more fully outlined in Exhibit A attached hereto and by this reference made a part of this Agreement;

b. Centralize, supervise and coordinate the management and operation of said acreage, supplying for that purpose personnel who meet or exceed the qualifications required to perform such duties;

c. Within the limits which may from time to time be specified by FARMER and in accordance with the policies from time to time established by FARMER:

(1) MANAGEMENT guarantees FARMER a profit of at least One Hundred Twenty Five Dollars per acre. The total shall be payable in three installments on the days and in the proportions specified below:

	Payment Amount if: <u>280 acres used</u>	<u>290 acres</u>
April 30, 1980 One-Third	\$11,666.66	\$12,083.33
May 30, 1980 One-Third	\$11,666.66	\$12,083.33
July 30, 1980 One-Third	\$11,666.68	\$12,083.34

Installments that are not paid on the days specified shall bear interest at the maximum legal rate.

(2) MANAGEMENT shall fertilize the ground. The amount and kind of fertilizer to be placed on the soil shall be of sufficient quantity and quality to provide the crops MANAGEMENT intends to grow with their required needs during the period in which this Agreement is in force and in no event shall growing MANAGEMENT'S crops reduce, diminish or deplete the fertility, nutrient, or mineral content of the soil beyond its condition as of the beginning date of this Agreement.

(3) MANAGEMENT will pay all water costs for MANAGEMENT'S crops including providing its own surface irrigation pipe. Water costs include but are not limited to well maintenance except for "bowl replacement" for water pumps. Bowl replacement costs, if such action is determined by both parties to be a necessary repair, will be divided equally between FARMER and MANAGEMENT. MANAGEMENT further agrees to pay all electrical and other costs in pumping water to MANAGEMENT'S fields in addition to Fifty Percent (50%) of pump bowl replacement cost. If FARMER determines that water is necessary for his own purposes, FARMER shall have the right to designate the time and quantity of the water he needs for his use and will reimburse MANAGEMENT a reasonable amount based on actual pump operation time. FARMER'S cost for purposes of determining reimbursement to MANAGEMENT will be the cost of electricity used to operate the pumps during FARMER'S use thereof.

(4) Within reasonable limits, FARMER shall be the sole judge of the extent to which MANAGEMENT shall prepare the land by disking for the alfalfa crop to be planted by FARMER upon the termination of this agreement.

d. Generally perform such other duties as it may deem necessary or desirable within the limits created by FARMER

in order to effectuate an efficient, harmonious and economical operation of said activities;

ARTICLE III

FARMER'S OBLIGATIONS

FARMER agrees to provide MANAGEMENT the land on which to conduct its activities. FARMER disclaims any express or implied warranties as to the quality and quantity of land and water that he is providing to MANAGEMENT during the term of this Agreement.

ARTICLE IV

GENERAL PROVISIONS

1. MANAGEMENT shall not be liable to FARMER for any error of judgment nor for any act or omission which occurs during the good faith performance by MANAGEMENT of its duties under the terms of this Agreement.
2. So long as MANAGEMENT conscientiously performs its duties herein, its employment shall be irrevocable during the term hereof.
3. Nothing contained in this Agreement shall be construed to create the relationship of principal and agent or a partnership or a joint venture or landlord and tenant, or any association between MANAGEMENT and the FARMER, and neither shall any of the provisions contained in this Agreement nor any act of the parties be deemed to create any relationship between MANAGEMENT and FARMER, other than the relationship of independent contractor.
4. It is understood and agreed that nothing contained herein shall operate to prevent MANAGEMENT from engaging in any form of business activity provided the same does not impair its ability to carry out its duties and obligations under this Agreement.

5. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legatees, legal representatives, successors and assigns.

6. The parties hereto shall execute any instruments in writing which will be necessary or appropriate to carry out the purpose or intent of this Agreement.

7. This Agreement may be altered or amended in whole or in part at any time by a writing signed by all of the parties.

8. This Agreement shall terminate upon the occurrence of any of the following events:

- a. The written agreement of all the parties hereto;
- b. The bankruptcy, receivership or dissolution of either party; or
- c. The sale by FARMER of his business activities; however, prior to termination of this Agreement by the sale of his business activities, FARMER shall give thirty (30) days written notice to MANAGEMENT of such termination.

9. The failure of any party to enforce at any time any of the provisions of this Agreement, or any rights they may have in respect thereto, or to exercise any right herein provided, shall in no way be considered to be a waiver of such provisions or rights or in any way to affect the validity of this Agreement. The exercise by any party hereto of their rights herein or any of their elections under the terms or covenants herein shall not preclude or prejudice such parties from exercising the same or any other right they may have under this Agreement, irrespective of any previous action or proceedings taken by such parties hereunder.

10. Any notices required by or concerning this Agreement that one party may wish to give to another shall be by mail, postage prepaid, or by cable, charges prepaid, and shall be for-

warded to the respective addresses set forth as follows:

ROY L. BYRNES
Postal Drawer 1029
San Juan Capistrano, CA 92693

MR. WILLIAM WITMAN, President
Witman Ranch, Inc.
P. O. Box 1959
Escondido, California 92025

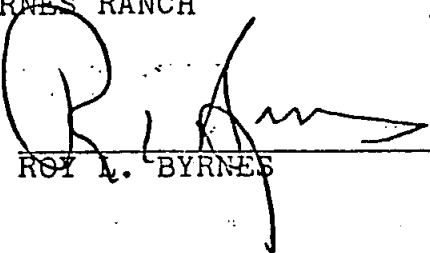
11. This Agreement shall be governed by the laws of the State of California.

12. Time is of the essence in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives on the date first written above.

BYRNES RANCH

By

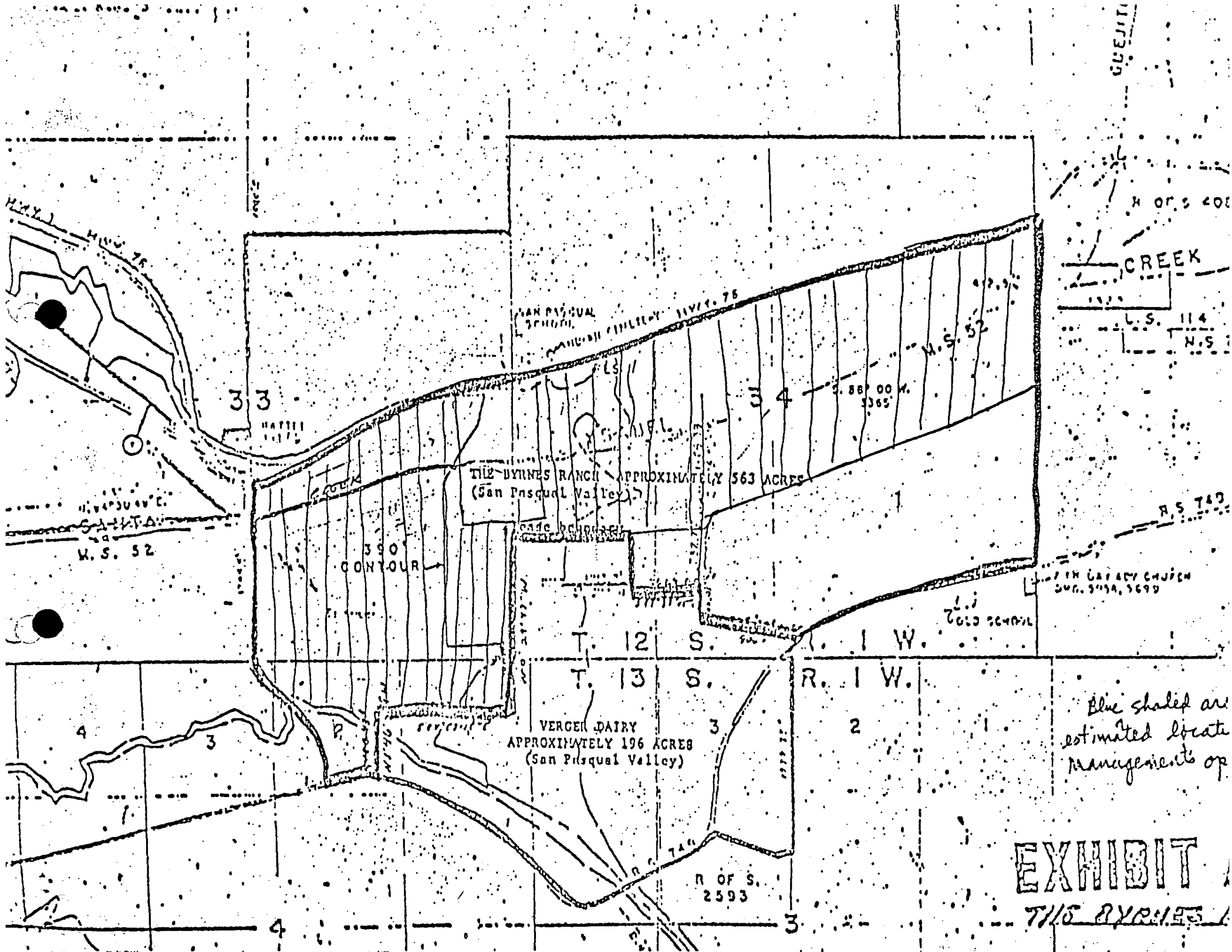


ROY L. BYRNES

WITMAN RANCH, INC.

By

WILLIAM WITMAN, President



WITMAN RANCH

OPERATING AGREEMENTS

KEEP ON LEGAL SIDE OF FILE

JOINT OPERATING AGREEMENT

THIS AGREEMENT made and entered into as of the 15 day of Jan, 1980, by and between WITMAN RANCH, INC., hereafter referred to as "WITMAN", and CHARLES JANCIC, hereinafter referred to as "OPERATOR".

R E C I T A I S

WHEREAS, the parties have been since 1973 cooperating in the developing and production of ornamental horticultural products and other agricultural products on property of WITMAN; and

WHEREAS, ~~they~~ they wish to update their agreement and provide for certain changes therein.

NOW, THEREFORE, for and in consideration of the covenants and agreements hereinafter mentioned, the parties agree as follows:

1. WITMAN agrees to make available to OPERATOR, acreage, not to exceed SIXTY (60) acres, in the San Pasqual Valley, San Diego County, and within the area outlined on Exhibit "A" attached hereto, irrigation water, as required, and management expertise.
2. The term of this Agreement shall be from the date hereof to December 31, 1982, subject to the right of extension as hereinafter set forth.
3. The land shall be used only for the development and production of ornamental horticultural products.
4. As consideration for this cooperative utilization of WITMAN's acreage, water and management expertise, OPERATOR agrees to pay to WITMAN FIVE PERCENT (5%) of his net profit, such payments to be made not less often than annually, on or before January 31st of each year for the preceding year.
5. OPERATOR agrees to pay all taxes, assessments,

charges, licenses and demands levied upon or against his operations on the acreage, together with taxes upon all personal property of OPERATOR used on the acreage, and to pay as it shall come due, the San Diego possessory interest tax relating to said acres.

6. OPERATOR agrees to pay all water and other utilities servicing the said acreage. OPERATOR shall have the right to make such improvements as are necessary, and within the terms of "WITMAN's" lease with the City of San Diego, to run such utilities to the acreage.

7. OPERATOR will save WITMAN free and harmless and indemnify WITMAN against all claims for labor and material in connection with the use of said land, and the cost of defending against such claims, including reasonable attorneys' fees.

8. OPERATOR covenants and agrees at all times during the term of this agreement, to save WITMAN free and harmless of and from each and every claim or demand at any time made or asserted, or claimed, by or on behalf of any person or persons against WITMAN, arising out of or resulting from the use and occupancy of the said land by OPERATOR, his agents or servants. OPERATOR agrees to pay all costs and attorneys' fees of WITMAN in defending against any loss or liability hereunder.

OPERATOR shall, at his own expense, at all times during the term of this Agreement, cause to be maintained in full force and effect a policy or policies of public liability and property damage insurance in limits of at least ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) for injury to or death of any one person and THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) for injury to or death of any two or more persons, and TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) for property damage in any one accident, appening or event. The said policy or policies shall name OPERATOR and WITMAN as assureds and shall insure said assureds, and each of

them, against all claims or demands of any and all persons for injuries, including death, and/or property damage, sustained by any person or persons resulting from, arising out of, or in anywise connected with the use and occupancy of the said acreage by OPERATOR.

9. OPERATOR will not assign this Agreement, nor any part of his interest therein, without the written consent of WITMAN, which consent WITMAN agrees to not unreasonably withhold. Provided that OPERATOR may, without WITMAN's consent, transfer his interest in this Agreement to a family trust of which he is Trustee or to a corporation of which he is the controlling shareholder.

10. WITMAN agrees to provide adequate ingress and egress to the said acres and the OPERATOR agrees to provide adequate fencing around the said acres to protect his products from grazing animals; OPERATOR understands that animals graze on land adjacent to the said acres and waives any claim he may have against WITMAN for damages to his products due to grazing animals.

11. Subject to the terms of WITMAN's lease from the City of San Diego, any improvements made by OPERATOR to or on the said acreage shall remain the personal property of the OPERATOR, provided that, in the event this Agreement is cancelled due to the default of OPERATOR, such improvements shall remain on the acreage and become the property of WITMAN.

12. The OPERATOR, if he is not then in default under any conditions of this Agreement, shall have the right, upon written notice to WITMAN, to extend the term of this Agreement for additional periods of FIVE (5) years each for so long as WITMAN, or his successors or assigns, owns or controls the said land.

13. The OPERATOR acknowledges that the said acreage is now leased to WITMAN by the City of San Diego, which lease

terminates on December 31, 1992, and that this operating Agreement is subject to the terms and conditions of that lease, a copy of which OPERATOR acknowledges having received. OPERATOR agrees in its operations to comply with the terms of said lease and WITMAN agrees that it will not permit the lease with the City to be terminated due to any of its actions. Should WITMAN's lease with the City be subject to termination due to non-payment. OPERATOR shall have the right to make such payments and deduct them from the sums due to WITMAN under this Agreement.

Should any portion of the acreage set forth in Exhibit "A" be removed by the City of San Diego, and such removal affects OPERATOR's improvements or stock and WITMAN receives any remuneration therefor, any such sums paid by the City shall be paid to OPERATOR.

14. Should default be made in the payment of any sums due hereunder, which default continues for FIFTEEN (15) days, or in the performance of any terms or conditions herein contained, then WITMAN shall have the right to: (1) terminate this Agreement, provided that if the default is other than payment of any sums due, WITMAN shall give OPERATOR notice of the default and OPERATOR shall have THIRTY (30) days from receipt of the notice to correct the default and if corrected within THIRTY (30) days then WITMAN may not terminate the Agreement; or, (2) treat the Agreement as continuing and enforce it by such appropriate legal remedy as is then available to it.

15. If OPERATOR shall become insolvent or make an assignment for the benefit of creditors or be adjudged a bankrupt or a receiver or trustee of the property of the OPERATOR shall be appointed, or this Agreement devolve or pass to any person other than OPERATOR, its heirs, executors or administrators, WITMAN shall have the right and option to terminate this Agreement at any time.

16. At the expiration of this Agreement at the end of its term, or extensions thereof, the OPERATOR shall have the right, if there is still stock (including marketable trees), equipment, personal property, and movable improvements thereon, to remove same for a period of NINETY (90) days, after which such property not removed remains as property of WITMAN. Extension of time for removal shall be given for a crop of marketable trees not yet harvested, such extension to be until the harvesting period is reached, provided that the net profit of that crop due WITMAN shall be paid to him as the crop is harvested. If this Agreement is terminated due to the default of the OPERATOR, all such property of OPERATOR then on the acreage shall remain and become the property of WITMAN.

17. In the event either party is compelled to retain the services of an attorney to enforce any of the provisions of this Agreement or for damages for the breach of any term thereof, the prevailing party shall be entitled to recover from the other party reasonable sums as and for the fees charged by the attorney for the prevailing party or if a court action is involved, fees and costs as determined reasonable by the court.

18. WITMAN has an Agreement similar to this with the BERQUIST FAMILY TRUST encompassing TEN (10) (+) acres and WITMAN hereby gives to OPERATOR the option to include the additional acreage under this Agreement should the BERQUIST Agreement terminate. This option must be exercised by OPERATOR in writing within THIRTY (30) days after receipt of knowledge that the acreage is available.

MISCELLANEOUS:

1. In the event OPERATOR shall, for any reason, remain in possession of the said acreage, or any part thereof, after the expiration of the term hereof or any extension thereof,

with the consent of WITMAN, such holding over shall be considered a quarter to quarter term only upon the same terms and conditions as herein set forth.

2. Any notice or demand which OPERATOR may wish to serve on WITMAN may be given by delivering it personally to WITMAN's office, or by mailing it, certified mail, return receipt requested, to WITMAN RANCH, INC., P. O. Box 1959, Escondido, California 92025.

3. Any notices or demands which WITMAN may wish to serve on OPERATOR may be given by personally delivering it to him or by mailing it, certified mail, return receipt requested, to CHARLES JANCIC, 8657 Golden Ridge Rd., Lakeside, Ca. 92040.

4. This Agreement constitutes the entire understanding between the parties relative to the utilization of WITMAN's property by OPERATOR for the purposes stated herein and all prior negotiations and oral agreements are merged into and included in this Agreement.

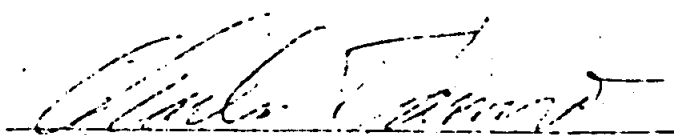
5. Subject to other provisions of this Agreement, all of the terms, conditions and provisions of this Agreement shall extend to and bind or inure to the benefit of the respective heirs, executors, administrators, successors and assigns of the OPERATOR and WITMAN.

IN WITNESS WHEREOF, WITMAN and the OPERATOR have executed this Agreement the date and year first above written.

WITMAN RANCH, INC.

By


Henry H. Witman, III
President


Charles Jancic

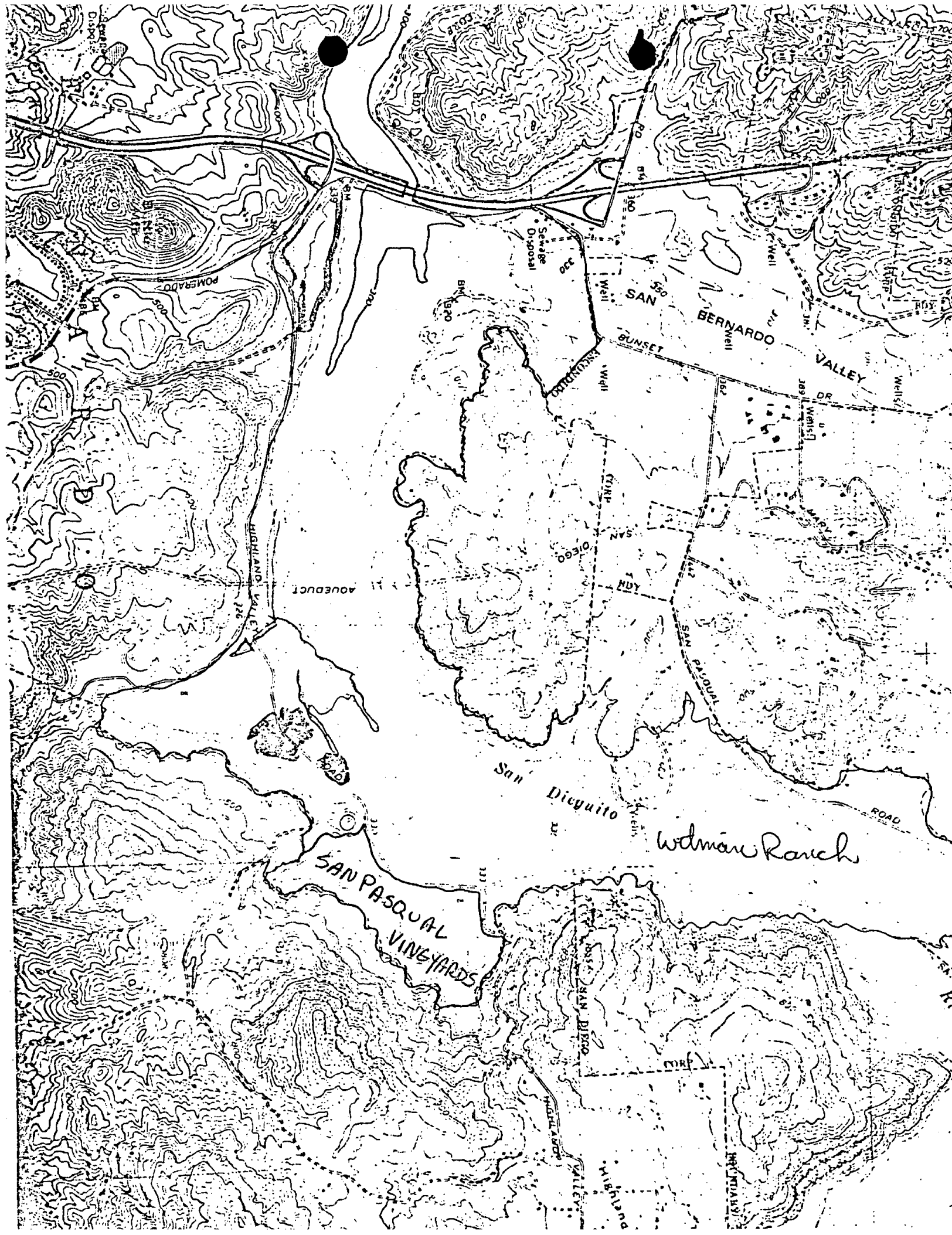




EXHIBIT "A"

JOINT OPERATING AGREEMENT

THIS AGREEMENT made and entered into as of the 1st day of January, 1980, by and between WITMAN RANCH, INC., hereafter referred to as "WITMAN", and THE BERQUIST FAMILY TRUST U/A/T dated February 21, 1974, hereinafter referred to as "OPERATOR".

R E C I T A L S

WHEREAS, the parties have been since 1973 cooperating in the developing and production of ornamental horticultural products and other agricultural products for sale on property of WITMAN; and

WHEREAS, they wish to update their agreement and provide for certain changes therein;

NOW, THEREFORE, for and in consideration of the covenants and agreements hereinafter mentioned, the parties agree as follows:

1. WITMAN agrees to make available to OPERATOR, acreage, not to exceed ten (10)± acres, in the San Pasqual Valley, San Diego County, and within the area outlined on Exhibit "A" attached hereto, irrigation water, as required, and management expertise.

2. The term of this Agreement shall be from the date hereof to December 31, 1981, subject to the right of extension as hereinafter set forth.

3. The land shall be used only for the development, production, and sale of ornamental horticultural products and other agricultural products.

4. As consideration for this cooperative utilization of WITMAN's acreage, water and management

expertise, OPERATOR agrees to pay to WITMAN FIVE PERCENT (5%) of his net profit, such payments to be made not less often than annually, on or before January 31st of each year for the preceding year.

5. OPERATOR agrees to pay all taxes, assessments, charges, licenses and demands levied upon or against his operations on the acreage, together with taxes upon all inventory and personal property of OPERATOR used on the acreage, and to pay as it shall come due, a prorata share of the San Diego possessory interest tax relating to said acres.

6. OPERATOR agrees to pay all water and other utilities servicing the said acreage. OPERATOR shall have the right to make such improvements as are necessary, and within the terms of "WITMAN's" lease with the City of San Diego, to run such utilities to the acreage.

7. OPERATOR will save WITMAN free and harmless and indemnify WITMAN against all claims for labor and material in connection with the use of or improvements on said land, and the cost of defending against such claims, including reasonable attorneys' fees.

8. OPERATOR covenants and agrees at all times during the term of this agreement, to save WITMAN free and harmless of and from each and every claim or demand at any time made or asserted, or claimed, by or on behalf of any person or persons against WITMAN, arising out of or resulting from the use and occupancy of the said land by OPERATOR, his agents or servants. OPERATOR agrees to pay all costs and attorneys' fees of WITMAN in defending against any loss or liability hereunder.

OPERATOR shall, at his own expense, at all times during the term of this Agreement, cause to be maintained in full force and effect a policy or policies of public liability and property damage insurance in limits of at least ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) for injury to or death of any one person and THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) for injury to or death of any two or more persons, and TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) for property damage in any one accident, happening or event. The said policy or policies shall name OPERATOR and WITMAN as assureds and shall insure said assureds, and each of them, against all claims or demands of any and all persons for injuries, including death, and/or property damage, sustained by any person or persons resulting from, arising out of, or in anywise connected with the use and occupancy of the said acreage by OPERATOR.

9. OPERATOR will not assign this Agreement, nor any part of his interest therein, without the written consent of WITMAN, which consent WITMAN agrees to not unreasonably withhold.

10. WITMAN agrees to provide adequate ingress and egress to the said acres and the OPERATOR agrees to provide adequate fencing around the said acres to protect its products from grazing animals; OPERATOR understands that animals graze on land adjacent to the said acres and waives any claim he may have against WITMAN for damages to its products due to grazing animals.

11. Subject to the terms of WITMAN's lease from the City of San Diego, any improvements presently

existing or hereafter made by OPERATOR to or on the said acreage shall remain the personal property of the OPERATOR, provided that, in the event this Agreement is cancelled due to the default of OPERATOR, such improvements shall remain on the acreage and become the property of WITMAN.

12. The OPERATOR, if he is not then in default under any conditions of this Agreement, shall have the right, upon written notice to WITMAN, to extend the term of this Agreement for additional periods of FIVE (5) years each for so long as WITMAN, or his successors or assigns, owns or controls the said land under the terms of his lease from the City of San Diego.

13. The OPERATOR acknowledges that the said acreage is now leased to WITMAN by the City of San Diego, which lease terminates on December 31, 1992, and that this operating Agreement is subject to the terms and conditions of that lease, a copy of which OPERATOR acknowledges having received and read. OPERATOR agrees in its operations to comply with the terms of said lease and WITMAN agrees that it will not permit the lease with the City to be terminated due to any of its actions. Should WITMAN's lease with the City be subject to termination due to non-payment, OPERATOR shall have the right to make such payments and deduct them from the sums due to WITMAN under this Agreement.

Should any portion of the acreage set forth in Exhibit "A" be removed by the City of San Diego, and such removal affects OPERATOR's improvements or stock and WITMAN receives any remuneration therefor, any such sums paid by the City shall be paid to OPERATOR.

14. Should default be made in the payment of any sums due hereunder, which default continues for FIFTEEN (15) days, or in the performance of any terms or conditions herein contained, then WITMAN shall have the right to: (1) terminate this Agreement, provided that if the default is other than payment of any sums due, WITMAN shall give OPERATOR notice of the default and OPERATOR shall have THIRTY (30) days from receipt of the notice to correct the default and if corrected within THIRTY (30) days then WITMAN may not terminate the Agreement; or, (2) treat the Agreement as continuing and enforce it by such appropriate legal remedy as is then available to it.

15. If OPERATOR shall become insolvent or make an assignment for the benefit of creditors or be adjudged a bankrupt or a receiver or trustee of the property of the OPERATOR shall be appointed, or this Agreement devolve or pass to any person other than OPERATOR, its heirs, executors or administrators, WITMAN shall have the right and option to terminate this Agreement at any time.

16. At the expiration of this Agreement at the end of its term, or extensions thereof, the OPERATOR shall have the right, if there is still stock (including marketable trees), equipment, personal property, and movable improvements thereon, to remove same for a period of NINETY (90) days, after which such property not removed remains as property of WITMAN. Extension of time for removal shall be given for a crop of marketable trees not yet harvested, such extension to be until the

harvesting period is reached, provided that the net profit of that crop due WITMAN shall be paid to him as the crop is harvested. If this Agreement is terminated due to the default of the OPERATOR, all such property of OPERATOR then on the acreage shall remain and become the property of WITMAN.

17. In the event either party is compelled to retain the services of an attorney to enforce any of the provisions of this Agreement or for damages for the breach of any term thereof, the prevailing party shall be entitled to recover from the other party reasonable sums as and for the fees charged by the attorney for the prevailing party or if a court action is involved, fees and costs as determined reasonable by the court.

MISCELLANEOUS:

1. In the event OPERATOR shall, for any reason, remain in possession of the said acreage, or any part thereof, after the expiration of the term hereof or any extension thereof, with the consent of WITMAN, such holding over shall be considered a quarter to quarter term only upon the same terms and conditions as herein set forth.

2. Any notice or demand which OPERATOR may wish to serve on WITMAN may be given by delivering it personally to WITMAN's office, or by mailing it, certified mail, return receipt requested, to WITMAN RANCH, INC., P. O. Box 1959, Escondido, California 92025.

3. Any notices or demands which WITMAN may wish to serve on OPERATOR may be given by personally

delivering it to him or by mailing it, certified mail, return receipt requested, to The BERQUIST FAMILY TRUST, 22428 Victory Blvd., Woodland Hills, California 91364.

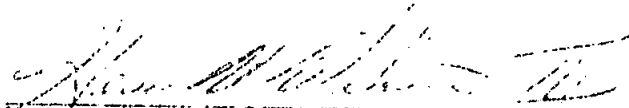
4. This Agreement constitutes the entire understanding between the parties relative to the utilization of WITMAN's property by OPERATOR for the purposes stated herein and all prior negotiations and oral agreements are merged into and included in this Agreement.

5. Subject to other provisions of this Agreement, all of the terms, conditions and provisions of this Agreement shall extend to and bind or inure to the benefit of the respective heirs, executors, administrators, successors and assigns of the OPERATOR and WITMAN.

IN WITNESS WHEREOF, WITMAN and the OPERATOR have executed this Agreement the date and year first above written.

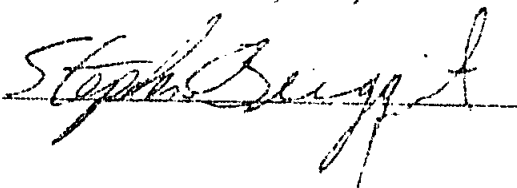
WITMAN RANCH, INC.

By


Henry H. Witman, III
President

THE BERQUIST FAMILY TRUST
U/A/T dtd February 31, 1974

By



DOCUMENT 760420 761316 RESOLUTION NO. 219100 ORDINANCE NO. 72711

TERM: Fifteen (15) years BEGINNING 1-1-78

LEGAL DESCRIPTION: Por Rho Bernardo

C 701 WW #001
PROPERTY FILE CODE: -RDB-
SIZE: 1453+ Acres
DRAWING NO.

PURPOSE: Mixed row horticulture and forage crops integrated with cattle grazingsREMARKS: CPI Base Index - (to be set up @ 1-1-78) 182.96 - average for
Oct., Nov., Dec. 1977RENT: \$9,500.00 PER ~~XXX~~/QTR/~~XXX XXXXXX~~CREDIT FUND 500 ACCOUNT 79062BILLED ON 1st FOR PERIOD IN ADVANCE. PENALTY: 5% AFTER 1st 10% AFTER 15 DAYSCONTACT William WitmanADDRESS P.O. Box 1959, Escondido, CA ZIP 92025 PHONE 747-3632 (B)(NAME OF LESSEE)
WITMAN RANCH, INC.(BRIEF LEGAL)
(San Pasqual Valley)
Por Rho Bernardo(EXPIRATION DATE)
12-31-93

DOCUMENT 761316 RESOLUTION NO. _____ ORDINANCE NO. _____

TERM: (12) Twelve Years **AMENDMENT:** 1/1/81

LEGAL DESCRIPTION: RHO San Bernardo Por.

PROPERTY FILE CODE C701WW/001
SIZE: 1,453 + AC
DRAWING NO.

PURPOSE: Mixed row horticulture & forage crops integrated with
cattle grazing.REMARKS: CPI Base IndexRENT: \$5,771.25 PER ~~MO~~/QTR/~~XXX XXXXXX~~ (Yearly Min. Rental \$23,085)CREDIT FUND 41500 ACCOUNT 75661BILLED ON 1st FOR PERIOD IN ADVANCE. PENALTY: 5% AFTER 1st 10% AFTER 15 DAYSCONTACT Bill WitmanADDRESS P.O. Box 1954, Escondido, CA ZIP 92025 PHONE (714) 747-3632(NAME OF LESSEE)
WITMAN RANCH, INC.(BRIEF LEGAL)
RHO San Bernardo Por (San Pasq. Vly)(EXPIRATION DATE)
12/31/93

DOCUMENT 761147 RESOLUTION NO. 219045 ORDINANCE NO. _____TERM: FIFTEEN YEARS BEGINNING 1/1/78

LEGAL DESCRIPTION:

Rho Bernardo por San Pasqual Villy

PROPERTY FILE CODE: C701WW 001SIZE: 1453 Acres

DRAWING NO. _____

PURPOSE: mixed row horticulture & forage crops- cattle grazing.

REMARKS: Amendment adjusts lease to \$23,300 per year. Effective 1/1/81
rent credit of \$19,268 granted lease. Lessee paid \$9,500 rent for
1st qtr. 1981. \$19,268 + \$9,500 = 28,768 credit as of 1/1/81. Rent owed 1/1/81 to
3/31/82 = \$29,125. \$29,125 less credit of \$28,768 = \$357.00. Lessee presently
owes to pay rent in full through 3/31/82.

RENT: Rent eff. 1/1/85 PER QTR. AND/OR _____RENT \$10,795.67 Per Qtr. CREDIT FUND 41500 ACCOUNT 75661BILLED ON 1st FOR PERIOD IN ADVANCE PER PENALTY: 5% AFTER 1st 10% AFTER 15th DAYSCONTACT Bill WitmanADDRESS P.O. BOX 1959 ESCONDIDO CA ZIP 92025 PHONE (619) 747-3632

(NAME OF LESSEE)

(BRIEF LEGAL)

(EXPIRATION DATE)

WITMAN RANCH, INC.

SAN PASQUAL VALLEY

12/31/93

39,355.00
 on year