

SUBLEASE BETWEEN WITMAN RANCH, INC. AND VERGER DAIRY FARM

(Area is 10 acres)

- The term of the sublease shall be from April 1, 2003 through December 31, 2006, or sooner if Verger Dairy Farm is no longer a lessee of the City of San Diego.
- For the remainder of 2003, Witman Ranch will pay rent to Verger Dairy Farm in the amount of \$225.00 per acre, half of which will go to the City of San Diego.
- Between the years 2004-2006, Witman Ranch will pay rent to Verger Dairy Farm in the amount of \$300.00 per acre, half of which will go to the City of San Diego.
- Rent will be due in its entirety by December 31st of the current year for the following year.
- Water for Witman Ranch will be provided from adjoining Witman Ranch Lease.

~~Amount due for April 1, 2003 through December 31, 2003 = \$2,250.00~~

DCM
3/2/04

Amount due for January 1, 2004 through December 31, 2004 = \$3,000.00

ADDENDUM A

MINIMUM STANDARD SUBLEASE CONDITIONS

ASSIGNMENT AND SUBLEASING: SUBLEASSEE, hereinafter, "Witman Ranch", shall not assign the sublease or sublet the premises or any part thereof without the prior written consent of LESSEE, hereinafter, "Verger Dairy Farm", and the city of San Diego, hereinafter, "City". An assignment by operation of law shall automatically terminate this lease.

HOLDHARMLESS: Witman Ranch shall assume the defense of, indemnity and hold harmless Verger Dairy Farm and City from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the leased premises, the conditions of the premises or from any act or omission of Witman Ranch, his agents and invitees; provided, however, Witman Ranch's duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the City, its agents, officers, or employees.

INSURANCE: Witman Ranch shall be insured by an insurance carrier acceptable to Verger Dairy and City against loss from public liability arising from the use or condition on or operation conducted on the leased premises. Minimum coverage shall be \$1 million (one million dollars) COMBINED SINGLE LIMIT LIABILITY. A copy of the policy of insurance shall be filed with City and shall name "The City of San Diego" and "The Verger Dairy Farm" as additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without 30 days prior written notice to CITY and Verger Dairy Farm by the insurance company.

LEGAL PROCEEDINGS: Should it become necessary for Verger Dairy Farm or City to commence legal proceeding to collect rent, to recover possession or enforce any other provision of this lease, the prevailing party shall be entitled to an award of reasonable costs, including court and attorney's fees.

SUBORDINATION: This agreement is in effect a Sublease of a portion of the premises covered by that certain Lease Agreement dated _____ as amended between the The Verger Dairy Farm and the City of San Diego. This sublease is subject and subordinate to the covenants and conditions of said Lease Agreement notwithstanding any provision hereof contrary to or in conflict with said agreement.

X

Don Verger

Verger Dairy Farm

X

[Signature]

Witman Ranch