

1 William M. Smiland, Esq., SBN 41928  
Theodore A. Chester, Jr., Esq., SBN 105405  
2 SMILAND CHESTER LLP  
601 West Fifth Street, Suite 1100  
3 Los Angeles, California 90071  
Telephone: (213) 891-1010  
4 Facsimile: (213) 891-1414  
Attorneys for Landinv, Inc.  
5 Bruce Burrows and 300 A 40 H, LLC

6  
7  
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 COUNTY OF LOS ANGELES

10 Coordination Proceeding Special Title  
(Rule 1550 (b))

Judicial Council Coordination No. 4408  
[Assigned to Hon. Jack Komar; Dept 4408]

11 **ANTELOPE VALLEY GROUNDWATER**  
12 **CASES**

Santa Clara Co. Case No. 1-05-CV-049053

13 Included **CONSOLIDATED** Actions:

**NOTICE OF DEPOSITION OF JOHN  
CALANDRI AND REQUEST FOR  
PRODUCTION OF DOCUMENTS AT  
DEPOSITION**

14 Los Angeles County Waterworks District No.  
15 40 vs. Diamond Farming Company  
16 Los Angeles Superior Court Case No.  
BC325201

Date: April 23, 2013  
Time: 9:00 a.m.,  
Location: Veritext  
707 Wilshire Blvd., Suite 3500  
Los Angeles, California 90017

17 Los Angeles County Waterworks District No.  
18 40 vs. Diamond Farming Company  
19 Kern County Superior Court Case No. S-1500-  
CV-254348 NFT

Telephone: (877) 207-0062

20 Diamond Farming Company vs. City of  
21 Lancaster  
22 Riverside County Superior Court Lead Case  
23 No. RIC 344436 [Consolidated w/ Case Nos.  
344668 & 353840]

24  
25 Willis v. Los Angeles County Waterworks  
26 District No. 40; Los Angeles Superior Court  
Case No. BC 364553

27 Wood v. Los Angeles County Waterworks  
28 District No. 40; Los Angeles Superior Court  
Case No. BC 391869

1           **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2           **PLEASE TAKE NOTICE** that Landinv, Inc., will take the deposition of John Calandri  
3 on April 23, 2013 at 9:00 a.m. at the offices of Veritext located at 707 Wilshire Boulevard, Suite  
4 3500, Los Angeles, California 90017; Telephone: (877) 207-0062. This deposition will be taken  
5 upon oral examination before a Certified Shorthand Reporter. This noticing party also intends to  
6 record the testimony by audio technology, video technology, and the testimony by stenographic  
7 method through the instant visual display of the testimony.

8           Said deposition will continue from day to day, excluding Sundays and holidays, until  
9 complete. If an interpreter is needed and/or desired by the deponent, it is requested that the  
10 undersigned be notified no later than five (5) days before the date of the deposition.

11           **YOU ARE FURTHER NOTIFIED** that the deponent is required to produce the  
12 documents, records, or other materials at the deposition in response to the attached Request for  
13 Production of Documents.

14 Dated: April 9, 2013

SMILAND CHESTER LLP

15  
16 By: 

Theodore A. Chester  
Attorneys for Landinv, Inc., Bruce  
Burrows and 300 A 40 H, LLC

1                                   **REQUEST FOR PRODUCTION OF DOCUMENTS**

2                   **REQUEST FOR PRODUCTION NUMBER 1:**

3                   Produce all groundwater pump meter records, groundwater electrical meter records,  
4 groundwater pump diesel records, groundwater pump tests, and all other records relating to the  
5 amount of groundwater pumped from 2000 through 2012 with respect to the following properties  
6 (the "Properties"): Kern County APN 358-030-03; and Los Angeles County APNs 3201-003-  
7 005, 3201-003-006, and 3201-004-007.

8                   **REQUEST FOR PRODUCTION NUMBER 2:**

9                   Produce all records relating to the farming and irrigation of the Properties, including all  
10 crop maps, for the period from 2000 through 2012.

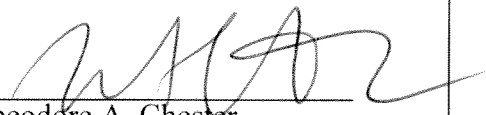
11                   **REQUEST FOR PRODUCTION NUMBER 3:**

12                   Produce all records that support, or otherwise relate to, the matters set forth in that certain  
13 letter, dated December 30, 2011, from Son Rise Farms to Smiland Chester LLP, attached as  
14 Exhibit A, hereto.

15 Dated: April 9, 2013

SMILAND CHESTER LLP

17  
18 By: \_\_\_\_\_

  
Theodore A. Chester  
Attorneys for Landinv, Inc., Bruce  
Burrows and 300 A 40 H, LLC

## **EXHIBIT A**



JAC

**SonRise Farms**  
742 West Avenue L  
Lancaster, CA 93534  
661/945-1359  
Fax: 661/945-2930

December 30, 2011

Mr. Ted Chester  
Smiland & Chester LLP  
601 West Fifth Street, Suite 1100  
Los Angeles, Ca. 90071

RE: Landinv, Inc.

Dear Mr. Chester:

Per your written request of November 21, 2011 and a subsequent telephone call from your assistant Felicia I am enclosing with this letter the following items:

Leases:

1. Lease between Delfern Properties for 2001
2. Lease between Delfern Properties for 2002
3. Lease between Landinv, Inc. for 2003
4. Modification of Lease Landinv, Inc. for 2004

Crop Information

1. Carrots 55 acres and 132 acres for 2001
2. Carrots 154 acres and 147 acres for 2001
3. Onions 147 acres for 2002
4. Carrots 205 acres and 240 acres for 2003
5. Potatoes 28 acres for 2004

Diesel Information:

- Diesel deliveries were not tracked

Water Pumping Information:

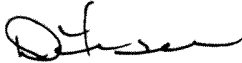
- We did not file with the State of California

Please accept my apologies for the delay in obtaining the information to you. It is a very busy time of the year and I had to get into many boxes of archived documents to review all of the information.

The hours worked on this project were 8 hours for a clerk and 6 hours for me. Mr. Calandri decided to waive any charges to you.

I hope this information is helpful to your client; should you have any questions please telephone me at the numbers above or through the e mail address I have provided.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donna Fraser".

Donna Fraser  
Administrative Assistant

COPY

**LEASE**

This Lease, made by and between **Delfern Properties** referred to in this Lease as "Lessor", and **John Calandri Farms, Inc., a California Corporation** referred to in this Lease as "Lessee", is made upon the following terms and conditions:

**1. Term of Lease**

This Lease shall be for a period of **Twelve (12)** consecutive months beginning **January 1, 2001** and ending **December 31, 2001**.

This Lease shall encompass approximately **246 acres** known as Assessor's Parcel Number's **3201-003-005 & 006 and 3201-004-007**, the legal description of which is attached hereto as Exhibit "A" and incorporated herein by reference.

Lessor reserves the right to sell the leased premises at any time during the term of this Lease, and in the event of such sale, the buyer would purchase said property subject to the existing Lease.

**2. Purpose for which Premises are to be Used**

The Leased premises are to be used by Lessee for the purpose of farming; and for such purpose Lessee is authorized to cultivate, irrigate, fertilize, fumigate, and do all other acts which may be reasonable and necessary in connection with such farming operation. Lessee shall conduct its farming in conformity with good agricultural operations. Lessee shall comply with all applicable State and Federal laws, including without limitation all applicable state and federal laws regarding the use of pesticides or hazardous or toxic materials, substances and or waste.

YR

### 3. Rental

Lessee agrees to pay by way of rent for the term of this lease the sum of **Twenty Five Thousand Dollars (\$25,000.00)** per year, which will be payable upon the execution of this Lease.

### 4. Occupancy

The leased land, and any improvements thereto that may currently exist, including, without limitation, any well(s) that may currently exist shall be accepted by Lessee "as is", without representation or warranties by Lessor of any kind. Lessee agrees to purchase and maintain during the term of this Lease, at Lessee's sole cost and expense, and with companies acceptable to Lessor, public liability insurance for protection against liability to persons or property or claims arising as an incident to the use of, or resulting from, any accident or event occurring in or about the premises. The limits of liability under said public liability insurance shall be no less than one million dollars (\$1,000,000.00) for any one accident, and one hundred thousand dollars (\$100,000.00) for property damage. Lessor shall be named as an additional insured.

### 5. Utilities

Lessee agrees to pay for any and all utilities used in connection with Lessee's use of the leased land, including, without limitation the existing wells, if any, located on the property. Lessee agrees to have the names on the meters for the existing wells and any other utility used by Lessee changed to the name of Lessee. If extensions are required, same shall be at the expense of Lessee.

-1R



6. **Equipment**

The only equipment being leased in connection with this agreement is any existing well(s), pump(s), electric motor(s), engine(s), panel(s), Storage tank(s) or barn(s), which shall be the exclusive property of Lessee to use during the term of this Lease. Lessee shall be responsible for all repair and maintenance thereof. Lessor leases such equipment in as is condition, without representation as to its condition of efficacy for use in any purpose and without warranty of any kind.

7. **Assignment or Sublease**

With the specific exception of Son Rise Farms which is expressly approved for sublease, Lessee shall not sublease, assign, transfer or hypothecate this Lease without first obtaining the written consent of Lessor, which may be withheld unreasonably and in Lessor's sole and unfettered discretion, and in no event shall the demised premises be assigned, sublet, transferred or hypothecated unless the transferee shall provide evidence of adequate financial resources to fully comply with all of the terms of this Lease to the satisfaction of Lessor, and unless the transferee be in all respects a fit and proper person for the purpose of carrying out the obligation under this Lease.

8. **Condition of Premises**

Lessee acknowledges that it has inspected the demised premises, that the same are in good and tenantable condition. Lessor makes no representations or warranty with regard to the condition of the premises. Lessee shall not remove, alter, modify or demolish any building or other improvement located upon the demised premises or any improvement thereon. It shall be the obligation of Lessee to maintain, the Leased Premises, including

without limitation any well, pump, motor and underground main line, in as good condition as Lessee takes them, subject to ordinary wear and tear, Lessee shall be obligated to repair any damages and maintain the Leased Premises, including without limitation, any well, pump, motor and underground main line caused by Lessee's negligence or the negligence of their agent or employees.

If any or all of the wells servicing the Leased property are rendered inoperable by any act of God, including earthquakes, Lessee shall not be responsible for repairing same.

In the event any or all of said wells servicing the subject property become inoperable, Lessor shall have the option of repairing said well or wells at their own expense as quickly as possible, or terminating the Lease.

**8A. If Lease is so Terminated**

Lessee shall have the right to remain on the property long enough to harvest any growing crop, if they so desire, subject to the provisions of Paragraph 3, 4, 5 and 8 hereof, provided, however, in no event shall Lessee remain on the property from and after December 31, 1998.

**8B. Wells - Lessee's Option**

Notwithstanding Paragraph 8 above, if Lessor refuses to repair said well or wells, Lessee may choose to have said well or wells repaired at its own expense, in which event Lessor cannot terminate the Lease as set forth above.

**9. Compliance With Law**

Lessee shall at Lessee's sole expense, promptly comply with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and

requirements (hereinafter collectively referred to as "regulations") in effect during the term or any part of the term hereof, whether said regulation was in effect at the time of the signing of the Lease or became effective thereafter, regulating the use by Lessee of the premises, including, but not limited to State and/or Federal Superfund Laws, the Resource Conservation and Recovery Act, the Clean Water Act, the Federal Insecticide, Fungicide, & Rodenticide Act, the Hazardous Waste Control Act, or the Porter-Cologne Act. Lessee shall not use nor allow the use of the premises in any manner that would tend to create waste or a nuisance. Without limiting the generality of the foregoing, Lessee shall not allow or suffer the use, release or discharge on, in, around or under the premises of any material, chemical, substance or waste which is classified or regulated as a "toxic" or "hazardous" material, substance or waste by any applicable governmental or regulatory authority or agency (collectively "hazardous waste"). Lessee may apply during the term of the Lease the insecticides, pesticides, fumigants and fertilizer, so long as said application is in compliance with all applicable regulations, and the preceding sentence of this Paragraph 9. Lessee shall not store insecticides, pesticides, fumigants, hazardous wastes on the premises.

**9A. Indemnification**

Lessee shall indemnify, defend and hold Lessor harmless for any and all costs, expenses, including without limitation attorney's fees, or damages resulting from Lessee's use of the premises and Son Rise Farm's use of the premises as a sublessee.

**10. Mechanics' Liens and Encumbrances**

Lessee will not permit any mechanics', laborers', or materialmens' liens to stand against the demised property for any labor or material furnished to Lessee, or claimed to have

been furnished to Lessee or to Lessee's agents, contractors, or sub-lessees, in connection with work of any character performed on the demised premises, or claimed to have been performed on the demised premises, at the direction or insistence of Lessee; provided, however, that Lessee shall have the right to contest the validity of the amount of any such claims or lien provided Lessee gives Lessor reasonable security that may be demanded by Lessor with immediate notice of any such claim, lien, encumbrance and/or action arising out of any claim for labor or material furnished for the use or benefit of the demised premises.

**11. Right of Entry**

Lessor or his agents shall have the right to enter upon the demised premises at any reasonable time for the purpose of inspecting the condition thereof, or for the purpose of showing the same to any prospective purchaser or tenant thereof, or to conduct any necessary studies (e.g. soil), provided, however, Lessor shall not to interfere with Lessee's farming. Lessor shall provide Lessee with a minimum of forty-eight (48) hours advance written notification prior to entering upon the property to conduct any such study or showing. Notice pursuant to this Paragraph 11 may be sent to Lessee or his agents by Lessor via telecopier transmission, and such notice shall be deemed given at the time of such transmission. Lessee's telecopier number for the purposes of such notice is (805) 945-2930.

**12. Default of Lessee**

If any payments shall be due and unpaid after fifteen (15) days written notice of default, or if any default shall be made in any of the covenants or agreements on the part of Lessee contained in this Lease, or in the event Lessee is adjudicated as bankrupt or insolvent, or has a receiver appointed to receive the assets of Lessee, or has a Trustee appointed for

Lessee after a petition has been filed under the Bankruptcy Act of the United States, or if Lessee shall make an assignment for the benefit of creditors, or if Lessee shall vacate or abandon the demised premises, then in such event Lessor shall have the right at its election, then or at any time thereafter, to re-enter and take possession of the demised premises and terminate this Lease, in which event Lessee hereby covenants to peaceably and quietly yield up to Lessor the demised premises. Lessor shall also have the right, with or without resuming possession of the premises or terminating the Lease, to sue for and recover all rents and other sums, including damage at any time and from time to time accruing hereunder together with such other rights as may be provided Lessor by law. Lessor may further have the right, at its option, without terminating this Lease, to relet the premises for the remainder of the term to such tenants, and at such rentals as Lessor may agree upon and Lessee agrees to pay such deficiency to Lessor and further agrees to pay to Lessor, when ascertained, all costs and expenses incurred in such reletting. No re-entry or taking of possession of the demised premises by Lessor shall be construed as an election on Lessor's part to terminate the Lease unless a written notice of such intention is given to Lessee or unless the termination be decreed by a court of competent jurisdiction.

### 13. Surrender of Premises

At the expiration of the term of this Lease or any sooner termination of this Lease, Lessee agrees to quit and surrender the premises and all appurtenances thereon and in good state and condition as reasonable use and wear thereof will permit. Lessee shall remove any and all debris associated with Lessee's farming operation, leaving the land free of any reservoirs, pits, or earthen mounds that were created by Lessee.

-12

**14. Notices**

Any notice required or permitted to be given by Lessor to Lessee shall be deemed given if and when mailed in a sealed wrapper by United States mail, postage prepaid, properly addressed to Lessee, by certified mail with a return receipt. Any notice required or permitted to be given by Lessee to Lessor shall be deemed given if and when so mailed to Lessor, by certified mail with a return receipt.

Until changed, all notices and communications to the Lessor shall be addressed as follows:

VK Corporate Services Limited

Talbot House 204-226 Imperial Drive

Harrow, Middlesex HA 2 7HH

United Kingdom

And notices and communications to the Lessee shall be addressed as follows:

John Calandri Farms, Inc.

42016 Ivesgrove Drive

Lancaster, CA 93536

**15. Miscellaneous**

(a) Except as may be inconsistent with or contrary to the provisions of this Lease, no right or remedy granted or reserved to Lessor shall be intended to be exclusive of any other right or remedy which Lessor may otherwise have, and each and every such right or remedy shall be cumulative and in addition to any right or remedy given hereunder, or now or hereafter existing by law or in equity or by statute;

(b) Lessee waives for itself and those claiming under it all rights now and hereafter existing to redeem the demised premises after termination of Lessee's right to occupancy by order or judgment of any court;

(c) Reasonable attorney's fees and other expenses incurred by Lessor in enforcing any provision of this Lease or in any action or proceeding in which Lessor is successful by reason of the default by Lessee or by anyone holding under Lessee complying with any requirement of this Lease or incurred by Lessor by reason of any action to which Lessor shall be and shall constitute additional rent under the Lease provided that in the event of litigation concerning same, the losing party shall pay the reasonable expenses, including reasonable attorney's fees and costs of the prevailing party;

(d) No waiver by Lessor of any breach by Lessee of any of his obligations hereunder shall be deemed to be a waiver of any subsequent or continuing breach of the same or any other agreement under this Lease;

(e) In the event Lessee holds over after termination of the Lease, such holding over shall not be considered as or being a renewal of the Lease, but shall be construed solely as a tenancy from month to month under the same terms and conditions as are provided in this Lease and at the same rental rate, monthly prorated;

(f) This Lease, subject to the provisions on assignment and insolvency, shall be binding upon and inure to the benefit of the respective successors and assigns of the parties;

(g) Any transfer of the Lease by Lessee or any assigns of Lessee by operation of law or voluntary assignment with or without the consent of Lessor shall not diminish or affect the direct and primary liability of Lessee under this Lease;

JR

(h) If part of this Lease be declared unenforceable by any court or in violation of any law, such part shall be inoperative, and the remainder of this Lease shall be binding upon the parties hereto.

**16. Right of First Refusal**

It is agreed that so long as Lessee is not in default of any terms, conditions or covenants of this Lease, or any extension thereof, Lessee shall have the right of first refusal to again lease the demised premises for a period of six (6) months. After the expiration of the Lease contained herein, or any extension thereof, Lessor will notify Lessee in writing if it is Lessor's intent to again lease the demised premises, and shall specify the terms and conditions thereof. Lessee shall have fifteen (15) days from receipt of said notice to notify Lessor in writing of Lessee's election to again lease the demised premises, on such terms and conditions specified by Lessor. Should Lessee fail to notify the Lessor in writing of Lessee's election to lease demised premises, Lessee's Right of First Refusal shall be deemed waived. If Lessee notifies Lessor in the affirmative to lease the demised premises, the Lessor, within a reasonable period of time, shall draft leases and deliver them to Lessee for execution. Upon delivery of said leases, Lessee shall have (15) days in which to execute and return said leases to Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to again lease the demised premises to Lessee or any other person or entity.

**17. Non-Disturbance Agreement**

The Lessor covenants and agrees that, so long as the Lease is in full force and effect, the Lessee shall not be joined as a party defendant in any foreclosure action or proceeding which may be instituted or taken by the Beneficiary, nor shall the Lessee be



evicted from the demised premises, or any of the Lessee's rights under the Lease be affected in any way, by reason of any default under the secured debt except as hereinafter provided.

In the event any action is instituted by the Beneficiary to foreclose the secured debt or otherwise enforce it, the Lessee shall promptly upon notice by the Beneficiary pay to the Beneficiary all rent due and to become due under this Lease.

It is a condition of this Agreement that the Lessee shall not at any time make any payment of advance rent or prepay rent to the Owner prior to the time when rent payments are due. It being understood that the rent is payable annually in advance.

If the Beneficiary shall succeed to the position of the Owner, the Lessee shall attorn to the Beneficiary and recognize it as the Landlord under the Lease and promptly execute and deliver an attornment agreement upon request of the Lessor.

The covenants and agreements herein contained shall be deemed to be covenants running with the land and shall inure to the benefit of and be binding upon the successors in interest of the parties hereto.

**18. Water Adjudication**

Lessor and Lessee acknowledge that (a) a study by the United States Geologic Survey (USGS) and other agencies has been undertaken to determine, inter alia, the amount of local ground water and the impact of well pumping of same throughout the Antelope Valley and (b) the possibility exists that water rights to, and the amount of available water for, the subject property may be altered by State, County or Local government. Such alteration may affect the amount and/or cost of water available to Lessee hereunder.

-1R

If and when such "adjudication" of water rights takes place, Lessee shall have sixty (60) days to evaluate the impact of such adjudication on the operation of Lessee's business. If Lessee determines, in its sole discretion, that such an adjudication shall have an adverse impact, then Lessee may terminate this Lease, without any additional cost, penalty, or consideration for such termination, upon thirty days' written notice to Lessor.

19. Venue

This agreement shall be governed by and construed under the laws of the State of California, and venue shall be in Los Angeles County, California.

///

///

///

///

///

///

///

///

///

///

///

///

///

~1R

FROM :

FAX NO. : 00 44 20 8429 3353 14 Feb. 2001 11:18AM P13

### ACCEPTANCE

The undersigned Lessor accepts the above Lease, and agrees to lease the premises on the above terms and conditions.

Lessee agrees to pay compensation for services as follows:

Six (6) percent of the Lease amount to Coldwell Banker/Hartwig Realty, Inc.

IN WITNESS WHEREOF, Lessor and Lessee have executed this indenture as of

December \_\_\_\_\_, 2000.

LESSOR:

Delfem Properties

BY:

Y. Roasia

LESSEE:

John Calandri Farms, Inc.  
a California Corporation

BY:

John A. Calandri, P.

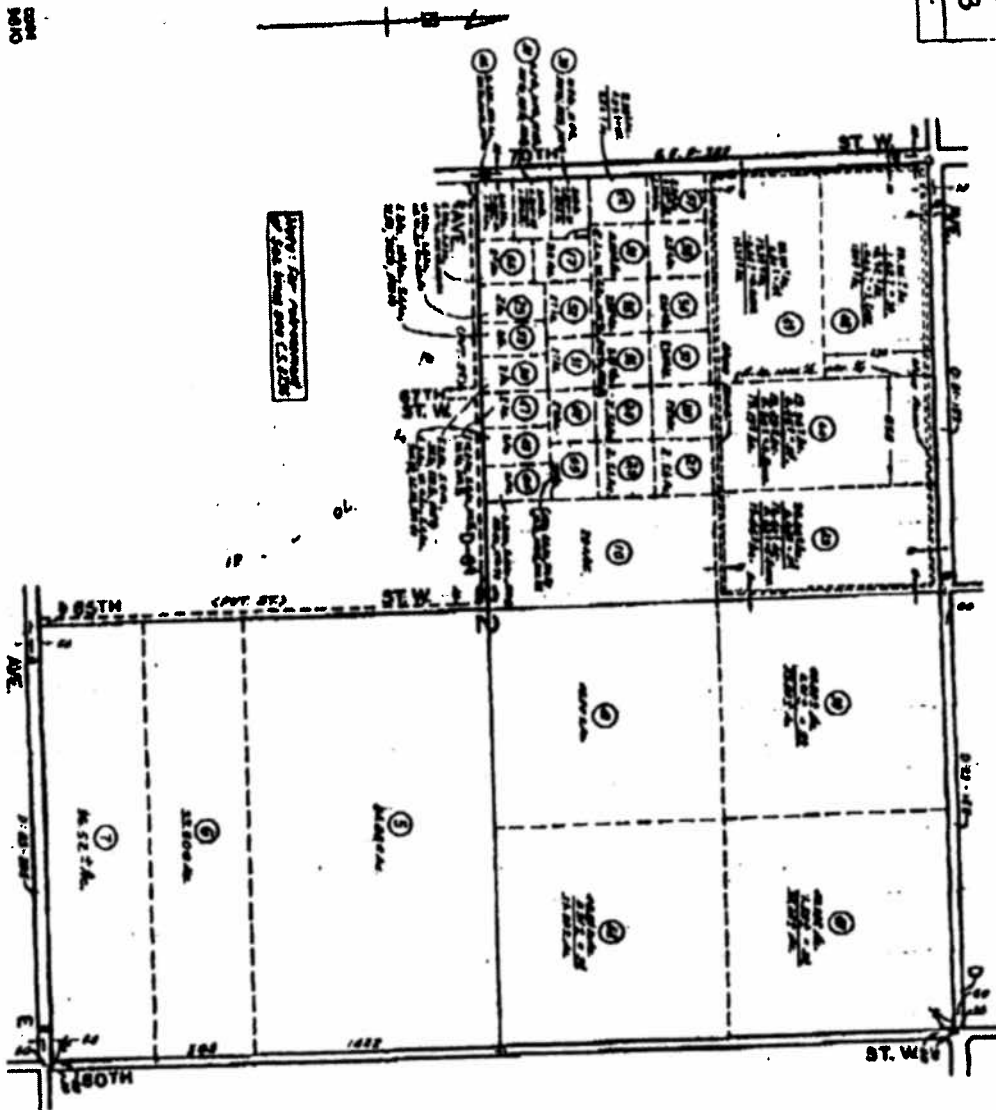
FROM :

FAX NO. : 00 44 20 8429 3353

14 Feb. 2001 11:18AM P14

Los Angeles, CA 1996-97 - 3201-003, Sheet: 1 of 1

3201 3  
CAL. 800-



"EXHIBIT A"

1581304-3 and  
COUNTY OF LOS ANGELES, CALIF.

NOTARY  
PUBLIC  
COUNTY OF LOS ANGELES, CALIF.  
My Comm. Expires 01/01/04

1581304-3 and  
COUNTY OF LOS ANGELES, CALIF.

4R

HP Fax Series 900  
Plain Paper Fax/Copier

Fax History Report for  
Coldwell Banker/Hartwig  
(661) 942-5971  
Feb 14 2001 3:24am

---

**Last Fax**

<u>Date</u>	<u>Time</u>	<u>Type</u>	<u>Identification</u>	<u>Duration</u>	<u>Pages</u>	<u>Result</u>
Feb 14	3:17am	Received	00 44 20 8429 3353	6:15	14	OK

---

**Result:**

OK - black and white fax

## LEASE

This Lease, made by and between Delfern Properties referred to in this Lease as "Lessor", and Son Rise Farms referred to in this Lease as "Lessee", is made upon the following terms and conditions:

1. Term of Lease

This Lease shall be for a period of Twelve (12) consecutive months beginning January 1, 2002 and ending December 31, 2002.

This Lease shall encompass approximately 246 acres known as Assessor's Parcel Number's 3201-003-005 & 006 and 3201-004-007, the legal description of which is attached hereto as Exhibit "A" and incorporated herein by reference.

Lessor reserves the right to sell the leased premises at any time during the term of this Lease, and in the event of such sale, the buyer would purchase said property subject to the existing Lease.

2. Purpose for which Premises are to be Used

The Leased premises are to be used by Lessee for the purpose of farming; and for such purpose Lessee is authorized to cultivate, irrigate, fertilize, fumigate, and do all other acts which may be reasonable and necessary in connection with such farming operation. Lessee shall conduct its farming in conformity with good agricultural operations. Lessee shall comply with all applicable State and Federal laws, including without limitation all applicable state and federal laws regarding the use of pesticides or hazardous or toxic materials, substances and or waste.

YR

**3. Rental**

Lessee agrees to pay by way of rent for the term of this lease the sum of **Twenty Seven Thousand Five Hundred Dollars (\$27,500.00)** per year, which will be payable upon the execution of this Lease.

**4. Occupancy**

The leased land, and any improvements thereto that may currently exist, including, without limitation, any well(s) that may currently exist shall be accepted by Lessee "as is", without representation or warranties by Lessor of any kind. Lessee agrees to purchase and maintain during the term of this Lease, at Lessee's sole cost and expense, and with companies acceptable to Lessor, public liability insurance for protection against liability to persons or property or claims arising as an incident to the use of, or resulting from, any accident or event occurring in or about the premises. The limits of liability under said public liability insurance shall be no less than one million dollars (\$1,000,000.00) for any one accident, and one hundred thousand dollars (\$100,000.00) for property damage. Lessor shall be named as an additional insured.

**5. Utilities**

Lessee agrees to pay for any and all utilities used in connection with Lessee's use of the leased land, including, without limitation the existing wells, if any, located on the property. Lessee agrees to have the names on the meters for the existing wells and any other utility used by Lessee changed to the name of Lessee. If extensions are required, same shall be at the expense of Lessee.

VR

**6. Equipment**

The only equipment being leased in connection with this agreement is any existing well(s), pump(s), electric motor(s), engine(s), panel(s), Storage tank(s) or barn(s), which shall be the exclusive property of Lessee to use during the term of this Lease. Lessee shall be responsible for all repair and maintenance thereof. Lessor leases such equipment in as is condition, without representation as to its condition of efficacy for use in any purpose and without warranty of any kind.

**7. Assignment or Sublease**

With the specific exception of Son Rise Farms which is expressly approved for sublease, Lessee shall not sublease, assign, transfer or hypothecate this Lease without first obtaining the written consent of Lessor, which may be withheld unreasonably and in Lessor's sole and unfettered discretion, and in no event shall the demised premises be assigned, sublet, transferred or hypothecated unless the transferee shall provide evidence of adequate financial resources to fully comply with all of the terms of this Lease to the satisfaction of Lessor, and unless the transferee be in all respects a fit and proper person for the purpose of carrying out the obligation under this Lease.

**8. Condition of Premises**

Lessee acknowledges that it has inspected the demised premises, that the same are in good and tenantable condition. Lessor makes no representations or warranty with regard to the condition of the premises. Lessee shall not remove, alter, modify or demolish any building or other improvement located upon the demised premises or any improvement thereon. It shall be the obligation of Lessee to maintain, the Leased Premises, including

YR



without limitation any well, pump, motor and underground main line, in as good condition as Lessee takes them, subject to ordinary wear and tear, Lessee shall be obligated to repair any damages and maintain the Leased Premises, including without limitation, any well, pump, motor and underground main line caused by Lessee's negligence or the negligence of their agent or employees.

If any or all of the wells servicing the Leased property are rendered inoperable by any act of God, including earthquakes, Lessee shall not be responsible for repairing same.

In the event any or all of said wells servicing the subject property become inoperable, Lessor shall have the option of repairing said well or wells at their own expense as quickly as possible, or terminating the Lease.

**8A. If Lease is so Terminated**

Lessee shall have the right to remain on the property long enough to harvest any growing crop, if they so desire, subject to the provisions of Paragraph 3, 4, 5 and 8 hereof, provided, however, in no event shall Lessee remain on the property from and after December 31, 1998.

**8B. Wells - Lessee's Option**

Notwithstanding Paragraph 8 above, if Lessor refuses to repair said well or wells, Lessee may choose to have said well or wells repaired at its own expense, in which event Lessor cannot terminate the Lease as set forth above.

**9. Compliance With Law**

Lessee shall at Lessee's sole expense, promptly comply with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and

requirements (hereinafter collectively referred to as "regulations") in effect during the term or any part of the term hereof, whether said regulation was in effect at the time of the signing of the Lease or became effective thereafter, regulating the use by Lessee of the premises, including, but not limited to State and/or Federal Superfund Laws, the Resource Conservation and Recovery Act, the Clean Water Act, the Federal Insecticide, Fungicide, & Rodenticide Act, the Hazardous Waste Control Act, or the Porter-Cologne Act. Lessee shall not use nor allow the use of the premises in any manner that would tend to create waste or a nuisance. Without limiting the generality of the foregoing, Lessee shall not allow or suffer the use, release or discharge on, in, around or under the premises of any material, chemical, substance or waste which is classified or regulated as a "toxic" or "hazardous" material, substance or waste by any applicable governmental or regulatory authority or agency (collectively "hazardous waste"). Lessee may apply during the term of the Lease the insecticides, pesticides, fumigants and fertilizer, so long as said application is in compliance with all applicable regulations, and the preceding sentence of this Paragraph 9. Lessee shall not store insecticides, pesticides, fumigants, hazardous wastes on the premises.

**9A. Indemnification**

Lessee shall indemnify, defend and hold Lessor harmless for any and all costs, expenses, including without limitation attorney's fees, or damages resulting from Lessee's use of the premises and Son Rise Farm's use of the premises as a sublessee.

**10. Mechanics' Liens and Encumbrances**

Lessee will not permit any mechanics', laborers', or materialmens' liens to stand against the demised property for any labor or material furnished to Lessee, or claimed to have

12

been furnished to Lessee or to Lessee's agents, contractors, or sub-lessees, in connection with work of any character performed on the demised premises, or claimed to have been performed on the demised premises, at the direction or insistence of Lessee; provided, however, that Lessee shall have the right to contest the validity of the amount of any such claims or lien provided Lessee gives Lessor reasonable security that may be demanded by Lessor with immediate notice of any such claim, lien, encumbrance and/or action arising out of any claim for labor or material furnished for the use or benefit of the demised premises.

**11. Right of Entry**

Lessor or his agents shall have the right to enter upon the demised premises at any reasonable time for the purpose of inspecting the condition thereof, or for the purpose of showing the same to any prospective purchaser or tenant thereof, or to conduct any necessary studies (e.g. soil), provided, however, Lessor shall not to interfere with Lessee's farming. Lessor shall provide Lessee with a minimum of forty-eight (48) hours advance written notification prior to entering upon the property to conduct any such study or showing. Notice pursuant to this Paragraph 11 may be sent to Lessee or his agents by Lessor via telecopier transmission, and such notice shall be deemed given at the time of such transmission. Lessee's telecopier number for the purposes of such notice is **(805) 945-2930**.

**12. Default of Lessee**

If any payments shall be due and unpaid after fifteen (15) days written notice of default, or if any default shall be made in any of the covenants or agreements on the part of Lessee contained in this Lease, or in the event Lessee is adjudicated as bankrupt or insolvent, or has a receiver appointed to receive the assets of Lessee, or has a Trustee appointed for

JK

Lessee after a petition has been filed under the Bankruptcy Act of the United States, or if Lessee shall make an assignment for the benefit of creditors, or if Lessee shall vacate or abandon the demised premises, then in such event Lessor shall have the right at its election, then or at any time thereafter, to re-enter and take possession of the demised premises and terminate this Lease, in which event Lessee hereby covenants to peaceably and quietly yield up to Lessor the demised premises. Lessor shall also have the right, with or without resuming possession of the premises or terminating the Lease, to sue for and recover all rents and other sums, including damage at any time and from time to time accruing hereunder together with such other rights as may be provided Lessor by law. Lessor may further have the right, at its option, without terminating this Lease, to relet the premises for the remainder of the term to such tenants, and at such rentals as Lessor may agree upon and Lessee agrees to pay such deficiency to Lessor and further agrees to pay to Lessor, when ascertained, all costs and expenses incurred in such reletting. No re-entry or taking of possession of the demised premises by Lessor shall be construed as an election on Lessor's part to terminate the Lease unless a written notice of such intention is given to Lessee or unless the termination be decreed by a court of competent jurisdiction.

**13. Surrender of Premises**

At the expiration of the term of this Lease or any sooner termination of this Lease, Lessee agrees to quit and surrender the premises and all appurtenances thereon and in good state and condition as reasonable use and wear thereof will permit. Lessee shall remove any and all debris associated with Lessee's farming operation, leaving the land free of any reservoirs, pits, or earthen mounds that were created by Lessee.

**14. Notices**

Any notice required or permitted to be given by Lessor to Lessee shall be deemed given if and when mailed in a sealed wrapper by United States mail, postage prepaid, properly addressed to Lessee, by certified mail with a return receipt. Any notice required or permitted to be given by Lessee to Lessor shall be deemed given if and when so mailed to Lessor, by certified mail with a return receipt.

Until changed, all notices and communications to the Lessor shall be addressed as follows: VK Corporate Services Limited

Talbot House 204-226 Imperial Drive

Harrow, Middlesex HA 2 7HH

United Kingdom

And notices and communications to the Lessee shall be addressed as follows:

John A. Calandri

Son Rise Farms

742 W. Avenue L

Lancaster, CA 93534

**15. Miscellaneous**

(a) Except as may be inconsistent with or contrary to the provisions of this Lease, no right or remedy granted or reserved to Lessor shall be intended to be exclusive of any other right or remedy which Lessor may otherwise have, and each and every such right or

✓/K

remedy shall be cumulative and in addition to any right or remedy given hereunder, or now or hereafter existing by law or in equity or by stature;

(b) Lessee waives for itself and those claiming under it all rights now and hereafter existing to redeem the demised premises after termination of Lessee's right to occupancy by order or judgment of any court;

(c) Reasonable attorney's fees and other expenses incurred by Lessor in enforcing any provision of this Lease or in any action or proceeding in which Lessor is successful by reason of the default by Lessee or by anyone holding under Lessee complying with any requirement of this Lease or incurred by Lessor by reason of any action to which Lessor shall be and shall constitute additional rent under the Lease provided that in the event of litigation concerning same, the losing party shall pay the reasonable expenses, including reasonable attorney's fees and costs of the prevailing party;

(d) No waiver by Lessor of any breach by Lessee of any of his obligations hereunder shall be deemed to be a waiver of any subsequent or continuing breach of the same or any other agreement under this Lease;

(e) In the event Lessee holds over after termination of the Lease, such holding over shall not be considered as or being a renewal of the Lease, but shall be construed solely as a tenancy from month to month under the same terms and conditions as are provided in this Lease and at the same rental rate, monthly prorated;

(f) This Lease, subject to the provisions on assignment and insolvency, shall be binding upon and inure to the benefit of the respective successors and assigns of the parties;

~sf

(g) Any transfer of the Lease by Lessee or any assigns of Lessee by operation of law or voluntary assignment with or without the consent of Lessor shall not diminish or affect the direct and primary liability of Lessee under this Lease;

(h) If part of this Lease be declared unenforceable by any court or in violation of any law, such part shall be inoperative, and the remainder of this Lease shall be binding upon the parties hereto.

**16. Right of First Refusal**

It is agreed that so long as Lessee is not in default of any terms, conditions or covenants of this Lease, or any extension thereof, Lessee shall have the right of first refusal to again lease the demised premises for a period of six (6) months. After the expiration of the Lease contained herein, or any extension thereof, Lessor will notify Lessee in writing if it is Lessor's intent to again lease the demised premises, and shall specify the terms and conditions thereof. Lessee shall have fifteen (15) days from receipt of said notice to notify Lessor in writing of Lessee's election to again lease the demised premises, on such terms and conditions specified by Lessor. Should Lessee fail to notify the Lessor in writing of Lessee's election to lease demised premises, Lessee's Right of First Refusal shall be deemed waived. If Lessee notifies Lessor in the affirmative to lease the demised premises, the Lessor, within a reasonable period of time, shall draft leases and deliver them to Lessee for execution. Upon delivery of said leases, Lessee shall have (15) days in which to execute and return said leases to Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to again lease the demised premises to Lessee or any other person or entity.

✓/R

**17. Non-Disturbance Agreement**

The Lessor covenants and agrees that, so long as the Lease is in full force and effect, the Lessee shall not be joined as a party defendant in any foreclosure action or proceeding which may be instituted or taken by the Beneficiary, nor shall the Lessee be evicted from the demised premises, or any of the Lessee's rights under the Lease be affected in any way, by reason of any default under the secured debt except as hereinafter provided.

In the event any action is instituted by the Beneficiary to foreclose the secured debt or otherwise enforce it, the Lessee shall promptly upon notice by the Beneficiary pay to the Beneficiary all rent due and to become due under this Lease.

It is a condition of this Agreement that the Lessee shall not at any time make any payment of advance rent or prepay rent to the Owner prior to the time when rent payments are due. It being understood that the rent is payable annually in advance.

If the Beneficiary shall succeed to the position of the Owner, the Lessee shall attorn to the Beneficiary and recognize it as the Landlord under the Lease and promptly execute and deliver an attornment agreement upon request of the Lessor.

The covenants and agreements herein contained shall be deemed to be covenants running with the land and shall inure to the benefit of and be binding upon the successors in interest of the parties hereto.

**18. Water Adjudication**

Lessor and Lessee acknowledge that (a) a study by the United States Geologic Survey (USGS) and other agencies has been undertaken to determine, inter alia, the amount of local ground water and the impact of well pumping of same throughout the Antelope

18



Valley and (b) the possibility exists that water rights to, and the amount of available water for, the subject property may be altered by State, County or Local government. Such alteration may affect the amount and/or cost of water available to Lessee hereunder.

If and when such "adjudication" of water rights takes place, Lessee shall have sixty (60) days to evaluate the impact of such adjudication on the operation of Lessee's business. If Lessee determines, in its sole discretion, that such an adjudication shall have an adverse impact, then Lessee may terminate this Lease, without any additional cost, penalty, or consideration for such termination, upon thirty days' written notice to Lessor.

**19. Venue**

This agreement shall be governed by and construed under the laws of the State of California, and venue shall be in Los Angeles County, California.

///

///

///

///

///

///

///

///

///

///

## ACCEPTANCE

The undersigned Lessor accepts the above Lease, and agrees to lease the Premises on the above terms and conditions.

Lessor agrees to pay a brokerage fee equal to six (6) percent of this Lease amount, or any renewal or extension thereof, to Coldwell Banker Commercial/Hartwig Realty, Inc., The brokerage fee shall be payable annually upon Lessor's receipt of the Rental payment.

IN WITNESS WHEREOF, Lessor and Lessee have executed this indenture as of September 27, 2001.

LESSOR:

Delfern Properties

BY: \_\_\_\_\_

*Y. Rorie*

LESSEE:

Son Rise Farms

BY: \_\_\_\_\_

*John A. Calandri*

John A. Calandri

## LEASE

This Lease, made by and between Landinv, Inc., referred to in this Lease as "Lessor", and Son Rise Farms referred to in this Lease as "Lessee", is made upon the following terms and conditions:

### 1. Term of Lease

This Lease shall be for a period of Twelve (12) consecutive months beginning January 1, 2003 and ending December 31, 2003.

This Lease shall encompass approximately 246 acres known as Assessor's Parcel Number's 3201-003-005 & 006 and 3201-004-007, the legal description of which is attached hereto as Exhibit "A" and incorporated herein by reference.

Lessor reserves the right to sell the leased premises at any time during the term of this Lease, and in the event of such sale, the buyer would purchase said property subject to the existing Lease.

### 2. Purpose for which Premises are to be Used

The Leased premises are to be used by Lessee for the purpose of farming; and for such purpose Lessee is authorized to cultivate, irrigate, fertilize, fumigate, and do all other acts which may be reasonable and necessary in connection with such farming operation. Lessee shall conduct its farming in conformity with good agricultural operations. Lessee shall comply with all applicable State and Federal laws, including without limitation all applicable state and federal laws regarding the use of pesticides or hazardous or toxic materials, substances and or waste.

**3. Rental**

Lessee agrees to pay by way of rent for the term of this lease the sum of **Twenty Seven Thousand Five Hundred Dollars (\$27,500.00)** per year, which will be payable upon the execution of this Lease.

**4. Occupancy**

The leased land, and any improvements thereto that may currently exist, including, without limitation, any well(s) that may currently exist shall be accepted by Lessee "as is", without representation or warranties by Lessor of any kind. Lessee agrees to purchase and maintain during the term of this Lease, at Lessee's sole cost and expense, and with companies acceptable to Lessor, public liability insurance for protection against liability to persons or property or claims arising as an incident to the use of, or resulting from, any accident or event occurring in or about the premises. The limits of liability under said public liability insurance shall be no less than one million dollars (\$1,000,000.00) for any one accident, and one hundred thousand dollars (\$100,000.00) for property damage. Lessor shall be named as an additional insured.

**5. Utilities**

Lessee agrees to pay for any and all utilities used in connection with Lessee's use of the leased land, including, without limitation the existing wells, if any, located on the property. Lessee agrees to have the names on the meters for the existing wells and any other utility used by Lessee changed to the name of Lessee. If extensions are required, same shall be at the expense of Lessee.

~1R

6. **Equipment**

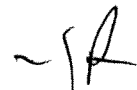
The only equipment being leased in connection with this agreement is any existing well(s), pump(s), electric motor(s), engine(s), panel(s), Storage tank(s) or barn(s), which shall be the exclusive property of Lessee to use during the term of this Lease. Lessee shall be responsible for all repair and maintenance thereof. Lessor leases such equipment in as is condition, without representation as to its condition of efficacy for use in any purpose and without warranty of any kind.

7. **Assignment or Sublease**

Lessee shall not sublease, assign, transfer or hypothecate this Lease without first obtaining the written consent of Lessor, which may be withheld unreasonably and in Lessor's sole and unfettered discretion, and in no event shall the demised premises be assigned, sublet, transferred or hypothecated unless the transferee shall provide evidence of adequate financial resources to fully comply with all of the terms of this Lease to the satisfaction of Lessor, and unless the transferee be in all respects a fit and proper person for the purpose of carrying out the obligation under this Lease.

8. **Condition of Premises**

Lessee acknowledges that it has inspected the demised premises, that the same are in good and tenantable condition. Lessor makes no representations or warranty with regard to the condition of the premises. Lessee shall not remove, alter, modify or demolish any building or other improvement located upon the demised premises or any improvement thereon. It shall be the obligation of Lessee to maintain, the Leased Premises, including without limitation any well, pump, motor and underground main line, in as good condition as



Lessee takes them, subject to ordinary wear and tear, Lessee shall be obligated to repair any damages and maintain the Leased Premises, including without limitation, any well, pump, motor and underground main line caused by Lessee's negligence or the negligence of their agent or employees.

If any or all of the wells servicing the Leased property are rendered inoperable by any act of God, including earthquakes, Lessee shall not be responsible for repairing same.

In the event any or all of said wells servicing the subject property become inoperable, Lessor shall have the option of repairing said well or wells at their own expense as quickly as possible, or terminating the Lease.

**8A. If Lease is so Terminated**

Lessee shall have the right to remain on the property long enough to harvest any growing crop, if they so desire, subject to the provisions of Paragraph 3, 4, 5 and 8 hereof, provided, however, in no event shall Lessee remain <sup>of</sup> <sub>on</sub> the property from and after December 31, 2003.

**8B. Wells - Lessee's Option**

Notwithstanding Paragraph 8 above, if Lessor refuses to repair said well or wells, Lessee may choose to have said well or wells repaired at its own expense, in which event Lessor cannot terminate the Lease as set forth above.

**9. Compliance With Law**

Lessee shall at Lessee's sole expense, promptly comply with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements (hereinafter collectively referred to as "regulations") in effect during the term or

any part of the term hereof, whether said regulation was in effect at the time of the signing of the Lease or became effective thereafter, regulating the use by Lessee of the premises, including, but not limited to State and/or Federal Superfund Laws, the Resource Conservation and Recovery Act, the Clean Water Act, the Federal Insecticide, Fungicide, & Rodenticide Act, the Hazardous Waste Control Act, or the Porter-Cologne Act. Lessee shall not use nor allow the use of the premises in any manner that would tend to create waste or a nuisance. Without limiting the generality of the foregoing, Lessee shall not allow or suffer the use, release or discharge on, in, around or under the premises of any material, chemical, substance or waste which is classified or regulated as a "toxic" or "hazardous" material, substance or waste by any applicable governmental or regulatory authority or agency (collectively "hazardous waste"). Lessee may apply during the term of the Lease the insecticides, pesticides, fumigants and fertilizer, so long as said application is in compliance with all applicable regulations, and the preceding sentence of this Paragraph 9. Lessee shall not store insecticides, pesticides, fumigants, hazardous wastes on the premises.

**9A. Indemnification**

Lessee shall indemnify, defend and hold Lessor harmless for any and all costs, expenses, including without limitation attorney's fees, or damages resulting from Lessee's use of the premises.

**10. Mechanics' Liens and Encumbrances**

Lessee will not permit any mechanics', laborers', or materialmens' liens to stand against the demised property for any labor or material furnished to Lessee, or claimed to have been furnished to Lessee or to Lessee's agents, contractors, or sub-lessees, in connection with

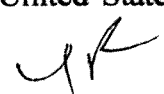
work of any character performed on the demised premises, or claimed to have been performed on the demised premises, at the direction or insistence of Lessee; provided, however, that Lessee shall have the right to contest the validity of the amount of any such claims or lien provided Lessee gives Lessor reasonable security that may be demanded by Lessor with immediate notice of any such claim, lien, encumbrance and/or action arising out of any claim for labor or material furnished for the use or benefit of the demised premises.

**11. Right of Entry**

Lessor or his agents shall have the right to enter upon the demised premises at any reasonable time for the purpose of inspecting the condition thereof, or for the purpose of showing the same to any prospective purchaser or tenant thereof, or to conduct any necessary studies (e.g. soil), provided, however, Lessor shall not to interfere with Lessee's farming. Lessor shall provide Lessee with a minimum of forty-eight (48) hours advance written notification prior to entering upon the property to conduct any such study or showing. Notice pursuant to this Paragraph 11 may be sent to Lessee or his agents by Lessor via telecopier transmission, and such notice shall be deemed given at the time of such transmission. Lessee's telecopier number for the purposes of such notice is **(661) 945-2930**.

**12. Default of Lessee**

If any payments shall be due and unpaid after fifteen (15) days written notice of default, or if any default shall be made in any of the covenants or agreements on the part of Lessee contained in this Lease, or in the event Lessee is adjudicated as bankrupt or insolvent, or has a receiver appointed to receive the assets of Lessee, or has a Trustee appointed for Lessee after a petition has been filed under the Bankruptcy Act of the United States, or if





Lessee shall make an assignment for the benefit of creditors, or if Lessee shall vacate or abandon the demised premises, then in such event Lessor shall have the right at its election, then or at any time thereafter, to re-enter and take possession of the demised premises and terminate this Lease, in which event Lessee hereby covenants to peaceable and quietly yield up to Lessor the demised premises. Lessor shall also have the right, with or without resuming possession of the premises or terminating the Lease, to sue for and recover all rents and other sums, including damage at any time and from time to time accruing hereunder together with such other rights as may be provided Lessor by law. Lessor may further have the right, at its option, without terminating this Lease, to relet the premises for the remainder of the term to such tenants, and at such rentals as Lessor may agree upon and Lessee agrees to pay such deficiency to Lessor and further agrees to pay to Lessor, when ascertained, all costs and expenses incurred in such reletting. No re-entry or taking of possession of the demised premises by Lessor shall be construed as an election on Lessor's part to terminate the Lease unless a written notice of such intention is given to Lessee or unless the termination be decreed by a court of competent jurisdiction.

**13. Surrender of Premises**

At the expiration of the term of this Lease or any sooner termination of this Lease, Lessee agrees to quit and surrender the premises and all appurtenances thereon and in good state and condition as reasonable use and wear thereof will permit. Lessee shall remove any and all debris associated with Lessee's farming operation, leaving the land free of any reservoirs, pits, or earthen mounds that were created by Lessee.



**14. Notices**

Any notice required or permitted to be given by Lessor to Lessee shall be deemed given if and when mailed in a sealed wrapper by United States mail, postage prepaid, properly addressed to Lessee, by certified mail with a return receipt. Any notice required or permitted to be given by Lessee to Lessor shall be deemed given if and when so mailed to Lessor, by certified mail with a return receipt.

Until changed, all notices and communications to the Lessor shall be addressed as follows: VK Corporate Services Limited

Talbot House 204-226 Imperial Drive

Harrow, Middlesex HA 2 7HH

United Kingdom

And notices and communications to the Lessee shall be addressed as follows:

John A. Calandri

Son Rise Farms

742 W. Avenue L

Lancaster, CA 93534

**15. Miscellaneous**

(a) Except as may be inconsistent with or contrary to the provisions of this Lease, no right or remedy granted or reserved to Lessor shall be intended to be exclusive of any other right or remedy which Lessor may otherwise have, and each and every such right or remedy shall be cumulative and in addition to any right or remedy given hereunder, or now or hereafter existing by law or in equity or by statute;

(b) Lessee waives for itself and those claiming under it all rights now and hereafter existing to redeem the demised premises after termination of Lessee's right to occupancy by order or judgment of any court;

(c) Reasonable attorney's fees and other expenses incurred by Lessor in enforcing any provision of this Lease or in any action or proceeding in which Lessor is successful by reason of the default by Lessee or by anyone holding under Lessee complying with any requirement of this Lease or incurred by Lessor by reason of any action to which Lessor shall be and shall constitute additional rent under the Lease provided that in the event of litigation concerning same, the losing party shall pay the reasonable expenses, including reasonable attorney's fees and costs of the prevailing party;

(d) No waiver by Lessor of any breach by Lessee of any of his obligations hereunder shall be deemed to be a waiver of any subsequent or continuing breach of the same or any other agreement under this Lease;

(e) In the event Lessee holds over after termination of the Lease, such holding over shall not be considered as or being a renewal of the Lease, but shall be construed solely as a tenancy from month to month under the same terms and conditions as are provided in this Lease and at the same rental rate, monthly prorated;

(f) This Lease, subject to the provisions on assignment and insolvency, shall be binding upon and inure to the benefit of the respective successors and assigns of the parties;

(g) Any transfer of the Lease by Lessee or any assigns of Lessee by operation of law or voluntary assignment with or without the consent of Lessor shall not diminish or affect the direct and primary liability of Lessee under this Lease;

(h) If part of this Lease be declared unenforceable by any court or in violation of any law, such part shall be inoperative, and the remainder of this Lease shall be binding upon the parties hereto.

**16. Right of First Refusal**

It is agreed that so long as Lessee is not in default of any terms, conditions or covenants of this Lease, or any extension thereof, Lessee shall have the right of first refusal to again lease the demised premises for a period of six (6) months. After the expiration of the Lease contained herein, or any extension thereof, Lessor will notify Lessee in writing if it is Lessor's intent to again lease the demised premises, and shall specify the terms and conditions thereof. Lessee shall have fifteen (15) days from receipt of said notice to notify Lessor in writing of Lessee's election to again lease the demised premises, on such terms and conditions specified by Lessor. Should Lessee fail to notify the Lessor in writing of Lessee's election to lease demised premises, Lessee's Right of First Refusal shall be deemed waived. If Lessee notifies Lessor in the affirmative to lease the demised premises, the Lessor, within a reasonable period of time, shall draft leases and deliver them to Lessee for execution. Upon delivery of said leases, Lessee shall have (15) days in which to execute and return said leases to Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to again lease the demised premises to Lessee or any other person or entity.

**17. Non-Disturbance Agreement**

The Lessor covenants and agrees that, so long as the Lease is in full force and effect, the Lessee shall not be joined as a party defendant in any foreclosure action or proceeding which may be instituted or taken by the Beneficiary, nor shall the Lessee be



evicted from the demised premises, or any of the Lessee's rights under the Lease be affected in any way, by reason of any default under the secured debt except as hereinafter provided.

In the event any action is instituted by the Beneficiary to foreclose the secured debt or otherwise enforce it, the Lessee shall promptly upon notice by the Beneficiary pay to the Beneficiary all rent due and to become due under this Lease.

It is a condition of this Agreement that the Lessee shall not at any time make any payment of advance rent or prepay rent to the Owner prior to the time when rent payments are due. It being understood that the rent is payable annually in advance.

If the Beneficiary shall succeed to the position of the Owner, the Lessee shall attorn to the Beneficiary and recognize it as the Landlord under the Lease and promptly execute and deliver an attornment agreement upon request of the Lessor.

The covenants and agreements herein contained shall be deemed to be covenants running with the land and shall inure to the benefit of and be binding upon the successors in interest of the parties hereto.

#### **18. Water Adjudication**

Lessor and Lessee acknowledge that (a) a study by the United States Geologic Survey (USGS) and other agencies has been undertaken to determine, inter alia, the amount of local ground water and the impact of well pumping of same throughout the Antelope Valley and (b) the possibility exists that water rights to, and the amount of available water for, the subject property may be altered by State, County or Local government. Such alteration may affect the amount and/or cost of water available to Lessee hereunder.

If and when such "adjudication" of water rights takes place, Lessee shall have sixty (60) days to evaluate the impact of such adjudication on the operation of Lessee's business. If Lessee determines, in its sole discretion, that such an adjudication shall have an adverse impact, then Lessee may terminate this Lease, without any additional cost, penalty, or consideration for such termination, upon thirty days' written notice to Lessor.

**19. Venue**

This agreement shall be governed by and construed under the laws of the State of California, and venue shall be in Los Angeles County, California.

///

///

///

///

///

///

///

///

///

///

///

///

///

///



## ACCEPTANCE

The undersigned Lessor accepts the above Lease, and agrees to lease the Premises on the above terms and conditions.

Lessor agrees to pay a brokerage fee equal to six (6) percent of this Lease amount, or any renewal or extension thereof, to Coldwell Banker Commercial/Hartwig Realty, Inc., The brokerage fee shall be payable annually upon Lessor's receipt of the Rental payment.

IN WITNESS WHEREOF, Lessor and Lessee have executed this indenture as of  
*November*  
October 20, 2002.

LESSOR:

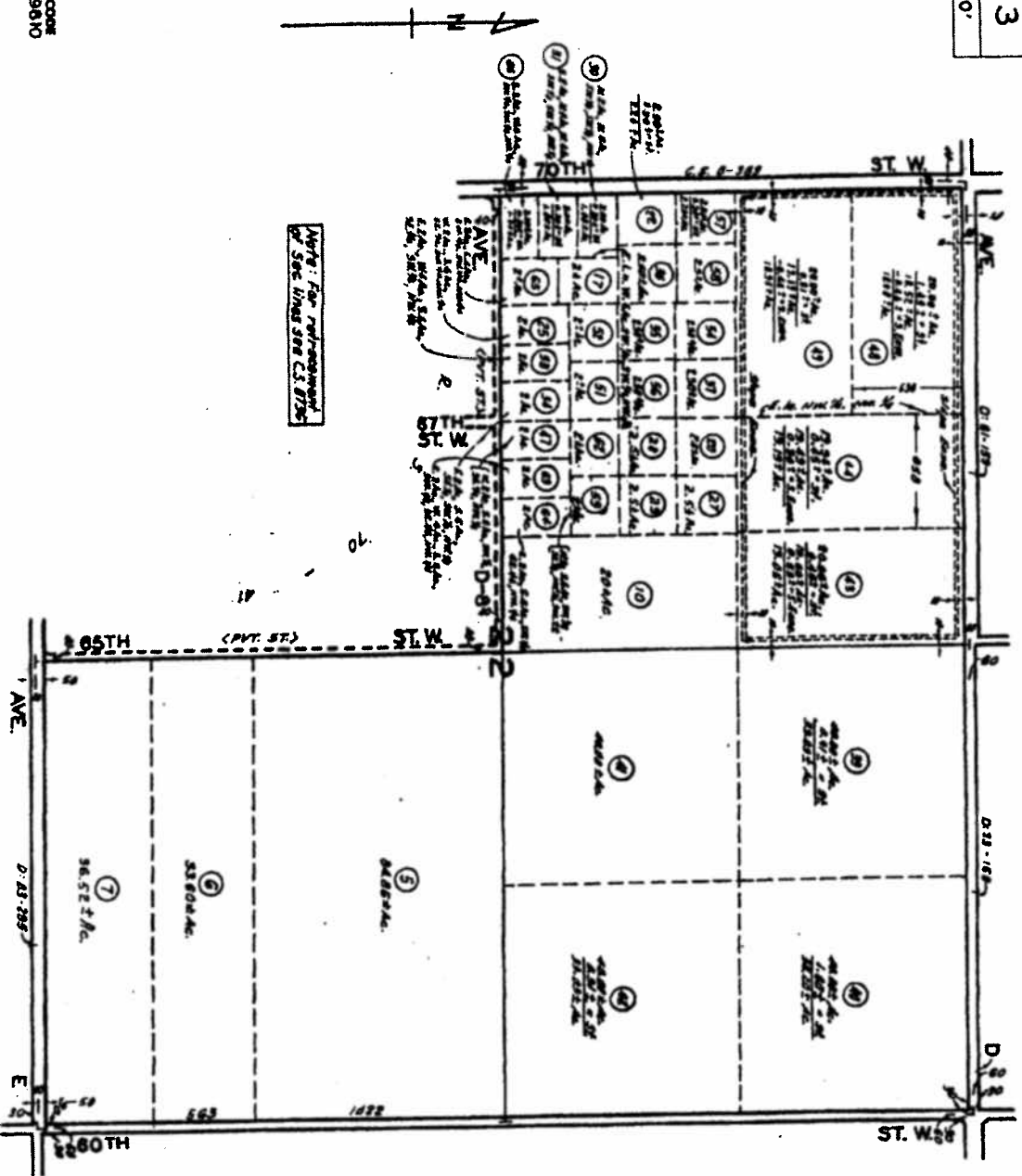
**Landinv, Inc.**

BY: *Y. Roeser*

LESSEE:

**Son Rise Farms**

BY: *John A. Calandri*  
John A. Calandri



NOTE: For professional  
 SEE WINDS 508 (1875)

T. 8 N. R. 13 W

CODE  
 9610

REVISED  
 5-25-55  
 6-7-55  
 1-12-56  
 11-1-56  
 7/22/57-225  
 7/23/57-225  
 7/24/57-225  
 7/25/57-225  
 7/26/57-225  
 7/27/57-225  
 7/28/57-225  
 7/29/57-225  
 7/30/57-225  
 7/31/57-225  
 8/1/57-225  
 8/2/57-225  
 8/3/57-225  
 8/4/57-225  
 8/5/57-225  
 8/6/57-225  
 8/7/57-225  
 8/8/57-225  
 8/9/57-225  
 8/10/57-225  
 8/11/57-225  
 8/12/57-225  
 8/13/57-225  
 8/14/57-225  
 8/15/57-225  
 8/16/57-225  
 8/17/57-225  
 8/18/57-225  
 8/19/57-225  
 8/20/57-225  
 8/21/57-225  
 8/22/57-225  
 8/23/57-225  
 8/24/57-225  
 8/25/57-225  
 8/26/57-225  
 8/27/57-225  
 8/28/57-225  
 8/29/57-225  
 8/30/57-225  
 8/31/57-225  
 9/1/57-225  
 9/2/57-225  
 9/3/57-225  
 9/4/57-225  
 9/5/57-225  
 9/6/57-225  
 9/7/57-225  
 9/8/57-225  
 9/9/57-225  
 9/10/57-225  
 9/11/57-225  
 9/12/57-225  
 9/13/57-225  
 9/14/57-225  
 9/15/57-225  
 9/16/57-225  
 9/17/57-225  
 9/18/57-225  
 9/19/57-225  
 9/20/57-225  
 9/21/57-225  
 9/22/57-225  
 9/23/57-225  
 9/24/57-225  
 9/25/57-225  
 9/26/57-225  
 9/27/57-225  
 9/28/57-225  
 9/29/57-225  
 9/30/57-225  
 9/31/57-225  
 10/1/57-225  
 10/2/57-225  
 10/3/57-225  
 10/4/57-225  
 10/5/57-225  
 10/6/57-225  
 10/7/57-225  
 10/8/57-225  
 10/9/57-225  
 10/10/57-225  
 10/11/57-225  
 10/12/57-225  
 10/13/57-225  
 10/14/57-225  
 10/15/57-225  
 10/16/57-225  
 10/17/57-225  
 10/18/57-225  
 10/19/57-225  
 10/20/57-225  
 10/21/57-225  
 10/22/57-225  
 10/23/57-225  
 10/24/57-225  
 10/25/57-225  
 10/26/57-225  
 10/27/57-225  
 10/28/57-225  
 10/29/57-225  
 10/30/57-225  
 10/31/57-225  
 11/1/57-225  
 11/2/57-225  
 11/3/57-225  
 11/4/57-225  
 11/5/57-225  
 11/6/57-225  
 11/7/57-225  
 11/8/57-225  
 11/9/57-225  
 11/10/57-225  
 11/11/57-225  
 11/12/57-225  
 11/13/57-225  
 11/14/57-225  
 11/15/57-225  
 11/16/57-225  
 11/17/57-225  
 11/18/57-225  
 11/19/57-225  
 11/20/57-225  
 11/21/57-225  
 11/22/57-225  
 11/23/57-225  
 11/24/57-225  
 11/25/57-225  
 11/26/57-225  
 11/27/57-225  
 11/28/57-225  
 11/29/57-225  
 11/30/57-225  
 12/1/57-225  
 12/2/57-225  
 12/3/57-225  
 12/4/57-225  
 12/5/57-225  
 12/6/57-225  
 12/7/57-225  
 12/8/57-225  
 12/9/57-225  
 12/10/57-225  
 12/11/57-225  
 12/12/57-225  
 12/13/57-225  
 12/14/57-225  
 12/15/57-225  
 12/16/57-225  
 12/17/57-225  
 12/18/57-225  
 12/19/57-225  
 12/20/57-225  
 12/21/57-225  
 12/22/57-225  
 12/23/57-225  
 12/24/57-225  
 12/25/57-225  
 12/26/57-225  
 12/27/57-225  
 12/28/57-225  
 12/29/57-225  
 12/30/57-225  
 12/31/57-225



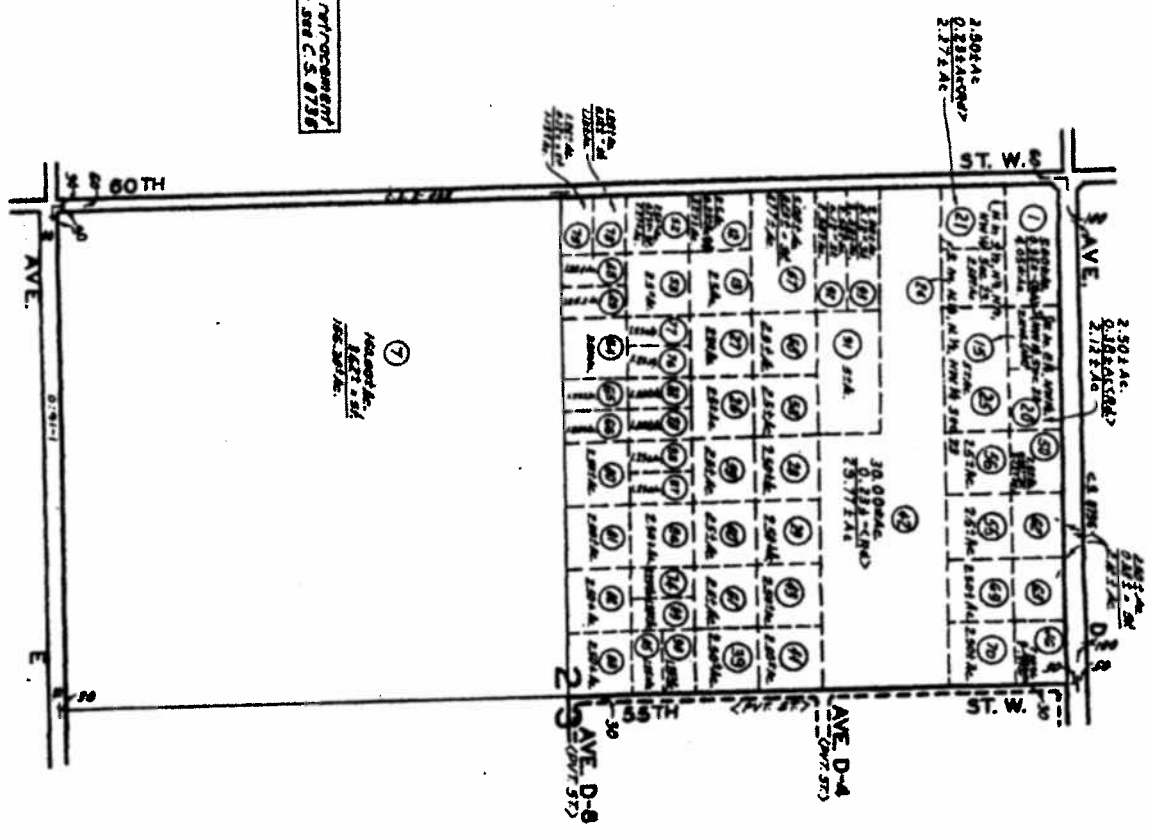
3201 4  
SCALE 1" = 600'



NOTE: For re-arrangement of Sec lines see C.S. 8738

CORNER 9810

FOR PROV. ASSESS. MAP 3201-4



T. 8 N. R. 13 W.

REVISIONS  
 8-21-84  
 8-25-85  
 10-17-85  
 04-09-87  
 03-27-87

7011/8203  
 7209-1-4-820  
 730403 505  
 7307/8904  
 7431/8202  
 7433/8209  
 740801/804  
 7404/8004  
 7110/8004  
 7025/80  
 7025/80  
 7025/80  
 7025/80  
 7025/80  
 7025/80

ASSESSOR'S MAP  
 COUNTY OF LOS ANGELES, CALIF.

**MODIFICATION OF LEASE**

THIS AGREEMENT is made December 18, 2003, by and between Landinv, Inc. ("Lessor" herein), and Son Rise Farms ("Lessee" herein).

1. **RECITALS:**

This agreement is made with the following statement of facts:

- A) Lessor and Lessee entered into a written lease (herein referred to as "Lease"), on or about October 2002.
- B) The Lease encompassed approximately 316 acres known as Assessor's Parcel Number 358-030-03-00-6.
- C) The parties desire to amend the provisions of each Lease and Modification of Lease, all upon the terms, covenants and conditions hereinafter more fully set forth.

2. **TERM:**

The Leases shall be for a period of twelve (12) consecutive months beginning January 1, 2004, and ending December 31, 2004.

3. **RENTAL:**

Lessee agrees to pay by way of rent for the term of this lease the sum of Thirty Thousand Fifteen Dollars and 50/100 (\$30,015.00).

4. **CONFIRMATION OF LEASE:**

In all other respects, each Lease referenced above shall continue in full force and effect.

IN WITNESS WHEREOF, THE PARTIES HAVE AFFIXED THEIR SIGNATURES HERETO EFFECTIVE THE DAY AND YEAR FIRST ABOVE WRITTEN.

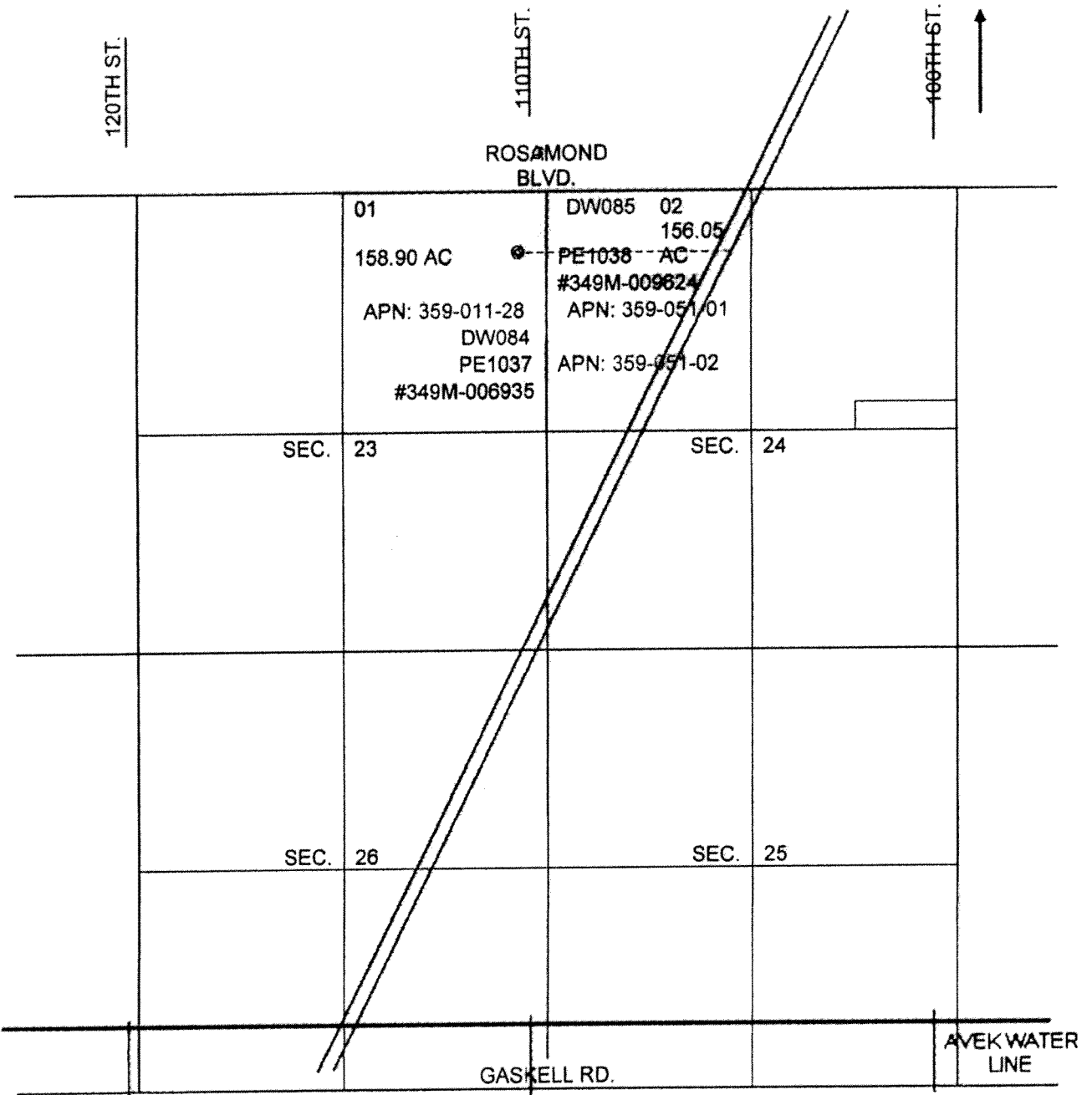
"Lessor" December 18, 2003 Date

"Lessee"

Date

Y Radica  
Landinv, Inc.

\_\_\_\_\_  
Son Rise Farms



POWER LINE

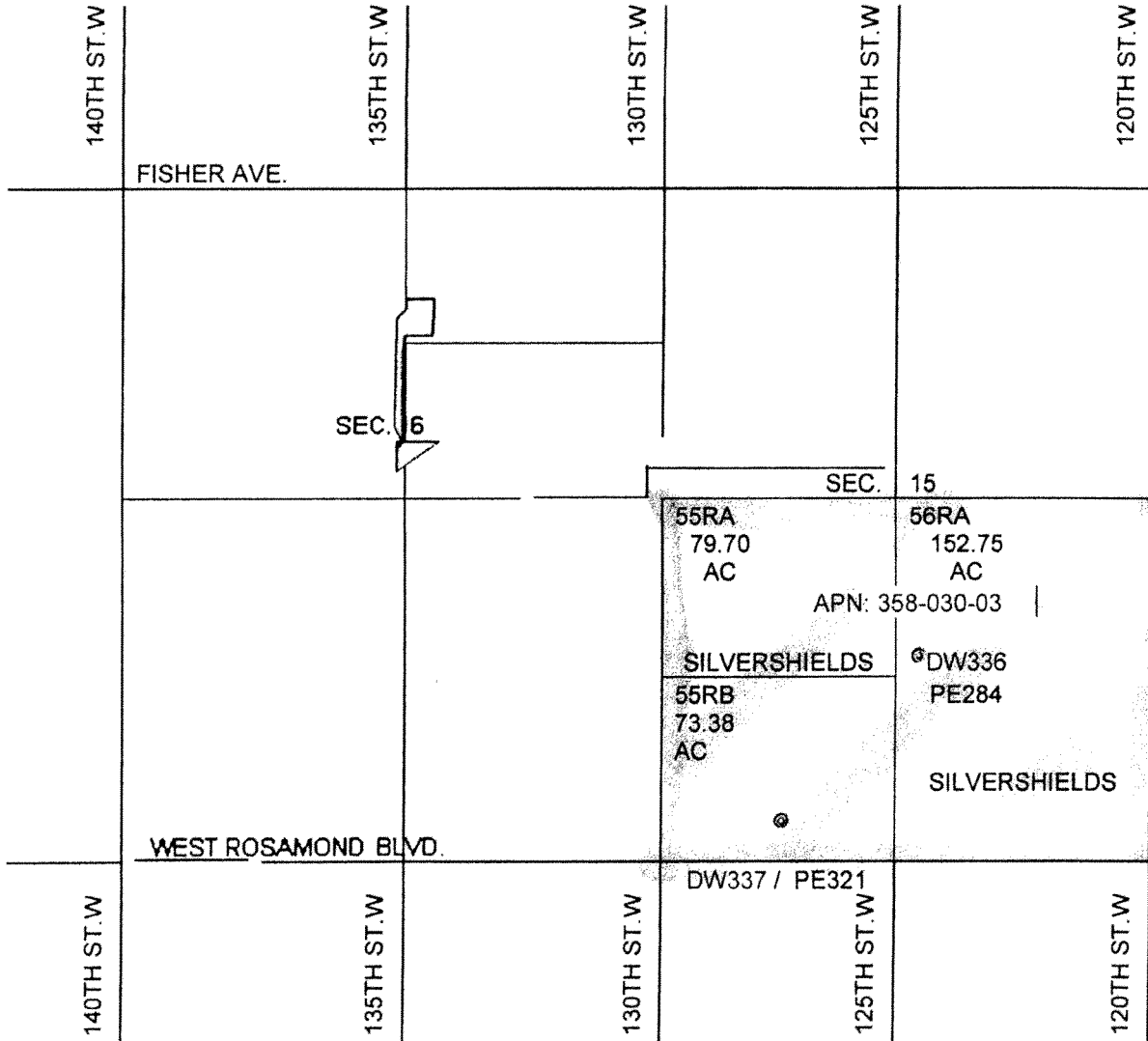
314.95

TOTAL ACRES

● DEEP WELL

Never farmed this

SS



305.83 TOTAL ACRES

⊙ DEEP WELL

2001      154 ac  
            147 ac

2002      147 ac

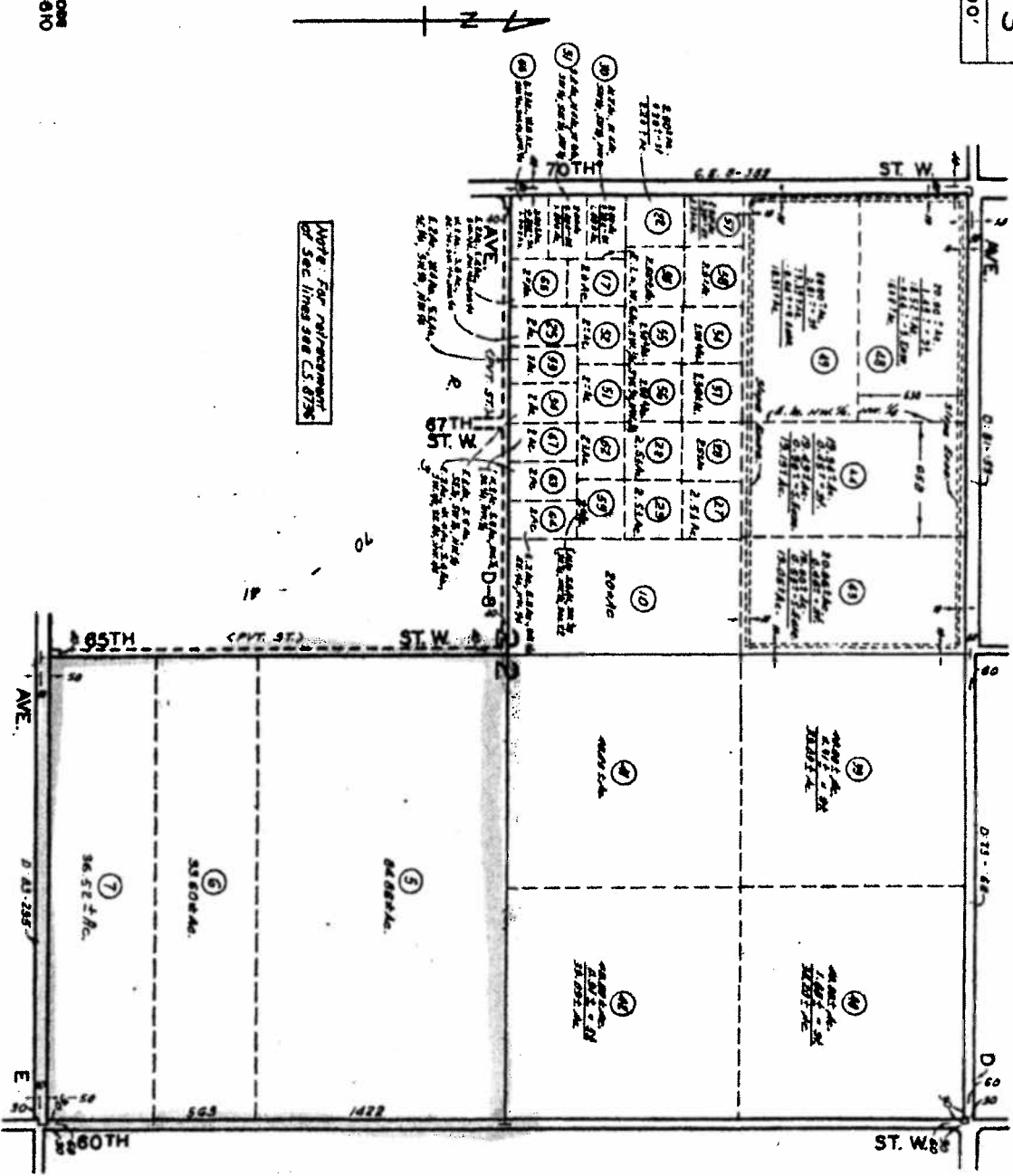
2003      240 ac





COMM  
 9610

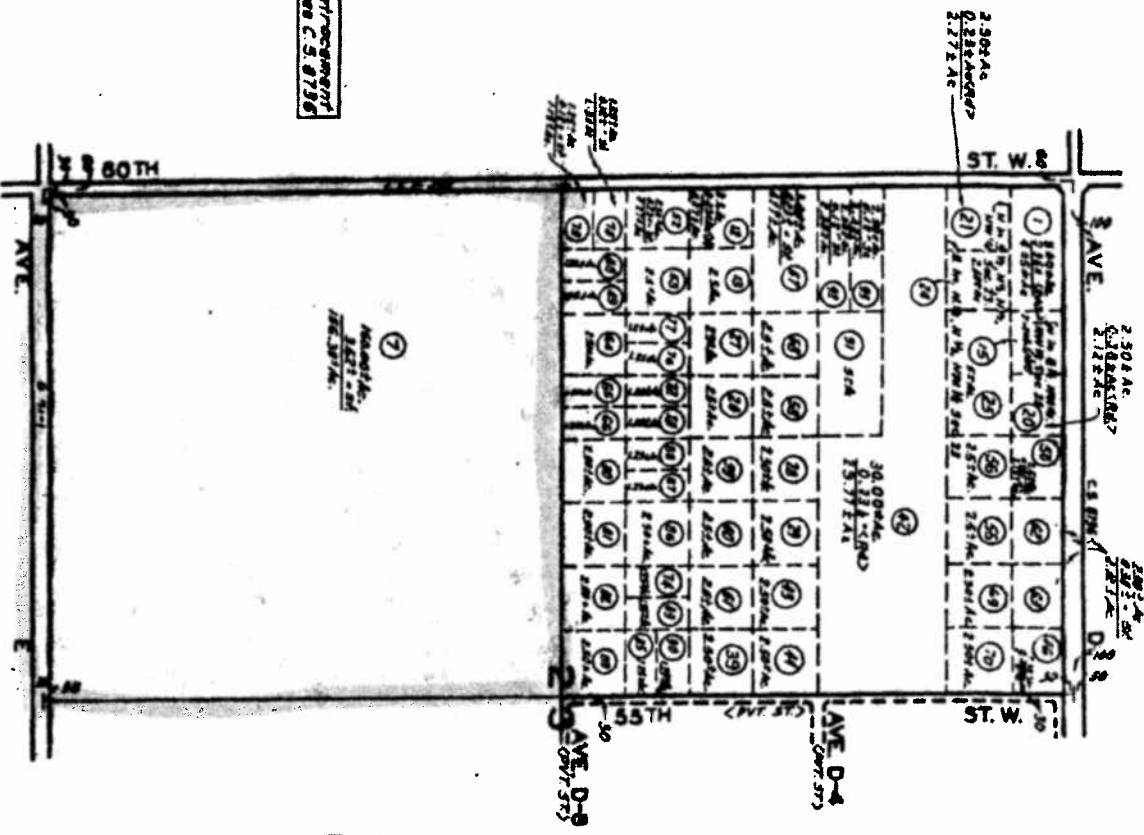
FOR PRIV. ASSMT. S.M.  
 3201-3



T. 8 N. R. 13 W.

2001 55 ac  
 2003 205 ac  
 2004 28 ac

REVISIONS  
 5-12-55  
 1-12-55  
 1-12-56  
 1-12-57  
 1-12-58  
 1-12-59  
 1-12-60  
 1-12-61  
 1-12-62  
 1-12-63  
 1-12-64  
 1-12-65  
 1-12-66  
 1-12-67  
 1-12-68  
 1-12-69  
 1-12-70  
 1-12-71  
 1-12-72  
 1-12-73  
 1-12-74  
 1-12-75  
 1-12-76  
 1-12-77  
 1-12-78  
 1-12-79  
 1-12-80  
 1-12-81  
 1-12-82  
 1-12-83  
 1-12-84  
 1-12-85  
 1-12-86  
 1-12-87  
 1-12-88  
 1-12-89  
 1-12-90  
 1-12-91  
 1-12-92  
 1-12-93  
 1-12-94  
 1-12-95  
 1-12-96  
 1-12-97  
 1-12-98  
 1-12-99  
 1-12-00



COONE  
 9610

FOR REV. ASSMT. SEE  
 1201-4

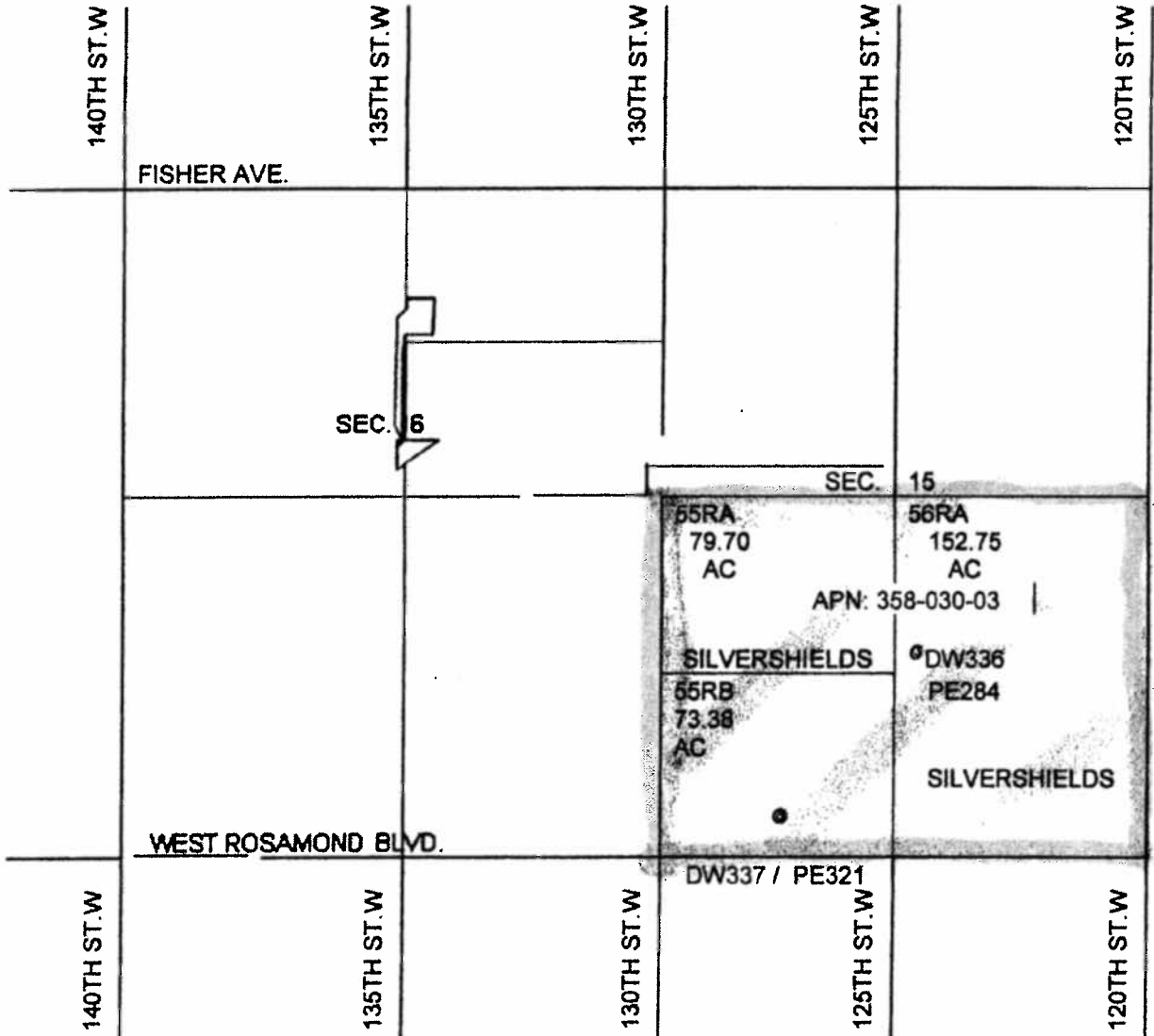
T. 8N. R. 13W.

2001 132ac

REVISED  
 8-7-51  
 5-25-56  
 10-19-56  
 5-24-54  
 1-14-53  
 1-28-51  
 690730342  
 690128218  
 200125005  
 7670000  
 76718209  
 729974420  
 130449505  
 264174804  
 744815202  
 744801202  
 744445804  
 761105404  
 764892000  
 770225100  
 110407012  
 110401015  
 702210219



SS



305.83 TOTAL ACRES

• DEEP WELL

2001 154 ac  
147 ac

2002 147 ac

2003 240 ac

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA )  
3 COUNTY OF LOS ANGELES )

4 I, Felicia Herbstreith am employed in the County of Los Angeles, State of California. I  
5 am over the age of 18 and not a party to the within action; my business address is: 601 West  
6 Fifth Street, Suite 1100, Los Angeles, California 90071.

7 On **April 9, 2013**, I served the foregoing document described as: **NOTICE OF**  
8 **DEPOSITION OF JOHN CALANDRI AND REQUEST FOR PRODUCTION OF**  
9 **DOCUMENTS AT DEPOSITION**, on the interested parties in this action by posting the  
10 document listed above to the Santa Clara County Superior website in regard to the Antelope  
11 Valley Groundwater Adjudication matter, pursuant to the Electronic Filing and Service Standing  
12 Order of Judge Komar.

13 I declare under penalty of perjury under the laws of the State of California that the above  
14 is true and correct.

15 Executed on **April 9, 2013**, at Los Angeles, California.

17 /s/ Felicia Herbstreith  
18 Felicia Herbstreith