EXHIBIT "1"

LEASE

This Lease, made by and between <u>Sheldon R. Blum</u> referred to in this Lease as "Lessor", and <u>Wm. Bolthouse Farms</u>, a <u>Michigan Corporation</u> 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 <u>twenty-four</u> (24) consecutive months beginning <u>January 1, 2002</u> and ending <u>December 31, 2003</u>.

This Lease shall encompass approximately <u>One hundred twenty (120)</u> acres known as Assessor's Parcel Number <u>3384-09-01 & 06</u>, 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 carrots and/or onions; and for such purpose Lessee is authorized to cultivate, irrigate, fertilize, fumigate, and do all other acts, which may be reasonable or 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.

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.

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 all debris associated with Lessee's farming operation, leaving the land free of any reservoirs, pits, or earthen mounds that were created by Lessee.

Upon Lease expiration, termination or Lessee's vacating of the Premises, whichever occurs first, Lessee represents and warrants to Lessor that Lessee shall, immediately following Lessee's removal of Lessee's well pump(s), motor(s) and panel(s), cause a steel plate to be welded to the opening of the well(s) at the Premises, so as to secure the well opening from any access.

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.

20. Real Property Taxes

Lessor shall pay, on or before the due date for each installment, all real property taxes affecting the premises including, without limitation, special assessments of any nature, obligations imposed by any governmental authority, and a voluntarily-created "Community Facilities District" pursuant to the Mello-Roos Community Facilities Act of 1982. In the event Lessor fails to pay any such payment, assessment or installment in a timely manner, Lessee reserves the right to make such payment and offset the amount of such payment against the rent due and owning hereunder to Lessor. If the rent due and owing pursuant to the remaining term of the Lease is less than the amount of such offset, Lessor

shall remit to Lessee the difference between offset owed to Lessee and rent owed to Lessor, within ten (10) calendar days of receipt of written demand therefore from Lessee. Lessee shall pay any personal property taxes imposed upon or charged to the Lessor as a result of Lessee's possession or tenancy of the Property.

21. Lessee's Right To Cancel - Well Inspection(s)

Lessee shall be entitled to perform or cause to be performed well tests at the property. Prior to beginning testing Lessee shall provide Lessor with a complete list of all tests to be performed and after the completion of all well tests Lessee shall provide Lessor with a conforming copy of all tests and studies performed by Lessee in connection with the existing wells. In the event the findings contained within the reports are unacceptable to Lessee, Lessee reserves the right to terminate this Lease without penalty, provided however that Lessee's disapproval is delivered to Lessor within fifteen (15) days from Lessor's delivery to Lessee of Lessor's written acceptance of this Lease. In the event Lessee terminates the Lease pursuant to this provision Lessee shall be refunded all monies paid to Lessor as rent.

22. <u>Water Adjudication</u>

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.

ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Lease.

ACCEPTANCE

LESSOR:

Sheldon R. Blum

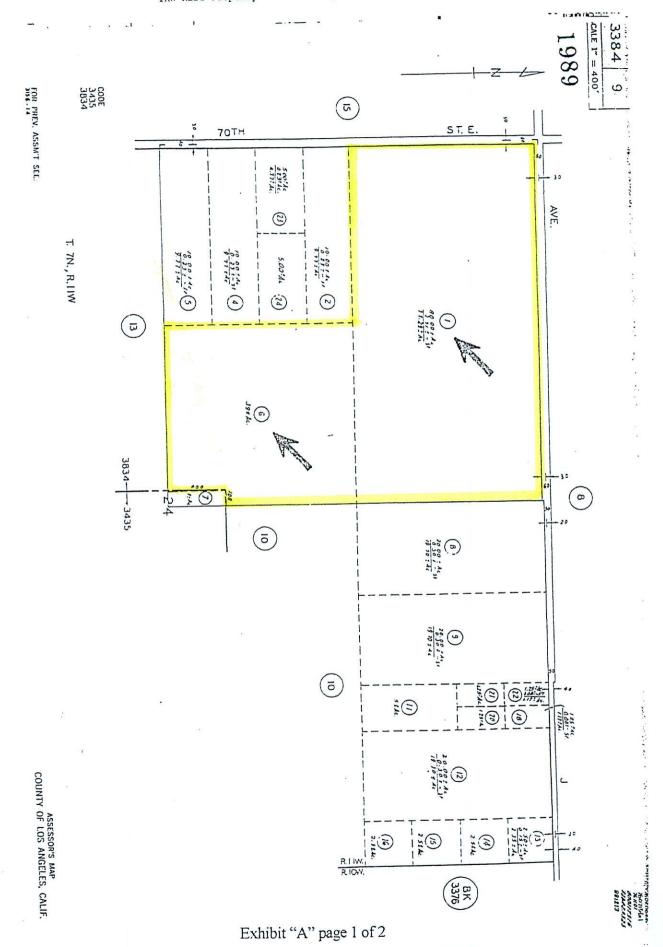
BY:

LESSEE:

Wm. Bolthouse Farms, A Michigan Corporation

BY:

Its:



3384-009-01

The north half of the northwest quarter of Section 24, Township 7N, Range 11W, San Bernardino Meridian, in the County of Los Angeles, State of California, according to the official plats of said land.

3384-09-06

The northeast quarter of the northwest quarter of Section 24, Township 7N, Range 11W, San Bernardino Meridian, in the County of Los Angeles, State of California, according to the official plats of said land.

Except therefrom that portion described as follows beginning at the southeast corner of said northwest quarter; Thence westerly along the south line of said northwest quarter, 108 feet; Thence northerly parallel with the west line of said section, 400 feet; Thence easterly parallel with the south line of said section, to the east line of said northwest quarter; thence southerly along said east line 400 feet to the point of beginning.

MODIFICATION OF LEASE

X

THIS AGREEMENT is made May 12, 2004, by and between Sheldon R. Blum, ("Lessor" herein), and Wm. Bolthouse Farms, Inc., a Michigan Corporation ("Lessee" herein).

1. **RECITALS:**

This agreement is made with the following statement of facts:

- A) Lessor and Lessee entered into a written lease (herein called "Lease"), on or about January 1, 2002.
- B) The parties desire to amend the provisions of the Lease, all upon the terms, covenants and conditions hereinafter more fully set forth.

2. NEW ADDITIONAL EXTENDED TERM AND RENT:

The term of the Lease shall be extended for an additional period of twenty-four (24) consecutive months beginning January 1, 2008, and ending December 31, 2009. The rent shall be \$42,000.00 total for combined Lease Extension years 2008 and 2009.

3. <u>LESSOR OFFER TO DISCOUNT RENT FOR LEASE</u> EXTENSION YEARS 2006 AND 2007:

Lessee has accepted Lessor's offer to discount rent for combined Lease years 2006 and 2007 to \$38,000.00 total. Discounted Rent payment to be forwarded to Lessor via overnight delivery no later than May 14, 2004.

4. **CONFIRMATION OF LEASE:**

In all other respects, said 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"

"Lessee"

Sheldon R. Blum

Wm. Bolthouse Farms, Inc.

A Michigan Corporation

Sheldon P. Blum

Derek Yurosek Farm Manager

date