

20255

Recorded at request of, and return to:
Orange County Dept. of Real Property Services
400 Civic Center Drive West
Santa Ana, California 92701

EXEMPT
C10RECORDED IN OFFICIAL RECORDS
OF ORANGE COUNTY, CALIFORNIA31 JAN 11 AM 1974
J. W. H. GUNDEL, County Recorder

DOCUMENTARY TRANSFER TAX

Computed on full value
of property conveyed.

AP No. Ptn. 104-133-58

Project No. GA 302

Project: El Toro County Service Area No. 6

Parcel No. 40.01

UNINCORPORATED area

Carroll A. Dill, Jr., Clerk

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged:

OCCIDENTAL LAND, INC., a corporation, formerly known as Occidental
Petroleum Land and Development Corporation, a corporation, formerly
known as Deane Brothers, Inc., a corporation,

do hereby GRANT to the COUNTY OF ORANGE the real property in the County of Orange,
State of California, described as:

Parcel GA 302-40.01

That portion of Lot 10 of the Rancho Canada de Los Aliso, in
the County of Orange, State of California, as shown on a map
recorded March 11, 1872, in Book 1, Pages 187 and 188 of
Patents, Records of Los Angeles County, California, described
as follows:

Beginning at a point in the centerline of Trabuco Road as described
in Deed to the County of Orange recorded September 30, 1931,
in Book 512, Page 62 of Official Records of Orange County,
California distant thereon N 64° 32' 55" W 1862.80 feet from
the northwesterly terminus of that certain curve in said
centerline described as having a radius of 600 feet and a
central angle of 30° 25' 30"; thence leaving said centerline
S 25° 27' 05" W 40.00 feet to the southwesterly line of said
Trabuco Road; thence continuing S 25° 27' 05" W 7.78 feet; thence
S 28° 41' 49" W 398.92 feet; thence N 61° 18' 11" W 90.00 feet;
thence S 28° 41' 49" W 314.00 feet to the TRUE POINT OF BEGINNING;
thence N 73° 56' 01" W 260.18 feet; thence S 76° 51' 58" W
215.64 feet; thence N 85° 24' 21" W 337.08 feet; thence
N 81° 48' 21" W 252.58 feet; thence N 61° 14' 34" W 280.61 feet;
thence S 77° 55' 40" W 530.74 feet; thence S 36° 42' 10" W
137.20 feet; thence S 85° 30' 55" W 255.78 feet; thence
N 77° 18' 38" W 773.90 feet; thence N 38° 24' 00" W 172.26 feet;

Mail Tax Statement to Return Address Above

MI 1226K 521

thence N 41° 22' 57" W 246.56 feet; thence N 55° 31' 08" W 321.48 feet; thence S 70° 22' 47" W 229.31 feet; thence N 57° 52' 38" W 520.70 feet to the northeasterly prolongation of the southeasterly line of Bake Parkway as shown on the Map of Tract 7197 recorded in Book 291, Pages 4 to 15 inclusive of Miscellaneous Maps, records of said County, thence along said prolongation, S 35° 18' 18" W 464.50 feet; thence S 8° 36' 51" E 37.49 feet to a line that is parallel with and distant 40.00 feet northeasterly, measured at right angles, from that portion of the centerline of Toledo Way, shown on said Map of Tract No. 7197 as having a bearing and distance of N 54° 41' 42" W 284.96 feet; thence along said parallel line S 54° 41' 42" E 198.96 feet to the beginning of a tangent curve concave northeasterly having a radius of 1360.00 feet; said curve being concentric with and distant 40.00 feet northeasterly, measured radially, from that certain curve in said centerline of Toledo Way shown on said Map of Tract No. 7197 as having a radius of 1400.00 feet and a central angle of 14° 48' 23"; thence along said concentric curve, through a central angle of 11° 48' 23" an arc distance of 280.24 feet; thence non-tangent to said last mentioned curve, N 24° 08' 06" E 212.13 feet; thence S 81° 47' 24" E 203.08 feet; thence S 85° 07' 34" E 388.40 feet; thence S 41° 01' 03" E 223.99 feet; thence S 12° 43' 28" E 95.34 feet; thence S 49° 16' 04" E 306.30 feet; thence S 64° 23' 38" E 534.48 feet; thence S 30° 30' 28" E 80.15 feet to a point on the northerly line of Serrano Road as shown on Map of Tract No. 7395 recorded in Book 281, Pages 13 to 16 inclusive of Miscellaneous Maps, records of said County, said point being on a curve concave southerly having a radius of 630.00 feet and a central angle of 45° 33' 36"; radial line to said last mentioned point bears N 6° 30' 28" W; thence along said northerly line of Serrano Road, Easterly along said last mentioned curve through a central angle of 25° 08' 24" an arc distance of 276.43 feet and tangent to said curve S 71° 22' 04" E 33.00 feet to the general easterly line of said Tract No. 7395; thence along said easterly line, S 18° 37' 56" W 30.00 feet to the centerline of Serrano Road, as shown on said Map, thence along the southeasterly prolongation of said centerline S 71° 22' 04" E 145.59 feet to the beginning of a tangent curve concave northerly having a radius of 800.00 feet, thence easterly along said last mentioned curve through a central angle of 38° 12' 16" an arc distance of 533.43 feet; thence tangent to said last mentioned curve, N 70° 25' 40" E 344.94 feet to the beginning of a tangent curve concave southerly having a radius of 800.00 feet; thence easterly along said last mentioned curve through a central angle of 39° 57' 49" an arc distance of 558.00 feet; thence tangent to said last mentioned curve, S 69° 36' 31" E 386.55 feet to the beginning of a tangent curve concave northerly having a radius of 1200.00 feet, thence easterly along said last mentioned curve, through a central angle of 12° 52' 35" an arc distance of 269.68 feet; thence tangent to said last mentioned curve S 82° 29' 06" E 232.49 feet; to the beginning of a tangent curve concave southwesterly having a radius of 1200.00 feet; thence

calc'd 95.02'

S06°30'28"E

N 1726N 522

southeasterly along said curve through a central angle of 38° 28' 12" an arc distance of 805.71 feet; thence radial to said curve N 45° 59' 06" E 433.12 feet; thence N 10° 21' 34" E 150.35 feet; thence N 24° 05' 41" W 370.00 feet; thence N 00° 58' 40" E 105.00 feet; thence N 67° 30' 44" E 150.00 feet; thence N 28° 41' 49" E 112.09 feet to a point in a line that bears S 61° 18' 11" E 914.70 feet from the southwesterly terminus of the aforesaid course cited as "S 25° 27' 05" W 7.78 feet"; thence along said line N 61° 18' 11" W 202.81 feet; thence S 43° 43' 19" W 145.12 feet; thence S 23° 37' 46" W 174.64 feet; thence S 53° 28' 43" W 230.20 feet; thence S 59° 12' 24" W 226.96 feet and N 60° 43' 33" W 568.00 feet to the TRUE POINT OF BEGINNING.

CONTAINING 55.59 acres,

Subject to an unrecorded Lease Agreement dated September 21, 1973, executed between Occidental Land, Inc., a California corporation, as Lessor, and American Riding Guild, Inc., a corporation, as Lessee, a copy of which is attached hereto as Exhibit A. The term of said Lease Agreement commenced on October 1, 1973, and expires on September 30, 1978.

Grantor agrees that in no event shall the term of said lease be extended beyond September 30, 1978.

GRANTOR further agrees, upon termination of said Lease, 1) to immediately so notify the Director of the Orange County Harbors, Beaches and Parks District and upon demand of the Director, within 30 days therefrom, to remove any and all improvements, materials and debris from the land which was subject to said Lease so as to leave the land in a clean, usable condition; and 2) to obtain and to deliver to the County of Orange a Quitclaim Deed, in favor of said County, signed by the Lessee thereunder.

During the term of said Lease, GRANTOR shall have the right to remove any and all equestrian improvements from the leased premises regardless of whether said improvements shall be classified as real or personal property.

Grantor, herein, reserves the right to continue to collect all rental payments due under the above-referenced Lease Agreement.

Grantor agrees to save grantee, its officers, agents and employees harmless from any or all penalties, liabilities or loss resulting from claims (or court actions) arising directly or indirectly out of any injury to persons or damage to property by reason of the acts or omissions, intentional or otherwise, of the grantor, his agents, employees or independent contractors employed by grantor in exercising any of the privileges herein reserved or in consequence thereof.

M.R.
M.H.

04/25

July 19, 1974

OCCIDENTAL LAND, INC.

Signed in the presence of:

By

April 8. Arr

Subscribing Witness

By

Paul S. Steinbock
ASST. SECY

523

INDIVIDUAL ACKNOWLEDGMENT

STATE OF CALIFORNIA, COUNTY OF

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

known to me to be the person whose name subscribed to the within Instrument, and acknowledged that executed the same.

WITNESS my hand and official seal.

SUBSCRIBING WITNESS ACKNOWLEDGMENT

STATE OF CALIFORNIA, COUNTY OF

On 20th day of February 1906 before me, the undersigned, a Notary Public in and for said County and State, personally appeared James M. McQuinn

personally known to me to be the person whose name is subscribed to the within instrument, as a Witness thereto, who being by me duly sworn, deposes and says: That _____ resides in _____ County, and that _____ was present and saw _____

personally known to _____ to be the same person described in and whose name _____ subscribed to the within and annexed instrument as _____ thereto, execute and deliver the same, and _____ acknowledge to said affiant that _____ executed the same; and that said affiant subscribed _____ name thereto as a Witness.

WITNESS my hand and official seal.

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the within deed or grant to the County of Orange, a body corporate and politic, is hereby accepted by the undersigned officer of Agent on behalf of the Board of Supervisors of the County of Orange, pursuant to authority conferred by resolution of the said Board of Supervisors adopted on February 26, 1965, and the grantee consents to recordation thereof by its duly authorized officer.

Dated August 21, 1974

Bv

undersigned Officer or Agent on behalf of the Board
conferred by resolution of the said Board of Supervisors
to recordation thereof by its duly authorized officer

Supdt. Meiser
Assistant Director
Department of Real Property Services

APPROVALS

Approved as to form by _____ and con-
~~XXXXXX XXXX XXXX XXXX XXXX~~
 sents by County Counsel on 8-13-79

By Harvey

Description Compared

by Mike Mathers

This Grant Deed is hereby approved as to contents and it is recommended that the Deed be accepted and recorded. .

**Kenneth Sampson, Director of
Harbors, Beaches, and Parks**

By Kenneth Thompson

112201

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA, COUNTY OF Orange

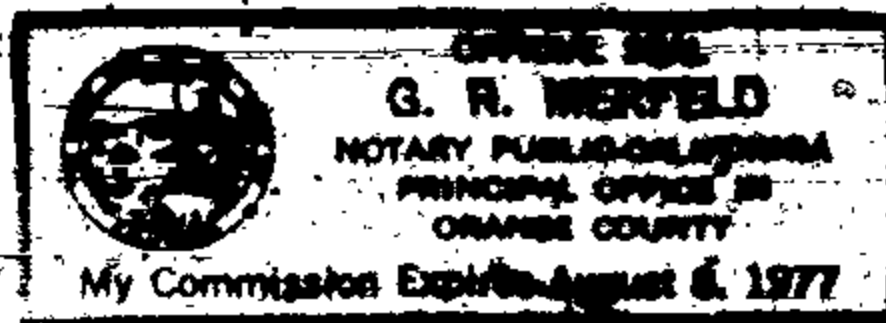
On this 19th day of July, 1974, before me, a Notary Public in and for said

County and State, personally appeared Mel G. Rice, known to me

to be the Vice President of Raymond D. Schabach

known to me to be the ASST Secretary of the Corporation that executed the within Instru-
ment, known to me to be the persons who executed the within Instrument on behalf of the said Corporation and
acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolu-
tion of its board of directors.

WITNESS my hand and official seal.



PARTNERSHIP ACKNOWLEDGMENT

STATE OF CALIFORNIA, COUNTY OF _____

On this _____ day of _____, 19____, before me, a Notary Public in and for

said County and State, personally appeared _____

known to me to be the partner(s) of the partnership that executed the within Instrument, and acknowledged to
me that such partnership executed the same.

WITNESS my hand and official seal.

LEASE AGREEMENT

#12261 525

THIS LEASE AGREEMENT is entered into this 21 day of September, 1973, by and between OCCIDENTAL LAND, INC., a California corporation, of 4201 Birch Street, Newport Beach, California 92660 (hereinafter referred to as "Lessor") and AMERICAN RIDING GUILD, INC., a corporation, of 2140 South 7th East, Salt Lake City, Utah (hereinafter referred to as "Lessee") is as follows:

1. PREMISES: Lessor leases to Lessee and Lessee takes from Lessor for the term, at the rental and upon the covenants and conditions set forth herein, that certain real property situated in Orange County, California (hereinafter referred to as the "Equestrian Site", the "Premises" and/or the "Demised Premises") as further described in Exhibit "A" attached hereto and incorporated herein by reference.

Lessor reserves to itself the exclusive right and power to, at any time during the term hereof, remove lessee or cause it to be removed, from the premises described in Exhibit "A" hereto and relocate it to other comparable premises owned by lessor within the Lake Forest area of El Toro, California. Should lessor so elect to relocate lessee, it shall give lessee sixty (60) days prior written notice, which notice shall describe the new location that it can be readily located by lessee. Said new location shall be of a size, topography, configuration and location as to be substantially similar to the premises demised herein. Lessor shall pay all reasonable costs of relocation and in the event that because of said relocation, lessee is unable to continue its business activities for a period in excess of forty eight (48) hours, rent shall be abated for the actual period of time of such interruption. Upon completion of said relocation, a revised legal description of the premises shall be prepared and attached to this lease as a revised Exhibit "A". Failure of lessee to abide by the terms of the foregoing shall constitute a default under this lease agreement.

2. TERM: Unless sooner terminated as hereinafter set forth, the term of this lease shall be for a period of five (5) years, commencing on October 1, 1973 and expiring on September 30, 1978.

3. RENT:

(a) Lessor agrees to pay as rent for the use and occupancy of the Premises One Thousand Four Hundred Dollars (\$1,400.00) per month, in cash in advance on

EXHIBIT A

the first day of each calendar month commencing October 1, 1973 and continuing thereafter on the first day of each and every calendar month during the lease term.

(b) All rents and other monies required to be paid by Lessee hereunder shall be paid to Lessor without deduction or offset, except as provided herein, prior notice or demand, in lawful money of the United States of America at such places as Lessor may from time to time designate in writing.

4. BRIDAL TRAIL MAINTENANCE: Lessee's customers shall have the right to use for bridal trail purposes only, the bridal trail system presently under construction by Lessor. Said trail system meanders through various adjoining parcels of land and consists of approximately six (6) miles of trails. Lessee shall for the term of this lease or any extension hereof, keep said trail system in an acceptable condition subject to ordinary standards of health, safety and aesthetics.

5. PREFERENCE AS TO PATRONS: It is agreed by the parties hereto that in the conduct of the Lessee's business on said Equestrian Site, Lessee shall give preference and priority to residents of the Lake Forest Development, as the same is known and understood in the area of the Equestrian Site in providing his services to the public. To the extent that there exists or may exist any conflict or competition for Lessee's services, of whatsoever kind, nature or description, Lessee shall in every case give preference and priority to Lake Forest residents. It is further agreed that the foregoing is a condition of this agreement and not a mere recital.

Lessee further covenants and agrees that it shall at all times, have no less than two (2) saddle horses (to be equipped with customary saddles, reins, etc.) available for lessor's agent's or employee's use on a no-cost basis.

6. USE OF PREMISES:

(a) Lessee shall use or cause the Premises to be used solely for the conduct and carrying on therein the business of a riding stable, boarding stable, boarding facility for horses, equine training center and related activities.

(b) Lessee shall not use or permit the Premises to be used for any other purposes without the prior written consent of Lessor, and covenants that it will not use or permit to be used any part of the Premises for any dangerous, noxious or offensive trade or business and will not cause or maintain any nuisance in, at or on the Premises.

(c) Lessee covenants not to do or suffer any waste or damage, or injury to any building or improvement now or hereafter on the Premises.

(d) Lessee agrees that it will not at any time during the term hereof, without the prior written consent of Lessor:

(1) install any sign, exterior lighting facilities or shades or awnings, amplifiers or similar devices, or use in or about the Premises any advertising medium which may be heard or experienced outside the Premises such as flashing lights, searchlights, loud speakers, phonographs or radio broadcasts.

(2) erect, place or maintain any object or thing of whatsoever nature on any roof or canopy of the Premises without the consent of Lessor.

7. COMPLIANCE WITH LAWS: Lessee covenants and agrees that throughout the term of this Lease, without cost to Lessor, it shall promptly comply with all laws and ordinances and the orders, rules, regulations and requirements of all federal, state and local governments and appropriate departments thereof, and the orders, rules and regulations of the Pacific Fire Rating Bureau or any other body now or hereafter constituted exercising similar functions with respect to its use and occupancy of the Premises. Lessee shall comply with the foregoing, whether or not the same requires structural repairs or alterations to the Premises and the fixtures, furnishings and equipment of Lessee, if required by reason of Lessee's use and occupancy of the Premises.

8. TAXES

(a) Lessee will pay before delinquency all taxes and assessments levied or assessed against any items of personal property and/or trade fixtures kept or placed by it upon the demised premises.

Lessee also agrees to pay before delinquency, as additional rent, all real property taxes and assessments which are levied or assessed against the demised premises and/or the improvements thereon during the term of this lease or any renewal thereof.

It is agreed that benefit may be taken of the provisions of any statute or ordinance permitting any such taxes or assessments to be paid over a period of time and Lessee shall be obligated to pay only the installments of such taxes or assessments which are attributable to the term of this Lease. All real property taxes attributable to the year in which this Lease commences or terminates shall be apportioned between Lessor and Lessee on a daily basis.

If the demised premises are separately assessed, Lessee will furnish on request evidence of the payment prior to delinquency of said taxes and assessments herein agreed to be paid by Lessee.

If it shall so desire, Lessee may at any time contest the validity of any assessment, tax or levy. In this event, Lessor will offer no objection and at the request of Lessee, but without expense to Lessor, will cooperate with Lessee in such contest.

In the event the demised premises are not separately assessed but are part of a larger parcel for assessment purposes (hereinafter referred to as "the larger parcel") Lessee shall pay to Lessor upon demand and submission of evidence that same have been paid by Lessor:

- a fractional portion of the taxes assessed against the land comprising the larger parcel, the numerator of which shall be the number of square feet of land area within the demised premises and the denominator of which shall be the number of square feet of land area in the larger parcel; and
- a fractional portion of the taxes assessed against all the improvements upon the larger parcel, the numerator of which shall be the floor area of the improvements on the demised premises and the denominator of which shall be the floor area of the improvements on the larger parcel.

Lessor and Lessee agree to join in requests for and take steps reasonably necessary to obtain separate assessment of the demised premises.

(b) If at any time during the term of this Lease, under the laws of the State or any political subdivision thereof in which the Premises are situated, a tax or excise on rents or other tax (other than an income tax) however described, is levied or assessed by said State or political subdivision against Lessor on the rent expressly reserved hereunder, Lessee covenants to pay and discharge such tax or excise on rents or other tax but only to the extent of the amount thereof which is lawfully assessed or imposed upon Lessor and which was so assessed or imposed as a direct result of Lessor's ownership of the Premises or of Lessor's interest in this Lease or of the rentals accruing under this Lease, it being the intention of the parties hereto, that the rent to be paid hereunder shall be paid to Lessor absolutely net without deduction of any nature whatsoever, foreseeable or unforeseeable, except as in this Lease otherwise expressly provided. The payment to be made by Lessee pursuant to this subparagraph shall be made before any fine,

or cost may be added thereto for the nonpayment thereof. Such tax or cost on rents or other tax shall be deemed to be an item of additional rent hereunder.

(c) Should Lessor pay any taxes, assessments or whatever agreed herein to be paid by Lessee by reason of Lessee's failure so to pay, or for any reason whatsoever, Lessor may elect to treat said payment as a breach of this Lease, entitling Lessor to terminate this Lease or Lessee's right to possession of the premises, or both but only after Lessor has given twenty (20) days notice and Lessee has failed, within said twenty (20) day period, to pay the amount of any sums so advanced, to Lessor.

9. INSURANCE:

(a) Lessee shall at all times during the term hereof, at its own cost and expense, procure and maintain in force and effect a policy or policies of comprehensive public liability insurance issued by insurance companies acceptable to Lessor, assuring against loss, damage or liability for injury to or death of persons and loss or damage to property occurring from any cause whatsoever in, upon or about the Premises. Such liability insurance shall be in amounts of not less than One Hundred Thousand Dollars (\$100,000) for personal injuries to or death of any one person whomsoever, and Three Hundred Thousand Dollars (\$300,000) for personal injuries to or death of any two or more persons whomsoever arising from the same occurrence, and Ten Thousand Dollars (\$10,000) for damage to property. Lessee and Lessor shall be the named assured (and at Lessor's option any other persons, firms, or corporations designated by Lessor shall be the additional named assureds) under each such policy of insurance, and in addition each such policy of insurance shall contain an express waiver of any and all rights of subrogation thereunder whatsoever against Lessor, its officers, agents and employees.

(b) Lessee shall at all times during the term hereof at its own cost and expense, procure and maintain in force and effect a policy or policies of standard form of fire with extended coverage insurance covering the Premises and the improvements thereon in an amount

to the full insurable value thereof. Lessee and Lessor shall be the named assureds (and at Lessor's option any other persons, firms or corporations designated by Lessor shall be the additional named assureds) under each such policy of insurance, and in addition each such policy of insurance shall contain an express waiver of any and all rights of subrogation thereunder whatsoever against Lessor, its agents and employees. Anything herein contained to the contrary notwithstanding, Lessee may, at its option, bring its insurance requirements under this Paragraph within the coverage of any so-called blanket policy or policies of fire with extended coverage insurance, in amounts not less than are required hereunder covering any other property or properties, wheresoever situate, in which Lessee may have an insurable interest.

(c) A certificate issued by the insurance carrier for each policy of insurance required to be maintained by Lessee hereunder shall be delivered to Lessor within thirty (30) days of the commencement of this lease and thereafter, as to policy renewals, within thirty (30) days prior to the expiration of the term of each such policy. Each of said certificates of insurance and each such policy of insurance required to be maintained by Lessee hereunder shall expressly evidence insurance coverage as required by this Lease (including an express waiver of any and all rights of subrogation thereunder whatsoever against Lessor, its officers, agents and employees as required hereunder) and shall contain an endorsement or provision requiring not less than ten (10) days' written notice to Lessor prior to the cancellation, diminution in the perils insured against, or reduction of the amount of coverage of the particular policy in question.

10. INDEMNIFICATION OF LESSOR: Lessee agrees to indemnify and save harmless Lessor from and against any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from Lessee's or lessee's agents operations on the Premises, or arising from any breach or default on the part of Lessee in the performance of any covenant or agreement of Lessee to be performed pursuant to the terms of this Lease, or arising from any act or omission constituting negligence of the Lessee or any of its agents, contractors,

expenses and liabilities incurred in or about any such claim, action or proceedings brought thereon. In case any action or proceeding be brought against Lessor by reason of any such claim, Lessor shall cooperate fully with Lessee in the defense of any such action or proceeding, provided that Lessee, at its sole cost and expense, shall defend such action or proceeding by counsel reasonably satisfactory to Lessor.

11. MECHANIC'S LIENS:

(a) Lessee shall not suffer or permit any mechanic's liens to be filed against the Premises or any part thereof by reason of work, labor, services, or materials supplied or claimed to have been supplied to Lessee or anyone holding the Premises or any part thereof through or under Lessee. If any such mechanic's lien shall at any time be filed against the Premises, Lessee shall cause the same to be discharged of record within twenty (20) days after date of the filing of same. If Lessee shall fail to discharge such mechanic's lien within such period, then, in addition to any other right or remedy of Lessor, Lessor may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit in court or by giving security or in such other manner as is or may be prescribed by the court, and all reasonable legal and other expenses of Lessor, including reasonable counsel fees, in or about procuring the discharge of such lien, with all necessary disbursements in connection therewith, with interest thereon at the rate of ten per cent (10%) per annum from the date of payment, shall be repaid by Lessee to Lessor on demand, and if unpaid may be treated as additional rent. Nothing herein contained shall imply any consent or agreement on the part of Lessor to subject Lessor's estate to liability under any mechanic's lien law.

(b) If Lessee shall desire to contest any claim of lien, it shall furnish Lessor adequate security of the value or in the amount of the claim, plus estimated costs and interest, or a bond of a responsible corporate surety in such amount conditioned on the discharge of the lien.

~~Validity or existence of a lien for any amount is~~
~~Lessee shall pay and satisfy the same at once.~~

12. UTILITY CHARGES: Lessee agrees to pay, or cause to be paid, all charges ~~Lessee~~ for water, gas, electricity, light heat or power, telephone or other communication service used, and any and all other utility charges rendered or supplied to the premises, buildings or improvements or for use by Lessee in the conduct of his operations on the Premises throughout the term of this Lease.

13. REPAIRS AND MAINTENANCE:

(a) Lessor shall be under no obligation to make any repairs, alterations or improvements to or upon the Premises or any part thereof at any time except as in this Lease expressly provided. Lessee shall, at its sole cost and expense, at all times during the term hereof keep and maintain the Premises, the improvements thereon, and every part thereof in good and sanitary order, condition and repair and in compliance with all laws and regulations applicable thereto. Lessee hereby waives any right or rights it has or could have under the provisions of Sections 1941 and 1942 of the Civil Code of the State of California or any other similar law, rule or regulation now or hereafter in effect.

(b) ~~Lessee covenants and agrees that Lessor or the authorized~~ representatives of Lessor may go upon the Premises at all reasonable times for the purpose of inspecting the Premises and serving or posting or keeping posted thereon notice provided by Sections 3094 and 3129 of the Civil Code of the State of California, or any other law of said State or which Lessor may deem necessary or appropriate for the protection of Lessor or its interest and to make any necessary repairs to the Premises and perform any work therein which may be necessary to comply with any law, ordinances, rules or regulations of any public authority or of the Pacific Fire Rating Bureau or of any similar body or that Lessor may deem necessary to prevent waste or deterioration in connection with the Premises if Lessee does not make or cause such repairs to be made or performed or cause such work to be performed promptly after receipt of written demand from Lessor. Nothing herein contained shall imply

any duty on the part of Lessor to do any such work which under any provision of this Lease Lessee may be required to do and the performance thereof by Lessor shall not constitute a waiver of Lessee's default in failing to do the same. Should Lessor perform or cause to be performed any work contemplated under this Paragraph, Lessor may elect to treat said performance as a breach of this Lease, entitling Lessor to terminate this Lease or Lessee's right to possession of the premises, or both but only after Lessor has given Lessee twenty (20) days notice and Lessee has failed within said twenty (20) day period, to pay the cost of any work so performed.

14. DESTRUCTION: Lessee's obligation to make payment of rent and all other charges on the part of Lessee to be paid and to perform all other covenants and agreements on the part of Lessee to be performed shall not be affected by any such damage to or destruction of the Premises by fire or otherwise. Lessee hereby waives the provisions of any statute or law now or hereafter in effect contrary to such obligations of Lessee as herein set forth or which relieve Lessee therefrom.

15. ASSIGNING, MORTGAGING, SUBLETTING:

(a) Lessee shall not transfer, assign, sublet or hypothecate this Lease or Lessee's interest in and to the Premises without first procuring the written consent of Lessor, and any attempted transfer, assignment, subletting or hypothecation without such written consent shall be void and confer no rights upon any third person.

(b) Each transfer, assignment, subletting and hypothecation to which Lessor has consented shall be by an instrument in writing that shall be

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executed by the transferor, assignor, sublessor, hypothecator or mortgagor and the transferee, assignee, sublessee or mortgagee in each instance, as the case may be. Each such transferee, assignee, sublessee or mortgagee shall agree in writing, for the benefit of Lessor herein, to assume, to be bound by, and to perform the terms, covenants and conditions of this Lease to be done, kept and performed by Lessee. One executed copy of such written instrument shall be delivered to Lessor. Failure to comply with the provisions of this Paragraph shall operate to prevent any such transfer, assignment, subletting or hypothecation from becoming effective.

16. BANKRUPTCY: Lessee agrees that in the event all or substantially all of Lessee's assets be placed in the hands of a receiver or trustee, and such receivership or trusteeship continues for a period of thirty (30) days, or should Lessee make an assignment for the benefit of creditors or be finally adjudicated a bankrupt, or should Lessee institute any proceedings under the Bankruptcy Act or under any other act relating to the subject of bankruptcy wherein Lessee seeks to be adjudicated a bankrupt, or to be discharged of its debts, or to effect a plan of liquidation, composition or reorganization, or should any involuntary proceeding be filed against Lessee under any such bankruptcy laws and Lessee consent thereto or acquiesce therein by pleading or default, then this Lease or any interest in and to the Premises shall not become an asset in any of such proceedings and, in any such events and in addition to any and all rights or remedies of Lessor hereunder or by law provided, it shall be lawful for Lessor to declare the term hereof ended and to re-enter the Premises and take possession thereof and remove all persons therefrom and Lessee shall have no further claim thereon or hereunder.

17. DEFAULTS BY LESSEE:

(a) Should Lessee at any time be in default hereunder with respect to any rental payments or other charges payable by Lessee hereunder, and should such default continue for a period of five (5) days after written notice thereof from Lessor to Lessee, or should Lessee be in default in the performance of any other of its promises, covenants, or agreements herein contained and should such default continue for thirty (30) days after written notice thereof from Lessor to Lessee specifying the particulars of such default, or should Lessee vacate or abandon the Premises, then in any of such events and in addition to any or all other rights or remedies of Lessor hereunder or by law provided, it shall be at the option of Lessor:

(1) The right of Lessor to declare the term hereof ended and to re-enter the Premises and take possession thereof and remove all persons therefrom, and Lessee shall have no further claim thereon or hereunder;

(2) The right of Lessor without declaring this Lease ended to re-enter the Premises and occupy or lease the whole or any part thereof for ~~and on account of~~ Lessee and upon such terms and conditions and for such rent as Lessor may reasonably be able to obtain and to collect said rent or any other rent that may thereafter become payable and apply the same toward the amount due or thereafter to become due from Lessee and on account of the expenses of such subletting and any other damage sustained by Lessor; and should such rental be less than that herein agreed to be paid by Lessee, Lessee agrees to pay such deficiency to Lessor in advance on the day of each month ~~hereinafter~~ specified for payment of rental and to pay to Lessor forthwith upon any such reletting the costs and expenses Lessor may incur by reason thereof; or

(a) The right of Lessor, even though it may have relet the Premises, to thereafter elect to terminate this Lease and all of the rights of Lessor in or to the Premises.

(b) Should Lessor have relet the Premises under the provisions of subparagraph (a) (2) above, it may execute any such lease either in its own name or in the name of Lessee as it shall see fit, but the tenant therein named shall be under no obligation whatsoever to see to the application by Lessor of any rent collected by Lessor from such tenant, nor shall Lessee have any right or authority whatever to collect any rent from such tenant. Lessor shall not be deemed to have terminated this Lease or the liability of Lessee to pay rent thereafter to accrue or its liability for damages under any of the provisions hereof by any such re-entry or by any action in unlawful detainer or otherwise to obtain possession of the Premises, unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease; and Lessee further covenants that the service by Lessor of any notice pursuant to the unlawful detainer statutes of the State of California and the surrender of possession pursuant to such notice shall not (unless Lessor elects to the contrary at the time and at any time subsequent to the service of such notice and such election be evidenced by a written notice to Lessee) be deemed to be a termination of this Lease. Nothing herein contained shall be construed as obligating Lessor to relet the whole or any part of the Premises. In the event of any entry or taking possession of the Premises as aforesaid, Lessor shall have the right, but not the obligation, to remove therefrom all or any part of the personal property located therein and may place the same in storage at a public warehouse at the expense and risk of the owner or owners thereof.

(c) Notwithstanding any other provisions of this Paragraph, Lessor agrees that if the default complained of, other than for the payment of monies, is of such a nature that the same cannot be rectified or cured within the thirty (30) day period requiring such rectification or curing as specified in the written notice relating thereto, then such default shall be deemed to be rectified or cured if Lessee within such period of thirty (30) days shall have commenced the rectification and curing thereof and shall continue thereafter with all due diligence to cause such rectification and curing and does so complete the same with the use of such diligence as aforesaid.

(d) The remedies given to Lessor in this Paragraph shall be in addition and supplemental to all other rights or remedies which Lessor may have under the laws then in force.

18. EMINENT DOMAIN: In the event the premises leased herein, or any part of the land described in Exhibit A, shall be taken or condemned for public purposes by any competent authority, the entire compensation award therefore shall belong to the Lessor without any deduction therefrom for any present or future estate of Lessee.

In the event that more than twenty per cent (20%) of the improved area of the premises, or if more than fifty per cent (50%) of the area of the land described in Exhibit A shall be so taken or condemned, then either Lessor or Lessee shall have the option of terminating this Lease upon giving the other party written notice of such election with thirty (30) days after possession of the part condemned has been taken by proper authorities, whereupon the term of this Lease shall be terminated as of the date on which possession is so taken. If Lessee does not so elect to terminate

this Lease, or if less than twenty per cent (20%) of the improved portion of the demised premises shall be so taken or condemned, Lessor at its own expense shall repair and restore the premises not affected by the taking and the minimum rent to be paid by Lessee shall be equitable and proportionately reduced in the same proportion that the floor area of the improved portion of the premises so taken bears to the floor area demised to Lessee immediately prior to the time of such taking. Any taking or condemnation of less than fifty per cent (50%) of the land described in Exhibit A, shall not result in any reduction or diminution of the rental payable hereunder.

19. SURRENDER OF PREMISES: Lessee shall, upon the expiration of the term hereof or any earlier termination of this Lease, surrender to Lessor the Premises including, without limitation, all buildings, apparatus and fixtures, except trade fixtures and equipment, then upon the Premises, in good condition and repair, reasonable wear and tear excepted.

20. ATTORNEYS' FEES: Should either party hereto institute any action or proceeding in court to enforce any provision hereof or for damages by reason of an alleged breach of any provision of this Lease, the prevailing party shall be entitled to receive from the losing party such amount as the court may adjudge to be reasonable attorneys' fees for the services rendered the prevailing party in such action or proceeding.

21. SUBORDINATION: Lessee agrees upon request of Lessor to subordinate this Lease and its rights hereunder to the lien of any mortgage, deed of trust or other encumbrance, together with any conditions, renewals, extensions or replacements thereof, now or hereafter placed, charged or

enforced against the Premises or any portion or portions thereof, and to execute and deliver at any time and from time to time upon demand by Lessor such documents as may be required to effectuate such subordination, and in the event that Lessee shall fail, neglect or refuse to execute and deliver any such document within ten (10) days after receipt of written notice so to do and the receipt by Lessee of the document to be executed by it, Lessee hereby appoints Lessor, its successors and assigns, the attorney-in-fact of Lessee irrevocably to execute and deliver any and all such documents for and on behalf of Lessee; provided, however, that Lessee shall not be required to effectuate such subordination nor shall Lessor be authorized to effectuate such subordination on behalf of Lessee unless the mortgagee, or trustee named in such mortgage, deed of trust, or other encumbrance shall first agree in writing, for the benefit of Lessee, that so long as Lessee is not in default under any of the provisions, covenants or conditions of this Lease on the part of Lessee to be kept or performed, that neither this Lease nor any of the rights of Lessee hereunder shall be terminated or modified or be subject to termination or modification, nor shall Lessee's possession of the Premises be disturbed or interfered with by any trustee's sale or by any action or proceeding to foreclose said mortgage, deed of trust or other encumbrance.

22. HOLDING OVER: In the event Lessee shall hold over or remain in possession of the Premises with the consent of Lessor after the expiration of the stated term of this Lease, or any written extension or renewal of the term of this Lease, such holding over or continued possession shall create a tenancy from month to month only, upon the same terms and conditions as are herein set forth so far as the same are applicable.

23. STATEMENT OF LESSEE: Lessee agrees at any time and from time to time, upon not less than twenty (20) days' prior notice by Lessor, to execute, acknowledge and deliver to Lessor a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there shall have been modifications, that this Lease is in full force and effect as modified and stating the modifications), and the dates to which the rent has been paid, and stating whether or not to the best knowledge of the signer of such certificate, Lessor is in default in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Lease and, if in default, specifying each such default of which the signer may have knowledge, it being intended that any such statement delivered pursuant to this Paragraph may be relied upon by Lessor or any prospective purchaser of the fee or any mortgagee thereof or any assignee of any mortgage upon the fee of the Premises, but reliance on such certificate may not extend to any default of Lessor as to which Lessee shall have had no actual knowledge.

24. NOTICES: All notices, demands, consents or requests which may be or are required to be given by either party to the other shall be in writing. All notices, demands, consents or requests given by either party shall be sent by United States registered or certified mail, postage pre-paid, addressed to Lessor at 4201 Birch Street, Newport Beach, California 92660, and addressed to Lessee at the Premises, or at such other place as Lessor or Lessee may from time to time designate in a written notice. Notices, demands, consents or requests served in the manner hereinabove described shall be deemed sufficiently served or given at the time of the mailing thereof.

25. CHARACTER OF LEASE: This is a net Lease and notwithstanding any language herein to the contrary it is intended and Lessee expressly covenants and agrees that all rentals and other payment herein required to be made by Lessee to Lessor shall be net payments to Lessor, meaning that Lessor is not and shall not be required to expend any money or do any acts or take any steps affecting or with respect to the maintenance, preservation and protection of the Premises or any part thereof other than as expressly provided in this Lease.

26. QUIET POSSESSION: Lessor warrants and agrees that as the possession of the Premises is delivered to Lessee, that Lessee thereafter, upon paying the rent and performing the covenants and conditions of this Lease, may quietly have, hold and enjoy the Premises during the term hereof or any extensions thereof.

27. GENERAL PROVISIONS:

(a) The captions of the Paragraphs of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

(b) The language in all parts of this Lease shall be in all cases construed simply according to its fair meaning, and not strictly for or against Lessor or Lessee.

(c) As used in this Lease and whenever required by the context thereof, each number, both singular or plural, shall include all numbers, and in each gender shall include all genders. Lessor and Lessee as used in this Lease or in any other instrument referred to in or made a part of this Lease shall likewise include both the singular and the plural, a corporation, co-partnership, individual or person acting in any fiduciary capacity as executor, administrator,

trustee or in any other representative capacity. All covenants hereon on the part of Lessee shall be joint and several.

(d) Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Lessor and Lessee, it being expressly understood and agreed that neither the method of computation of rent nor any other provisions contained in this Lease nor any act or acts of the parties hereto shall be

to create any relationship between Lessor and Lessee other than the relationship of Lessor and Lessee.

(e) All rights and remedies of Lessor herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law. Likewise, the exercise by Lessor of any remedy provided for herein or allowed by law shall not be to the exclusion of any other remedy.

(f) One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed by the other party as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval of either party to or of any act by the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

(g) The term "Lessor" as used in this Lease so far as covenants or obligations on the part of Lessor are concerned, shall be deemed to include only Lessor. In the event of any bona fide transfer or transfers of Lessor's interest, Lessor herein named, except as hereinafter provided shall be automatically freed and relieved from and after the date of such transfer or conveyance of all personal liability as respects the performance of any covenants or obligations on the part of Lessor contained in this Lease thereafter to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall, subject as aforesaid, be binding on Lessor, its successors and assigns, only during and in respect of their respective successive periods of ownership.

(h) The laws of the State of California shall govern the validity, performance and enforcement of this Lease.

(i) If any provision of this Lease or application thereof to any person

or circumstance shall to any extent be invalid, the remainder of this Lease or the Application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

(1) It is hereby expressly agreed that this Lease contains all terms, covenants, conditions and agreements between the parties hereto relating in any manner to the rental and use and occupancy of the Premises, and that no prior agreement or understanding pertaining to the same shall be valid or of any force or effect, and that the terms, covenants, conditions and provisions of this Lease cannot be altered, changed, modified or added to except in writing signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

Lessor:

OCCIDENTAL LAND, INC.

By:

President

By:

Secretary

Lessee:

AMERICAN RIDING GUILD, INC.

By:

President

By:

Secretary

Equestrian Parcel.

In Area "L", 9-17-73. L.F.V.

DESCRIPTION

That portion of Lot 10 of the Rancho Granada De Los Alisos, in the County of Orange, State of California, as per map recorded in Book 3 pages 290 and 291 of Miscellaneous Records, in the office of the County Recorder of Los Angeles County, California, described as follows:

Beginning at a point in the center line of Trabuco Road as described in the deed to the County of Orange recorded September 30, 1931 in Book 512 page 62 of Official Records of Orange County, California, distant thereon North 64° 32' 55" West 1862.80 feet from the Northwestern terminus of that certain curve in said centerline described as having a radius of 600 feet and a central angle of 30° 25' 30"; thence South 25° 27' 05" West 47.78 feet, thence South 61° 18' 11" East 914.70 feet to the True Point of Beginning, thence continuing South 61° 18' 11" East 8.77 feet to the beginning of a tangent curve concave Southwesterly having a radius of 1540.00 feet, thence Southeasterly along said curve through a central angle of 18° 05' 57" an arc distance of 486.47 feet, thence radial to said curve South 46° 47' 46" West 460.54 feet to the Southwesterly terminus of that certain course cited as having a distance of 246.28 feet in the general Southerly line of that certain land described as Parcel "A" in the Partial Reconveyance recorded May 4, 1970 in Book 9281, page 257 of said Official Records, thence along the boundary lines of said Parcel "A" the following courses and distances:

North 79° 38' 26" West 266.84 feet,
South 55° 54' 28" West 264.37 feet,
~~North 60° 00' 00" West 166.23 feet,~~

South 63° 54' 42" West 11539 feet
and South 36° 10' 22" West 12.71 feet to a point in a non-tangent curve concave Southwesterly having a radius of 1200.0 feet, a radial line of said curve passing North 20° 05' 54" East, thence Northwesterly along said non-tangent curve through a central angle of 17° 32' 07" an arc distance of 376.44 feet, thence leaving said curve, continuing along said boundary lines the following courses and distances:

North 06° 56' 49" East 110.85 feet,
North 38° 43' 52" East 162.56 feet,
South 60° 44' 03" East 171.79 feet,
North 60° 44' 40" East 517.34 feet,
North 29° 11' 15" East 221.69 feet,
and North 61° 00' 23" East 41.56 feet;
thence leaving said boundary line South 55° 21' 35" East 155.39 feet and North 28° 42' 00" East 152.09 feet to the True Point of Beginning.

The above described parcel of land is calculated to contain 11.83 acres.

WT 226N 546

