

Agenda Item 6g

Discussion & Possible Action Regarding
Extension of Circle Green Lease at 17900
Sheep Creek Road, El Mirage, California



A. 4176 Warbler Road
P.O. Box 294049
Phelan, CA 92329
P. (760) 868-1212
F. (760) 868-2323
W. www.pphcsd.org

MEMORANDUM

DATE: November 8, 2023
TO: Board of Directors
FROM: Don Bartz, General Manager
By: Kim Sevy, HR & Solid Waste Manager/District Clerk
SUBJECT: Update on the Proposed Civic Center & Phelan Park Expansion Project

STAFF RECOMMENDATION

For the Board to approve the Second Amendment to Lease with C&G Partners (Circle Green) for Home Field and George's Field.

BACKGROUND

C&G Partners requested to extend the lease agreement for Home Field and George's Field for an additional five years. Should the Board decide not to approve the extension, C&G Partners have indicated they will exercise their purchase option. As the District does not have plans for those properties currently, it is beneficial for the District to extend the lease with C&G at this time.

FISCAL IMPACT

Lease income of \$10,820.67 per month with annual increases of 3% per year

ATTACHMENT(S)

Letter From C&G
Second Amendment to Lease
Original Lease

C & G Partners, LLC

November 2, 2023

Sent via Email and Overnight Delivery

Phelan Pinon Hills Community Services District
4176 Warbler Road
P.O. Box 294049
Phelan, CA 92329-4049
Attention: Don Bartz, General Manager

Re: George & Home Fields / Contingent Notice to Exercise Option to Purchase

Dear Mr. Bartz,

Thanks for taking my call today as you were out of town, C & G Partners, LLC's ("**C & G**") lease with the District for Home Field and George's Field dated November 7, 2018, as amended by that certain Amendment to Lease dated June 2, 2001 (collectively, the "**Lease**") is set to expire this Monday, November 6, 2023. As we discussed, the District is willing to extend the Lease on Home and Georges Fields but will not be able to approve the extension until the next board meeting on November 8, 2023 which is after the lease expires on November 6, 2023. Therefore, I wanted to send this notice that C & G is exercising its option to purchase both properties. This notice is only to follow the lease agreement language and if the board does subsequently approve the extension, this notice shall be disregarded.

C & G would prefer to extend the lease to continue to work together creating additional beneficial opportunities for the District and our businesses. This model worked extremely well on the Meadowbrook property with Circle Green Inc. Please see attached our previous amendment to extend the lease. Do not hesitate to contact me with questions or comments.

Kevin Sutton

Sincerely,
Kevin Sutton
Managing Member

SECOND AMENDMENT TO LEASE

This Second Amendment to Lease (the “**Second Amendment**”) is entered into as of November __, 2023 (the “**Effective Date**”), by and between Phelan Pinon Hills Community Services District, a public agency (“**District**”) and C & G Partners, LLC, a California limited liability company, (“**Tenant**”) with respect to the following facts and circumstances:

RECITALS

A. District and Tenant entered into that certain Lease Agreement with Tenant dated November 7, 2018 (“**Original Lease**”), as amended by that certain Amendment to Lease dated June 2, 2021 (“**First Amendment**”) (the Original Lease and First Amendment are collectively referred to herein as, the “**Lease**”) for the lease of that certain real property (i) approximately 160 acres of real property located at the NEC of El Mirage Road and Meridian Road, El Mirage, County of San Bernardino, State of California (“**Home Field**”); (ii) approximately 160 acres of real property located at the SWC of El Mirage Road and Meridian Road, El Mirage, County of San Bernardino, State of California (“**George’s Field**”) (Home Field and George’s Field are collectively referred to herein as the “**Property**”).

B. The Parties desire to amend the Lease on the terms and conditions provided herein.

AGREEMENT

WHEREFORE, in consideration for the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree as follows:

1. **Extension of the Term.** The Parties hereby acknowledge and agree that the Term shall be extended for five (5) additional years to November 6, 2028, and Tenant shall have the option to extend this Lease for up to four (4) additional Renewal Terms pursuant to Paragraph 2(b) of the Lease.

2. **Extension of Tenant’s Option Period.** Paragraph 19(a)(1) of the Lease and Paragraph 1 of the First Amendment are hereby deleted in their entirety and Paragraph 19(a)(1) of the Lease is replaced with the following:

“(1) Tenant shall have the right to exercise its Purchase Option for each of the Properties, whether it be for both Properties simultaneously or separately, any time on or before November 6, 2028, by giving the District written notice of its intent to exercise its Purchase Option.”

3. **Miscellaneous.** Any terms used, but not defined, herein shall have the same meaning as set forth in the Lease. Except as modified herein, all terms and conditions set forth in the Lease shall remain in full force and effect. In the event of a conflict between the terms set forth in this Second Amendment, and the terms set forth in the Lease, the terms of the Second Amendment shall govern.

IN WITNESS WHEREOF, this Second Amendment was executed as of the date first above written.

Phelan Pinon Hills Community Services District, a California public agency

By: _____
President, Board of Directors

Attest:

Secretary

C&G Partners, LLC, a California limited liability company

By: _____
Kevin Sutton, Managing Member

Attest:

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Phelan Pinon Hills Community Services District, a California public agency

By: _____
President, Board of Directors

Attest:

Secretary

C&G Partners, LLC, a California limited liability company

By: _____
Kevin Sutton, Managing Member

Attest:

LEASE

THIS LEASE AGREEMENT (“Lease”) is made this 7th day of November, 2018 (“**Commencement Date**”), by and between PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT, a public agency (hereinafter “the **District**”), and C & G Partners, LLC, a California limited liability company (hereinafter “the **Tenant**”).

RECITALS

A. The District is a Community Services District organized and operating pursuant to California Government Code Section 61000 et seq.

B. The Tenant is a limited liability company duly organized and operating under California law.

C. The District is the owner of the following real property: (i) approximately 160 acres of real property known as “**Home Field**” and located at the NEC of El Mirage Road and Meridian Road, El Mirage, County of San Bernardino, State of California (“**Home Field**”); and (ii) approximately 160 acres of real property known as “**George’s Field**” and located at the SWC of El Mirage Road and Meridian Road, El Mirage, County of San Bernardino, State of California (“**George’s Field**”). (Home Field and George’s Field are collectively referred to herein as the “**Property**”).

D. Tenant wishes to lease a portion of the Property as legally described in Exhibit “A” and depicted on Exhibit “B” both of which are attached hereto and incorporated herein by this reference (the “**Premises**”). The portions of the Property reserved for the District’s use in the attached exhibits are expressly excluded from the Premises leased herein.

E. Tenant desires to develop the Premises to operate various types of emerging green technologies, including, but not limited to, composting, food waste digestion, organic farming, and possibly green power generation.

F. Tenant may apply for permits to compost, operate digesters, and possibly to produce green energy on the Premises, and in the event that Tenant is successful in obtaining such permits and approvals, it is the intent of the Parties that Tenant pay the District a royalty fee pursuant to a separate agreement.

G. The purpose of this Lease is to set forth the terms and conditions under which the District will lease the Premises to the Tenant.

COVENANTS

NOW THEREFORE, in consideration of the preceding Recitals and the mutual Covenants contained herein, the parties hereto agree as follows:

Section 1. LEASE OF PREMISES

(a) Lease. The District hereby leases to the Tenant, and the Tenant hereby hires from the District, the Premises in the limited manner as strictly provided in this Lease. The Tenant has inspected the Property and agrees that the acreage stated herein is only approximate and the District does not hereby warrant or guarantee the actual amount of acreage stated in this Lease. In the event that the District determines in its reasonable discretion that it requires additional portions of the Premises to pump and/or transport water from the Premises, the Parties agree to work together in good faith to modify the Lease on terms mutually acceptable to the Parties.

Section 2. TERM

(a) Term. The term of this Lease shall begin on the Commencement Date and shall expire five (5) years after said date (the “**Term**”), unless earlier terminated pursuant to the provisions of Sections 18 or 22 of this Lease.

(b) Extensions. Tenant shall have the option to extend this Lease for up to five (5) additional 5-year terms (each a “**Renewal Term**”). Other than Rent, which shall be subject to Section 3(a) below, each Renewal Term shall be on the same terms and conditions set forth herein. Tenant shall exercise such option for a Renewal Term by providing written notice thereof to the District no less than six (6) months prior to the scheduled expiration of the then-current Term or Renewal Term.

(c) Holding Over. Any holding over after the expiration or termination of the Term or Renewal Term, with the consent of the District expressed or implied, shall be deemed only a month-to-month tenancy and shall otherwise be on the same terms and conditions set forth in this Lease; except that, if a holdover occurs, the Tenant shall pay to the District rent in the amount of the then-current Rent (as defined below) plus ten percent (10%) on a monthly basis during the period of holdover.

Section 3. LEASE PAYMENTS

(a) Rent. In consideration for leasing the Premises, the Tenant shall pay rent to the District in the amount of \$9,334.00 per month (\$4,667.00 for the Home Field, and \$4,667.00 for George’s Field) on the first day of each month during the Term and any Renewal Term (“**Rent**”), which payment shall be deemed delinquent and subject to an additional late fee equal to ten percent (10%) of the outstanding balance due if unpaid on the fourth day of the month. The amount of the Rent shall be subject to an automatic annual increase equal to three percent (3%) of the Rent for the prior year beginning on first of the month following the year anniversary of the Commencement Date and continuing every year thereafter during the Term and any Renewal Term of this Lease. Such sum so calculated shall become the new Rent hereunder, the payment of which shall be deemed delinquent and subject to an additional late fee

equal to ten percent (10%) of the outstanding balance due if unpaid on the fourth day of the month.

(b) Royalty Agreement. As a part of this Lease, Tenant intends to enter into an agreement with Circle Green, Inc. to manage the Properties and operate the Properties in accordance with the allowed uses set forth in Paragraph 4 below. Tenant shall cause Circle Green, Inc. to enter into a royalty agreement with the District, or amend its existing agreement (the “**Royalty Agreement**”), whereby in the event that Circle Green, Inc. obtains approvals from the County of San Bernardino, and other applicable government entities, to compost on the Premises and/or install one or more digesters (food waste) and/or energy facilities (that consumes green waste), Circle Green shall pay District a royalty fee, pursuant to the terms of the Royalty Agreement. In the event Tenant purchases the Premises pursuant to its Purchase Option, the Royalty Agreement shall remain in effect.

(c) Security Deposit. Tenant shall deliver to the District a cash sum in the amount of \$10,000.00 (\$5,000.00 for the Home Field and \$5,000.00 for George’s Field (collectively, the “**Security Deposit**”). The District shall hold the Security Deposit as security for the performance of the Tenant’s obligations under this Lease. If the Tenant defaults on any provision of this Lease, the District may (but shall not be required to), without prejudice to any other remedy it has, apply all or part of the Security Deposit to: (1) any Rent or other sum in default; (2) any amount that the District may spend or become obligated to spend in exercising the District’s rights under this Lease; and/or (3) any expense, loss, or damage that the District may suffer due to the Tenant’s default. The Tenant waives the provisions of California Civil Code Section 1950.7, and all other provisions of law now in force or that become in force after the date of execution of this Lease, that provide that the District may claim from the Security Deposit only those sums reasonably necessary to remedy defaults in the payment of accrued Rent to repair damage caused by the Tenant, or to clean the Premises. The Tenant and the District agree that the District may, in addition, claim those sums reasonably necessary to compensate the District for any other foreseeable or unforeseeable loss or damage caused by the act or omission of the Tenant or the Tenant’s officers, agents, employees, independent contractors, or invitees, including future Rent payments.

Section 4. USE OF PREMISES

The allowed use of the Premises consists of the following activities: site housekeeping, vector, dust and weed control and other basic property duties. Specific activities could include preparing the property for long term farming operations, including initiating composting (addition of organic matter) of the site soils. Other activities may include constructing wind berms using on-site soils and imported mulch and initiating farm preparation activities.

With respect to any proposed uses of the Premises not specifically allowed for herein, the following shall apply:

(a) Tenant’s use of the Premises shall be strictly limited to the reasonable and lawful performance of only those activities approved by the District in the exercise of its

reasonable discretion following the environmental review thereof, and the exercise of such uses by Tenant shall not be conducted in a manner that is otherwise inconsistent with the terms and conditions of this Lease.

(b) Tenant shall not engage in any allowed use that requires a land use entitlement approval until such approval is obtained by Tenant from the County of San Bernardino and/or all other agencies with applicable jurisdiction.

(c) Tenant shall fully comply with all applicable environmental review requirements necessary to obtain the land use approvals required pursuant to subsection (b) above, and Tenant shall comply with any and all mitigation measures and/or conditions of approval imposed by such entity or entities.

(d) Tenant agrees not to use or permit the use of the Premises for any purpose not specifically allowed in this Lease and any amendments thereto without first obtaining prior written consent from the District, which shall not be unreasonably withheld, conditioned or delayed.

(e) The Tenant also agrees to exercise due diligence in the protection of the Property from damage or destruction by fire, vandalism, earthquake, floods, or other cause.

Section 5. NO WASTE, NUISANCE, OR UNLAWFUL USE

Other than in amounts customarily used in the normal course of business in connection with any of the Permitted Uses (defined below), the Tenant shall not commit, or allow to be committed, on the Property any waste thereon, nor the presence, use, manufacture, handling, generation, or storage, of any hazardous substance which is or becomes listed, regulated, or addressed under any federal, state, or local statute, law, ordinance, resolution, code, rule, regulation, order or decree ("Hazardous Substance"). Notwithstanding the forgoing, in no event shall Tenant commit, or allow to be committed, on the Property any treatment, discharge, release, burial, or disposal of any Hazardous Substance, nor create or allow any nuisance to exist on the Property, nor use or allow the Property to be used for any illegal or unconstitutional purpose. The Tenant, at its sole cost and expense, shall be solely responsible for ensuring that the Premises, and the Tenant's use and occupancy thereof, complies with all of the requirements of all local, state, and federal authorities now in force, or which may be in force, including but not limited to those identified in this Section 5 of this Lease. The Tenant shall also be solely responsible for all costs necessary to ensure that the Tenant's uses of the Premises under this Lease comply with all applicable requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) and the Guidelines promulgated thereunder (California Code of Regulations Section 15000 et seq.).

Section 6. IMPROVEMENTS

(a) Construction. No alteration of the Premises, construction of improvements thereon, or installation of signage shall be permitted until the District has approved the complete plans and specifications therefor in the exercise of its reasonable discretion. Any building signage installed by Tenant on the Premises, and any improvements, repairs, and construction performed on the Premises by the Tenant or its employees, agents, contractors, consultants, or subcontractors shall be performed at Tenant's sole cost and expense and shall comply with the applicable rules, regulations, laws, statutes, and standards of the District and any other entity with jurisdiction over the activities conducted thereon. Where approval or acceptance by the District is indicated in this Lease, it is understood to be conceptual approval only and will not operate to relieve the Tenant or its contractors, consultants, or subcontractors of responsibility for complying with all laws, codes, industry standards, and liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or their own willful misconduct. Further, neither the District's review, approval, or acceptance of any of the work or services performed in connection with this Lease shall be construed as a waiver of any rights hereunder or of any defense or cause of action which it may have arising out of the performance of this Lease or any previous or subsequent agreements. The Tenant shall furnish the District with copies of all plans that are prepared and permits that are issued.

(b) Relocation. If a duly-empowered government entity other than the District, determines that any improvements constructed by the Tenant, or any part thereof, require repair, replacement, protection, removal, and/or relocation, such action shall be performed by the Tenant, at its sole expense, and in the manner reasonably required and approved by such government entity, subject to Section 21 hereof.

(c) Ownership. At the expiration or termination of this Lease, any improvements constructed on the Property shall vest in the District. Upon expiration or termination of the Term and/or Renewal Term, the Tenant shall deliver the Premises to the District in good condition and repair, reasonable wear and tear excepted, without compensation to the Tenant, and free and clear of any and all liens and/or claims.

Section 7. REPAIRS AND MAINTENANCE

The Tenant, at its own expense, shall have full and sole responsibility for all maintenance, repair, and remediation of, on, or about the Premises, and shall maintain, preserve, and keep the Premises in good repair, working order, and lawful state, and shall from time to time make all repairs, replacements, and improvements necessary to keep the Premises in such condition (subject to the requirements of Section 6 above) to protect the Premises. Notwithstanding the above, maintenance of the District-owned wells, pipelines, and related water systems located on the Premises shall not be the responsibility of the Tenant.

Section 8. FEES, TAXES, CHARGES, AND ASSESSMENTS

The Tenant shall install on the Premises current meters to measure the amount of electricity and all other utility services consumed by the Tenant, and the cost of such metering and the installation, maintenance, and repair thereof shall be paid for by the Tenant. The Tenant

shall also pay when due all gas, water, electricity, power, telephone, refuse, and other charges incurred in the operation, maintenance, use, occupancy, abatement, and upkeep of the Premises. The Tenant shall also pay when due all property and excise taxes and governmental charges of any kind whatsoever that may at any time be assessed or levied against or with respect to the Tenant's use of the Premises, as well as all special assessments and charges made by any governmental body for any improvements installed on the Premises by Tenant. Notwithstanding the foregoing, the Parties acknowledge that the District is the water purveyor for the Premises, and any water that Tenant requires in connection with its Permitted Uses herein, shall be charged to Tenant at the District's then current rate for construction water.

Section 9. LIENS

The Tenant shall not, directly or indirectly, create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, citation, abatement order, encumbrance, or claim on or with respect to the Property, other than the respective rights of the District and the Tenant as provided in this Lease and any amendments thereto. The Tenant shall promptly, at its own expense, take such action as may be necessary to immediately discharge or remove any such mortgage, pledge, lien, charge, citation, order, encumbrance, or claim as the same shall arise out of the operation of this tenancy. The Tenant shall reimburse the District for any expense incurred by the District to discharge or remove any such mortgage, pledge, lien, charge, citation, order, encumbrance, or claim.

Section 10. ACCESS TO THE PREMISES

The District shall have reasonable access to the Property at all times during the Term and any Renewal Term of this Lease upon giving reasonable notice thereof to the Tenant.

Section 11. OTHER PROPERTY INTERESTS

The Tenant's rights under this Lease are subject to all applicable easements, licenses, rights of way, and mineral rights currently in existence. The Tenant shall not interfere, in any way, with the interests of any person or entity that may presently, or in the future, hold any easement, license, right of way, or oil, gas, or other mineral interest, upon, across, above, or under the Property; nor shall the Tenant interfere, in any way, with the rights of ingress and egress of such interest holders. Notwithstanding the foregoing to the contrary, in the event the District desires to grant additional easements, licenses, and/or rights of way to the Premises to other parties, the District shall not do so without the prior written consent of Tenant, not to be unreasonably withheld, conditioned, or delayed. Furthermore, in the event that the District desires to expand, alter, or modify portions of the Property that it reserved for its own use, to include portions of the Premises, the Parties agree to work together in good faith to modify the Lease to accommodate the Parties' needs.

Section 12. NON-DISCRIMINATION

The Tenant shall not permit any practice of discrimination against, or segregation of, any person or group of persons on account of sex, race, color, creed, marital status, age, sex, religion, handicap, national origin, or ancestry in its ownership, employment, selection of contractors, subcontractors, and vendees, or in the enjoyment, use, and occupancy of the Premises.

Section 13. NO REPRESENTATIONS, WARRANTIES, OR WATER RIGHTS

It is expressly understood by the parties hereto that the physical condition of the Premises as of the effective date of this Lease is such that it is leased to the Tenant as-is without any representation or warranty. The District makes no express or implied representations or warranties concerning the Property or its fitness for any particular purpose. The Tenant shall bear the costs of any action necessary to place the Premises in a condition that meets the requirements of law, except for any hazardous condition that may have existed at the time of the commencement of the Original Lease, or that is otherwise suitable for the use contemplated herein. The District shall not be held liable to the Tenant or to any other party for any losses incurred or damages sustained as a direct or indirect result of the condition of the Property or any use or failure thereof. Any water produced on or extracted from the Property shall not serve as the basis of, or otherwise support, any water rights claim that may be asserted by the Tenant. Non-potable water will be available to Tenant at the District's normal cost of construction water.

Section 14. LIABILITY FOR DAMAGES

The District shall not be held liable or responsible for any debts or claims that may arise from the operation of this Lease, or for any damage claims for injury to persons, including the Tenant and its agents or employees, or for property damage, or for other loss to any vehicle or the contents thereof, from any cause arising out of or in any way related to the Tenant's obligations hereunder or its use or occupancy of the Premises, including those arising out of damages or losses occurring on the Property or areas adjacent to the Premises.

Excepting the sole negligence or willful misconduct of the District, the Tenant hereby expressly waives and releases the District and its agents, officers, directors, and employees from any and all liability for the claims, actions, and/or losses set forth above and for any costs and expenses incurred in connection therewith.

Section 15. HOLD HARMLESS

Excepting the sole negligence or willful misconduct of the District, the Tenant agrees to indemnify and hold the District and its officers, directors, agents, and employees, harmless from and against all claims and liabilities of any kind arising out of, in connection with, or resulting from, any and all acts or omissions on the part of the Tenant and/or its agents, guests, invitees, trespassers, contractors, consultants, and employees in connection with the performance of their obligations under this Lease and/or their occupancy of the Premises, and defend the District and its officers, directors, agents, and employees from any suits or actions at law or in equity and to pay all court costs and counsel fees incurred in connection therewith.

In addition, the Tenant agrees to defend, indemnify, and hold the District and its officers, directors, agents, and employees harmless from and against and all claims, losses, liabilities, damages, demands, actions, judgments, causes of action, assessments, penalties, costs, expenses (including, without limitation, the reasonable fees and disbursements of legal counsel, expert witnesses, and accountants), and all foreseeable and unforeseeable consequential damages which might arise or be asserted against the District and/or the Tenant, with regard to the condition of the Property or the activities conducted thereon, which are alleged and/or determined to be tortious and/or in violation of present and future federal, state, and local laws (whether under common law, statute, rule, regulation, or otherwise).

Section 16. INSURANCE

(a) Security. The District reserves the right to demand at any time during the Term and any Renewal Term of this Lease and any extensions thereof that the Tenant procure and maintain bonds from an acceptable surety, cash deposits, or other form of security in amounts and upon terms deemed sufficient by the District in its reasonable discretion to protect the District from any and all exposure to loss or liability.

(b) Coverage. In addition, the Tenant shall procure and maintain during the Term and any Renewal Term of this Lease and any extensions thereof such policies of insurance as will protect it and the District in such a manner and in such amounts as set forth below. The premiums for such insurance coverage shall be paid by the Tenant. The failure to comply with these insurance requirements may constitute a material breach of this Lease at the sole discretion of the District.

(1) Certificates of Insurance. No later than ten (10) calendar days after execution of this Lease, the Tenant shall furnish the District with Certificates of Insurance and endorsements verifying the insurance coverage required by this Lease is in full force and effect. The District reserves the right to require complete and accurate copies of all insurance policies required under this Lease.

(2) Required Provisions. The insurance policies required by this Lease shall include the following provisions or have them incorporated by endorsement(s):

(i) Primary Coverage. The insurance policies provided by the Tenant shall be primary insurance and any self-insured retention and/or insurance carried by or available to the District or its employees shall be excess and non-contributory coverage so that any self-insured retention and/or insurance carried by or available to the District shall not contribute to any loss or expense under the Tenant's insurance.

(ii) Additional Insured. The policies of insurance provided by the Tenant, except Workers' Compensation, shall include as additional insureds: the District, its directors, officers, employees, and agents when acting in their capacity as such in conjunction with the performance of this Lease. Such policies shall contain a "severability of interests" provision, also known as "Cross liability" or "separation of insured".

(iii) Cancellation. Each certificate of insurance and insurance policy shall provide that the policy may not be non-renewed, canceled (for reasons other than non-payment of premium) or materially changed without first giving thirty (30) days advance written notice to the District, or ten (10) days advance written notice in the event of cancellation due to non-payment of premium.

(iv) Waiver of Subrogation. The insurance policies provided by the Tenant shall (1) contain a waiver of subrogation against the District, its directors, officers, employees and agents for any claims arising out of this Lease, or (2) allow the Tenant to waive subrogation, in writing, before any loss, in which case this provision of the Lease shall be deemed to be the Tenant's written waiver of subrogation against the District for any and all losses covered by any and all insurance policies required under this Lease.

(v) Claim Reporting. The Tenant shall not fail to comply with the claim reporting provisions or cause any breach of a policy condition or warranty of the insurance policies required by this Lease that would affect the coverage afforded under the policies to the District.

(vi) Deductible/Retention. If the insurance policies provided by the Tenant contain deductibles or self-insured retentions, any such deductible or self-insured retention shall not be applicable with respect to the coverage provided to the District under such policies. The Tenant shall be solely responsible for any such deductible or self-insured retention and the District, in its sole discretion, may require the Tenant to secure the payment of any such deductible or self-insured retention by a surety bond or an irrevocable and unconditional letter of credit.

(vii) Sub-Contractors. The Tenant shall include all sub-contractors as additional insureds under the insurance policies required by this Lease to the same extent as the District or shall furnish separate certificates of insurance and policy endorsements for each sub-contractor verifying that the insurance for each sub-contractor complies with the same insurance requirements applicable to the Tenant under this Lease.

(3) Insurance Company Requirements. The Tenant shall provide insurance coverage through insurers that have at least an "A" Financial Strength Rating and a "VII" Financial Size Category in accordance with the current ratings by the A. M. Best Company, Inc. as published in *Best's Key Rating Guide* or on said company's web site. In addition, any and all insurers must be admitted and authorized to conduct business in the State of California and be a participant in the California Insurance Guaranty Association, as evidenced by a listing in the appropriate publication of the California Department of Insurance.

(4) Policy Requirements. The insurance required under this Lease shall meet or exceed the minimum requirements as set forth below:

(i) Workers' Compensation. The Tenant shall maintain Workers' Compensation insurance as required by law in the State of California to cover the Tenant's obligations as imposed by federal and state law having jurisdiction over the Tenant's employees and Employers' Liability insurance, including disease coverage, of not less than \$1,000,000. Even if Tenant contends that it has no employees, Tenant shall obtain a policy to cover its potential exposure on a payroll basis of "if any" for the workers' classification applicable to the Tenant's occupancy under this Lease.

(ii) General Liability. The Tenant shall maintain Comprehensive General Liability insurance with a combined single limit of not less than \$1,000,000 per occurrence or claim and \$2,000,000 aggregate. The policy shall include, but not be limited to, coverage for bodily injury, property damage, fire legal liability, personal injury, products, completed operations and contractual to cover, but not be limited to, the liability assumed under the indemnification provisions of this Lease. In the event the Comprehensive General Liability insurance policy is written on a "claims made" basis, coverage shall extend for two years after expiration or termination of this Lease.

(iii) Automobile Liability. The Tenant shall maintain Commercial Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$2,000,000 each occurrence for any owned, hired, or non-owned vehicles.

(iv) Property Insurance. The Tenant shall maintain property insurance in an amount sufficient to cover the full replacement cost for (1) any physical damage to or destruction of any and all structures, improvements, or other real property (not including the land) on the Premises, and (2) any physical damage to or destruction of any and all personal property of any person, other than the Tenant, that is on the Premises. The determination of the specific dollar amounts of property coverage that will be sufficient for this section shall be in the reasonable discretion of the District.

(v) Manner of Satisfaction. The insurance required in subsections (ii) through (iv) above may be provided by separate policies of insurance or combined into a single package policy.

Section 17. DEFAULT

The following shall be deemed events of default and cause for termination of this Lease by the District:

(a) Rent. The Tenant fails to pay any installment of Rent, and such failure continues for a period of ten (10) days.

(b) Insolvency. The Tenant becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors.

(c) Receivership. A receiver or trustee is appointed for all or substantially all of the assets of the Tenant.

(d) Abandonment. The Tenant deserts or vacates any substantial portion of the Premises.

(e) Breach. The Tenant fails to comply with any term, condition, or covenant of this Lease.

Section 18. REMEDIES FOR BREACH

Upon the occurrence of any event of default described in Section 17 of this Lease, the District shall give the Tenant written notice thereof. With respect to an event of default described in Section 17(a) of this Lease, said notice shall be given by the District in the manner required by law. With respect to all other events of default described in Section 17 of this Lease, the District shall give the Tenant a period of thirty (30) calendar days after the date of said written notice in which to cure said breach or default to the reasonable satisfaction of the District, unless the District determines in its reasonable discretion that the default represents a hazard or emergency that requires immediate action, in which the cure period shall be reduced according to a reasonable amount of time given the particular circumstance. If the breach or default is not timely cured by the Tenant to the satisfaction of the District, the District shall have the option to pursue any one or more of the following remedies, with or without the benefit of court order, in addition to its other rights and remedies under the law:

(a) Reentry. Enter upon the Premises, by force if necessary, without being liable for prosecution or any claim for damages therefor, and perform whatever act the Tenant is obligated to perform under the terms of this Lease; and the Tenant agrees to reimburse the District, on demand, for any expenses which the District may incur in effectuating compliance with the Tenant's obligations under this Lease, and the Tenant further agrees that the District shall not be liable for any damages resulting from such actions.

(b) Eviction. Enter upon and take possession of the Premises and any personal property found thereon, and expel or remove the Tenant and/or any person who may be occupying the Premises, or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor, and subsequently sublease the Premises and receive the rent and receipts therefor; and the Tenant agrees to pay to the District, on demand, any deficiency that may arise by reason of such subsequent subleasing. The District may store any personal property removed from the Premises in a public warehouse or at another place of its choosing within the County of San Bernardino at the Tenant's expense or to the Tenant's account.

(c) Termination. Termination of this Lease, in which case the Tenant shall immediately surrender the Premises to the District, and if the Tenant fails to do so, the District may, without prejudice to any other remedy which it may have for possession or arrearages in rent or receipts, enter upon and take possession of the Premises and expel or remove the Tenant

and any other person who may be occupying the Premises, or any part thereof, by force if necessary, without being liable for prosecution or any claim of damages therefor; and the Tenant agrees to pay to the District, on demand, the full amount of all loss and damage which the District may suffer by reason of such termination, whether through inability to subsequently sublease the Premises on satisfactory terms or otherwise.

Section 19. TENANT'S PURCHASE RIGHTS

(a) Purchase Option. For the sum of One Hundred Dollars and No Cents (\$100) as independent consideration for the rights under this Lease ("Independent Consideration"), and other good and valuable consideration, the receipt of all of which are hereby acknowledged, and subject to the terms of this Lease, Tenant shall have a one-time option to purchase the Premises (except any and all water rights otherwise appurtenant thereto and/or associated therewith, and reservation of easements, which shall remain the ownership of the District) and all improvements located thereon ("Purchase Option") from the District, subject to the following conditions:

(1) Tenant shall have the right to exercise its Purchase Option any time within three (3) years from the date of this Lease by giving the District written notice of its intent to exercise its Purchase Option.

(2) For a period of sixty (60) days following Tenant's timely written notice of intent to exercise its Purchase Option, the District and Tenant shall negotiate in good faith in an effort to reach agreement on the terms and conditions of the purchase and sale of the Premises, including but not limited to the market value of the Premises (along with all improvements, easements, and encumbrances located thereon) (collectively, the "Price") as of the date in which Tenant tendered such notice of intent to exercise its Purchase Option (the "Exercise Date"). Notwithstanding the foregoing, the Parties agree that the determination of the Price shall be subject to the following: (i) The sales comparison approach (and not the income approach) shall be the sole method used for determining the fair market value ("FMV") of the land; (ii) the FMV of the land as of the Exercise Date shall not be lower than the FMV of the land as of the Commencement Date. With respect to the improvements located on the Premises, any improvements constructed on the Premises after the Commencement Date shall not be included in the calculation of Price.

(3) In the event that after the 60-day period the Parties cannot agree on the Price of the Premises and improvements, the following procedure shall be used for determining the Price:

(i) The Parties shall immediately each appoint an appraiser of their choice to act as arbitrators. Both Parties, through their respective arbitrators, shall each immediately make a reasonable determination of the FMV of the Premises and improvements subject to the conditions above and submit such determination to the other in writing, as part of this arbitration.

(ii) The two arbitrators so appointed shall immediately select a third mutually acceptable appraiser to act as a third arbitrator. The three arbitrators shall within thirty (30) days of the appointment of the third arbitrator reach a decision as to what the actual FMV of the Premises and the improvements is, and whether Tenant's or the District's submitted FMV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted FMV which is determined to be the closest to the actual FMV shall thereafter be used by the Parties as the Price. The cost of such arbitration shall be paid equally by the Parties.

(4) Nothing herein shall be construed as granting the Tenant a Purchase Option to acquire any water rights held by the District.

(b) Right of First Refusal. If during the Term, Tenant fails to exercise Tenant's Purchase Option within the time frame set forth herein, Tenant shall retain a right of first refusal to purchase the Premises for so long as this Lease remains in effect, subject to the following conditions:

(1) Except for Tenant's Purchase Option rights pursuant to Paragraph 19(a) above, the District shall not, at any time prior to the expiration of the Term of this Lease, or any extension thereof, sell the Premises without first giving written notice thereof to Tenant, which notice is hereinafter referred to as "Notice of Sale." The Notice of Sale shall include the exact and complete terms of the proposed sale and shall have attached thereto a copy of the bona fide offer and counteroffer, if any, duly executed by both the District and the prospective purchaser.

(2) For a period of sixty (60) days after receipt by Tenant of the Notice of Sale, Tenant shall have the right to give written notice to the District of Tenant's exercise of Tenant's right to purchase the Premises on the same terms, price and conditions as set forth in the Notice of Sale. In the event that the District does not receive written notice of Tenant's exercise of the right herein granted within said 60-day period, there shall be a conclusive presumption that Tenant has elected NOT to exercise Tenant's right hereunder, and the District may complete the sale to the prospective purchaser, on the same terms set forth in the Notice of Sale.

(3) In the event that Tenant declines to exercise its right of first refusal after receipt of the Notice of Sale, and thereafter the sale is not consummated, then Tenant's right of first refusal shall apply to any subsequent transaction during the Term. If, however, said transfer or sale is in fact completed, then said right shall be extinguished and shall not apply to any subsequent transactions.

(4) Notwithstanding the above, this right of first refusal is intended to apply only to voluntary transfers involving third party transferees. This right of first refusal shall not, therefore, apply where the Premises is taken by eminent domain or sold under threat of condemnation (by a public entity other than the District).

(c) Royalty Agreement to Remain in Effect. In the event Tenant purchases the Premises from the District, the Royalty Agreement shall remain in effect per its own terms.

Section 20. EFFECT OF DISTRICT'S WAIVER

Any failure by the District to enforce any provision of this Lease, or any waiver thereof by the District, shall not constitute a waiver of its right to enforce subsequent violations of the same or any other terms or conditions herein.

Section 21. FORCE MAJEURE

The Tenant shall not be in default under this Lease in the event that the performance of its obligations hereunder are temporarily interrupted for any of the following reasons: riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides, and fires, and other labor disturbances or other catastrophic events which are beyond the reasonable control of the Tenant. Other catastrophic events do not include the financial inability of the Tenant to perform, or failure of the Tenant to obtain any necessary permits or licenses from other governmental agencies or the right to use the facilities of any public utility.

Section 22. CONDEMNATION OF PROPERTY

Should all any part of the Premises be taken by any public or quasi-public agency or entity (other than the District) under the power of eminent domain during the Term and/or Renewal Term of this Lease, the following shall apply:

(a) Termination of Lease. Except as set forth in subparagraph (c) below, either party may terminate this Lease by giving the other party ninety (90) days written notice thereof.

(b) Allocation of Damages. Any and all damages and compensation awarded or paid because of the taking of any real property interests in the Premises shall belong to the District; any and all damages and compensation awarded or paid because of the taking of the leasehold interest of, and improvements constructed on the Premises by, the Tenant shall belong to the Tenant.

(c) Partial Taking. In the event of a partial taking of the Premises, Tenant shall have the right to terminate the Lease by giving the District ninety (90) days written notice thereof. In the event only a portion of the Premises be taken by eminent domain and Tenant elects not to terminate the Lease, the Rent thereafter payable under this Lease shall be abated proportionally as to the portion taken which is then not usable by the Tenant.

Section 23. ATTORNEYS' FEES

If either the District or the Tenant is the prevailing party in any legal dispute caused by the non-prevailing party, which said legal dispute arose out of, under, in connection with, or in relation to this Lease, and any amendments thereto, or the breach thereof, the prevailing party shall be entitled to receive from the non-prevailing party all attorneys' fees and costs actually incurred by the prevailing party in connection therewith. In any such action, arbitration, mediation, or other proceeding, the entitlement to recover attorney's fees and costs will be considered an element of costs and not of damages.

Section 24. NOTICES

All notices, demands, or other writing in this Lease required to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be deemed to have been fully given or made or sent when in writing and deposited in the United States mail, certified and postage prepaid, and addressed as follows:

To the District: Phelan Pinon Hills Community Services District
4176 Warbler Road
P.O. Box 294049
Phelan, CA 92329-4049
Attention: General Manager

To the Tenant: C & G Partners, LLC
Attn: Kevin Sutton
1209 Manhattan Avenue, Ste. 296
Manhattan Beach, CA 90266
Attention: Kevin Sutton

The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

Section 25. SUCCESSORS AND ASSIGNS

The Tenant shall not sublet, assign, mortgage, pledge, hypothecate, or otherwise dispose of the Premises, or any part thereof, or any right or privilege connected therewith, or to allow any other person, except the Tenant's agents and employees, to occupy the Premises or any part thereof, without first obtaining the written consent of the District which shall not be unreasonably withheld, conditioned or delayed. Any such consent by the District shall not constitute consent to any subsequent assignment, sublease, or occupation by the Tenant or other persons. The Tenant's unauthorized assignment, sublease, or license to occupy shall be void, and shall terminate this Lease at the District's option.

Notwithstanding the foregoing to the contrary, the following shall apply:

(a) Subleases: With respect to anticipated subtenants of the Premises consistent with the terms and conditions of this Lease, all subleases shall require the District's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, the issue of whether the District's consent, or lack thereof, is reasonable, may take into account whether the District is receiving any monetary benefit, or otherwise, through a separate agreement.

(b) Assignment: The Tenant's interest in this Lease is not assignable by operation of law, nor is any assignment of its interest herein, without the written consent of the District which shall not be unreasonably withheld. Further, any change in stock ownership of the Tenant which results in the current shareholders not owning a majority interest in Tenant, shall be deemed an assignment prohibited by this Section, unless the written consent of the District be obtained, such consent not to be unreasonably withheld, conditioned, or delayed.

Section 26. INUREMENT

This Lease and the covenants and conditions hereof apply to and are binding upon the heirs, successors, legal representatives, and assigns of the parties hereto.

Section 27. INTEGRATION AND AMENDMENT

This Lease constitutes the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes any and all prior agreements, whether oral or written, between the parties in connection therewith. This Lease may not be amended unless in writing and signed by both parties hereto.

Section 28. CAPTIONS

The captions of sections and subsections of this Lease are for reference only and are not to be construed in any way as a part of this Lease.

Section 29. INTERPRETATION AND ENFORCEMENT

This Lease shall not be construed against the party preparing it, but shall be construed as if both parties jointly prepared this Lease and any uncertainty or ambiguity contained herein shall not be interpreted against any one party. This Lease shall be enforced and governed by and under the laws of the State of California, and venue for any action brought to interpret and/or enforce any provision of this Lease shall be in a state or federal court located in the State of California with in rem jurisdiction over the Property in San Bernardino County.

Section 30. TIME OF THE ESSENCE

Time is of the essence in this Lease and each and every provision thereof.

Section 31. AUTHORITY

The persons executing this Lease hereby represent and warrant that they are fully and duly authorized and empowered to so execute on behalf of each of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers as of the date first above written.

[Signatures on the following page]

PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT

By: Mark Robert
President, Board of Directors

ATTEST:

Paul
Secretary

C & G PARTNERS, LLC
a California limited liability company

By: Kevin P Sutton
Name: Kevin Sutton
Its: Manager

ATTEST:

* see attached *
Notary Public

HOME FIELD

Exhibit A
LEGAL DESCRIPTION

THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 6 NORTH, RANGE 7 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF EXCEPTING THEREFROM PARCEL A, PARCEL B AND PARCEL C DESCRIBED AS FOLLOWS:

PARCEL A

1. COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTHEAST 1/4 OF SECTION 14; THENCE SOUTH 00° 29' 01" EAST ALONG THE WEST LINE OF SAID SOUTHEAST 1/4 A DISTANCE OF 1,291.22 FEET TO THE TRUE POINT OF BEGINNING;
2. THENCE NORTH 89° 30' 59" EAST A DISTANCE OF 100.00 FEET;
3. THENCE SOUTH 00° 29' 01" EAST A DISTANCE OF 100.00 FEET;
4. THENCE SOUTH 89° 30' 59" WEST A DISTANCE OF 100.00 FEET TO THE WEST LINE OF SAID SOUTHEAST 1/4;
5. THENCE NORTH 00° 29' 01" WEST ALONG SAID WEST LINE A DISTANCE OF 100.00 FEET TO THE TRUE POINT OF BEGINNING.
- 6.

PARCEL B

1. COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTHEAST 1/4 OF SECTION 14; THENCE NORTH 89° 41' 09" EAST ALONG THE NORTH LINE OF SAID SOUTHEAST 1/4 A DISTANCE OF 1,337.21 FEET TO THE EAST LINE OF THE WEST HALF OF SAID SOUTHEAST 1/4;
2. THENCE SOUTH 00° 29' 14" EAST ALONG SAID EAST LINE A DISTANCE OF 1188.99 FEET TO THE TRUE POINT OF BEGINNING;
3. THENCE SOUTH 89° 30' 46" WEST A DISTANCE OF 50.00 FEET;
4. THENCE SOUTH 00° 29' 14" EAST A DISTANCE OF 100.00 FEET;
5. THENCE NORTH 89° 30' 46" EAST DISTANCE OF 50.00 FEET TO SAID EAST LINE OF THE WEST HALF OF SAID SOUTHEAST 1/4;
6. THENCE NORTH 00° 29' 14" WEST ALONG SAID EAST LINE A DISTANCE OF 100.00 FEET TO THE TRUE POINT OF BEGINNING

(PAGE 1 OF EXHIBITS)

PARCEL C

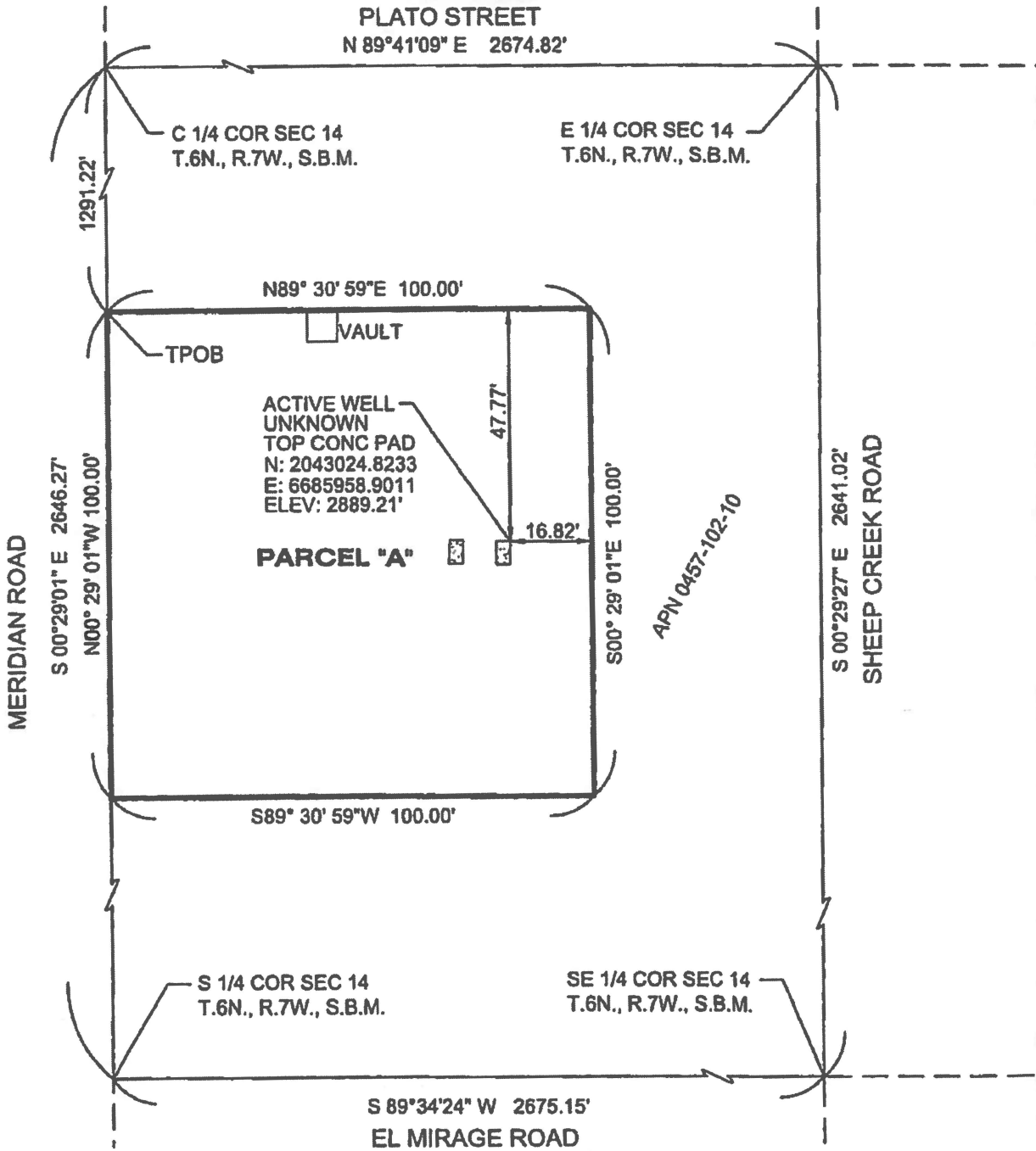
1. COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTHEAST 1/4 OF SECTION 14; THENCE NORTH 89° 41' 09" EAST ALONG THE NORTH LINE OF SAID SOUTHEAST 1/4 A DISTANCE OF 1,337.21 FEET TO THE EAST LINE OF THE WEST HALF OF SAID SOUTHEAST 1/4;
2. THENCE SOUTH 00° 29' 14" EAST ALONG SAID EAST LINE A DISTANCE OF 1188.99 FEET TO THE TRUE POINT OF BEGINNING;
3. THENCE NORTH 89° 30' 46" EAST A DISTANCE OF 50.00 FEET;
4. THENCE SOUTH 00° 29' 14" EAST A DISTANCE OF 100.00 FEET;
5. THENCE SOUTH 89° 30' 46" WEST A DISTANCE OF 50.00 FEET TO SAID EAST LINE OF THE WEST HALF OF SAID SOUTHEAST 1/4;
6. THENCE NORTH 00° 29' 14" WEST ALONG SAID EAST LINE A DISTANCE OF 100.00 FEET TO THE TRUE POINT OF BEGINNING

Legal description PREPARED by:

Thomas E. Ragen L.S. 6205; Expires 03/30/2016

Date: _____

EXHIBIT B PARCEL "A"



TPOB: DENOTES TRUE POINT OF BEGINNING

TRLS ENGINEERING Inc.

10770 I Ave. Ste. 108
Hesperia, CA 92345
(760) 948-4900

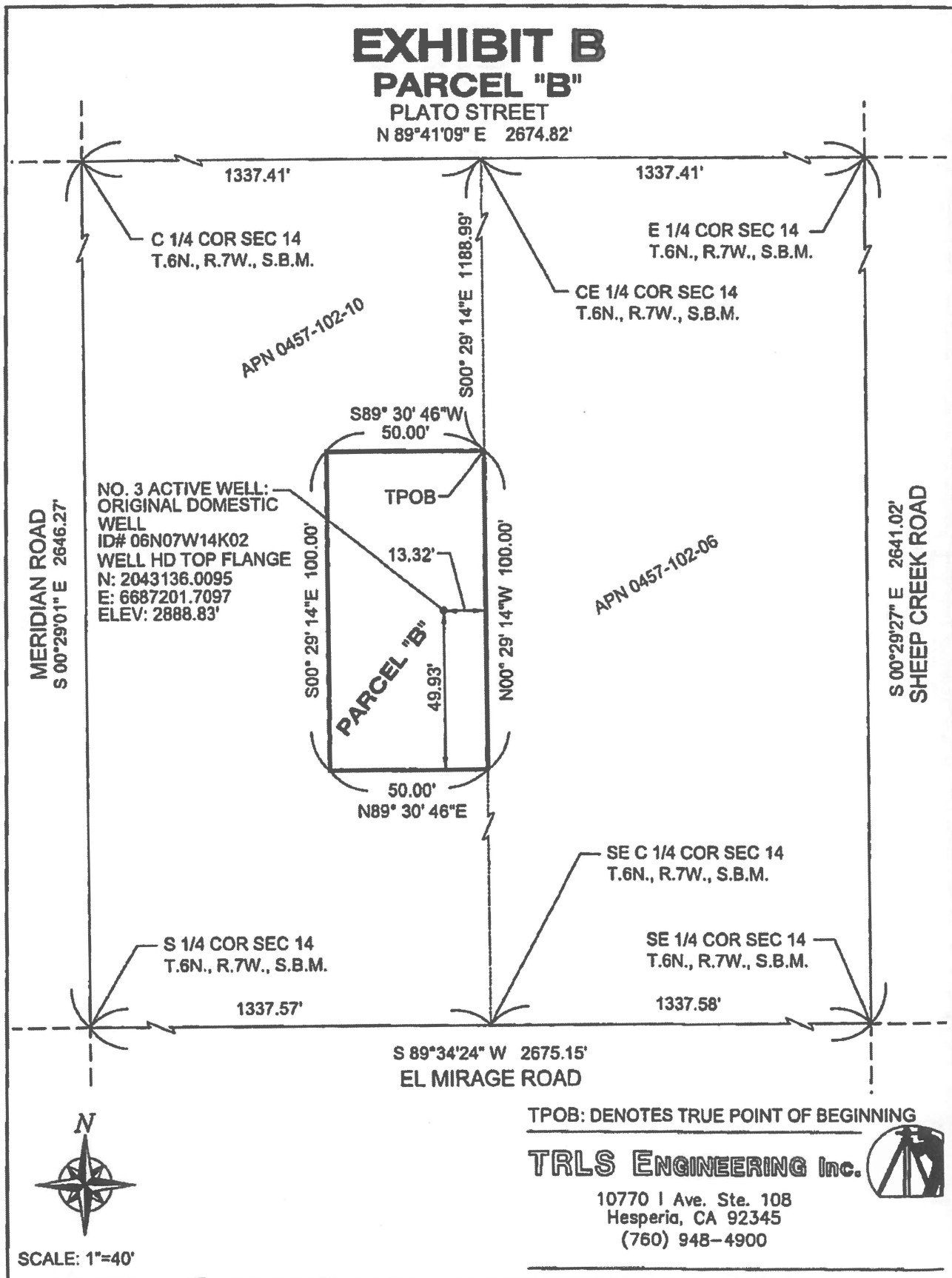


SCALE: 1"=30'

EXHIBIT B

PARCEL "B"

PLATO STREET
N 89°41'09" E 2674.82'



NO. 3 ACTIVE WELL:
ORIGINAL DOMESTIC
WELL
ID# 06N07W14K02
WELL HD TOP FLANGE
N: 2043136.0095
E: 6687201.7097
ELEV: 2888.83'

MERIDIAN ROAD
S 00°29'01" E 2646.27'

SHEEP CREEK ROAD
S 00°29'27" E 2641.02'

TPOB: DENOTES TRUE POINT OF BEGINNING

TRLS ENGINEERING Inc.

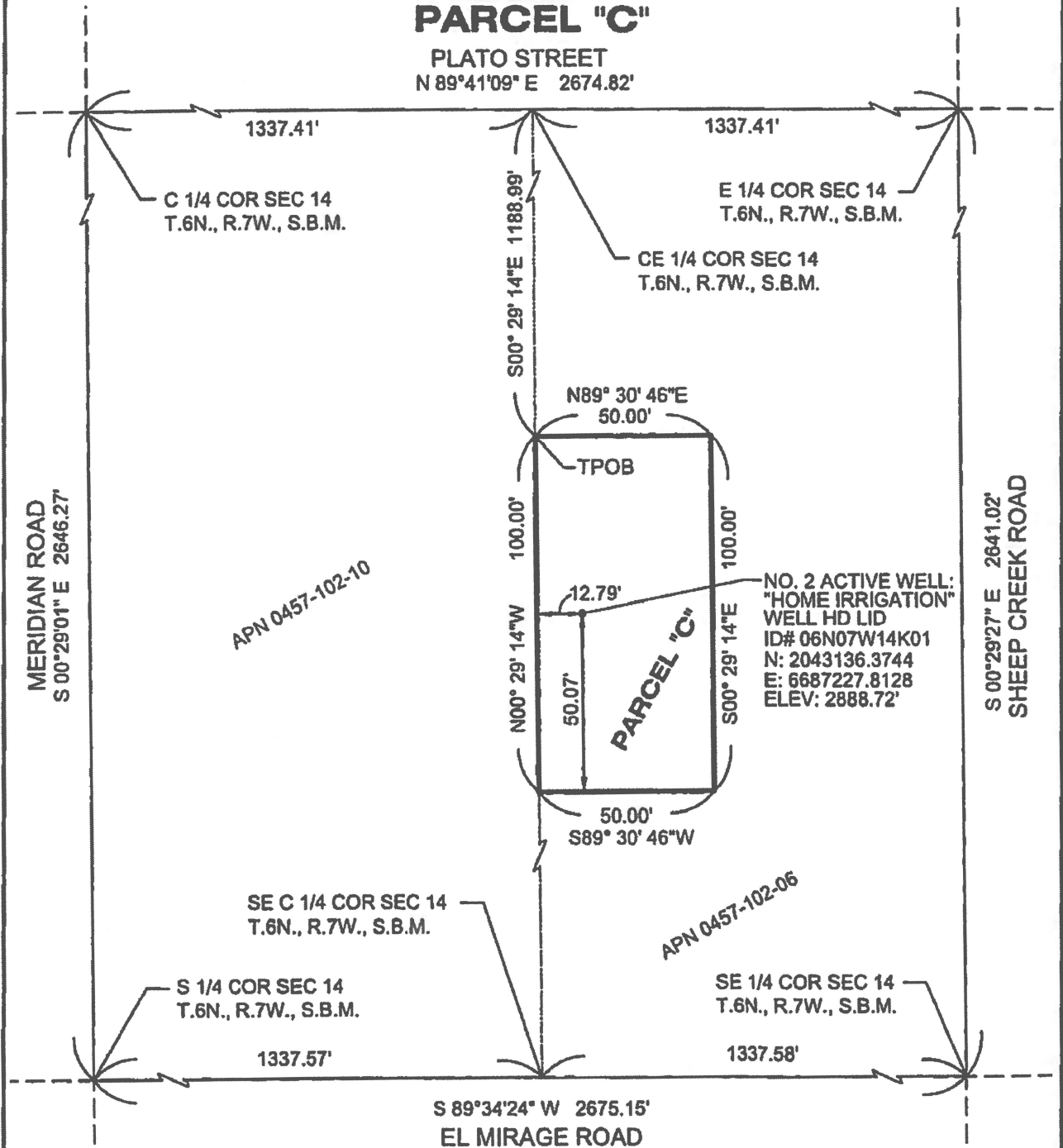
10770 I Ave. Ste. 108
Hesperia, CA 92345
(760) 948-4900



SCALE: 1"=40'

EXHIBIT B PARCEL "C"

PLATO STREET
N 89°41'09" E 2674.82'



NO. 2 ACTIVE WELL:
"HOME IRRIGATION"
WELL HD LID
ID# 06N07W14K01
N: 2043136.3744
E: 6687227.8128
ELEV: 2888.72'



SCALE: 1"=40'

TPOB: DENOTES TRUE POINT OF BEGINNING

TRLS ENGINEERING Inc.

10770 I Ave. Ste. 108
Hesperia, CA 92345
(760) 948-4900



GEORGE'S FIELD

Exhibit A
LEGAL DESCRIPTION

THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 6 NORTH, RANGE 7 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF EXCEPTING THEREFROM PARCEL D DESCRIBED AS FOLLOWS:

PARCEL D

1. COMMENCING AT THE NORTHWEST CORNER OF SAID NORTHWEST 1/4 OF SECTION 23; THENCE SOUTH 00° 14' 46" EAST ALONG THE EAST LINE OF SAID NORTHWEST 1/4 A DISTANCE OF 1,305.54 FEET TO THE TRUE POINT OF BEGINNING;
2. THENCE SOUTH 89° 45' 14" WEST A DISTANCE OF 100.00 FEET;
3. THENCE SOUTH 00° 14' 46" EAST A DISTANCE OF 100.00 FEET;
4. THENCE NORTH 89° 45' 14" EAST A DISTANCE OF 100.00 FEET TO THE EAST LINE OF SAID NORTHWEST 1/4;
5. THENCE NORTH 00° 14' 46" WEST ALONG SAID EAST LINE A DISTANCE OF 100.00 FEET TO THE TRUE POINT OF BEGINNING;

Legal description PREPARED by:

Thomas E. Ragen L.S. 6205; Expires 03/30/2016

Date: _____

EXHIBIT B PARCEL "D"

EL MIRAGE ROAD
S 89°35'10" W 2675.37'

NW 1/4 COR SEC 23
T.6N., R.7W., S.B.M.

N 1/4 COR SEC 23
T.6N., R.7W., S.B.M.

1305.54'

S 00°12'07" E 2656.43'

APN 0457-112-01

S00° 14' 46"E 100.00'

S89° 45' 14"W 100.00'

50.00'

53.45'

PARCEL "D"

NO. 4 ACTIVE WELL:
"GEORGE'S WELL"
ID# 06N07W34F01
HD WELL LID
N: 2040366.4677
E: 6685842.0992
ELEV: 2913.23'

N00° 14' 46"W 100.00'

S 00°14'46" E 2656.03'

MERIDIAN ROAD

TPOB

N89° 45' 14"E 100.00'

1250.49'

W 1/4 COR SEC 23
T.6N., R.7W., S.B.M.

C 1/4 COR SEC 23
T.6N., R.7W., S.B.M.

N 89°34'39" E 2677.42'



SCALE: 1"=30'

TPOB: DENOTES TRUE POINT OF BEGINNING

TRLS ENGINEERING Inc.



10770 I Ave. Ste. 108
Hesperia, CA 92345
(760) 948-4900

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Bernardino)

On 12/3/2018 before me, Kimberly Yvonne Ward, Notary Public,
(insert name and title of the officer)

personally appeared Mark Roberts,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in
his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

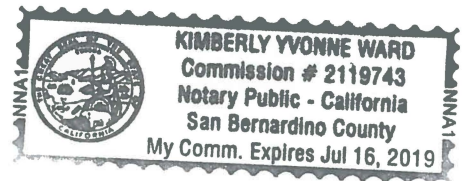
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of LOS ANGELES }

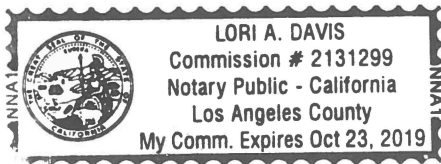
On 2/11/2019 before me, LORI A. DAVIS, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer

personally appeared KEVIN P. SUTTON
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Lori A. Davis
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer – Title(s): _____ Corporate Officer – Title(s): _____

Partner – Limited General Partner – Limited General

Individual Attorney in Fact Individual Attorney in Fact

Trustee Guardian of Conservator Trustee Guardian of Conservator

Other: _____ Other: _____

Signer is Representing: _____ Signer is Representing: _____