

APPRAISAL REPORT

OXNARD AIRPORT PROJECT

Marketplace Partners, LP
10.15 Acres
Oxnard, California



February 24, 2009

Prepared For:

Todd McNamee
Director of Airports
Department of Airports
County of Ventura
555 Airport Way
Camarillo, California



Ventura Appraisal Consulting Corporation

February 24, 2009

Todd McNamee
Director of Airports
Department of Airports
County of Ventura
555 Airport Way
Camarillo, California 9010-8529

Re: Oxnard Airport
Marketplace Partners, LP
APN: 202-0-010-765 – 10.15 Acres

Dear Mr. McNamee:

Pursuant to your request, enclosed herewith are two copies of a Summary Appraisal Report on the above referenced real property. The purpose of this appraisal is to form an opinion of fair market value of the above referenced real property. The function of this report is to be the basis for payment of just compensation for the proposed acquisition of the property.

The subject property is a 10.15-acre parcel that is located entirely below the landing flight path for Oxnard Airport. The property fronts on Ventura Road between Second Street and Fifth Street in Oxnard. The property is covered by an aviation easement that restricts the uses on the subject property. In addition, the subject property is almost entirely in the Object Free Area (OFA) and the central area of the Runway Protection Zone (RPZ). Essentially the subject property is relegated to only agricultural uses with no structures allowed on the property. Because of its proximity to the Oxnard Airport there is no future secondary use for the property as long as the Oxnard Airport remains open.

As a part of this assignment we have reviewed numerous documents from the FAA regarding the RPZ and other restricted areas within the RPZ. In addition we met with you at your office and discussed some of these areas and some of the history of the subject property with the Oxnard Airport. Furthermore we have spoken to the representative of the property owner, Mike Rue, regarding the present use of the subject site and their future plans for the property. Mr. Rue provided us with a number of documents regarding the subject property. His letter and some of the pertinent documents can be found in the Addendum.

February 24, 2009

Page 2

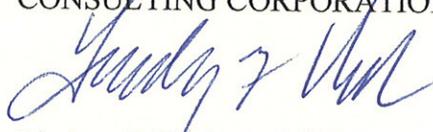
We prepared a sales search for agricultural properties in Ventura County. Those sales are summarized in the body of the report. Based on our analysis of the property, it is this firm's opinion that just compensation for the acquisition of the subject property should be:

**NINE HUNDRED SIXTY FOUR THOUSAND FIVE HUNDRED DOLLARS
(\$964,500)**

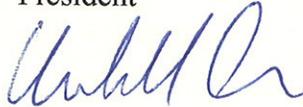
If after reviewing this appraisal should you wish to discuss it in greater detail, we would be available to do so. Thank you for this opportunity to be of service.

Sincerely yours,

VENTURA APPRAISAL
CONSULTING CORPORATION



Lindsay F. Nielson, SCREA
President



William U. Arnold, Jr., SCREA
Appraiser

LFN:WUA/me

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Addendum

Comparable Sales Map
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Letter to Mike Rue, Marketplace Partners – December 18, 2008
Copy of Avigation Easement.....
Agricultural Lease.....
Letter from Mike Rue – January 14, 2009.....
Offer to purchase the subject property – June 15, 2007
FAA Aeronautical Study – 2007-AWP-4469-OE
Declaration of Easements & Grant of Easements.....
Appraisers Qualifications.....

Airport: **Oxnard Airport**

Project Location: **Oxnard, Ventura County, California**

Project Number: **Oxnard Airport**

Parcel No.: **APN: 202-0-010-765**

CERTIFICATE OF APPRAISERS

We hereby certify:

That on February 10, 2009, we personally made a field inspection of the property herein appraised and that we have afforded the property owner the opportunity to accompany us at the time of inspection. We have also personally made a field inspection of the comparable sales relied upon in making said appraisal. The subject and the comparable sales relied upon in making said appraisal were as represented by the photographs contained in said appraisal or in the data book or report that supplements the appraisal.

That to the best of our knowledge and belief the statements contained in the appraisal attached hereto are true and the information contained therein upon which the opinion of value expressed below is based is correct, subject to the limiting conditions set forth in the appraisal.

That we understand this market value appraisal is to be used in connection with the acquisition of land for an airport project by the County of Ventura with the assistance of FAA funds or other Federal funds.

That such appraisal has been made in conformity with the appropriate State laws, regulations, policies, and procedures applicable to appraisal of land for such purposes, and that to the best of our knowledge no portion of the value assigned to such property consists of items which are non-compensable under the established laws of said State.

That any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within reasonable control of the owner has been disregarded in determining the compensation for the property.

That neither our employment nor our compensation for making this appraisal are in any way contingent upon the values reported herein.

Ventura Appraisal Consulting Corporation

That we have no direct or indirect, present or contemplated, future personal interest in such property or in any benefit from the acquisition of such property appraised.

That we have not revealed the findings and results of such appraisal to anyone other than the proper officials of the acquiring agency of said Airport or officials of the Federal Aviation Administration and we will not do so until so authorized by said official, or until we are required to do so by due process of law, or until we are released from this obligation by having publicly testified as to such findings.

That the conclusions set forth in this appraisal is our independent opinion of the value of the property as of February 19, 2009 and that such conclusion was reached without collaboration or direction as to value.

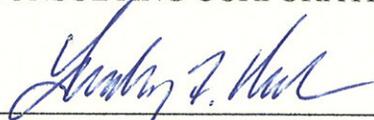
It is our opinion that the fair market value of the above captioned real property is as follows:

Value before acquisition	\$964,500
Value after acquisition	<u>\$ 0</u>
Value difference	<u>\$964,500</u>

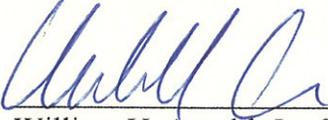
The property has been appraised for its fair market value as though owned in fee simple. The opinion of value expressed above is the result of and is subject to the data and conditions described in detail in this report of 101± pages.

Date of Contract: November 20, 2008

VENTURA APPRAISAL
CONSULTING CORPORATION



Lindsay F. Nielson, SCREA
AGO 22318



William U. Arnold, Jr., SCREA
AGO 10037

Date Signed: February 24, 2009

APPRAISERS' CERTIFICATE

We, Lindsay F. Nielson and William U. Arnold, Jr., do hereby certify to the following:

1. That we have no interest, present or contemplated, in any of the appraised property described herein.
2. That neither the employment to make this appraisal nor the fee received for it is contingent upon any amount of value reported.
3. That we have personally and carefully inspected all the property described herein.
4. That this report was made in compliance with recognized appraisal practice and procedures and in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP).
5. The statements of fact contained in this report are based on our investigation and are believed to be true and correct, but can not be guaranteed by this appraisal firm.
6. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions.
7. No others persons provided significant professional assistance to the persons signing this report.
8. That this Appraisal Report was completed on February 26, 2009.



Lindsay F. Nielson, SCREA
AG0 22318



William U. Arnold, Jr., SCREA
AG0 10037

ASSUMPTIONS AND LIMITING CONDITIONS

This Report is made expressly subject to the following:

1. No responsibility is assumed for matters of a legal nature or for conditions which require engineering or other specialized knowledge beyond that of a qualified real estate appraiser.
2. Title to the subject property is assumed to be good and marketable. A title report was not provided during the course of this assignment.
3. The subject property has been appraised as though free and clear of all liens and encumbrances, unless otherwise stated in the body of the report.
4. Information provided by others is deemed to be accurate and reliable but cannot be guaranteed by this appraisal firm.
5. No survey of the subject property has been made or requested. Photographs, diagrams and maps included in this report are for illustrative purposes only.
6. No testimony will be given regarding the subject property without prior agreement and consultation between the appraiser and the client.
7. This report is limited to the subject property only. The figures and unit values derived are not to be construed as applicable to any other properties however similar they may be.
8. Neither all nor any part of the contents of this report, or any copy thereof, shall be used or conveyed for any purpose without the prior approval of the client and this appraisal firm.
9. In the appraisal process, the appraisers have rounded figures to the nearest \$100.00 when reasonable.
10. No hazardous waste or toxic material surveys were reviewed or requested by this firm and no mineral rights have been appraised in this report.
11. In the event that material facts affecting value are subsequently learned, we reserve the right to change the opinions of value expressed herein, if needed.

APPRAISAL FACTORS

Summary Appraisal Report

This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such it represents only summary discussions of the data, reasoning and analysis that was used in the appraisal process to develop this firm's opinion of value. Supporting documentation concerning the data, reasoning and analysis is retained in this firm's files. The depth of discussion contained in this report is specific to the needs of the clients and for the intended use stated below. This firm is not responsible for the unauthorized use of this report.

Purpose of Report

The purpose of this report is to form an opinion of fair market value for the subject property for the possible acquisition by the County of Ventura Airports Department.

Property Interests Appraised

Fee simple

Date of Value

February 19, 2009

Date of Inspection

Numerous dates in January & February, 2009.

Date of Report

February 24, 2009

Scope

The scope of this appraisal was an investigation of market factors believed to influence the fair market value of the subject property. An inspection of the property was undertaken. The Oxnard Planning Department was contacted regarding the present and future uses of the subject property. Market data relative to the subject property was obtained and analyzed. The FAA regulations regarding the Runway Protection Zone (RPZ) were reviewed. The property owner was contacted. The property owner provided a history of the subject property as well as escrow documents and other offers and potential projects on the subject site. A review of the existing aviation easement was made. The Director of the Department of Airports for the County of Ventura, Todd McNamee, was interviewed as a part of the appraisal process.

Function

The function of the report is to be the basis for just compensation for the acquisition of the subject property.

Factors of Value Considered

In the course of this appraisal assignment consideration has been given to the following determining factors of value:

1. The availability of similar parcels of land in the general vicinity of the subject property.
2. The demand for similar parcels of land in the general vicinity of the subject property.
3. Market data, including rental, sales and listings of similar parcels in the general area.
4. Existing economic conditions, locally, regionally, and nationally as they affect the real estate market in Ventura County.
5. The present use and zoning of the subject property.
6. The size, shape and topography of the subject property as it may affect highest and best use.
7. FAA regulations regarding projects within the Runway Protection Zone (RPZ).

DEFINITIONS

1) Fair Market Value (Federal)

The most probable price which a property should bring in a competitive and open market under al conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. *Buyer and seller are typically motivated;*
2. *Both parties are well informed or well advised, and each acting in what he or she considered his or her own best interest;*
3. *A reasonable time is allowed for exposure in the open market;*
4. *Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

1a) Fair Market Value (State of California)

The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for doing so, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
CCP sec. 1263.320(a)

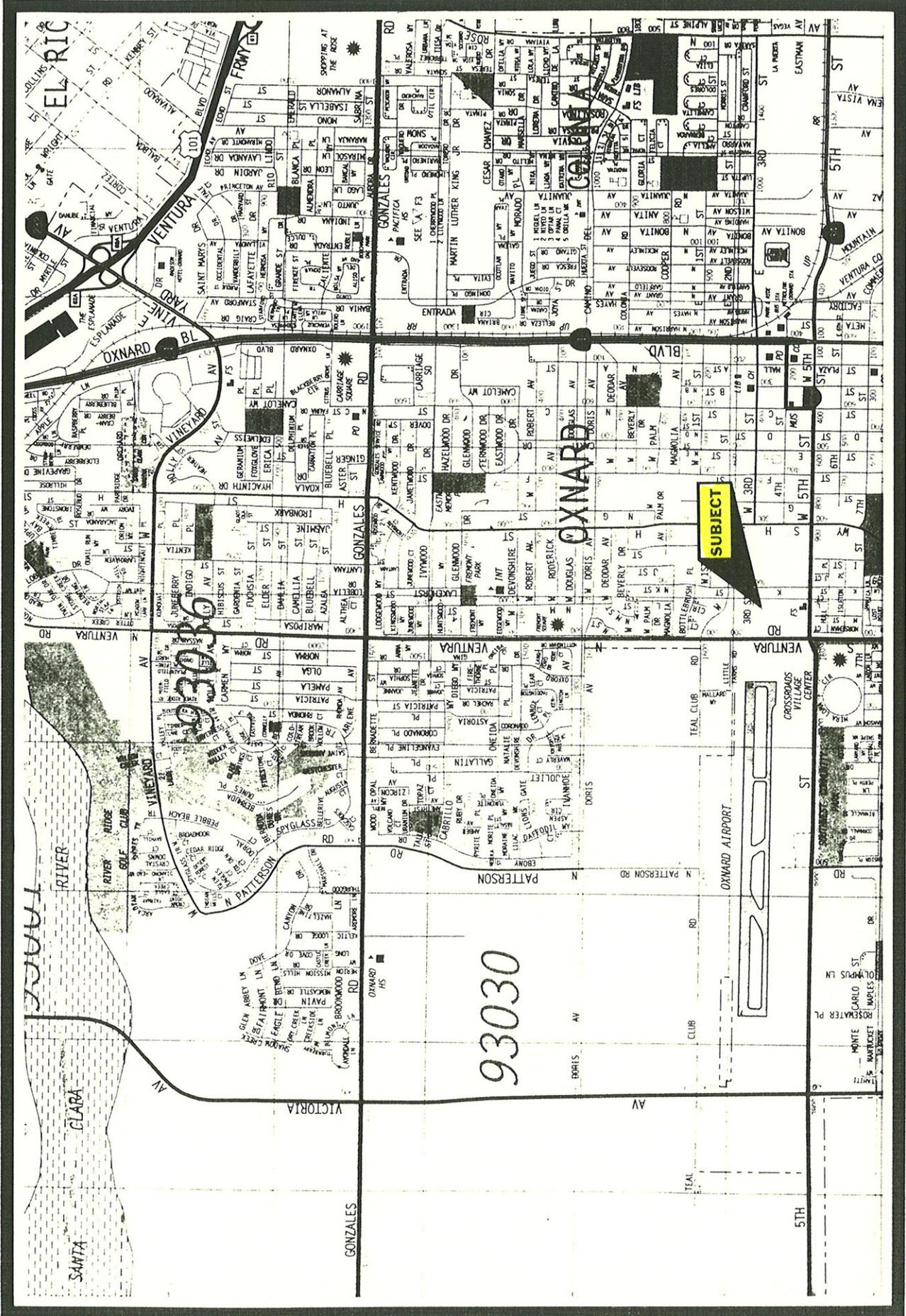
2) Highest and Best Use

Highest and best use is defined as:

"The reasonably possible and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria highest and best use must meet are legally permissible, physically possible, financially feasible and maximum profitability."

Highest and Best Use of Land or Site as Though Vacant

"Among all reasonable alternatives, the use that yields the highest present land value, after payments are made for labor, capital and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements."



Location Map



Ventura County
Resource Management Agency
GIS Development & Mapping Services
Map created on 02/18/2009
This aerial imagery is under the
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Source: Pictometry, January 2008



APN: 202-0-010-765
Market Place Partners LP - Oxnard
Aerial Photography Map

0 100 200 400 Feet

Disclaimer: this map was created by the Ventura County Resource Management Agency, Mapping Services - GIS, which is designed and operated solely for the convenience of the County and related public agencies. The County does not warrant the accuracy of this map and no decision involving a risk of economic loss or physical injury should be made in reliance therein



Marketplace Partners

Presumed Vesting

Marketplace Partners, LP
1821 Irvine Boulevard, Suite 201
Tustin, California 92780
Mike Rue, President
714.731.8888

Legal Description

During the course of this assignment no title reports were provided for review, therefore, a detailed legal description was unavailable for review. The subject property is identified as Ventura County Assessor's Parcel No. 202-0-010-765.

Location

The subject property is located on the east side of Ventura Road between Second Street and Fifth Street in the City of Oxnard.

Site Description

The subject property consists of 10.15 acres. The parcel is rectangular in shape and has approximately 800 feet of frontage on the east side of Ventura Road. The depth of the parcel is approximately 537 feet. The site is level and all usable. (See Hazards Discussion on page 11)

Access

Access to the parcel is from Second Street on the northeast. There is also an extension of Third Street that also allows access to the subject property. Access could also be from Ventura Road on the west.

Utilities

All utilities services are available to the subject property. Electrical service is provided by the Southern California Edison Company; gas service is provided by Southern California Gas Company; water & trash is from the city Oxnard. The subject property owns a water well located off-site of the subject property. This water well provided agricultural water for the subject site.

Easements and Encroachments

During the course of this assignment, no title reports were provided for the subject property therefore exact easements are unknown. However, the subject property is subject to a perpetual non-exclusive easement for ingress and egress by vehicular and pedestrian traffic across a portion of the subject property. This easement is described in the attached Declaration and Grant of easements (page 13) attached in the Addendum. The subject property is also encumbered with an avigation easement that restricts the uses on the subject site. (See Hazards-page 11)

Neighborhood and Trend of Development

The subject property is located in Oxnard, California. The City of Oxnard is one of eleven cities located within Ventura County. The population as of 2008 for each of the cities is provided in the following table.

City	Population
Ojai	8,156
Ventura	108,261
Oxnard	194,905
Port Hueneme	22,202
Camarillo	65,453
Santa Paula	29,539
Fillmore	15,641
Moorpark	36,814
Simi Valley	125,657
Thousand Oaks	128,650
Westlake Village	8,867

The City of Oxnard is the largest city in Ventura County and is located halfway between Los Angeles and Santa Barbara. The city is 25.38 square miles. It is a general law city with a city council and a city manager.

The subject property is surrounded by various commercial development, however because of the avigation easement, the subject site cannot develop to commercial uses or practically any other uses other than farming.

Improvements

None

Present Use

The property is vacant and is currently farmed on a month to month lease. The present rental with C & F Flowers is \$1,008.33 per month or \$12,100 per annum.

Zoning and General Plan Data

The subject property is zoned C2-PD in the City of Oxnard. The current General Plan designates on the subject property gives it two designations. The northern one-third of the site is designated as Airport Compatible and the southern two-thirds is designated as Open Space - Landscape Buffer. The zoning and the General Plan appear to be inconsistent. The agricultural utilization of the property is considered a legal non-conforming use.

Hazards

The subject property lies approximately 900 feet east of the Oxnard Airport Runway No. 25. The centerline of the runway would if extended essentially bisect the subject property. The subject property is covered by an avigation easement, which restricts the use of the subject property. The avigation easement indicates that parking cars within the avigation easement is an allowable use, however the FAA has further regulations that stipulate that there can be no objects in the Object Free Area (OFA). This is a rectangular zone that is 800 feet wide (400 feet on either side of the center line of runway No. 25) extending approximately 1,000 feet east from the end of Runway 25. From that point extending east another a 1,300 feet is the central portion of the RPZ. The FAA does not want any objects or structures within these two areas.

The Object Free Area (OFA) and the central portion of the RPZ essentially encumbers all of the subject property. Approximately one-half acre of the subject property along the southern boundary is not within the OFA or the central portion of the RPZ. A copy of the FAA recommendation and analysis of a proposed long term parking/storage facility on the subject property is in the Addendum. Their

recommendation was that no such project should be approved because it falls within the OFA and the central portion of the RPZ.

The location of the subject property within the OFA and the central portion of the RPZ eliminates construction of any buildings or fencing on the subject site. Actually, agricultural operations technically are not allowed in that portion of the property that falls within the OFA. That area includes the first 100 feet of the property along Ventura Road. It appears that the subject property has been utilized as agriculture for a number of years and that there has been no enforcement of the rules of the OFA on the subject property or for properties bordering the Oxnard Airport in the general vicinity of the subject property.

There are a myriad of FAA rules that cover the subject site and surrounding neighborhoods. According to the Director of Airports, Todd McNamee, these regulations are going to be expanded and certain areas such as the subject property will be further restricted in use.

Assessed Value and Taxes

Assessors <u>Parcel No.</u>	Assessed <u>Value Land</u>	Assessed Value <u>Improvements</u>	Total <u>Value</u>	2008/09 <u>Taxes</u>
202-0-010-765	\$275,301	-0-	\$275,301	\$3,488.26

These taxes and assessed values are the result of Proposition 13 and do not necessarily represent current fair market value.

Highest and Best Use

Any supportable conclusion as to the highest and best use of the land (site) must be capable of meeting four criteria (See Definitions). The use must be:

- 1) Legally possible
- 2) Physically permissible
- 3) Financially feasible
- 4) Maximally productive

Legally Permissible

The subject property is currently zoned C2-PD. Uses allowed in this zoning are limited by the property's location near the airport and its location within the RPZ (See Hazards). The subject property is essentially limited to agricultural use, which has been its historical use.

Physically Possible

The site could be able to support a wide range of uses, however the proximity to Oxnard Airport and its inclusion into the RPZ eliminates any uses other than agriculture.

Financially Feasible

Financial feasibility considers the economics associated with a permissible and possible land use. In the case of the subject property, financially feasible uses are limited given the location of the subject property and its physical relationship to the Oxnard Airport. The only financially feasible use is agriculture.

Maximally Productive

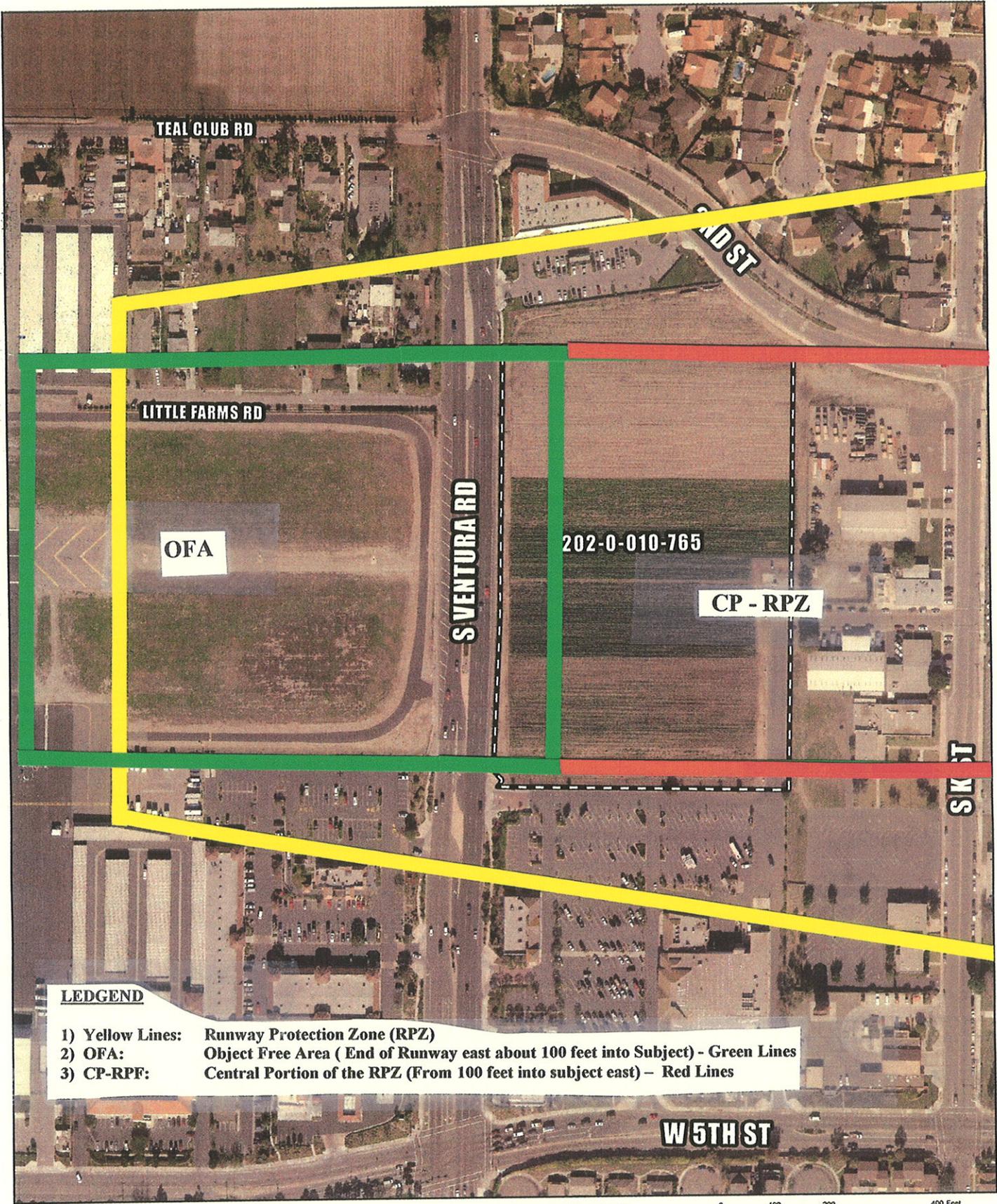
Among financially feasible uses, that use which results in the greatest residual rate of return is the highest and best use. It is possible that different utilizations of a site within a general use category can produce equivalent investment returns, and hence each be considered a highest and best use. In estimating the greatest yield to the property, the physical, social, political, and economic forces are all examined in terms of their interrelationship and impact on the potential for maximal productivity. Among the various uses available to the subject property, agriculture was determined to be the maximally productive use.

Appraisal Problem

The purpose of this appraisal is to form an opinion of current fair market value of the subject site. The County of Ventura is attempting to buy the subject property with FAA funds to expand some of the uses of the Oxnard Airport. The subject property, as discussed above, has a number of layers of restrictions over the land that restrict the use of the property and essentially eliminate any commercial development on the subject property.

The property had a proposal for a recreational vehicle storage facility in 2007 that was denied by the FAA. The FAA's opinion is merely advisory when it comes to property not owned by the airport. However, the airport authority will undoubtedly do what the FAA desires. In the case of the proposed development on the subject site, it was withdrawn by the developer and that was the end of it. Had the developer gone ahead and applied for approvals with the City of Oxnard, the Oxnard Airport would have protested the development. The City of Oxnard would have done what the County airport authorities requested.

The aviation easement that covers the subject property and the adjacent commercial developments to the north and south allows for parking of vehicles and vehicular traffic in the aviation easement. When the easement was granted in 1995 the subject



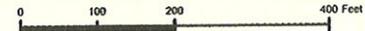
LEDGEND

- 1) Yellow Lines: Runway Protection Zone (RPZ)
- 2) OFA: Object Free Area (End of Runway east about 100 feet into Subject) - Green Lines
- 3) CP-RPF: Central Portion of the RPZ (From 100 feet into subject east) – Red Lines

Ventura County
 Resource Management Agency
 GIS Development & Mapping Services
 Map created on 02/18/2009
 This aerial imagery is under the
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 Source: Pictometry, January 2008



APN: 202-0-010-765
Market Place Partners LP - Oxnard
Aerial Photography Map



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site was part of a much larger parcel. That larger parcel, adjacent to the south, ultimately developed to an Albertsons Shopping Center (Now Vons) and the portion of that site which was covered by the avigation easement and out of the OFA was developed to supporting parking areas. In addition the adjacent parcel to the north of the subject property developed to a small neighborhood commercial center. The portion of that parcel covered by the avigation easement and out of the OFA developed to parking areas. (Refer to the aerial photograph that has the different zones designated)

The subject property while, covered by the same avigation easement as the adjacent developments, falls almost entirely in the OFA area and the central portion of the RPZ, which allows no parking or any structures at all. Therefore, the subject property while zoned C2-PD, is relegated to agricultural uses until such time a the Oxnard Airport ceases to exist. That would likely be far in the future and an attempt to analysis such an occurrence would be considered remote and speculative and cannot be considered in this analysis.

Approach to Value

As discussed in the Appraisal Problem section, the subject property is limited to agricultural uses and even some of those uses are limited. For a valuation analysis we have reviewed the most recent row crop sales in the Ventura County area. Those sales are as follows:

<u>Sales Chart</u>				
Sale No.	Location/APN/ Comments	Date of Sale/ Size/ Doc. No.	Sales Price Seller/Buyer	Price Per Acre
1.	Rice Road, Oxnard APN: 218-0-345, 355,365, 375 Row Crops	09/30/08 25.92 acres Doc. #146907	\$2,462,500 Kotake to Sundance Berry	\$95,000
2.	Pleasant Valley Rd., Oxnard APN: 218-0-020-345,605, 615 Row Crops	12/27/07 255.83 acres Doc. #232073	\$17,858,400 R & N Ranch to Bengard	\$69,800
3.	Olivas Park Dr., Ventura APN: 138-0-060-600, 590 Lemons	10/16/07 115.59 acres Doc: #194941	\$8,894,000 Campbell to Santana	\$75,000±
4.	Lewis Road, Camarillo APN: 234-0-050-330 Row Crops	10/11/07 153.38 acres Doc: #192598	\$13,405,000 Vujovich et al to CSUCI	\$87,400
5.	N. Rose Avenue, Oxnard APN: 147-0-060-340 Row Crops	04/06/07 40.00 acres Doc: #71798	\$3,403,830 Fairbanks to Providence Way	\$85,000±

Sales Discussion

Sale No. 1 – Rice Road, Oxnard

This sale took place in September 2008. This is row cropland located on the east side of Rice Road just south of the intersection of Rice Road and Wooley Road in Oxnard. The property is outside the sphere of influence of the city of Oxnard. The property is also subject to SOAR and will be in agriculture for the foreseeable future. The property consists of four 6.48-acre parcels that appear to have been legally created. The property is farmed to row crops. The sales price was \$2,462,500 or \$95,000 per acre. High per acre price is reflective of the size of the parcel and its location.

Sale No. 2 – Pleasant Valley Rd., Oxnard

This sale took place in December 2007. This property consists of 255.83 acres and has frontage on Pleasant Valley Road and Laguna Road and is bisected by the Revlon Slough. The property is considered good row cropland and the entire parcel is tilled. There are some improvements on the parcel, however they do not add value over the agricultural value of the land. There are two water wells on the site and the property also obtains water from Pleasant Valley County Water District. The property is also subject to SOAR and will be in agriculture for the foreseeable future. The sales price was \$17,858,400 or \$69,800 per acre.

Sale No. 3 – Olivas Park Drive, Ventura

This sale took place in October 2007. This is a lemon orchard located on both sides of Telephone Road at Olivas Park Drive in Ventura. The property is adjacent to and outside the sphere of influence of the city of Ventura. The property is also subject to SOAR and will be in agriculture for the foreseeable future. The entire ranch is planted to lemons and the production was considered very good. The sale was confirmed at \$75,000 per acre with the buyer's agent.

Sale No. 4 – Lewis Road, Camarillo

This sale took place in October of 2007. This was a negotiated purchase by California State University Channel Islands for 158.38 acre of a larger parcel. The larger parcel consisted of 282.47 acres. The purchase was based on this appraiser's valuation of the subject property. The larger parcel has been subdivided into a 129.09-acre parcel, which was retained by the seller and a 158.3-acre parcel, which was acquired by the University. This sale was confirmed with seller. The per acre value was \$87,400.

Sale No. 5 – Rose Avenue, Oxnard

This sale took place in April of 2007. This is a 40-acre parcel, which sold for \$3,403,830 or \$85,000 per acre. This property is located on the north side of Rose Avenue. The property is rectangular in shape. The property has historically been utilized for strawberry growing. The purchase included a partial ownership in a water well that serves the property. Estimated water costs are \$80 per acre-foot. There were no building improvements on the property.

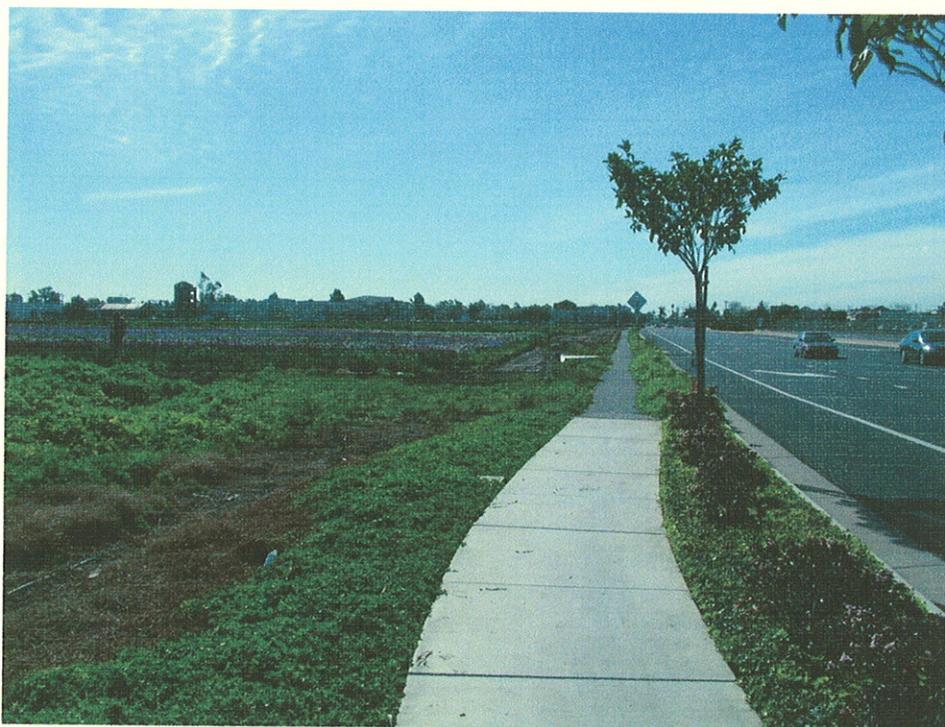
Valuation Analysis

The five row crop sales generate a range in value from \$69,800 to \$95,000 per acre. The definitions of Fair Market Value found on page seven state that fair market value is the most probable price and also the highest price on the date of value. The subject property is smaller than the sales data and lacks any future secondary uses. In this analysis we have chosen the highest agricultural value as our opinion of current fair market value. Based on that the following is our opinion of value for the subject property:

Valuation

Marketplace Partners

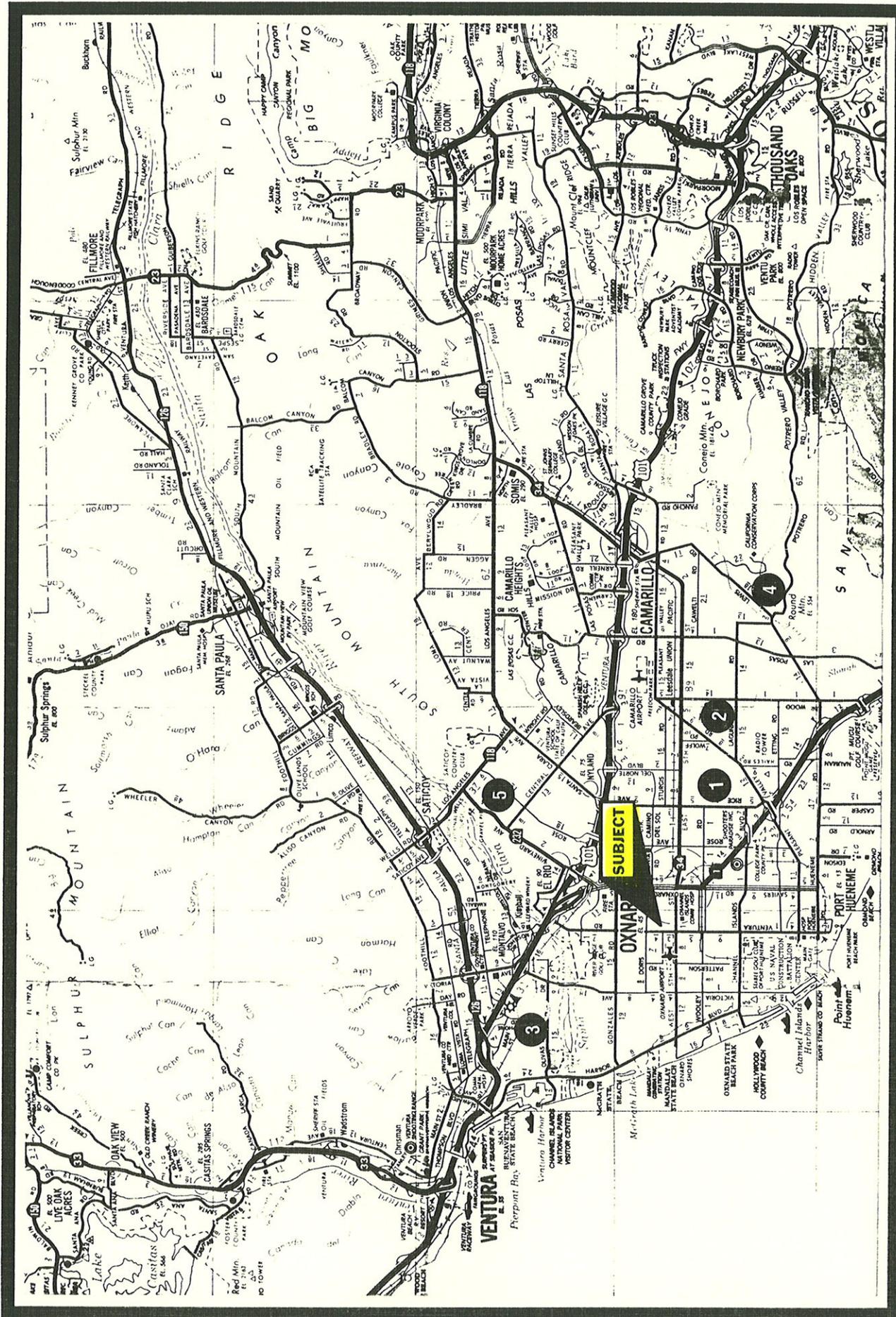
10.15 acres @ \$95,000/acre = \$964,500 (r)



View south across the subject. Ventura Road is to the right of the photo.



View north along the Ventura Road frontage.



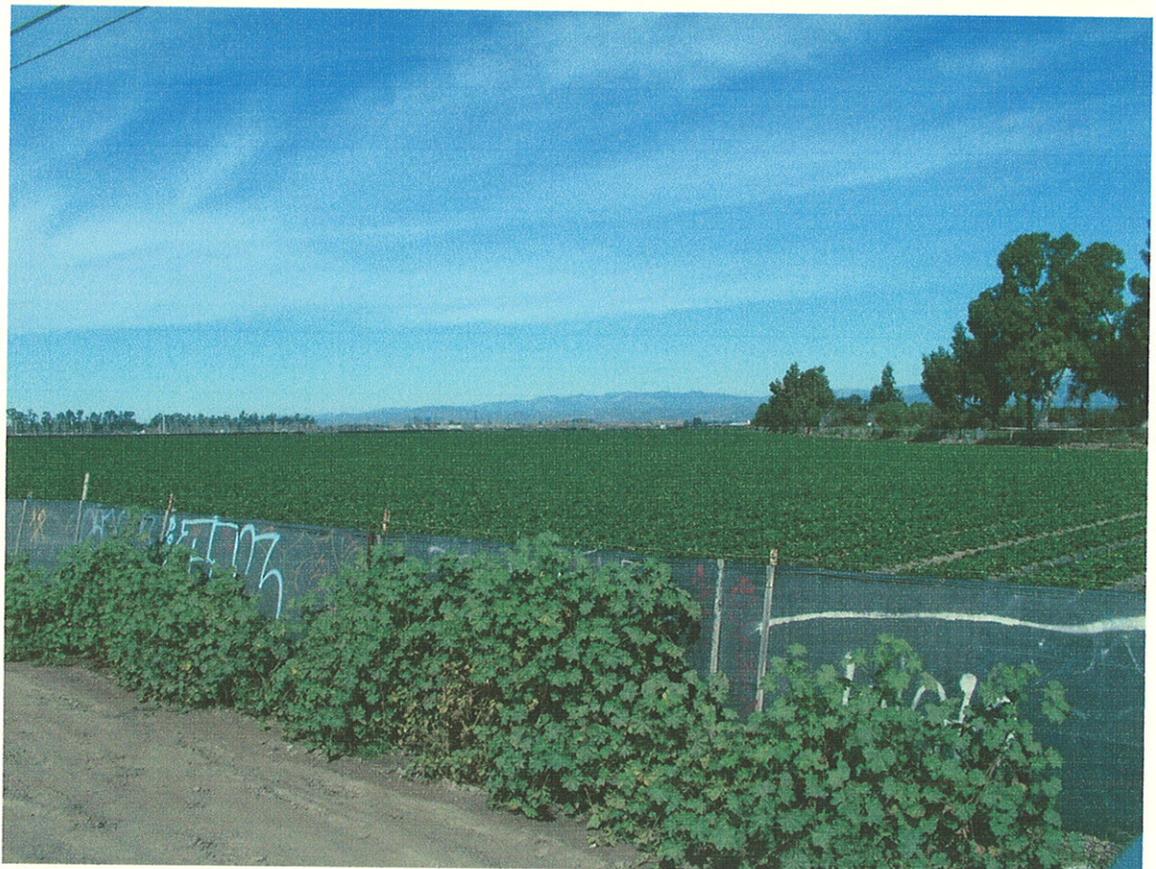
Comparable Market Data

Comparable Sales

No.1



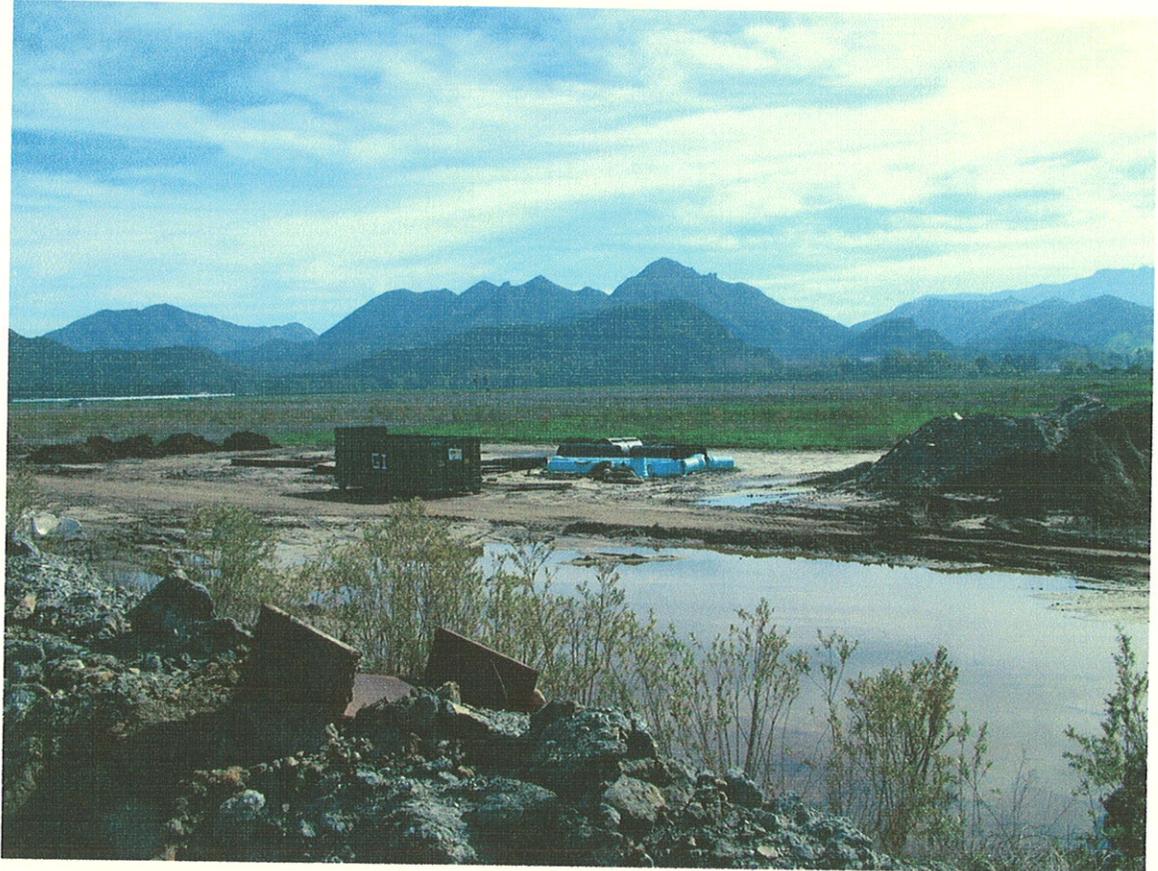
No. 2



No. 3



No. 4



No. 5





Ventura Appraisal Consulting Corporation

December 18, 2008

Mike M. Rue
Market Place Properties
18231 Irvine Boulevard, Suite 201
Tustin, California 92780-3432

Re: County of Ventura - Department of Airports
Proposed Acquisition – Market Place Partners, LP
APN: 202-0-010-765 – 10.15 acres

Dear Mr. Rue:

This firm has been hired by the County of Ventura – Department of Airports to prepare an appraisal of the above referenced property. The purpose of this appraisal is to form an opinion of current fair market value of the subject property. The function of this report is to be utilized as the basis for the payment of just compensation for the possible acquisition of the property.

Enclosed you will find an Assessor's map indicating the location of the subject property. We would like to take this opportunity to offer to meet with you and/or your representative at the property to discuss the appraisal and the proposed project. As you are aware there are two appraisal firms working independently on this assignment. Kevin McAtee of Hoffman, Vance & Worthington is the other appraiser on this assignment. Mr. McAtee and this firm are sharing information on the property so that our analysis of the property considers the same information.

We understand that you have had a recent conversation with Mr. McAtee regarding the appraisal of the property and that you have received various offers and at one time had the property in escrow. That type of information would be most helpful to both firms for consideration in our analysis. As you know this is not your typical appraisal assignment. We will consider any and all information that you feel is pertinent to this assignment.

Ventura Appraisal Consulting Corporation

December 18, 2008

Page 2

Should you have any questions please feel free to give us a call. Please contact the undersigned or William Arnold of this firm. We look forward to working with you on this assignment.

Sincerely,

VENTURA APPRAISAL
CONSULTING CORPORATION

Lindsay F. Nielson, SCREA
President

LFN/me

RECORDING REQUESTED BY
AND WHEN RECORDED
RETURN TO:

COUNTY OF VENTURA
PUBLIC WORKS AGENCY
REAL ESTATE SERVICES DIVISION
800 SO. VICTORIA AVENUE
VENTURA, CA 93009

This will certify that this is a
true and correct copy of the original
instrument recorded 5-8-95
as Inst. No. 95-054899 of
Official Records.


Title Officer
CHICAGO TITLE INS.

GRANT OF AVIGATION EASEMENT AND RUNWAY PROTECTION ZONE RESTRICTION
AND COVENANTS RUNNING WITH THE LAND

PARCEL MAP NO. 94-5-25

Albertson's, Inc., a Delaware corporation and Marketplace Partners II, L.P., a California limited partnership (collectively, "Grantor") hereby grants and conveys to the County of Ventura ("County") an easement for avigation purposes over and across the real property described in Exhibit "A" and depicted on Exhibit "B" ("Property") which easement shall be located in the airspace above said Property at a height of one hundred forty feet (140') above Mean Sea Level ("MSL") which is approximately one hundred feet (100') above the ground surface elevation of the Property.

In furtherance of said easement, the County, its successors and assigns, shall have a continuing right to keep the airspace in which the avigation easement is located free and clear of any and all trees, poles, buildings, and other obstructions of any kind or nature which now extend, or which may extend at any time in the future into the airspace area in which the avigation easement is located, together with the limited right of ingress to, egress from and passage over the Property for the sole purpose of affecting and maintaining such clearance and of removing any and all obstructions which now or hereafter may extend into the airspace of the avigation easement.

To implement and as an integral part of this easement, the Grantor covenants, both for itself and its heirs, successors and assigns, as follows:

(a) No person or entity shall construct, permit or suffer to remain upon the Property any obstruction that extends into the airspace in which the avigation easement is located.

(b) No owner or tenant of the Property shall use the Property in such a manner as to create electrical or electronic interference with radio or other communication or radar operation between Oxnard Airport and aircraft or to impair visibility in the vicinity of the airport, or to otherwise endanger the landing, taking off or maneuvering of aircraft. Nothing contained herein shall prohibit (i) the driving and parking of vehicles on the Property below the easement granted herein, (ii) the use of radio, cellular and electrical equipment typically installed in vehicles or used in the operation of a commercial retail center, or (iii) the lighting of the Property below the easement granted herein provided that any lights are installed in a shoe box type fixture to direct the light downward to the ground.

(c) Persons or entities which now or hereinafter may own any rights in and/or occupy any portion of the Property are prohibited from bringing any legal or equitable action against the County and/or any other governmental authority operating Oxnard Airport because of the noise, vibration and/or from pollution which may impact said Property as a result of the

flight of aircraft through the aviation easement; provided that County and/or any other governmental authority operating Oxnard Airport is in compliance with all State and Federal laws, rules and regulations pertaining to the operation of an airport.

(d) Persons or entities which now or hereinafter may own any rights in and/or occupy any portion of the Property hereby release and covenant not to sue the County and/or any other governmental authority operating Oxnard Airport due to such noise, light, vibrations, fumes, exhaust, smoke, air currents, dust, fuel particles, radio, television or other electromagnetic interferences that may be caused or may have been caused by the operation of aircraft landing at, or taking off from, or operating at or on Oxnard Airport and using the aviation easement herein granted provided that the County is in compliance with all State and Federal laws, rules and regulations pertaining to the operations of an airport. Said release and covenant shall include, but not be limited to, claims, known or unknown, for damages for physical or emotional injuries, discomfort, inconvenience, property damage, death, interference with the use and enjoyment of property, diminution of property values, nuisance, inverse condemnation or injunctive or other extra-ordinary or equitable relief.

(e) Any person offering for sale or lease any portion of the Property shall make full and complete disclosure to any potential buyer of said Property of the content of this covenant and of the aviation easement hereby granted.

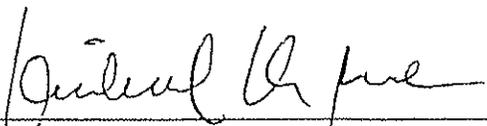
(f) No person or entity shall construct or cause to be constructed any building within the State designated Runway Protection Zone area as shown on Exhibit "B".

This grant of aviation easement shall not operate to deprive the Grantor, its successors and/or assigns, of any rights (including, without limitation, any legal, equitable or administrative remedies) that they may have, from time to time, against any individual, private or commercial operator for negligent or unlawful operation of aircraft.

Grantor grants this easement and rights acquired hereunder and makes these covenants to run with the land and these covenants and easement shall be binding upon the heirs, executors, successors and assigns of the owners of or holders of any interests in and to said Property. Should the Oxnard Airport which is currently located immediately west of the property discontinue airport operations at this location, this aviation easement automatically terminates and thereafter becomes null and void.

EXECUTED THIS 18th day of April, 1995.

MARKETPLACE PARTNERS II, L.P.,
A CALIFORNIA LIMITED PARTNERSHIP

By: 
Michael M. Rue, General Partner

ALBERTSON'S, INC.,
A DELAWARE CORPORATION

By: 
Thomas R. Saldin

Its: Executive Vice President,
Administration and General Counsel

ACCEPTED: COUNTY OF VENTURA

By: 
Chair, County Board of Supervisors

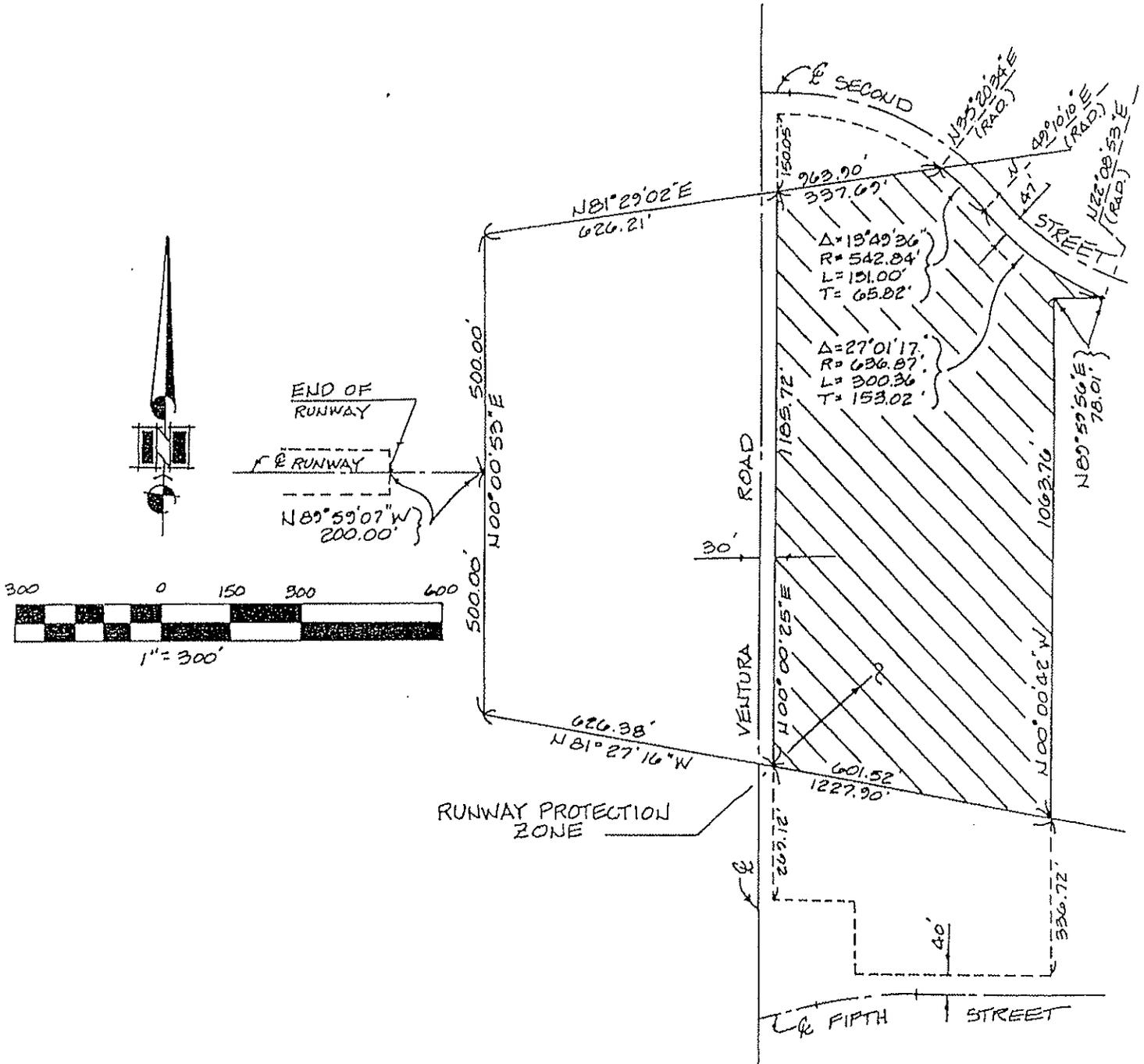
Date: APR 18 1995

AVIGATION EASEMENT

THAT PORTION OF SUBDIVISION 28, EL RANCHO RIO DE SANTA CLARA O'COLONIA IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE MAP FILED IN THE OFFICE OF THE COUNTY CLERK OF SAID COUNTY, IN THAT CERTAIN ACTION ENTITLED "THOMAS A. SCOTT ET AL., PLFF., VS. RAFAEL GONZALES, ET AL., DEFT.", DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FIFTH STREET, BEING 80.00 FEET WIDE, AND THE PROLONGATION OF THE FIFTH COURSE DESCRIBED IN THE DEED TO DELANIE VAZQUEZ RECORDED IN DECEMBER 1984 AS DOCUMENT NO. U4136161 IN THE OFFICE OF THE COUNTY RECORDER IN SAID COUNTY AS "SOUTH 1,175.14 FEET TO THE SOUTHWESTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO THE FIRST CHURCH OF CHRIST SCIENTIST, RECORDED SEPTEMBER 25, 1961, AS DOCUMENT NO. 41617, IN BOOK 2051 PAGE 100 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHERLY LINE OF SAID LAND; " THENCE NORTHERLY ALONG SAID PROLONGATION 336.72 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH $81^{\circ}27'16''$ WEST TO THE EASTERLY LINE OF VENTURA ROAD, THE EASTERLY HALF BEING 30.00 FEET WIDE; THENCE NORTHERLY ALONG SAID EASTERLY LINE 1,185.72 FEET; THENCE NORTH $81^{\circ}29'02''$ EAST 337.69 FEET TO THE SOUTHERLY LINE OF SECOND STREET BEING 94.00 FEET IN WIDTH AND ALSO BEING THE BEGINNING OF A NON TANGENT CURVE THAT IS CONCAVE SOUTHWESTERLY AND HAS A RADIUS OF 542.84 FEET; A RADIAL OF SAID CURVE AT SAID POINT BEARS SOUTH $35^{\circ}20'34''$ WEST; THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY LINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF $13^{\circ}49'36''$ A DISTANCE OF 131.00 FEET TO THE BEGINNING OF A TANGENT CURVE THAT IS CONCAVE NORTHEASTERLY AND HAS A RADIUS OF 636.87 FEET, A RADIAL OF SAID CURVE AT SAID POINT BEARS NORTH $49^{\circ}10'10''$ EAST; THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY LINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF $27^{\circ}01'17''$ A DISTANCE OF 300.36 FEET TO THE INTERSECTION OF SAID SOUTHERLY LINE AND THE NORTHERLY LINE OF THE LAND DESCRIBED IN THE DEED TO THE CITY OF OXNARD RECORDED NOVEMBER 26, 1948 IN BOOK 848, PAGE 241 OF OFFICIAL RECORDS; THENCE SOUTH $89^{\circ}59'56''$ WEST ALONG THE NORTHERLY LINE ,78.01 FEET TO THE NORTHWESTERLY CORNER OF SAID LAST MENTIONED LAND; THENCE SOUTH $00^{\circ}00'46''$ EAST ALONG THE WEST LINE OF THE LAST MENTIONED LAND AND THE SAID FIFTH COURSE, 1063.76 FEET TO THE TRUE POINT OF BEGINNING.

"HIBIT B"



PREPARED BY:

The Favreau Group

1921 W. Palmyra Ave.

Orange, CA 92668

(714) 939-1459

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

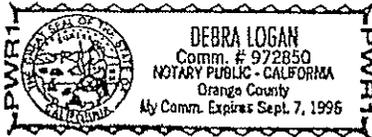
State of California

County of Orange

On April 11, 1995 before me, Debra Logan, Notary Public
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Michael M. Poe
NAME(S) OF SIGNER(S)

personally known to me - OR - 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.



WITNESS my hand and official seal.
[Signature]
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE OFFICER

- PARTNER(S) LIMITED
- GENERAL

- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)
Marketplace Partners II, L.P.,
a California limited partnership

DESCRIPTION OF ATTACHED DOCUMENT

Grant of Avigation Easement
TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

Albertson's, Inc and
County of Ventura
SIGNER(S) OTHER THAN NAMED ABOVE

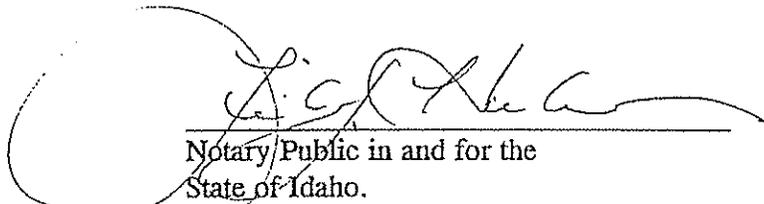
STATE OF IDAHO)
) ss.
County of Ada)

On this 13th day of April, 1995, before me, the undersigned, a Notary Public in and for said State, personally appeared **Thomas R. Saldin**, to me known to be the Executive Vice President, Administration and General Counsel, of **Albertson's, Inc.**, the corporation that executed the foregoing instrument, and acknowledged to me that the said instrument is the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this certificate first above written.

My commission expires:

9/23/97



Notary Public in and for the
State of Idaho.
Residing at Boise, Idaho.

COUNTY OF VENTURA

CERTIFICATE OF ACCEPTANCE OF DEED OR GRANT

This is to certify that the interest in real property conveyed by the deed or grant dated April 18, 1975, from Albertson's Inc. et al. to the County of Ventura, is hereby accepted by the undersigned officer on behalf of the County of Ventura, pursuant to authority conferred by resolution of the Board of Supervisors on May 5, 1970, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: MAY 2, 1975

By: [Signature]
Authorized Officer





Marketplace

PROPERTIES

Via Certified Mail

February 21, 2008

Ms. Melissa Garcia
C&F Flower Growers
2316 Channel Drive, Unit D
Ventura, CA 93003

RE: Lease Dated September 27, 2002 for Assessor's Parcel Number
202-0-010-765, located between Second and Fifth Streets in Oxnard,
California

Dear Melissa:

Per our conversation this morning, the above referenced Lease expired on September 30, 2007. As C&F Flower Growers did not exercise the Option Term in the Lease the tenancy is now considered month-to-month. Pursuant to Section 15 of the above referenced Lease, "If Tenant with Landlord's consent remains in possession of the Premises after expiration [...] such possession by Tenant shall be deemed to be a month-to-month tenancy [...]. During any such month-to-month tenancy, Tenant shall pay all Rent required by this Lease."

Therefore, pursuant to Section 4 of the Lease, the rent has increased from \$11,000 annually to \$12,100 annually. The new monthly rate is \$1,008.33. This will be retroactive to January 1, 2008 and will be reflected on your March statement.

In regards to the letter from Raznick Realty Group, Marketplace Properties has officially notified C&F Flower Growers that a portion of its farming activities are taking place upon Raznick Realty Group's property. It is C&F's responsibility to either remove the crops and equipment located on the land or to enter into an agreement with Raznick Realty Group regarding the continued use of the property.

Should you have any questions, please do not hesitate to contact me.

Yours truly,

Annette Gens
Property Manager

C

FARMING LEASE

THIS LEASE is entered into on this 27th day of September 2002, by and between Marketplace Partners, L.P., a California limited partnership, hereinafter referred to as Landlord ("**Landlord**"), and C & F Flower Growers, a sole proprietorship, hereinafter referred to as Tenant ("**Tenant**").

IT IS AGREED between the parties hereto as follows:

1. **Description of the Premises:** Landlord hereby leases to Tenant and Tenant hires from Landlord on the terms and conditions hereinafter set forth that certain tract of land containing 10.15 acres, more or less ("**Premises**"), situated generally at the Southeast corner of Ventura Road and Second Street, in the City of Oxnard, County of Ventura, State of California, as more particularly depicted on Exhibit "A" attached hereto and made a part hereof, together with all existing improvements situated on the Premises and belonging to Landlord, if any.

2. **Use.** The Premises shall be used and occupied by Tenant for the planting, growing and harvesting of flowers and for related agricultural purposes, and no other use of the Premises shall be made without the Landlord's written consent. Tenant shall be allowed to locate a flower stand on the Property for the purpose of selling flowers only to customers, subject to obtaining the appropriate use permit from the City of Oxnard and subject to Landlord's prior approval of the location of the flower stand and customer pedestrian access areas.

3. **Term.** The term of the Lease ("**Term**") shall be for a period of five (5) years, commencing on October 1, 2002 ("**Term Commencement Date**"), and ending on September 30, 2007.

a) **Option Term.** Provided that Tenant is not in default of any monetary or material non-monetary provision of this Lease at the time of Tenant's exercise of an option to extend the Term as provided herein, or at any time thereafter prior to commencement of the "Option Term" (as hereinafter defined), Tenant shall have the right to extend the Term for a one (1) additional period of five (5) years ("**Option Term**") commencing immediately following the end of the Term. Tenant shall give Landlord written notice of Tenant's election to exercise the option to extend the Term for such Option Term not earlier than one hundred eighty (180) days before the expiration of the Term, and not later than one hundred twenty (120) days before the expiration of the Term. All of the terms, covenants, conditions, provisions and agreements applicable to the Term shall be applicable to the Option Term, except that "Rent" (as hereinafter defined) payable during the Option Term shall be as set forth in Paragraph 4 a) below. Time is of the essence with respect to Tenant's exercise of the option to extend the Term as provided herein. The option to extend the Term shall be personal to the original Tenant signatory to this Lease and shall not be exercisable by or for the benefit of any assignee or subtenant of Tenant. All references in this Lease to the "Term" shall be deemed to mean the initial Term as extended by the Option Term, if exercised by Tenant.

4. **Rent.** The total annual rent ("**Rent**") for years one (1) through three (3), which Tenant agrees to pay to Landlord and which Landlord agrees to accept as rental for the Premises is Ten Thousand Dollars (\$10,000.00), payable without deduction or offset, at such place or places as may be designated from time to time by Landlord, in equal monthly

installments of Eight Hundred Thirty Three Dollars and thirty-three cents (\$833.33), payable on the first day of each month, commencing on the Term Commencement Date. Commencing on the first day of the fourth year of the Term and continuing through the end of the Term, the Rent shall increase by a factor of ten percent (10%) to the amount of Eleven Thousand Dollars (\$11,000.00) annually, payable in equal monthly installments of Nine Hundred Sixteen Dollars and sixty-seven cents (\$916.67).

a) **Option Term Rent.** The Rent payable for years one (1) through three (3) of the Option Term shall be increased from the Rent payable at the end of the Term by a factor of ten percent (10%) to the amount of Twelve Thousand One Hundred Dollars (\$12,100.00) annually, payable in equal monthly installments of One Thousand and Eight Dollars and thirty-three cents (\$1,008.33). Commencing on the first day of the fourth year of the Option Term and continuing through the end of the Option Term, the Rent shall increase by a factor of ten percent (10%) to the amount of Thirteen Thousand Three Hundred and Ten Dollars (\$13,310.00) annually, payable in equal monthly installments of One Thousand One Hundred and Nine Dollars and seventeen cents (\$1,109.17).

5. **Care of Premises.** During the Term, Tenant shall cultivate, irrigate, raise and harvest the flower crop planted on the Premises, and Tenant shall procure and supply all labor, tools, machinery and supplies necessary for said work, and Tenant shall do and perform all other acts and things which may be required to fully carry out the farming operations herein described ("**Farming Operations**"). All of the Farming Operations shall be done and performed by Tenant at its sole cost and expense and without cost or liability to Landlord, at the proper season and in good farmerlike manner in accordance with generally accepted agricultural practices in Ventura County. Tenant shall also, at its expense, keep all fences, ditches, pipes and sprinklers, drains and other structures, if any, upon the Premises in good condition and repair throughout the Term.

Except as otherwise provided, Tenant shall not make or suffer to be made any changes, alterations, additions or improvements in or upon or about the Premises without obtaining the prior written consent of Landlord. Landlord shall not be called upon to make any additions, alterations, improvements or repairs in, on or about the Premises during the Term.

In the event Tenant elects not to plant crops on any portion of the Premises, Tenant shall abate any growth of weeds in such areas of the Premises at least once every three (3) months. Tenant shall keep the Premises free of trash and debris on a regular basis throughout the Term.

6. **Waste.** Tenant shall, at Tenant's sole cost and expense, comply with all governmental requirements and shall not commit, or permit others to commit, any waste or nuisance, or other act on the Premises or which disturbs the quiet enjoyment of any other person.

7. **Taxes, Assessments and Other Costs.** Tenant shall pay all personal property taxes and assessments and all other taxes, costs and expenses related to the Farming Operations or maintaining the Premises (all taxes related to Tenant's personal property only). Landlord shall be responsible to pay all real estate property taxes and assessments imposed on the Premises.

8. **Liens.** Tenant shall not suffer or permit any mechanic's liens to be placed or imposed upon the Premises and Tenant agrees to hold Landlord and the Premises free and harmless from any and all such liens.

9. **Non-Liability.** Landlord shall not be liable for any injury or damage which any use by Tenant of the Premises or any of the Farming Operations shall occasion to the land, person or property of another. Tenant shall indemnify and hold harmless Landlord against any loss, damage, or expense arising out of any accident or occurrence causing injury to any person or property, either directly or indirectly, due to the use of the leased Premises or any part thereof by Tenant, or otherwise.

10. **Insurance.** Tenant shall, at its expense, at all times during said Term maintain in force for the joint benefit of Landlord and Tenant a broad form comprehensive coverage of public liability insurance in connection with Tenant's operations under this Lease by the Terms of which Landlord and Tenant are named as co-insureds and in such form and in such amounts as shall be approved by Landlord, but not less than a combined single limit of One Million Dollars (\$1,000,000.00), and Tenant shall deliver to or cause to be delivered to Landlord the certificate of the insurance carrier under each such insurance policy.

11. **Assignment and Subletting.** Except as provided in paragraph 18, neither this Lease nor any right or interest hereunder shall be transferred, assigned or subleased in whole or part by Tenant without the prior written consent of Landlord which consent shall not be unreasonably withheld.

12. **Default by Tenant**

a). The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

(1) Any failure by Tenant to pay the Rent or to make any other payment required to be made by Tenant under this Lease, if the failure continues for five (5) days after notice has been given to Tenant;

(2) The abandonment or vacation of the Premises by Tenant;

(3) A failure by Tenant to observe and perform any other provision of this Lease that is to be observed or performed by Tenant, if the failure to perform continues for more than thirty (30) days after notice has been given to Tenant; or,

(4) The making by Tenant of any general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the leased Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

b). In case of any such default by Tenant, in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the immediate option to Terminate this Lease and all rights of Tenant under it by giving written notice of the intention to Terminate in the manner specified in Paragraph 19 of this Lease. If Landlord elects to Terminate this Lease then Landlord may recover from Tenant:

(1) The worth at the time of award of any unpaid Rent which would have been due at the time of such termination; plus

(2) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus

(3) The worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could reasonably be avoided; plus

(4) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's default;

(5) Such other amounts in addition to or in lieu of any of the above items as may be permitted from time to time by applicable California law.

As used in subparagraphs (1) and (2) above, the "worth at the time of award" is computed by allowing interest at the maximum rate allowed by law. As used in subparagraph (3) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

c). In case of any such default by Tenant, Landlord also shall have the right, with or without terminating this Lease, to reenter the Premises and remove all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant.

13. **Expiration.** Upon expiration or sooner termination of this Lease, Tenant shall peaceably yield possession to Landlord in as good a state and condition as reasonable use and wear shall permit, and Tenant shall cause the Premises to be cleaned of any debris, trash, weeds or other foreign materials. Tenant retains the right to remain on the Premises for a period of time necessary to complete the Farming Operations that have already commenced on the land, including the harvesting of flowers, if any. Tenant shall pay full Rent at rental rates then in effect. The rights granted in this paragraph shall not be deemed a holdover as described herein or at law.

14. **Removal of Trade Fixtures.** Tenant shall retain title to all trade and specialized fixtures, which the Tenant installs upon the Premises. Upon the expiration or earlier termination of this Lease, provided Tenant is not then in default, Tenant may remove those fixtures to which it has retained title, provided, however, that upon such removal of fixtures Tenant restores the Premises to substantially the same condition as they were in at the commencement of the Term. All property of Tenant not removed within sixty (60) days from the date of such expiration or earlier termination of this Lease may be retained by Landlord without the payment of any consideration therefore.

15. **Holding Over.** If Tenant with Landlord's consent remains in possession of the Premises after expiration or earlier termination of the Term, or after the date in any notice given by Landlord to Tenant terminating this lease, such possession by Tenant shall be deemed to be a month-to-month tenancy terminable on thirty (30) days' written notice given at any time by either party. During any such month-to-month tenancy, Tenant shall pay all Rent required by

this Lease. All provisions of this Lease, except those pertaining to Term, shall apply to the month-to-month tenancy.

16. **Landlord Warranties**

a). **Water and Flooding**. Landlord does not warrant that the quality or quantity of water available from any source will be suitable or sufficient for Tenant's use and Landlord does not warrant or represent that the Premises will not flood. Landlord shall not be liable to Tenant for any damages sustained by Tenant by reason of any water shortage, and Landlord shall not be responsible to Tenant for any loss of crops resulting from any flooding of the Premises or from any other cause whatsoever, except for any loss of crops resulting from or occasioned by the acts of Landlord and Landlord's agents.

b). **Soil Suitability**. Landlord makes no warranty of the soil suitability for growing any crop that Tenant is authorized to grow under this Lease.

17. **Existing Rights of Others**. This Lease is subject to all existing easements, servitudes, licenses and rights of way for canals, ditches, wells, reservoirs, levies, roads, highways and telegraph and telephone electric power lines, gas lines, pipe lines, and other purposes, whether recorded or not and the rights of other tenants under any existing or future oil, gas or mineral lease or leases from Landlord affecting the entire or any portion of the Premises, whether recorded or not.

18. **Crop Mortgages**. Tenant shall have the right to mortgage or otherwise encumber any crop grown on the Premises and to assign the Lease in connection with the crop mortgage only with the prior written consent of Landlord.

19. **Notices**. Any notice to be given either party shall be in writing and shall be deemed delivered when it is personally delivered or deposited in the United States Mail, postage prepaid addressed as follows:

LANDLORD: Marketplace Partners, L.P.
13522 Newport Avenue, Suite 100
Tustin, California 92780

TENANT: C & F Flower Growers
2316 Channel Drive, Suite D
Ventura, CA 93003
(805) 641-9337

20. **Entry By Owner**: Tenant shall permit Landlord, its agents and assigns at all reasonable times to enter the Premises and to use the roads established on the Premises now or in the future, for the purpose of inspection, posting notices and for all other lawful purposes.

21. **Utilities**. Tenant shall pay for all electrical power and services supplied to the Premises. Tenant acknowledges that Landlord has not made improvements to the Premises to provide water from the City of Oxnard. All costs relative to installation of water hook-ups or improvements needed to utilize City of Oxnard Water are to be the sole responsibility and cost of Tenant. All such improvements shall be the property of Landlord.

22. **Airport Notification:** Tenant is hereby notified that the Premises is subject to an aviation easement ("**Aviation Easement**") in favor of the County of Ventura. Tenant acknowledges that Landlord has provided Tenant with a copy of the Aviation Easement and agrees to abide by the terms of said Aviation Easement.

Tenant is further notified that the Premises is located within the Runway Protection Zone and Transitional Surface of the Oxnard Airport which is located directly across Ventura Road from the Premises and that over flight of aircraft will occur throughout the Term. Tenant hereby fully releases Landlord from any and all consequences, losses, damages, actions or expenses arising out of any accident or occurrence related to aircraft and/or airport activity on or adjacent to the Premises during the Term.

23. **Lease Termination.** In the event airport operations at Oxnard Airport are permanently discontinued and/or development of buildings on the Premises is allowed by governmental authorities, Landlord may terminate lease by giving Tenant six (6) months written notice.

24. **Hazardous Materials:**

a). **Prohibition of Storage.** Tenant shall not cause or permit any hazardous materials ("**Hazardous Materials**") to be brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, other than those expressly permitted by Landlord and identified below. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials on the Premises caused or permitted by Tenant (including Hazardous Materials specifically permitted and identified below) results in contamination of the Premises, or if contamination of the Premises by Hazardous Materials otherwise occurs for which Tenant is legally liable to Landlord for damage resulting there from, then Tenant shall indemnify, defend and hold Landlord, its agents and contractors harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Premises or any portion of the property surrounding the Premises (the "Adjacent Property"), damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space in the Premises or the Adjacent Property, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Materials present in the soil or ground water on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises caused or permitted by Tenant results in any contamination of the Premises, Tenant shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Materials to the Premises, provided that Landlord's approval of such action shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises or the Adjacent Property.

b). **Termination of Lease.** Notwithstanding the provisions of sub paragraph (a) above; if: (i) any anticipated use of the Premises by Tenant or any proposed assignee or sublessee of Tenant involves generation, storage, use, treatment or disposal of

Hazardous Materials; (ii) Tenant or the proposed assignee or sublessee has been required by any prior landlord, lender or governmental authority to take remedial action in connection with Hazardous Materials contaminating a property if the contamination resulted from such party's action or use of the property in question; or, (iii) Tenant or the proposed assignee or sublessee is subject to an enforcement order issued by any governmental authority in connection with the use, disposal or storage of Hazardous Materials, Landlord shall have the right to terminate the Lease in Landlord's sole and absolute discretion (with respect to any such matter involving Tenant) and it shall not be unreasonable for Landlord to withhold its consent to any proposed assignment or subletting with respect to any such matter involving a proposed assignee or sublessee.

c). Definition of "Hazardous Material". As used herein, the term "Hazardous Materials" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Materials" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste", "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117, or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presly-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material", "hazardous substance" or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) listed under Article 9 and defined as hazardous or extremely hazardous pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (viii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317), (ix) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903), or (x) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601).

25. Miscellaneous Provisions.

(a) Remedies. Any termination of this Lease as herein provided shall not relieve Tenant, or its successors and assigns, if any, from the payment of any sum or sums that shall then be or that shall thereafter become due and payable to Landlord hereunder, and any such termination shall not prevent Landlord from enforcing the payment of any such sum or sums by any remedy provided by law. All rights, options and remedies of Landlord contained in this Lease shall be construed and held to be cumulative and not exclusive, and Landlord shall have the right to pursue any one or all of such remedies, or any other remedy or relief which may be provided by law, whether or not stated in this Lease. No waiver by Landlord of any breach of any of the covenants or conditions of this Lease by Tenant shall be construed or held to be a waiver of any succeeding or preceding breach of the same of any other covenant or condition herein contained.

(b) Governing Law. This Lease shall be interpreted in accordance with the laws of the State of California.

(c) Subordination. This Lease shall be subject to and subordinate to all liens, mortgages, deeds of trust and other encumbrances and restrictions of record which now exist or which might later be placed upon the Premises.

(d) Relationship. Nothing in this Lease shall be deemed or construed by the parties or by any third person to create a relationship of principal and agent or of partnership or of joint venture or of any other association other than Landlord and Tenant.

(e) Attorneys' Fees. In any action or proceeding by either party to enforce this Lease or any provision thereof, the prevailing party shall be entitled to all costs incurred and to reasonable attorneys' fees.

(f) Binding Effect. The provisions of this Lease shall apply to and bind the heirs, successors, executors, administrators and assigns of all parties to this Lease. All parties to this Lease shall be jointly and severally liable under it.

(g) Effect. This Lease contains the entire understanding of the parties with respect to the Premises and it totally supersedes and voids all prior understandings, whether written or oral, concerning the Premises. This Lease may only be amended by a written instrument executed by all of the parties and the obligations of the signatories to this Lease are joint and several.

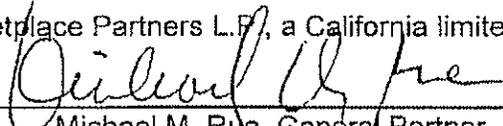
(h) Time is of the Essence. Time is of the essence of each provision of this Lease.

26. Security Deposit. Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord the sum of Two Thousand Five Hundred Dollars (\$2,500.00) as a security deposit ("**Security Deposit**"). The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant all the terms, covenants and conditions to be kept and performed by Tenant during the Term. If Tenant defaults with respect to any provision of this Lease including, but not limited to, the provisions relating to the payment of Rent, Landlord may (but shall not be required to) use, apply or retain all or any part of the Security Deposit for the payment of Rent or any other sum in default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall within five (5) days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount set forth herein and Tenant's failure to do so shall be deemed a default under this Lease. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit, or any balance remaining thereof, shall be returned to Tenant within thirty (30) days following the expiration of the Term. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer the Security Deposit to Landlord's successor-in-interest.

IN WITNESS WHEREOF, the parties hereto have executed this FARMING LEASE as of the day and year before written.

"LANDLORD"

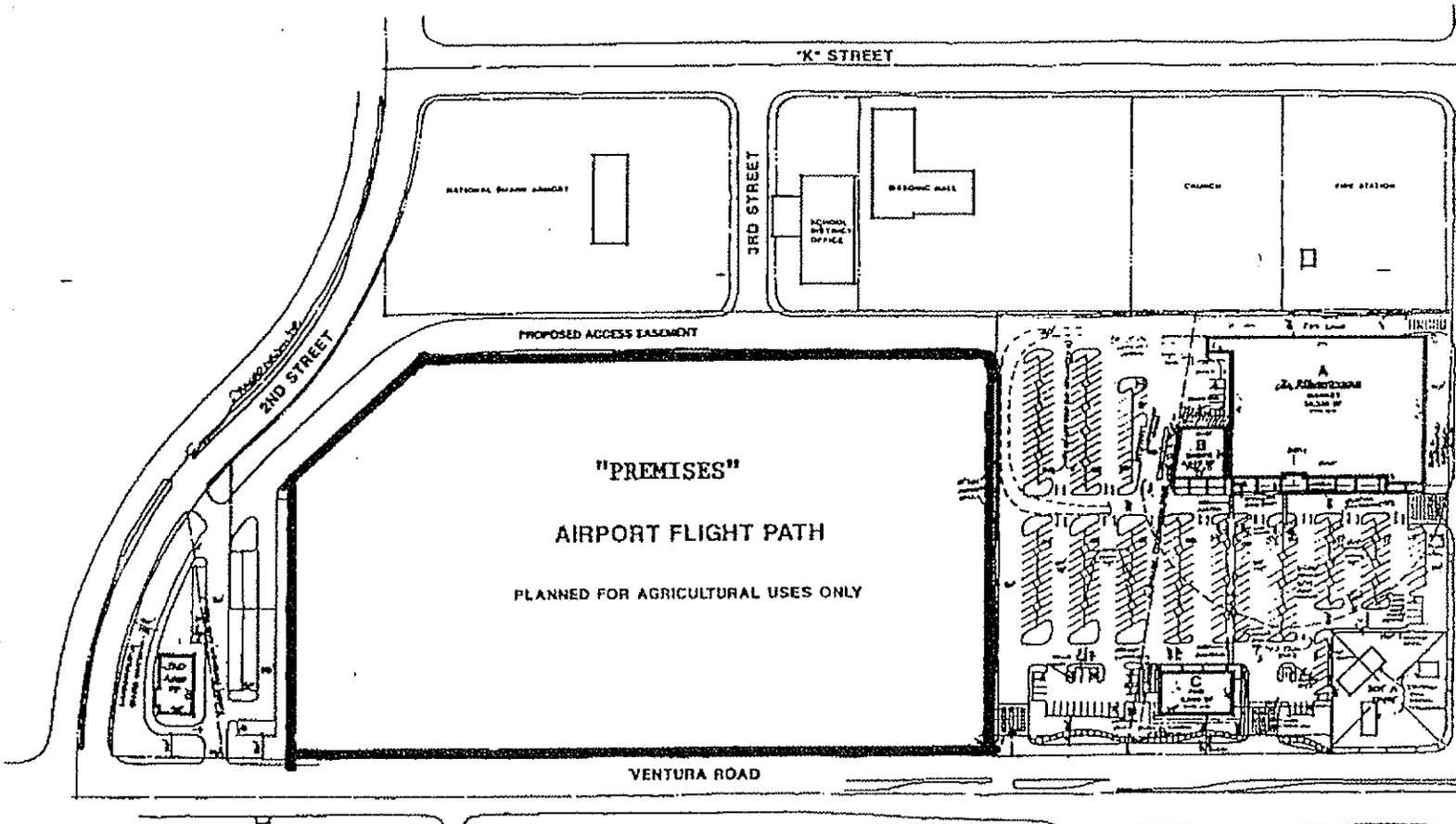
Dated: 9/27/02

Marketplace Partners L.P., a California limited partnership
By: 
Michael M. Rue, General Partner

"TENANT"

Dated: 9/26/02

C & F Flower Growers, a sole proprietorship
By: 
Carlos Romero, Owner



DIARY NORTH

- 58,100 SF± (1.33 AC±)
- 4,000 SF
- 13.52/1
- 80 STALLS
- 87 STALLS (21.75/1000)

CALCULATION FOR THIS SCHEME IS O.W.N.G.

SUMMARY SOUTH

- | | |
|------------------------|--------------------------|
| LAND AREA | • 315,055 SF± (7.23 AC±) |
| BUILDING AREA | • 60,992 SF |
| LAND/BUILDING RATIO | • 4.16/1 (19.35%) |
| PARKING PROVIDED | • 305 STALLS |
| PARKING/BUILDING RATIO | • 8.00/1000 |
| PARKING REQUIRED | • 244 STALLS |

A PROJECT FOR *



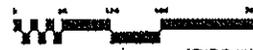
Marketplace Properties
Shopping Center Development

13522 Newport Avenue, Suite 100
Therlin, CA 92680
(714) 731-8888

A COMMERCIAL PROJECT

NEC VENTURA ROAD/ST
OXNARD

PLAN



SCHEME

Musil Perkwit



Marketplace

PROPERTIES

January 14, 2009

VIA CALIFORNIA OVERNIGHT

Mr. William Arnold
Ventura Appraisal Consulting Corporation
770 County Square Dr., Ste. 100
Ventura, CA 93003

Mr. Kevin McAttee
Hoffman, Vance & Worthington
1000 S. Seaward Ave.
Ventura, CA 93001

**Re: Property on East Side of Ventura Road Between 2nd Street and 5th Street,
Oxnard, CA (10.15 acres; APN: 202-0-010-765)**

Dear Mr. Arnold and Mr. McAttee:

I understand that each of you has been hired by the County of Ventura – Department of Airports to prepare an appraisal of the above referenced property ("subject property"), which is owned by a partnership of which I am the managing general partner. The following information may be helpful to you in determining an appropriate value for this property.

First some history. The subject property is part of a larger parcel of approximately 20 acres that we purchased in 1995. We developed an Albertsons/Blockbuster anchored shopping center on the southerly seven acres of the larger parcel. Vons now occupies the former Albertsons store. As part of the retail development we sold a parcel of 4.61 acres to Albertsons, Inc., for \$1,780,000 all cash or about \$8.86 per square foot in January, 1995. The sale price did not include any improvements to the Albertsons property; they paid for their prorata share of the on and off site improvements and associated soft costs.

Our partnership sold the balance of the shopping center development in August, 1997, retaining ownership of the subject property and a smaller parcel of 2.71 acres at the southeast corner of Ventura Road and 2nd Street.

We sold the 2.71 acre parcel to Double High Financial (Aaron Raznick) for \$455,000 all cash or about \$3.81 per square foot in January, 1998. This parcel was unimproved at the time of sale and is impacted by an avigation easement that limits the layout and size of the retail building that could be constructed which adversely affected the sale price. Double High Financial has constructed a retail center on that property.

Our plan for the subject property has been to develop a retail project that would tie into the market anchored center adjacent to the south (the subject property enjoys a cross access agreement with the Vons center—copy of agreement is enclosed) at such time as the Oxnard Airport is relocated or closed or at such time as the existing avigation easement became unnecessary. During the late 1990's there was speculation that the Oxnard Airport might be merged with the Point Mugu Naval Air Station as a joint use facility.

The subject property has never been marketed or listed for sale and we have never encouraged interested parties to submit offers, though we have had numerous verbal inquiries regarding purchasing the property in the last ten to twelve years.

Some of those who inquired mentioned purchase prices in the range of \$1.5 to \$2.0 million (or \$3.39 to \$4.52 per square foot) when informed of the avigation easement which prohibits construction of buildings. We discouraged all inquirers from making written offers as in each case the interested party wanted a substantial amount of "free" time to pursue development approvals.

In June, 2007 we received an unsolicited offer for the subject property, which despite the low price, we decided to accept because the deal provided a short, 45 day contingency period and a quick close (30 days) at a price that matched up well with the cost of another property we were planning to buy for development thus enabling an IRC Section 1031 exchange. The agreement also gave us the flexibility to unilaterally delay the closing to identify an upleg property.

Prior to executing the purchase agreement we were told that the buyer needed the property for parking in conjunction with his purchase of a nearby building from the City of Oxnard which has insufficient parking. We only discovered much later that an affiliate of the buyer intended to develop an RV and boat storage facility on the subject property.

As you know, that transaction was never consummated.

In March, 2008 we received a proposal to ground lease the property via email (copy enclosed) for approximately \$200,000 NNN per year. We elected not to pursue this proposal because by then we had decided to pursue development of an RV and boat storage project on the subject property.

In late 2007 we conducted a market study of the Oxnard/Ventura area and determined that there existed a substantial unmet demand for RV and boat storage. Most existing facilities were either nearly full or full with a waiting list.

Enclosed is a copy of the fairly conservative proforma which we prepared early last year. Based on these numbers we were very excited about proceeding with a development project.

We believe that such a project makes a lot of sense. Many airports have parking lots and/or RV and boat storage lots in similar proximity. Furthermore the avigation easement we entered into with the County of Ventura in April, 1995 clearly permits (in section (b.)) the driving and parking of vehicles on, and lighting of, the subject property.

Notwithstanding the FAA's position (which is advisory) in opposition to the proposed development, the County of Ventura can hardly take the same position opposing a use that it contractually agreed in 1995 would be permitted any time in the future.

I hope this information above is helpful in the efforts of your firms to prepare appraisals of the subject property. I am enclosing the following items with this letter for your use:

- a. Grant of Avigation Easement and Runway Protection Zone Restriction and Covenants Running with the Lane Parcel Map No. 94-5-25 between the County of Ventura, Albertson's Inc. and Marketplace Partners II, L.P. executed April 18, 1995.
- b. Declaration of Restrictions and Grant of Easements between Albertson's Inc. and Marketplace Partners II, L.P. recorded January 24, 1995.
- c. Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate between Ed Charton and Marketplace Partners, L.P. dated June 15, 2007.
- d. E-mail ground lease offer from Bob Gmuer to Joe Ahearn dated March 26, 2008.
- e. Preliminary Site Plan dated June 20, 2007 prepared by Draphics for Marc Hermann.
- f. Income and Cost Proforma for Oxnard RV & Storage prepared by Marketplace Properties dated February 7, 2008.

Please let me know if I can provide any further information.

Sincerely,
MARKETPLACE PROPERTIES



Michael M. Rue
President