

ATTACHMENT B – ENDORSEMENT- LIEN CONTRACT

DOC # 2002-0807127

SEP 20, 2002 9:20 AM

PLEASE COMPLETE THIS INFORMATION:

RECORDING REQUESTED BY:

007078

Clerk of the Board of Supervisors

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 0.00

AND WHEN RECORDED, MAIL TO:

Mail Stop: A-45



57)

FOR THE BENEFIT OF THE COUNTY

F8
21P
NF
1 Con

LIEN CONTRACT, TRACT NO. 4823-1
FALLBROOK 9/18/02 (20)

(Please fill in document title(s) on this line)

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(Additional recording fee applies)

007079

RECORDED AS A BENEFIT
COUNTY OF SAN DIEGO

WHEN RECORDED RETURN TO:

Clerk of the Board of Supervisors
Room 402, County Administration Center
San Diego, California 92101

LIEN CONTRACT

(Lien Contract as Initial Security)

(Major or Minor Subdivision - Use with CCSF 84.101.A)

THIS LIEN CONTRACT ("Lien Contract") is entered into this 14 day of MAY, 2002, by and among the County of San Diego, a political subdivision of the State of California ("County"), JDLC #1 LLC, a California Limited Liability Company ("Owner"), and North American Real Estate Services, Inc., a California Corporation ("Holder").

RECITALS

A. Owner has applied to County for approval of a Final Map designated as County of San Diego Tract No. 4823-1, (referred to herein as "Map"), pursuant to the Subdivision Ordinance (Division 1, Title 8 of the San Diego County Code of Regulatory Ordinances).

B. Owner is required to enter into a secured agreement with County entitled "Agreement to Improve Major Subdivision, County of San Diego Tract No. 4823-1" ("Subdivision Improvement Agreement") to perform certain acts and construct certain improvements as a condition of County's approval of said Map.

C. Owner has not commenced to install or construct any of the improvements required by the Subdivision Improvement Agreement, has not sold any of the lots in the subdivision, and has not been issued any permits on any of the property included in the subdivision.

D. Pursuant to Subdivision Ordinance Section 81.214, County is authorized to defer the payment of fees for the provision of improvements or services to the subdivision if the Owner enters into a secured agreement to defer making other subdivision improvements required by Section 81.403 or 81.706 of the Subdivision Ordinance.

E. Owner is required by the Subdivision Improvement Agreement and the Subdivision Map Act (Gov. Code, §§ 66462 and 66499) to provide security satisfactory to the County to secure its obligations under the Subdivision Improvement Agreement.

CCSF 84.100 (REV. 4/94)

ATTACHMENT B

TM4823-1

007080

F. The County is authorized to accept the security proposed by Owner, known as a lien contract, under the provisions of Government Code Section 66499(a)(4) and Subdivision Ordinance Sections 81.406.1 and 81.712.

G. County has found and determined that it would not be in the public interest to require the installation of the required improvements sooner than two years after the recordation of the Map.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. Owner's Performance:

A. Owner hereby grants to County, in accordance with the terms and conditions of this Lien Contract, a lien upon the property ("Property") described in Exhibit "A" ("Owner's Deed"), attached hereto, as security for the following obligations of Owner:

(1) Construction of the improvements ("Improvements") specified in the Subdivision Improvement Agreement, in the estimated amounts and for the purposes specified in Exhibit "B" attached hereto; provided, however, that Owner's obligation hereunder shall extend to the actual cost of construction of the Improvements, notwithstanding that such costs may exceed the estimate set forth in Exhibit "B"; and

(2) Payment of the fees or provision of the improvements or services described in Subdivision Ordinance Section 81.214 (collectively, "Fees"), in the amount required as a condition of approval of Owner's Map, as adjusted to represent the effects of inflation as represented in the Market Trends Index as published in the "Engineering News Record" or a similar index as determined appropriate by the Director of Public Works.

This lien secures said obligation and the remedies provided herein for breach of said obligation.

B. Owner grants to Holder, in accordance with the terms and conditions of this Lien Contract, a lien upon the Property as security for Owner's obligations to Holder under the Holding Agreement.

C. Upon execution of this Lien Contract by County, Owner shall file a Grant Deed ("Owner's Deed") conveying Owner's record title to the Property to Holder pursuant to the terms of the

TM4823-1

007081

holding agreement ("Holding Agreement") attached hereto as Exhibit "C" with the Clerk of the Board San Diego County Board of Supervisors.

D. For so long as title to the Property remains vested in Holder, Owner shall not: (1) request issuance by the Department of Real Estate of the Final Subdivision Public Report for the Property; (2) sell or permit the sale of any lot shown on the Map; or (3) commence work on any portion of the Improvements.

E. At the time Owner executes this Lien Contract, Owner shall file with County a cash deposit in the amount of Fifteen Thousand Dollars (\$15,000), to be used by County to reimburse County for any costs which County may incur in processing a reversion to acreage initiated pursuant to this Lien Contract. Any unused portion of such deposit shall be refunded to Owner following completion of such reversion. If the costs of reverting the Property to acreage exceed \$15,000, Owner shall pay such additional costs to County prior to recordation of the reversion to acreage map.

F. Prior to obtaining a grading permit or commencing the installation and construction of any portion of the Improvements required by the Subdivision Improvement Agreement, Owner shall deposit fees for inspections, tests and other related purposes, and shall substitute other forms of security satisfactory to County in place of this Lien Contract; provided, however, that Owner shall not be permitted to make such deposits or substitute such security if more than two (2) years have elapsed since the date of recordation of the Map or this Lien Contract, unless Owner requests an extension of time prior to expiration of said two years, and such request is granted by County. If County grants Owner's request for an extension of time, Owner shall make the deposits and substitution of security described above within such additional period of time as may be granted by County, as described in Section I(H), below.

G. Owner shall make the deposits specified in attached Exhibit "B" in the amounts prescribed for such purposes at the time the deposit is due. Owner also agrees to provide the substitute forms of security in the amounts and for the purposes set forth in the Subdivision Improvement Agreement, except that the amounts shall be calculated using the estimated cost of the Improvements at the time of substitution, as ascertained by County.

H. Owner shall perform and complete the Improvements required by the Subdivision Improvement Agreement within two (2) years following the date of recordation of the Map or this Lien Contract; provided, however, that the Director of the Department of Public Works may grant one extension, for a period not to

1 M4823-1

007082

exceed two (2) years, of the time in which the Improvements may be completed, and the Board of Supervisors may grant additional extensions of the time, as it deems appropriate. Notwithstanding the foregoing, however, upon the occurrence of either of the following events, the Improvements may, at the sole election of County, be required to be completed immediately:

(1) The County initiates assessment proceedings over an area between intersecting streets on both sides of the street upon which the Property has frontage; or

(2) Owners of more than sixty percent (60%) of the frontage between intersecting streets on both sides of the street upon which the Property has frontage, petition the County to form an improvement district for the improvement of said streets and the County initiates such proceedings.

I. Owner shall pay the Fees prior to commencement of the work for which the Fees are required or prior to issuance of any building permit, whichever occurs first.

II. Holder's Performance:

Holder shall hold title to the Property, pursuant to the terms and provisions of the Holding Agreement, from the date of recordation of this Lien Contract and Owner's Deed until receipt by Holder of release(s) executed by County for purposes of clearing record title of the Property so released of the lien herein imposed, and upon the receipt of said executed release(s), Holder shall reconvey title to the Property to Owner; provided, however, that Holder may retain a lien on the Property pursuant to this Lien Contract until such time as Owner fulfills its obligations to Holding Agreement.

III. County's Performance

Following (1) County's approval of the substitute forms of security submitted by Owner pursuant to Paragraph I(F) hereof, (2) deposit by Owner of fees for inspections, tests and other specific purposes and (3) Owner's payment or other performance of the obligations encompassed by the Fees required by Subdivision Ordinance Section 81.214, performance of which are secured by this Lien Contract, County shall release the Property from the provisions of this Lien Contract, and shall execute any necessary release to enable Owner or its transferee to clear the record of title of the Property so released of the lien herein imposed.

IV. Effect of Lien Contract.

TM4823-1

007083

A. From the date of recordation of this Lien Contract, a lien shall attach to the Property which shall have the priority of a judgment lien in an amount necessary to discharge all obligations contained in the Subdivision Improvement Agreement, and any Fees. This Lien Contract may be released in whole or in part and may be subordinated to other liens or encumbrances if the County determines that the security is sufficiently secured by a lien on other property or that the release or subordination of the lien will not jeopardize the completion of the Improvements. Any such subordination must first be approved in writing by County and the proceeds or other consideration secured by such other liens or encumbrances must be used exclusively to improve the Property.

B. Owner shall have the right to convey any recorded unit of the subdivision comprising the Property covered by this Lien Contract, so long as the purchaser agrees in writing to accept and be bound by the terms and provisions of this Lien Contract, the Holding Agreement, the Subdivision Improvement Agreement, and the Fees, or has provided alternative security acceptable to the County per Subdivision Ordinance Section 81.406. Any new lien contract entered into by a purchaser of the Property must provide for completion of the Improvements by the same date as is specified herein.

C. This Lien Contract shall expire upon release of the Property by the County, except that Owner's obligation to perform and complete the Improvements within two (2) years from the date of recordation of the Map or this Lien Contract (as such date may have been extended by the Director of the County Department of Public Works or the Board of Supervisors, as described in Section I(H), above) shall not expire but shall remain in full force and effect until satisfactory completion of the Improvements in full compliance with the Subdivision Improvement Agreement.

D. Notwithstanding any provisions of Subdivision Ordinance Sections 81.402 or 81.403 to the contrary, so long as this Lien Contract is utilized for security as described herein, offers of dedication for street purposes on the Property will not be accepted by the County.

V. Events of Default. Upon the occurrence of any one of the following events, Owner shall be deemed in default hereunder:

A. Failure by Owner to deposit fees for inspections, tests and other specified purposes or to substitute other forms of security satisfactory to County within the time allotted and as prescribed by this Lien Contract.

B. Commencement of any work on the Improvements by Owner, its agents or employees, prior to substitution of acceptable security with the County in place of this Lien Contract.

TM4823-1

007084

C. Failure by Owner to substitute acceptable security for this Lien Contract and complete construction of the Improvements described in the Subdivision Improvement Agreement within the time allotted and as prescribed by this Lien Contract.

D. Failure by Owner to pay the Fees described in Section I(A) (2), above, at the time required herein.

E. Filing of any proceedings or action by or against Owner to declare Owner bankrupt or to appoint a receiver or trustee for Owner or to reorganize Owner or to make an assignment for the benefit of creditors or to do anything else of a similar nature or purpose under any state or federal bankruptcy or insolvency laws, if such proceedings or actions are not discharged within sixty (60) days.

F. Levy of any attachment or writ of execution against Owner and the Property whereby the Property is taken or occupied or attempted to be taken or occupied by someone other than Owner and such attachment or execution is not released within (60) days.

G. Sale of any lot shown on the Map prior to release of the lien created by this Lien Contract, except as provided in subparagraph IV (B).

H. Request by Owner of issuance by the Department of Real Estate of the Final Subdivision Public Report for the Property.

I. Breach by Owner of any other term or condition of this Lien Contract or of the Subdivision Improvement Agreement or Owner's failure to fully and faithfully discharge its obligations hereunder within the time specified herein.

All references to Owner in this Section shall be deemed to include Owner's successors, assignees and transferees, other than Holder.

VI. County's Remedies. Upon the occurrence of any of the events described in Section V, above, County may declare a breach of this Lien Contract by giving thirty (30) days written notice to Owner, and may, at County's option, exercise any one or more of the following remedies:

A. Pursue any or all of the remedies provided in the Subdivision Improvement Agreement;

B. Foreclose this lien by appropriate action in court or as provided by law for the foreclosure of mortgages under power of sale pursuant to California Civil Code Sections 2924, 2924b and 2924c, and in the event the foreclosure is by action in court, the

TM4823-1

007085

Owner agrees that the amount of said lien shall include reasonable attorneys' fees which shall be taxed as a cost in any suit for such foreclosure;

C. Estimate the cost of the work required to complete the Improvements, and/or pay the Fees, and foreclose said lien in said amount;

D. Foreclose the lien as a mortgage;

E. Initiate proceedings for reversion of the real property within the subdivision to acreage, at the expense of Owner, in accordance with the provisions of the Subdivision Map Act;

F. Pursue any other remedy, legal or equitable, for the foreclosure of a lien, and Owner, its heirs and assigns, other than Holder, shall pay reasonable attorneys' fees to be taxed as a cost in said proceedings.

VII. General Provisions.

A. Recordation. This Lien Contract and Owner's Deed from Owner to Holder shall be recorded by County with the County Recorder immediately following execution of this Lien Contract by (1) all parties hereto, and (2) all parties having any record title interest in the subject real property, pursuant to Government Code Section 66436, acknowledging subordination of their interests to this Lien Contract.

B. Contingency. This Lien Contract shall not take effect until it has been approved by the Board of Supervisors.

C. Entire Agreement. This Lien Contract together with all exhibits and other agreements expressly referred to herein, constitutes the entire agreement between the parties with respect to the subject matter contained herein. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded.

D. Further Assurances. The parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Lien Contract and the intentions of the parties.

E. Governing Law. This Lien Contract shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.

F. Headings. The captions and Section headings used in this Lien Contract are inserted for convenience of reference only

TM4823-1

007086

and are not intended to define, limit or affect the construction or interpretation of any term or provision hereof.

G. Modification, Waiver. No modification, waiver, amendment or discharge of this Lien Contract shall be valid unless the same is in writing and signed by all parties.

H. No Other Inducement. The making, execution and delivery of this Lien Contract by the parties hereto has been induced by no representations, statements, warranties or agreements other than those expressed herein.

I. Severability. If any term, provision, covenant or condition of this Lien Contract is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Lien Contract shall not be affected thereby, and each term, provision, covenant or condition of this Lien Contract shall be valid and enforceable to the fullest extent permitted by law.

COUNTY:

COUNTY OF SAN DIEGO, a political subdivision of the State of California

APPROVED AND/OR AUTHORIZED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO
DATE: 9-18-02 MINUTE ORDER NO. 20

THOMAS J. PASTUSZKA
CLERK OF THE BOARD OF SUPERVISORS
BY: [Signature]
DEPUTY CLERK

By [Signature]
Clerk, Board of Supervisors

Thomas J. Pastuszka
Clerk of the Board of Supervisors

OWNER: JDLC #1 LLC, a Limited Liability Company

By: Kolodny/Dudenhoeffer Revocable Trust Dated May 25, 1993,
As Member

By: [Signature]
Robert J. Kolodny,
Co-Trustee

By: [Signature]
Martha Dudenhoeffer,
Co-Trustee

By: Pressman Family Trust Dated May 27, 1986, As Member

By: [Signature]
Judy Kolodny Pressman
Co-Trustee

By: [Signature]
Joel M. Pressman
Co-Trustee

TM4823-1

007087

STATE OF CALIFORNIA }
COUNTY OF San Diego }

ON May 1, 2002 BEFORE ME, Doris Hammarsten

PERSONALLY APPEARED Robert J. Kolodny, Martha Dudenheffer, Judy Kolodny, Raessman and Joel M. Pressman 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 Doris Hammarsten

(This area for official notarial seal)



STATE OF CALIFORNIA }
COUNTY OF _____ }

ON _____ BEFORE ME, _____

PERSONALLY APPEARED _____ 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 _____

(This area for official notarial seal)

007088

For the limited purpose herein contained, the undersigned agrees to retain title to the Property until County releases the Property from the provision of this Lien Contract.

Holder's execution of this Lien Contract is not to be construed as any waiver, modification, or amendment to the provisions of Paragraph 2.5(b)(1) of Holding Agreement No. E131526.

Holding Company Name, Address,
Phone & Contact Person: 760-602-9331

c/o 5780 Fleet ~~St~~ North American Real Estate Services, Inc., a Calif. Corp.
#330

Carlsbad, Ca B. J. Chareton, Jr. as Holder

92008

By:

SUBORDINATION

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER LATER INSTRUMENT.

The undersigned have record title interest in the above described property and hereby waive the priority of each of their interests in favor of the lien granted the County by this Lien Contract and subordinate each of their interests to said lien as if this Lien Contract had been signed and recorded before each of said record title interests.

N/A

TM4823-1

007089

STATE OF CALIFORNIA }
COUNTY OF San Diego }

ON 8-8-02 BEFORE ME, the undersigned
PERSONALLY APPEARED CLaire P. McDANIEL

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/HEY 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 J. M. Racheck

(This area for official notarial seal)



EXHIBIT "A"
DESCRIPTIONPage 1
Order No. 203066467

007090

PARCEL A: (APN 105-210-61)

PARCEL 4 OF PARCEL MAP NO. 7366, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 1, 1978.

PARCEL B:

AN EASEMENT FOR ROAD PURPOSES OVER THE WESTERLY AND SOUTHWESTERLY 30.00 FEET OF PARCEL 3 AND THE EASTERLY AND NORTHEASTERLY 30.00 FEET OF PARCEL 2 OF SAID PARCEL MAP NO. 7366, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 1, 1978.

PARCEL C: (APN 105-210-59 AND 105-700-22)

PARCEL 2 OF PARCEL MAP NO. 7366, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 1, 1978.

PARCEL D:

AN EASEMENT FOR ROAD PURPOSES OVER THE WESTERLY AND SOUTHWESTERLY 30.00 FEET OF PARCEL 3 OF SAID PARCEL MAP NO. 7366, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY JUNE 1, 1978.

007091

EXHIBIT "B" TO LIEN CONTRACT

ESTIMATE OF COST TM 4823-1

PERFORMANCE SECURITY

Street and Drainage	\$ 812,300
Water	\$ 652,600
Monumentation	\$ 7,850

LABOR AND MATERIAL SECURITY

Street and Drainage	\$ 406,150
Water	\$ 326,300
Monumentation	\$ 3,925

FEES AND DEPOSITS

Inspection Deposit	\$ 26,369
Material Lab Deposit	\$ 14,899
Monument Inspection Deposit	\$ 1,390
C-Permit Deposit	\$ 500

TOTAL LIEN CONTRACT AMOUNT	\$2,252,283
-----------------------------------	--------------------

TM4823-1

007092

EXHIBIT "C" TO LIEN CONTRACT
 RECORDED AS A BENEFIT
 COUNTY OF SAN DIEGO

WHEN RECORDED RETURN TO:

Clerk of the Board of Supervisors
 Room 402, County Administration Center
 San Diego, CA 92101

HOLDING AGREEMENT NO.
 (Lien Contract as Initial Security)

THIS HOLDING AGREEMENT NO. _____ ("Agreement")
 is entered into this _____ day of _____,
 20____, by and between JDLC #1 LLC, a California Limited
 Liability Company, ("Owner"), and
 _____, ("Holder").

RECITALS

A. Owner owns the unimproved real property ("Property") located in the County of San Diego, State of California, more particularly described in Exhibit "A" attached hereto and made a part hereof.

B. Owner owns the Property for which the County of San Diego ("County") has approved a Map of the Property and, pursuant thereto, has entered into a Subdivision Improvement Agreement, secured by a joint lien contract ("Joint Lien Contract") with County and the ("District") to postpone the construction of certain subdivision improvements ("Improvements") required by County and District to provide County and District with security that the Improvements will be constructed in the future.

C. Holder, for the limited purposes as set forth in the Joint Lien Contract has joined Owner in the execution of the Joint Lien Contract.

D. Owner desires, pursuant to the requirements of the Joint Lien Contract, to convey title to the Property to Holder, to hold for Owner pursuant to the terms and provisions of this Agreement.

E. Holder is willing to take title to the Property for the limited purposes set forth herein, and Holder has been approved for this purpose by the Director of the County of San Diego Department of Public Works and by the District.

CCSF 84.101.A, 4/94

007093

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Owner shall convey to Holder title to the Property for the limited purposes as hereinafter provided, and Holder shall hold such title for Owner pursuant to the terms and provisions of this Agreement.

2. This Agreement and all amendments and modifications thereto, shall not become effective for any purpose until approved by County and District.

3. For purposes of this Agreement, all incidents of ownership of the Property shall be deemed to remain with Owner, except that during the term of this Agreement, and while record title is vested in Holder, Owner shall not have any right to convey title of any individual lot of the Property to any third party. Notwithstanding the foregoing, Owner shall have the right to sell and assign its beneficial interest to a single purchaser not less than all of the lots of any of the recorded Maps covered by this Lien Contract so long as the purchaser thereof concurrently enters into a separate Subdivision Improvement Agreement, Lien Contract and Holding Agreement covering the Map(s) so purchased. Upon receipt of documentation demonstrating compliance by such purchaser with the foregoing, Holder shall acknowledge such purchaser's beneficial interest, in writing, by depositing such written acknowledgment in the escrow opened by Owner to facilitate the transfer of its interest to such purchaser.

4. Holder may reconvey record title to the Property during the term of this Agreement for the limited purpose of permitting Owner to place a new lien or liens against the Property. Any such new lien or liens, however, must be junior and subordinate to the lien of this Joint Lien Contract, and the record title must be immediately reconveyed back to Holder by Owner following recordation of said new lien or liens. Except as authorized above in this paragraph, Owner shall not request Holder to reconvey title to the Property to Owner until such time as County and District have executed a written release of the Property from the obligations of the Joint Lien Contract, and Holder shall not, under any circumstances, reconvey record title to Owner until receipt by Holder of such written release from County and District or County's and District's written approval authorizing Holder to reconvey such title to Owner.

CCSF 84.101.A, 4/94

007094

5. The sole and exclusive responsibility of Holder, with respect to the Property, shall be to convey under the terms of this Agreement such title to the Property as shall originally have been conveyed to Holder. Without limiting the effect of the foregoing statement, however, the parties hereto agree:

5.1 That Holder shall not be answerable or responsible for the validity, nature or extent of its title to the Property (except for such liability as Holder may assume under the terms, provisions, conditions and stipulations of any policy of title insurance issued by it with respect to the Property), nor for the value thereof; nor for any encumbrances, restrictions or other clouds against the title to the Property;

5.2 That Holder shall be under no obligation:

5.2.1 to do any act relating to the Property by virtue of which it shall assume or incur any liability or responsibility of any character;

5.2.2 to collect any revenue accruing from the Property;

5.2.3 to pay any indebtedness against the Property or any interest thereon;

5.2.4 to pay any taxes or assessment against the Property;

5.2.5 to effect or keep in force any fire insurance relating to the Property;

5.2.6 to give to Owner notice of any matter whatever affecting the Property which may come to the attention of Holder;

5.2.7 to appear in or become a party to any litigation by reason of its holding title to the Property herein described even though it may be named as a defendant in any action affecting the Property.

CCSF 84.101.A, 4/94

007095

6. Owner hereby agrees to obtain and keep in force during the term of this Agreement public liability insurance insuring Holder and any other insurance demanded by Holder in such amount and form as Holder may require.

7. During the term of this Agreement, Owner shall remain obligated for, and shall pay all taxes, assessments, liens, charges and encumbrances affecting the Property. Owner shall indemnify, defend and hold Holder harmless against any loss, damage, cost, charges, judgments, attorneys' fees or other expenses incurred by Holder (collectively, "Claims"), either before or after title is conveyed by Holder, by reason of its holding title to the Property. The Owner shall pay the amount of any Claim to Holder upon demand, together with interest thereon at the maximum contract rate allowed by law per annum from the date of any Claim. Holder, as security for Owner's performance of its obligations under this Agreement, including the indemnity described above, shall have a lien upon the Property herein described and shall not be required to reconvey the Property to Owner, or its successors in interest, or assigns, or to make any conveyance thereof under the provisions of this Agreement, until Holder has been reimbursed for all Claims with interest as aforesaid, and has received payment of all indebtedness incurred by it or which may become due from Holder by reason of its holding title to the Property.

8. For so long as the Joint Lien Contract remains in effect, Holder shall retain title to the Property for the benefit of Owner pursuant to this Agreement, and shall not, in any manner whatsoever, exercise any rights incident to the ownership of the Property, including, without limitation, encumbering the Property, or conveying any interest in the Property to third persons, except as otherwise provided in this Agreement, or by representing the equity of the Property as an asset of Holder.

9. While title is held by Holder pursuant to the terms of this Agreement, Owner shall have no authority whatsoever to create any obligation of any character on account of Holder, affecting or encumbering the Property.

10. Upon recordation of the Joint Lien Contract, Owner irrevocably grants, transfers and assigns its respective rights, title and interest to the Property to Holder, in trust for purposes of securing Owner's

CCSF 84.101.A, 4/94

007096

obligations under the Joint Lien Contract and confers upon Holder the power to foreclose under power of sale prescribed in the Joint Lien Contract, and issue a deed upon foreclosure and sale. Said deed shall convey the Property without covenant or warranty, express or implied, and any recitals contained therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Owner, County, District or Holder, may purchase at such sale. The parties do not intend hereby to alter in any manner their rights but rather to vest the Holder with title so as to create powers coupled with an interest, and Owner shall retain the rights and obligations imposed upon it by California Civil Code Section 2985 and all other applicable laws and statutes.

11. This Agreement shall continue in full force and effect until the obligation imposed on the Property by the Joint Lien Contract has, pursuant to its terms, been released by County and District, whereupon this Agreement shall terminate. Upon such termination, Holder shall convey and deliver, without warranty, express or implied, to Owner, or qualified assignee as hereinabove provided under Paragraph 3, title to the Property.

12. The effectiveness of this Agreement shall be contingent upon its approval by the Board of Supervisors of County and the Board of Directors of District.

OWNER:JDLC #1 LLC, a Limited Liability Company
 By:Kolodny/Dudenhoeffer Revocable Trust
 Dated May 25, 1993, As Member

By: _____ By: _____
 Robert J. Kolodny, Martha Dudenhoeffer,
 Co-Trustee Co-Trustee

By: Pressman Family Trust Dated May 27, 1986, As Member

By: _____ By: _____
 Judy Kolodny Pressman Joel M. Pressman
 Co-Trustee Co-Trustee

007097

Holder Name, Address, Phone #, and Contact Person

By: _____

Approved by the Board of Supervisors
of the County of San Diego on _____

Clerk of the Board of Supervisors

EXHIBIT "A" TO HOLDING AGREEMENT

PARCEL A: (APN 105-210-61)

PARCEL 4 OF PARCEL MAP NO. 7366, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 1, 1978.

PARCEL B:

AN EASEMENT FOR ROAD PURPOSES OVER THE WESTERLY AND SOUTHWESTERLY 30.00 FEET OF PARCEL 3 AND THE EASTERLY AND NORTHEASTERLY 30.00 FEET OF PARCEL 2 OF SAID PARCEL MAP NO. 7366, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 1, 1978.

PARCEL C: (APN 105-210-59 AND 105-700-22)

PARCEL 2 OF PARCEL MAP NO. 7366, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 1, 1978.

PARCEL D:

AN EASEMENT FOR ROAD PURPOSES OVER THE WESTERLY AND SOUTHWESTERLY 30.00 FEET OF PARCEL 3 OF SAID PARCEL MAP NO. 7366, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY JUNE 1, 1978.