

Heslow
INTERVIEW OF ED FLETCHER

July 16th, 1928.

The assessed valuation on the Santa Margarita Ranch is a disappointment and utterly unfair as compared to the assessments of a large portion of San Diego County, said Colonel Fletcher today. The assessed valuation made by the Tax Factors of \$932,980 was absurd and most unjust.

The Board of Supervisors have made an honest attempt to rectify this outrage by adding \$700,000 to the assessed valuation of the land or a total of \$1,632,980 assessed valuation being 40% of the appraised value which now totals \$4,082,450 for nearly 20 miles of coast land and 25 or 30 thousand acres of the best agricultural and frostless lands in the county of San Diego to say nothing of an additional hundred thousand acres of pasture land, a property which I understand is now being sold for twelve million dollars, according to the Los Angeles newspapers.

In other words, it is appraised at four million dollars when it is worth twelve, at least, while the poor devil in these different irrigation districts, thousands of them, are paying taxes on a basis far in excess of the full appraised value.

I will sell \$500,000 worth of lands which I control along the coast, in the near future, at the appraised value and shall offer a large part of it at half to two-thirds the appraised value as made by the Tax Factors and approved by the Board of Supervisors.

In other words, the Santa Margarita Ranch is going to pay in dollars and cents less money in taxes, even with this increase of \$700,000 assessed valuation, than it did last year while our taxes in all the irrigation districts will be increased anywhere from 50% to 200% over last year.

I know dozens of cases where property has recently sold at 50% of the appraised value as made by the Tax Factors. One illustration. A piece of property in Coronado appraised by the Tax Factors at \$247,000 sold sixty days ago for \$125,000 cash. The Tax Factors have increased the assessed valuation of the city of El Cajon, Chula Vista, National City, San Diego and Coronado on an average of 100% as compared to last year, while the Santa Margarita Ranch, even with its \$700,000 increased assessed value as made by the Supervisors will pay less taxes than last year. The Tax Factors have soaked the little towns of El Cajon, La Mesa and Lemon Grove in the La Mesa District 100% to 500% on account of their possibility of getting a water supply though they have no water supply if the paramount rights are maintained by the city.

How unfair it is that the Tax Factors should place a paved highway influence of \$4.00 a front foot on the Santa Margarita Ranch for nearly 20 miles for the paved highway between San Diego and Los Angeles, paid for by the State, while the poor devil that had the initiative to put in his own subdivision and pave his own roads at his own expense is forced to pay \$12.00 a front foot for what is called "highway influence".

I call it "highway robbery influence".

It means thrift, enterprise and development of this county pays the penalty while the rich owners of the Santa Margarita Ranch sit idly behind, doing nothing and taking the unearned increment as well as paying hardly one-third of their unjust taxes.

Our attorneys say that the entire assessment by the Tax Factors is open to attack on the ground that it is not based on valuations arrived at by the legally constituted taxing officials of the county.

Our Supreme Court has repeatedly held that the sole power of assessment rests with the assessor and his duly appointed deputies, and that this authority cannot be delegated, either by the Assessor or the Board of Supervisors to anyone else.

We think it can be established that the present assessment both in the valuations adopted by the Assessor's office and as considered by the Board of Equalization, is not based upon an appraisal or determination of values made by the assessor, but that it is the result of an arbitrary transcribing of a schedule of valuations prepared by the tax factors employed by the Supervisors and entered on the assessment books without any independent investigation or consideration on the part of the assessor.

If the legality of this proceeding can be maintained, we might as well dispense with the Assessor's Office altogether, as a medium of fixing values for the assessor was in no way associated with the employees of the Board of

Supervisors in making the valuations which are the basis of his alleged assessment.

The Tax Factors were not even employed to assist the assessor and the schedules of the Tax Factors were accepted by the assessor in toto, as handed to him by the Board of Supervisors and without any independent investigation, or exercise of judgment of his part.

It is a significant fact that in the deliberations of the Board of Equalization on the protests presented, the Assessor has not been the person called upon to verify the correctness of the valuations assessed, but the representatives of the Tax Factors.

Personally, I am in favor of finding out through the courts if this assessment is valid in the hopes of getting simple justice for myself and for the small property owners as well.

RANCHO SANTA MARGARITA

San Diego, Orange and Riverside
Counties in California

200,000 Acres

OPPORTUNITY: The last of the great historic and romantic Ranchos of California, owned by one family group for over seventy years, is about to pass into the modern movement of residential, recreational, horticultural, mineral and other commercial development, which has characterized Southern California's amazing growth of the past decade.

PROPERTIES: Rancho Santa Margarita is comprised of the following properties namely:

Rancho Santa Margarita Y Las Flores in San Diego County	133,440.78 Acres
Rancho Mission Viejo or La Paz in Orange County	46,432.65 "
Rancho Trabuco in Orange County	22,184.47 "
Potrero Los Pinos in Orange County . . .	522.98 "
Potrero El Cariso in Riverside County . .	167.51 "
Potrero De La Cienega in Riverside County	477.25 "

The above acreages are taken from patent maps of surveys made by the U. S. Surveyor General. It appears, however, from these maps that there is an overlapping of 1838 acres between Rancho Santa Margarita Y Las Flores and Rancho Mission Viejo. Accordingly the net total acreage from the patent maps would be 201,387.64 acres. It is believed by some, however, that the actual acreage is considerably more than that shown on the old patent maps. It is safe to say that at least 200,000 acres or about 300 square miles are included.

LOCATION: The best known and most valuable portion of these properties is Rancho Santa Margarita & Las Flores in San Diego County, which is situated along the ocean front and along the Roosevelt (Coast) highway for about 20 miles, between San Clemente and Oceanside, and extending Easterly from the ocean about 15 miles to near Fallbrook on the State inland highway. The center of this Rancho is about 80 miles South of Los Angeles, and about 60 miles North of San Diego.

The portion known as Rancho Mission Viejo and Rancho Trabuco in Orange County is also very valuable, being immediately North and East of San Juan Capistrano. This portion contains some of the most beautiful and productive valleys in Southern California.

TOPOGRAPHY:

Rancho Santa Margarita is a great natural Park, with gently rolling slopes and large level tablelands and benches, interspersed with arroyos and valleys, covered with wild grasses and wild flowers, native shrubbery, live oaks and sycamores. Numerous rivers and creeks carry an abundant supply of water throughout the property. Certain sections in the northeasterly and central areas are rugged in character with elevations of 1500 to 2500 feet; but by far the most of the property is available for residential and horticultural uses.

CLIMATE:

The climate is the most equable and perfect in the world. It is milder in winter and cooler in summer than in Los Angeles. Refreshing breezes from the ocean continually invigorate, and the warm sunshine is tempered with balmy and moderating air. The U. S. Weather Bureau reports show the average January temperature to be 54.4°, and the average August temperature to be 69.4°.

SOILS:

The soils, composed mainly of Kimball loams, are the most productive on the Pacific coast, being especially adapted to citrus, avocado and sub-tropical culture. 100,000 or more of these acres are awaiting the highest class horticultural and agricultural development in this State. The existing natural growth is suggestive of very superior landscaping effects, when the residential areas are brought under the landscape architects' development.

WATER RIGHTS:

Water rights on this property are extensive and valuable. Santa Margarita River is said to have a flow of over 3,000 inches. San Onofre, San Mateo, and Las Pulgas creeks on the Santa Margarita property, and San Juan River and Trabuco and Aliso creeks on the Mission Viejo and Trabuco properties give evidence of unusual water resources. Over 100 wells are now scattered throughout the property with water at 25 to 75 feet levels.

OIL POSSIBLE:

While this property is not herein promoted as an oil field, its great possibilities in this direction cannot be overlooked. Some eminent geologists have expressed the opinion that one of the largest oil deposits will be found under this property. State Oil and Gas Division reports show that while no commercial production of oil has yet been made in San Diego County, a number of wells have been drilled, which have produced considerable gas and some evidences of oil.

MINERALS:

Mining engineers report the presence of arsenical ores of gold, silver and copper on and in the vicinity of this property. Semi-precious stones such as tourmalines, garnets, crystals and Kunsite have been found in considerable quantity. Large deposits of terra cotta clay, firebrick clay and gravel have been found. Other interesting features are a small mountain of oyster shells, many lithia springs and one famous hot springs now used as a resort.

BACK COUNTRY:

This is the one great area in San Diego County and in Southern Orange County, possessing a combination of attractive living conditions on its Coast side, with a rich, well-watered and easily accessible back country, and with Santa Fe railroad transportation along the front of the property both in Orange and San Diego Counties, and across the main property from a junction with the Coast line near Santa Margarita River to Fallbrook 15 miles inland. This great inland territory, so rich and accessible, insures in large measure the welfare and prosperity of the populations that will develop on the Coast side of these properties. In this respect the Santa Margarita district is more comparable to the district surrounding Los Angeles, than to any other district in Southern California.

**SOUTH COAST:
PROGRESS:**

Since the opening and improvement of the Coast highway, now known as the Roosevelt highway, within the last four years, the entire Coastal area between Long Beach and San Diego has come into a major development, much of it along modern and attractive lines. Dana Point and San Clemente have risen like magic out of pasture lands. Further South, Oceanside, Carlsbad, Encinitas, Solana Beach and Del Mar have grown beyond expectations. The South Coast is only beginning its development. With the opening up and development of the Santa Margarita, Mission Viejo and Trabuco ranches, releasing 200,000 acres in the very heart of the South Coast area, all Southern California will react to this development. South and East of Santa Margarita are situated Rancho Santa Fe and Vista, two of the most progressive and productive horticultural districts in Southern California.

**STRATEGIC
POSITION:**

It is impossible to compare the possibilities of Rancho Santa Margarita and its associated properties with any of the existing developments along the South Coast. A new City of major importance may reasonably be expected to develop on this great property almost midway between Los Angeles and San Diego. Not one, but many city subdivisions, should be formed within the next few years on Rancho Santa Margarita Y Las Flores. Splendid facilities for at least two harbors, for either yachting or commercial use are available. Many industries could be established along the course of the Santa Margarita River and its parallel railroad line. Hundreds of thousands of people can ultimately be accommodated with most enjoyable living conditions, and with the best of opportunities for profitable enterprise.

**TIMELINESS
FOR THIS
DEVELOPMENT:**

A time of national deflation is surely a time for laying broad and sound foundations for succeeding development and progress. The history of Southern California, even during the years of the great War, and especially the remarkable and persistent growth of population in the past ten years, show the wisdom of foresighted business men investing their capital at this time in such a great property as Rancho Santa Margarita, with its unequalled possibilities of profitable development.

HOTEL RESORT:

An enterprise of the magnitude and possibilities of development afforded by the properties of Rancho Santa Margarita, demands primary consideration to the establishment of one or more outstanding features that would attract national and worldwide attention, and that would give unusual distinction to this immense undertaking.

There is an immediate opportunity for the establishment in Southern California of a great Hotel Resort, that would combine on a much grander scale the features of Hotel Del Monte in Northern California, and those of Ensenada in Lower California in Mexico. It should be the outstanding social and sporting resort of the Pacific Coast and should include a yachting and fishing harbor, a beach club, an exclusive golf course, a polo course, bridle paths, airport, etc. A great American horse show and horseracing course could be established either on or convenient to the Hotel Resort property, which should include 1000 or more acres. Many sections of Rancho Santa Margarita offer ideal sites for such a Hotel Resort. Perhaps the most convenient section would be the picturesque foothill and valley district of San Onofre at the northerly part of the Rancho on the Coast, where a yachting harbor could be established, and where great benches of landscape, and contiguous rugged foothills with wonderful panoramic views, are available for the varied purposes of such development.

OCEAN FRONTAGE:

The ownership of twenty (20) miles of ocean frontage in Southern California is in itself a matter of consequence. Such class of property has in the past decade come to have a high premium in value. Outside of the ocean frontage close to Los Angeles, where prices are comparable to those of business property, beach property within 40 or 50 miles of Los Angeles is held at figures of \$250 to \$500 per front foot. If the 20 miles of ocean frontage at Rancho Santa Margarita brought only \$100 per front retail, it would yield \$10,000,000. With a complete development under way much of it could be sold at higher prices. Its wholesale value, of course, would be correspondingly less.

**METHODS OF
SELLING:**

It is assumed that any party or organization purchasing the vast territory of the Rancho Santa Margarita properties would not attempt the individual burden and responsibility of subdividing and retail-selling the property as a whole, or possibly any of it. If the parent owner should develop the main water impounding dams on Rancho Santa Margarita Y Las Flores, and the main water lines to the various subdivision areas, it should be quite possible to handle all other subsidiary development through responsible purchasing and subdividing organizations, the parent owner selling only on a wholesale basis.

Another method might be for the parent owner to make one or two standard subdivisions, say one city subdivision and one rural or agricultural subdivision, with a standard of roads and landscaping in the former, and a standard of horticultural planting in the latter; putting these on the market through responsible agents as models of what the general development is intended to be.

In any event the parent owner should establish general policies of conditions and restrictions to apply accordingly to the location and character of development required, in order to safeguard unsold areas and to maintain a general high standard of property, with due consideration to the necessity of selling most of the properties to responsible middle-class buyers.

WHOLESALING
TO
SUBDIVIDERS:

Assuming an adequate general plan and policy for the development and sale of the properties as a whole, determined by the parent owner upon competent engineering advice, there will be found in California enough responsible groups of subdividers, both city and rural community developers, who would be able and willing to assume responsibility for the development and sale at their own expense, of large sections of this property, bought by them from the parent owner on a secured wholesale basis, and re-sold by them on a developed retail basis, subject to appropriate restrictions and conditions approved by the parent owner.

In the wholesaling such an immense residential and agricultural area as Santa Margarita, Mission Viejo and Trabuco ranches, it is probable that the best and speediest results would accrue from wholesaling in sections to 8 or 10 mutually-stimulative and mutually-cooperative subdividing organizations, according to their expert ability and experience along the respective lines. Thus allotting the City subdivision or residential areas to 4 or 5 competent City subdividers, and the agricultural areas to 4 or 5 competitive country property subdividers, a general plan could be devised by which the best interests of the property as a whole could be preserved, and large simultaneous campaign could be launched which would attract widespread attention.

RUGGED AREA:

Of the total 200,000 acres in these properties, perhaps one-fourth, or about 50,000 acres, consist of rugged territory, chiefly in the Northeasterly section of Rancho Santa Margarita Y Las Flores, with elevations of 1500 to 2500 feet. A smaller area near San Onofre on the Coast highway has rugged elevations of 1000 to 1700 feet, but this location is very desirable for high class residential or hotel resort uses. Some elevations of 1000 to 1500 feet are found in Mission Viejo and Trabuco ranches, but these elevations of 1000 feet on wide spreading slopes are often advantageous for horticultural use, being usually free from damage by frost in this area.

It may be assumed then, that one-fourth or 50,000 acres would not be available for immediate development, but might have special value for future development by the parent owner, or might be reserved for special uses, such as oil and mineral prospecting or development. At least 150,000 acres constitute potential ground for residential and agricultural development.

Of the total 68,617 acres of Mission Viejo and Trabuco ranches, it may be assumed that 50,000 acres are available for horticultural and other agricultural use. Of the 153,440 acres in Santa Margarita Y Las Flores, it may be assumed that 25,000 acres should be reserved for residential subdivision and development, and that 75,000 acres are available for horticultural and other agricultural development.

In order to illustrate the potential values of this property we may segregate 50,000 acres of Rancho Santa Margarita Y Las Flores, and consider its possibilities on a wholesale basis.

FIRST MAJOR AREA: For purposes of illustration, we may consider this area on the Coast side of Santa Margarita, which, indeed, is the most valuable area, and which would include most of the residential subdivisions required. This area would be about 20 miles long and about 50 miles wide, containing about 50,000 acres. The profitable uses for this property would include: Hotel Resort acreage, Ocean frontage, Exclusive Homes section, Lower or front group of Subdivisions, Upper or North-easterly group of Subdivisions, Gentlemens' Country Estates acreage, and general Horticultural and other Agricultural acreage.

HOTEL RESORT: In consideration of the outstanding value to the whole enterprise of a great Hotel Resort, a tract of about 1000 acres or more might be set apart in the most favored locations, and wholesaled to a Hotel organization formed for this purpose, at say \$500 per acre or \$500,000. This should include some ocean frontage rights for yachting harbor and beach club, but would be mainly North-east of the highway.

OCEAN FRONTAGE: In view of the high retail prices realized in Southern California for well situated ocean frontage, running from \$100 to \$250 and \$500 per front foot, a wholesale basis of, say \$25 per front foot, or a little higher would be reasonable. For 100,000 feet, or about 20 miles, this would yield a total of \$2,500,000.

LOWER SUBDIVISIONS: According to available maps, there appears to be about 6000 acres between the Coast highway and the ocean front, which after deducting the ocean frontage, would leave about 5500 acres for general residential subdivision. From general subdivision experience, and by comparison of subdivision sales along the South Coast, it would be fair to expect a wholesale price of \$1500 per acre, assuming that water was available at the subdivision boundary. This would yield to the parent owner a total of \$8,250,000 on a wholesale basis.

EXCLUSIVE HOMES: An area of about 2000 acres contiguous or close to the proposed Hotel Resort property, with its special high-class features and picturesque location, might be set apart for Exclusive Homes of \$20,000 to \$100,000 and upward cost restrictions, and with sites of 2 to 10 acres each. In proper setting these best sites should sell at high prices; and the subdivider could afford to pay \$1250 per acre, yielding a wholesale return to the parent owner of about \$2,500,000.

UPPER SUBDIVISIONS: On the upper North-easterly side of the Coast highway, there are great stretches of rolling land running for miles inland, where in combination with the lower subdivisions at a front, a large City may in time be realized. It is conceivable that 10,000 to 15,000 acres here might be reserved for residential use, and sold to subdividers over a period of a few years, as the sale of the front subdivisions progressed. Of these 15,000 acres, 5,000 acres might fairly be sold on a wholesale basis at \$1250 per acre, yielding \$6,250,000; and a second 5,000 acres might then be sold at \$1000 per acre, yielding a total of \$5,000,000; and a third 5,000 acres might finally be sold on a wholesale basis of \$800 per acre, yielding a total of \$4,000,000. Thus a total of \$15,250,000 wholesale might be realized from these upper 15,000 acres above the highway.

GENTLEMEN'S COUNTRY ESTATES: Closely related in position to the Exclusive Homes district, 6000 acres, more or less, could be set apart for higher class horticultural estates of 10 to 100 acres each, with building restrictions of \$7500 to \$10,000 for residences. With water available to the district, the subdivider could afford to pay \$500 per acre for this acreage. This would yield a wholesale return to the parent owner of \$5,000,000.

AGRICULTURAL LANDS: Of the First Major Area of 50,000 acres, we have now left 20,000 acres, which would be immediately available and in active demand for horticultural and other agricultural uses. With orange, avocado and sub-tropical fruit lands, in less favored locations, bringing \$500 to \$1,000 and higher per acre for land with water available, these 20,000 acres of sloping arable lands so near the Coast, in perhaps the best avocado producing section of California, should be wholesaled readily at \$250 per acre, yielding \$5,000,000 to the parent owner.

SUMMARY OF FIRST MAJOR AREA OF 50,000 ACRES: The above segregated groupings of units in the First Major Area of 50,000 acres, is only suggested for the purpose of visualizing the possible uses of the property, and is not based upon any surveys for development. It is believed, however, that they offer a fair basis of wholesale prices, and of uses.

WHOLESALE VALUES:

Summarizing the above wholesale estimates for the units in the First Major Area of 50,000 acres, we have the following:

Ocean Frontage - 100,000 feet \$2,500,000
 Front Subdivisions - 5500 acres 8,250,000
 Hotel Resort Property - 1000 acres 500,000
 Exclusive Homes District - 2000 acres 2,500,000
 Upper Subdivisions - 5000 acres 6,250,000
 Upper Subdivisions - 5000 acres 5,000,000
 Upper Subdivisions - 5000 acres 4,000,000
 Gentlemen's Country Estates - 6000 acres 3,000,000
 Agricultural Lands - 20,000 acres 5,000,000

First Major Area- 50,000 acres \$37,000,000

SECOND MAJOR AREA OF 50,000 ACRES:

The above First Major Area represents the most valuable part of Rancho Santa Margarita Y Las Flores, principally because it includes the front area which is ripe for high-class and middle-class subdivisions for residential development. The agricultural lands, however, are by no means confined to the front five miles of the property. Some of the best agricultural lands, particularly for avocado, orange and sub-tropical culture, lie between 5 and 15 miles back from the Coast.

Some of the Second Major Area is susceptible to interior town subdivision use. There are four stations on the Santa Fe line between the Coast highway and Fallbrook. It will be safe to estimate an average wholesale basis of \$250 per acre for the entire Second Major Area of 50,000 acres on Rancho Santa Margarita, yielding to the parent owner a wholesale price of \$12,500,000.

THIRD MAJOR AREA OF 50,000 ACRES:

The Third Major Area of 50,000 acres would be found within that portion of the property situated in Orange County, and known as Rancho Viejo or La Paz, and Rancho Trabuco, which lie East and North of San Juan Capistrano. These contain some of the most beautiful valleys in Southern California, and are watered by the San Juan River, and by the Trabuco and Aliso Creeks.

With water provided in large reservoirs and main pipe lines in this area, these 50,000 acres should be wholesaled at an average of \$200 per acre, yielding a total wholesale price to the parent owner of \$10,000,000.

THREE MAJOR AREAS ABOUT 150,000 ACRES:

Combining the above three groups of wholesale figures, we have:

First Major Area - 50,000 acres - Wholesale - \$37,000,000
 Second Major Area - 50,000 acres - Wholesale - 12,500,000
 Third Major Area - 50,000 acres - Wholesale - 10,000,000
 Wholesale value for three-fourths of property \$59,500,000

STOCK AND EQUIPMENT: Livestock and farm equipment to an estimated value of \$1,000,000 belong to Rancho Santa Margarita. These include about 20,000 head of cattle, 700 head of horses and mules, 16 tractors, farm tools, motor cars, etc. There are also many ranch buildings of value.

This ranch operates about 12,000 acres in growing beans.

INCOME: The estimated gross operating income is \$500,000.

TAXES: Taxes in full for 1930 on Rancho Santa Margarita properties in San Diego and Orange Counties amount to \$89,258.32.

SALE PRICE: This wonderful property of 200,000 acres, was known to be held at \$30,000,000 during the lifetime of members of the family in control to the time of their decease a few years ago. It is not now on the general market for sale.

Nevertheless, with an estimated wholesale value for the First Major Area of 50,000 acres, or one-fourth of the property at \$37,000,000, and with the Second Major Area estimated on a wholesale basis at \$12,500,000, and the Third Major Area at a wholesale price of \$10,000,000, or a total estimated wholesale value for 150,000 acres of \$59,500,000; and a retail-selling value beyond calculation, this entire property of 200,000 acres can be purchased through the parties named above at a price of \$14,400,000, including livestock and equipment.

SALE TERMS: \$14,400,000 - Total price

- 200,000 - Deposit with Union Title Insurance Company of San Diego, as evidence of good faith.
- 6,800,000 - Paid into escrow with Title Company.
- 2,000,000 - Within 2 years.
- 2,000,000 - Within 4 years.
- 2,000,000 - Within 6 years.
- 1,400,000 - Within 8 years.

Interest at Six (6%) per cent. per annum added.

Bill of sale of livestock and equipment with Escrow payment.

THE INFORMATION contained herein is of a confidential nature, and the acceptance of this prospectus guarantees compliance with the restrictions thereby imposed.

No copy or copies shall be made hereof without the written consent of the author; this copy shall not be placed in the hands of any person or group not qualified to purchase, or participate in the purchase of, the described property; all negotiations shall be carried on through:

WALTER D. SMYTH
with
HUGH EVANS and COMPANY
740 South Broadway LOS ANGELES Phone TRinity 9381
(Exclusive Brokerage Representatives)

This copy is presented specifically to:

Ed. Fletcher Company, of San Diego

and shall be deemed

at all times returnable at the demand of the above named author. Any and all statements made herein are derived from sources we believe to be accurate and responsible, but no responsibility is assumed by the author. The price quoted is subject to change without notice and the described property subject to withdrawal from the market.

Cooperating brokers shall be protected in a commission distribution, in the event of a satisfactory sale, only wherein they have registered their prospective clients with this office, and where the author cannot furnish immediate proof of prior negotiations.

This is Copy Number: R-97-B

SANTA MARGARITA Y LAS FLORES RANCHO

LOCATION: The SANTA MARGARITA includes within its bounds practically all that area lying between the San Luis Rey River at Oceanside and San Clemente, on the Coast Highway, and the buld of that area between the coast and the Fallbrook District. The Major portion of it is in San Diego County, the balance in Orange County. It is approximately eighty (80) miles from the center of the Rancho to Los Angeles and sixty (60) miles to San Diego.

ACREAGE: It is roughly estimated that the Rancho contains 200,000 acres of land, although it is believed an accurate survey will show closer to 230,000 acres.

Between 55,000 and 60,000 acres of this is declared to be level land, the balance rolling. We are informed that ninety-five (95%) percent of the Rancho can be subdivided on a commercial basis.

TOPOGRAPHY, VIEW: The SANTA MARGARITA Y LAS FLORES RANCHO is, in reality, a huge natural park. From the level stretches bordering the ocean, to the gently rolling hills and on up into the higher hills bordering the eastern portion of the Rancho, nature has liberally endowed it. The natural growth varies from the water-retaining brush and will grass growth typical of Southern California hills and valleys to the wonderful groves of sycamores and live oaks so seldom found in this area. A more beautifully wooded section than that surrounding De Luz in the eastern part of the Rancho cannot be found, even in the Pacific Northwest.

LANDSCAPING: Even to the layman, this Rancho is replete with natural advantages and opportunities that easily lend themselves to the artistic touch of the landscape artist. To the initiate there are no words to describe its possibilities, unless it would be to say that it might fittingly be called, upon the completion of the landscaping of its hills and slopes, the Santa Margarita Y Las Flores Riviera.

SOILS: The general classification of the soils on the Rancho, by the United States Bureau of Soils method, would be the "Kimball Loams". This loam is created, primarily, by the decomposition of soft granite, mixing with decaying plant life, over centuries of time and produces a soil rich in value to plant life, durable, heavy enough to be capable of water retention to a high degree yet light enough to be free from certain disagreeable features often common to highly-fertile, heavier soils. The true value

of the Kimball Loam was not appreciated by agriculturalists until it was placed in use under permanent irrigation -- then it became outstanding.

The avocado is particularly adapted to the soil and climatic conditions in Northern San Diego County. An especially high butter fat content is developed in properly propagated trees, creating a constant market at superior prices. The demand for nursery stock is particularly good, and the prices paid for the trees especially attractive. The orange as well as all sub-tropical trees and plants are adapted to the climate and soils existing on the Rancho.

WATER DATA: There are about 100 wells scattered over the Rancho and water is available at depths varying from twenty-five (25) to seventy-five (75) feet. Seventy-six (76%) percent of the water rights of the Santa Margarita River, which flows through the Rancho, have been awarded by the courts in the favor of the owners of the Rancho. This alone allows for a continuous flow of over three thousand (3,000) inches of water.

LEGEND: Practically everyone in California knows of the SANTA MARGARITA Y LAS FLORES RANCHO, and its definite part in the history of Southern California. It will be recalled that possession of it has been retained by one family and its associates for nearly a century. And, despite repeated offers to purchase, never before has it been available.

OCEAN FRONTAGE: The Rancho contains about twenty (20) miles of ocean frontage. It is of both sand and rock formation, and quite frequently is it likened to the French and Italian Rivas.

Practically one-quarter of all the beach frontage south of Long Beach is contained in this undivided property. Almost all of the balance of available frontage has been subdivided and sold. It is interesting to note, in this connection, that Emerald Bay, the most recent subdivision to be placed on the market, sold its bathing beach frontage at an average price of \$300.00 per front foot.

One distinct advantage held by the Rancho over the average ocean front property is the vast amount of available fresh water subject to development on the property -- more than an adequate supply for a complete development of the whole Rancho.

CLIMATE: To put it briefly, it is an undisputed fact, proven by the Federal and State Meteorological reports, that the climatic conditions in this district outrival all others and are the most perfect in the world -- including the world's most famous

European summer and winter resorts.

TRANSPORTATION: The coastal area of the Rancho is traversed by the Roosevelt Highway, extending from the Mexican to the Canadian boundary lines; termed U. S. Highway No. 101. The Rancho frontage on this highway extends for practically twenty (20) miles. The eastern portion of the Rancho is close to the Inland Highway, serving all that area between San Diego and Riverside.

The Atchison, Topeka and Santa Fe Railway follows the Roosevelt Highway the entire length of the Rancho and a branch line running to Fallbrook on the Inland Highway on the eastern edge of the Rancho passes through a portion of the Rancho from west to east.

The Pacific on the west offers possibilities of marine transportation unequalled by any other private holding in that district. Several spots are naturally adapted to improvement into first-class harbors for commercial shipping at a cost of approximately \$1,000,000.00. An engineer of national repute, (name on request), informs us that a harbor constructed at any one of three spots on the ocean frontage would allow ample accommodation for yacht and shipping harbors. Four yacht clubs have evinced an interest in a yacht harbor on the Rancho.

Landing fields for commercial and private aircraft are available from the thousands of acres of level lands. Even in its present wild state, emergency lands are easy to effect, according to aviation officials. The north and south commercial lines now traverse the property.

DEVELOPMENT: The future of this wonderful property would encourage an elaborate display of words and word-pictures, were one to try to describe it. Enough though, to call to the attention of the reader the marvelous development enjoyed by San Diego County in the recent few years. Coupled with the rapid natural settlement of Southern California in greater proportions than is enjoyed by any other section of the world is the constantly increasing demand by the wealthier classes for estates in the rural sections. As transportation facilities are bettered, this demand will become even greater. And it is an established fact that the trend is toward the ideal climate and beautiful surroundings offered by that country in the vicinity of the Rancho; particularly its ocean frontage area.

GEOLOGIST'S REPORT: Among the various minerals found on the Rancho, we are informed, are garnets, crystals, turmalines, kunsite deposits (similar to turmalines) and various other semi-precious stones.

Large deposits of Terra Cotta Clay, fire brick clay and gravel have been found on this property.

On the eastern portion of the Rancho a bubbling hot spring similar to the one at Capistrano has been found and utilized, and an offer for it of \$250,000.00 has been refused. Numerous lithia springs are dotted throughout the eastern portion of the Rancho. One small mountain composed of oyster shells has been found.

Insofar as oil is concerned: The oil companies have been very reticent about divulging any information concerning oil deposits. It is a well-known fact that the geological contour of the Rancho in many places is indicative of possible oil strata. (Be it clearly understood that no definite statements concerning oil are made; although a survey for the express purpose of discovering whether or not oil strata underlies the property would determine this fact conclusively).

IMPROVEMENTS: Fully equipped main ranch buildings, numerous outbuildings, corrals, andsoforth are a part of the Rancho. The stock and equipment, also included, consist of 16 tractors, tools, motor cars, pumping plants, andsoforth, as well as approximately 20,000 head of cattle, and 700 head of horses and mules and the equipment for caring for them. About 12,000 acres are in beans.

INCOME: \$500,000.00 per annum, average.

PRICE AND TERMS: \$14,400,000.00 is the purchase price of the Rancho, and the terms are:

\$200,000.00 - deposit as evidence of good faith.

7,000,000.00 - at close of escrow; this included the deposit.

2,000,000.00 - in 2 years.

2,000,000.00 - in 4 years.

2,000,000.00 - in 6 years.

1,400,000.00 - in 8 years.

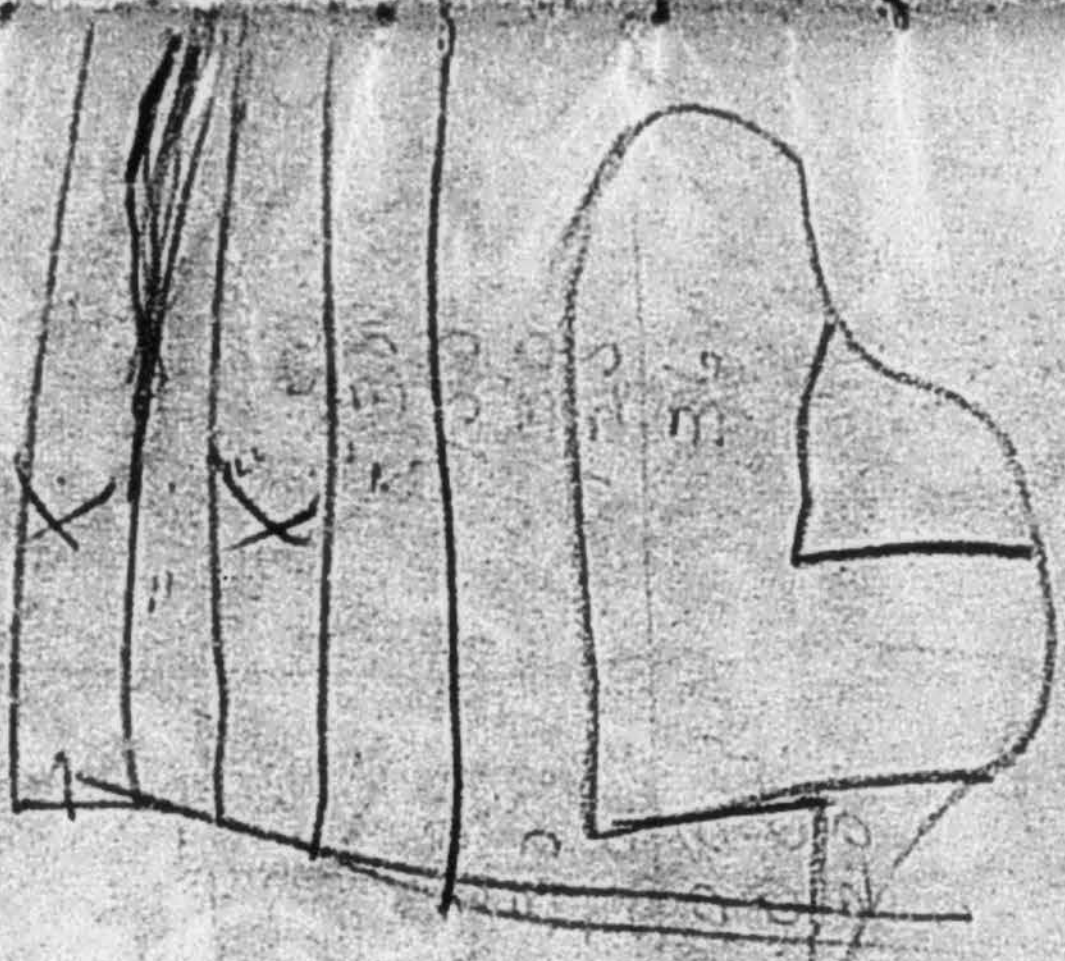
(A bill of sale for all cattle and equipment, to a value of approximately \$1,000,000.00 will be handed the Purchaser at the close of escrow). Interest on the balance due at the rate of six (6%) percent per annum.

Margaret

There was a judge
called [unclear]
who ruled that
wife with a will
But when she
got her piece

Stoby
Man 3307

Stoby
P. [unclear]



SANTA MARGARITA Y LAS FLORES RANCHO

LOCATION: The SANTA MARGARITA includes within its bounds practically all that area lying between the San Luis Rey River at Oceanside and San Clemente, on the Coast Highway, and the bulk of that area between the coast and the Fallbrook District. The Major portion of it is in San Diego County, the balance in Orange County. It is approximately eighty (80) miles from the center of the Rancho to Los Angeles and sixty (60) miles to San Diego.

ACREAGE: It is roughly estimated that the Rancho contains 200,000 acres of land, although it is believed an accurate survey will show closer to 250,000 acres.

Between 55,000 and 60,000 acres of this is declared to be level land, the balance rolling. We are informed that ninety-five (95%) percent of the Rancho can be subdivided on a commercial basis.

TOPOGRAPHY, VIEW: The SANTA MARGARITA Y LAS FLORES RANCHO is, in reality, a huge natural park. From the level stretches bordering the ocean, to the gently rolling hills and on up into the higher hills bordering the eastern portion of the Rancho, nature has liberally endowed it. The natural growth varies from the water-retaining brush and will grass growth typical of Southern California hills and valleys to the wonderful groves of sycamores and live oaks so seldom found in this area. A more beautifully wooded section than that surrounding De Luz in the eastern part of the Rancho cannot be found, even in the Pacific Northwest.

LANDSCAPING: Even to the layman, this Rancho is replete with natural advantages and opportunities that easily lend themselves to the artistic touch of the landscape artist. To the initiate there are no words to describe its possibilities, unless it would be to say that it might fittingly be called, upon the completion of the landscaping of its hills and slopes, the Santa Margarita Y Las Flores Riviera.

SOILS: The general classification of the soils on the Rancho, by the United States Bureau of Soils method, would be the "Kimball Loams". This loam is created, primarily, by the decomposition of soft granite, mixing with decaying plant life, over centuries of time and produces a soil rich in value to plant life, durable, heavy enough to be capable of water retention to a high degree yet light enough to be free from certain disagreeable features often common to highly fertile, heavier soils. The true value

of the Kimball Loam was not appreciated by agriculturalists until it was placed in use under permanent irrigation — then it became outstanding.

The avocado is particularly adapted to the soil and climatic conditions in the Northern San Diego County. An especially high butter fat content is developed in properly propagated trees, creating a constant market at superior prices. The demand for nursery stock is particularly good, and the prices paid for the trees especially attractive. The orange as well as all sub-tropical trees and plants are adapted to the climate and soils existing on the Rancho.

WATER DATA: There are about 100 wells scattered over the Rancho and water is available at depths varying from twenty-five (25) to seventy-five (75) feet. Seventy-six (76%) percent of the water rights of the Santa Margarita River, which flows through the Rancho, have been awarded by the courts in the favor of the owners of the Rancho. This alone allows for a continuous flow of over three thousand (3,000) inches of water.

LEGEND: Practically everyone in California knows of the SANTA MARGARITA Y LAS FLORES RANCHO, and its definite part in the history of Southern California. It will be recalled that possession of it has been retained by one family and its associates for nearly a century. And, despite repeated offers to purchase, never before has it been available.

OCEAN FRONTAGE: The Rancho contains about twenty (20) miles of ocean frontage. It is of both sand and rock formation, and quite frequently is it likened to the French and Italian Riviéras.

Practically one-quarter of all the beach frontage south of Long Beach is contained in this undivided property. Almost all of the balance of available frontage has been subdivided and sold. It is interesting to note, in this connection, that Emerald Bay, the most recent subdivision to be placed on the market, sold its bathing beach frontage at an average price of \$500.00 per front foot.

One distinct advantage held by the Rancho over the average ocean front property is the vast amount of available fresh water subject to development on the property — more than an adequate supply for a complete development of the whole Rancho.

CLIMATE: To put it briefly, it is an undisputed fact, proven by the Federal and State Meteorological reports, that the climatic conditions in this district outrival all others and are the most perfect in the world — including the world's most famous

European summer and winter resorts.

TRANSPORTATION: The coastal area of the Rancho is traversed by the Roosevelt Highway, extending from the Mexican to the Canadian boundary lines; termed U. S. Highway No. 101. The Rancho frontage on this highway extends for practically twenty (20) miles. The eastern portion of the Rancho is close to the Inland Highway, serving all that area between San Diego and Riverside.

The Atchison, Topeka and Santa Fe Railway follows the Roosevelt Highway the entire length of the Rancho and a branch line running to Fallbrook on the Inland Highway on the eastern edge of the Rancho passes through a portion of the Rancho from west to east.

The Pacific on the west offers possibilities of marine transportation unequalled by any other private holding in that district. Several spots are naturally adapted to improvement into first-class harbors for commercial shipping at a cost of approximately \$1,000,000.00. An engineer of national repute, (name on request), informs us that a harbor constructed at any one of three spots on the ocean frontage would allow ample accommodation for yacht and shipping harbors. Four yacht clubs have evinced an interest in a yacht harbor on the Rancho.

Landing fields for commercial and private aircraft are available from the thousands of acres of level lands. Even in its present wild state, emergency lands are easy to effect, according to aviation officials. The north and south commercial lines now traverse the property.

DEVELOPMENT: The future of this wonderful property would encourage an elaborate display of words and word-pictures, were one to try to describe it. Enough, though, to call to the attention of the reader the marvelous development enjoyed by San Diego County in the recent few years. Coupled with the rapid natural settlement of Southern California in greater proportions than is enjoyed by any other section of the world is the constantly increasing demand by the wealthier classes for estates in the rural sections. As transportation facilities are bettered, this demand will become even greater. And it is an established fact that the trend is toward the ideal climate and beautiful surroundings offered by that country in the vicinity of the Rancho, particularly its ocean frontage area.

GEOLOGIST'S REPORT: Among the various minerals found on the Rancho, we are informed, are garnets, crystals, tourmalines, kumalite deposits (similar to tourmalines) and various other semi-precious stones.

Large deposits of Terra Cotta Clay, fire brick clay and gravel have been found on this property.

On the eastern portion of the Rancho a bubbling hot spring similar to the one at Capistrano has been found and utilized, and an offer for it of \$250,000.00 has been refused. Numerous lithia springs are dotted throughout the eastern portion of the Rancho. One small mountain composed of oyster shells has been found.

Insofar as oil is concerned; The oil companies have been very reticent about divulging any information concerning oil deposits. It is a well-known fact that the geological contour of the Rancho in many places is indicative of possible oil strata.

(Be it clearly understood that no definite statements concerning oil are made; although a survey for the express purpose of discovering whether or not oil strata underlies the property would determine this fact conclusively.)

IMPROVEMENTS: Fully equipped main ranch buildings, numerous outbuildings, corrals, and so forth are a part of the Rancho. The stock and equipment, also included, consist of 16 tractors, tools, motor cars, pumping plants, and so forth, as well as approximately 20,000 head of cattle, and 700 head of horses and mules and the equipment for caring for them. About 12,000 acres are in beans.

INCOME: \$500,000.00 per annum, average.

PRICE AND TERMS: \$14,400,000.00 is the purchase price of the Rancho, and the terms are:

\$200,000.00 - deposit as evidence of good faith.

7,000,000.00 - at close of escrow; this includes the deposit.

2,000,000.00 - in 2 years.

2,000,000.00 - in 4 years.

2,000,000.00 - in 6 years.

1,400,000.00 - in 8 years.

(A bill of sale for all cattle and equipment, to a value of approximately \$1,000,000.00 will be handed the Purchaser at the close of escrow.) Interest on the balance due at the rate of six (6%) percent per annum.

ALLEN & COMPANY

REALTORS
LOANS — INSURANCE
168 SUTTER STREET
TELEPHONE DOUGLAS 8700
SAN FRANCISCO

October 31, 1930

Col. Ed Fletcher
#1020 - 9th Street
San Diego, California

My Dear Col. Fletcher:

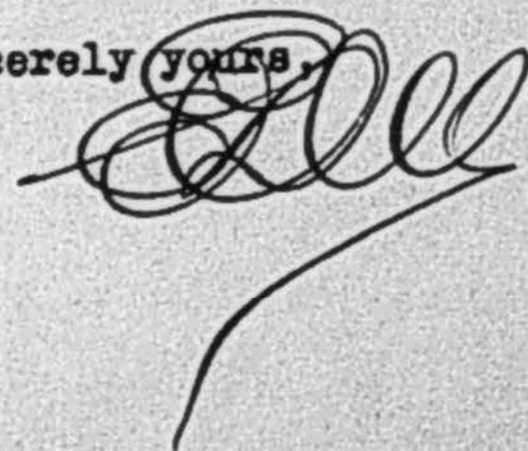
I have for acknowledgment your letter of October 29th, and am keenly interested in your remarks relative to the Santa Margarita Y Las Flores Rancho. Needless to say we value your opinion very highly, realizing that probably no one else is so favorably situated to express a competent opinion.

I am enclosing for your information a copy of the prospectus on which we are working; many of the details of which are confirmed by your letter. The price at which the property is now offered to us is \$14,400,000., and the terms are stated on the seventh page of the prospectus. You will note that it is possible to arrange installments over a period of eight years, and while the interest rate is stated as six per cent, I am personally inclined to feel that this might be arranged on a more favorable basis.

In view of your expressed interest, I would suggest that you give the matter further consideration, and if you think it desirable I will arrange to come to San Diego for the purpose of viewing the property and going into the situation thoroughly. The deal is of such magnitude that it can hardly be handled satisfactorily by correspondence.

Assuring you of my appreciation of your response to my letter and looking forward to seeing you in the near future, I am

Sincerely yours,



ECD:K

SANTA MARGARITA

Y

LAS FLORES RANCHO



SANTA MARGARITA Y LAS FLORES

ACRRAGE:

This property contains approximately 200,000 acres of which twenty (20) miles (more or less) is beach frontage and approximately twenty (20) miles of frontage on each side of the Roosevelt Highway (Vancouver, B. C. to Tia Juana, Mexico), or around forty (40) miles of Roosevelt Highway frontage.

Between 55,000 and 60,000 acres of this property is level, flat land, the balance being rolling. We are informed that ninety-five (95%) per cent of the Ranch can be subdivided on a commercial basis.

LOCATION:

The location of the tract is unique, situated as it is on the banks of the historical Santa Margarita River, directly south of San Clemente and north of San Luis Rey River, being eighty (80) miles to the centre of the tract from Los Angeles and sixty (60) miles from San Diego.

TOPOGRAPHY AND VIEW:

The Santa Margarita Y Las Flores Rancho is a great natural park. Over its picturesque, gently sloping hills and verdure clad valleys, approximately 20,000 head of cattle and 7,000 head of horses and mules find their sustenance in its wild grasses, from the abundance and richness of which, the cattle are fattened for the markets.

The unbroken expanse of nature's wonderland consisting of approximately 200,000 acres makes its contribution to a fine setting of the tract. The elevations and gentle slopes of the tract provide a perfect panoramic view of valleys, hills, mountains, and sea, making it possible for homes erected on the tract to have a perfect scenic setting.

LANDSCAPING:

The tract is replete with many natural advantages which easily lend themselves to the artistic touch of the landscape artist. At a low cost the banks and slopes can be so beautified as to greatly enhance the potential value of the Rancho.

When the proper improvements have been completed the tract could quite fittingly be called or assume the name of Santa Margarita Y Las Flores Riviera.

SOILS:

The United States Bureau of Soils Bulletin Department of Agriculture classify these soils as Kimballoams, and restrict the area of any size to the coastal slopes and table lands between the Orange County line on the north to within a short distance of San Diego on the south, and an average distance back from the coast of three (3) miles. Kimball loams were formed over many centuries from the decomposing of soft granite. The decomposition produced a soil rich in plant food, and supplies the best forms of fertilizer. The richness and durability of these soils were not known or understood until a permanent water supply was obtained for irrigation.

The Kimball loams of this district excel all other soils in the State for development, production and propagation of Avocado trees and seed. The high butter fat content of the fruit from the Avocado trees in this district has created an unlimited demand for the budded seedlings grown in these soils. Sub-tropical seeds, bulbs, and plants produced in these loams have obtained world records. These soils irrigated are unexcelled and prove their superiority over other soils every year.

WATER AND WATER RIGHTS: 100 wells are scattered throughout the Rancho and water is available at a depth of twenty-five (25) to seventy-five (75) feet.

Seventy-six (76%) per cent of the water rights of the Santa Margarita River that flows through the Rancho has been decided by the courts in favor of the owners of the Santa Margarita Y Las Flores Rancho, this alone allows for a continuous flow of over three thousand (3000) inches of water.

LEGEND:

This property has been in the possession of the same family and associates for nearly one century,

OCEAN BEACH FRONTAGE: The Ocean Beach frontage of about twenty (20) miles, both sand and rock formation, has been frequently likened to the world famous beaches of the French and Italian Riviervas.

One-quarter of all the beach frontage south of Long Beach is now contained in the undivided Santa Margarita Rancho.

The balance of available beach property has been mostly subdivided into lots and sold. Emerald Bay, the most recent subdivision to be placed on the market, sold its bathing beach frontage at an average price of \$300. per front foot.

The Santa Margarita Rancho has the advantage over all Ocean front property insofar as an abundant fresh water supply is available in any part of the property at any time.

CLIMATE:

Federal and State Meteorological reports of this district compared with those of the World's most famous summer and winter resorts in Europe PROVE THAT CLIMATIC CONDITIONS OUTRIVAL ALL OTHERS AND ARE THE MOST PERFECT IN ALL THE WORLD.

SETTLEMENT:

Over the past ten years the population in Southern California has increased in greater volume than in any other portion of the world.

With the automobile and airplane coming into such general use, men of wealth from our American and European Cities are choosing estates in outlying districts and are seeking the best climatic conditions and proximity to the Ocean. Many would also add beach frontage but find it impossible to obtain such frontage at a reasonable figure.

TRANSPORTATION, HIGHWAY AND RAILROADS:

The Roosevelt Highway, extending from Vancouver, B. C. to Tia Juana, Mexico, traverses the property for a distance of over eighteen (18) miles.

The Santa Fe Railroad runs through the property on the way to San Diego on the beach side of the Ranch for approximately twenty (20) miles. We are informed by Santa Fe officials that hundreds of passengers have avowed that the particular stretch through the Santa Margarita Rancho affords the most scenic view to be obtained from any railroad car in the world.

The Pacific Ocean on the West boundary facilitates marine transportation. Several spots are naturally adapted for improvement into first class harbors for commercial shipping at a cost of approximately \$1,000,000.

An engineer of national repute (name on request) informs us that a harbor constructed at any one of three or four spots on the Ocean boundary of the Ranch would allow ample accommodations for yacht harbors and shipping.

Four yacht clubs have evinced an interest for a yacht harbor.

The thousands of acres of totally flat table lands are ideally adapted to the purpose of landing fields for commercial airplane transportation (all of the north and south air routes traverse the property). The air line officials are quoted as saying that the Santa Margarita Ranch property is ideal for emergency landings even in its present wild state.

WOODED:

A wonderful forest of live oak and sycamore trees mark the soil as the most desirable for horticultural and agricultural pursuits.

IMPROVEMENTS AND EQUIPMENT:

Fully equipped main ranch buildings, numerous outbuildings, corrals, etc., 16 tractors, tools, motor cars, etc., necessary to the caring for approximately 20,000 head of cattle, 700 head of horses and mules and 12,000 acres of beans, pumping plants, etc.

BATHING BEACHES:

The hard, sandy, rockless, bathing beach has a gentle slope out into the Ocean for a distance of 400 to 2000 feet.

The extent or area of sandy beach lying back of the mean high tide line of the Ocean is 2000 to 4000 feet.

GEOLOGIST'S REPORT:

Among the various minerals found on the Ranch, we are informed that there are garnets, crystals, turmalines, Kunsite deposits (similar to turmalines) and various other semi-precious stones.

Large deposits of Terra Cotta clay, fire brick clay and gravel have been found on this property.

On the Eastern portion of the Ranch - a bubbling hot spring similar to the one at Capistrano has been found and utilized and an offer of \$250,000 was refused.

Numerous Lithia springs are dotted throughout the Eastern portion of the Santa Margarita Ranch.

One small mountain composed of oyster shells has been found.

OIL:

The oil companies have been very reticent about divulging any information concerning oil deposits. However, as there are no claims made about oil, one's own judgment must be brought into play. But it is a well known fact that the geological contour of the Ranch in many places is indicative to possible oil strata. Be it clearly understood that no definite statements concerning oil have been made but a survey with the express purpose of discovering whether oil sand lies under the surface will determine this fact conclusively.

GROSS INCOME: \$500,000. PER ANNUM.

PRICE AND TERMS: \$14,400,000.

- 200,000. - deposit as an evidence of good faith
- 7,000,000. - at the close of escrow, this includes the \$200,000. deposit above
- 2,000,000. - in 2 years
- 2,000,000. - in 4 years
- 2,000,000. - in 6 years
- 1,400,000. - in 8 years

Interest at the rate of six percent per annum added.
Bill of sale of cattle and equipment with down payments - Value - approximately \$1,000,000.

SUGGESTIONS:

Sell 200,000 acres at \$200. per acre \$40,000,000.

OR

Sell 40 miles Highway front 1000 feet deep at \$50. a foot - 211,211 feet 10,560,000.

and 20 miles of beach front 105,600' at \$100. 10,560,000.

\$21,120,000.

Leaving sufficient acreage to sell for 29,000,000.

There are a number of ways to dispose of this property including a city of estates.

Sell 200 choice estates consisting of 160 acres each at \$500. per acre 16,000,000.

NOTE: Airplane, boat and yacht clubs, etc., have made offers to lease.

Ed Fletcher Papers

1870-1955

MSS.81

Box: 67 Folder: 1

**Business Records - Land Companies - Miscellaneous
land, with various Ed Fletcher companies - Santa
Margarita Ranch (future Camp Pendleton)**



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