

Sale of ranch for real estate development.

This agreement made and entered into this _____ [date] by and between _____, buyer, and _____, seller, provides:

Recitals

1. Seller is the owner of certain real property situated in the County of _____, State of _____, and generally described as _____, and more particularly described as follows: _____. The tract of land is approximately _____ acres and is _____ [e.g., planted with citrus fruit trees]. This property is referred to below as the "subject real property." A map of the subject real property is attached to this agreement as Exhibit _____.

2. Certain buildings and part of an irrigation system are on part of the subject real property.

3. Buyer desires to purchase and seller desires to sell the subject real property, together with the citrus fruit trees, buildings and irrigation system on it.

Agreement

Therefore, in consideration of the mutual covenants contained in this agreement and other and further consideration, the receipt and sufficiency of which is acknowledged, seller agrees to sell to buyer (or to buyer's nominee, as more fully described below) and buyer agrees to purchase from seller, the subject real property, subject to all liens and incumbrances of record as shown on Exhibit _____ to this agreement, together with _____ [e.g., the citrus fruit trees], buildings and irrigation system on it, for the following price and on the following terms and conditions:

1. Purchase Price. The purchase price shall be the sum of \$ _____ allocated as follows:

Land	\$ _____
Trees	\$ _____
Irrigation System	\$ _____
Buildings	\$ _____

2. Terms of Purchase. The purchase price shall be paid as follows:

A. Prior to close of escrow, buyer shall pay to seller a cash down payment of \$ _____ which shall be allocated as follows: down payment of principal, \$ _____; one year prepaid interest, \$ _____.

B. The unpaid balance of the purchase price, \$ _____, shall be paid as follows:

(1). _____ days subsequent to the close of escrow, buyer shall pay to seller by cash or cashier's check a payment in the amount of \$ _____, which shall all be allocated as a principal reduction. In order to evidence this obligation, buyer shall place into escrow its unsecured promissory note, in standard form, in this amount to be delivered to seller at the close of escrow.

(2). The remaining unpaid balance of the purchase price, \$ _____, shall be evidenced by a purchase money promissory note, in standard form, bearing interest at the rate of _____% per annum on the unpaid balance, executed by buyer in favor of seller, which note shall be secured by a first deed of trust covering the subject real property. The note shall be payable as follows:

(a). Interest shall be paid in advance, in annual installments, the first installment being due, as stated above, prior to the close of escrow, and each succeeding installment to be due one day prior to the next succeeding annual anniversary dates of the close of escrow, until the interest is paid in full.

(b). In addition to the interest payments, principal payments, each in the amount of \$ _____, will be due one day prior to the _____ [e.g., sixth, seventh, eighth, ninth, tenth, eleventh and twelfth] annual anniversaries of the close of escrow. Any and all then unpaid balance, whether of principal or interest, will all be due one day prior to the _____ [e.g., twelfth] annual anniversary of the close of escrow.

(c). Buyer shall have no right to prepay the principal on the promissory note prior to one year after the close of escrow. Commencing on the first annual anniversary of the close of escrow buyer shall have the right to prepay any amount of principal without penalty. Interest which is prepaid and subsequently unearned as a result of a principal prepayment made during the 12 months next succeeding an interest payment date shall be applied to reduce the interest payable on the next

succeeding interest payment date, or, in the event of payment of principal in full, such unearned interest shall be applied to reduce the then principal balance.

At any time, buyer may prepay all or any portion of the unpaid interest on the promissory note. The prepayment shall be credited against the next due interest installment or installments, and the then unpaid interest balance shall be reduced by the amount derived by increasing the prepaid amount by _____%, compounded annually, from the date of prepayment to the date or dates on which the prepaid amount would otherwise be payable.

3. Earnest Money Deposit. Immediately after seller obtains the permit described in paragraph 5(a) of this agreement, buyer shall pay to seller, as earnest money, the sum of \$ _____ by cashier's check. _____ days after, buyer shall pay to seller, as earnest money, an additional \$ _____ by cashier's check. Upon close of escrow, the \$ _____ will be credited to the cash down payment due under paragraph 2A of this agreement.

4. Deed of Trust. The deed of trust securing the purchase money promissory note shall contain the following provisions:

A. Provided that trustor is not then in default under any of the terms or provisions of this deed of trust or of the promissory note for which this deed of trust is security, or of any other promissory note from buyer to seller, then trustor shall be entitled to a partial reconveyance of the lien or charge of this deed of trust upon payment of the following described amounts:

(1) Land in tracts _____ and _____ will be released upon payment by trustor to beneficiary of \$ _____ per acre for each acre to be released;

(2) Land in tract _____ will be released upon payment by trustor to beneficiary of \$ _____ for each acre of land to be released.

B. With respect to the promissory note for which this deed of trust is security, the payments for release shall be applied against the first due principal payments from trustor to beneficiary and shall reduce or eliminate trustor's obligation to make the next succeeding principal payment or payments to beneficiary.

C. Beneficiary agrees to approve and to instruct the trustee to join in the signing of any and all subdivision maps, otherwise approved by appropriate government agencies requested by the trustor or trustor's assignee or successor in interest and authorizes the trustee to consent to the grant of dedicated rights-of-way for public streets, public utilities and public drainage easements necessary to be granted for service within the area subdivided or over the remainder of the property subject to this deed of trust for the use of any portion of such subdivided area. Trustor is authorized to remove or otherwise dispose of present improvements now existing on the premises if such removal or disposition is necessary to the subdivision of the property in accordance with generally recognized standards and in conformity with all applicable governmental requirements for the subdivision of the property.

D. The deed of trust will also contain a provision which substantially reflects the following release provisions, agreements and intentions: Attached to this agreement as Exhibit _____ is a schematic drawing of tract _____ and the _____ portion of tract _____. This schematic drawing has been subdivided into _____ parcels designated "A" through "_____" and each of these parcels has been further subdivided into _____ subparcels, each designated 1 through _____. Attached to this agreement as Exhibit _____ is a schematic drawing of tract _____. This tract has been subdivided into _____ parcels designated "A" through "_____", and each of these parcels has been further subdivided into subparcels designated 1 through _____.

In order to qualify for partial reconveyances under this agreement, the land to be reconveyed must be no less than all of any subparcel delineated, and identified by a number designation on attached Exhibits _____ or _____.

All parcels to be released will be released subsequently only in the following order: _____.

5. Permits. This agreement to purchase is contingent upon: (a) seller obtaining a definitive permit from the _____ corporations commissioner authorizing the sale provided for by this agreement in conjunction with the management contract attached to this agreement as Exhibit _____; and (b) buyer obtaining a definitive permit from the corporations commissioner authorizing the sale of partnership interests in a limited partnership to be formed for the purpose of taking title to the subject real property. Buyer will diligently attempt to obtain the permit, and will apply for the permit. If, after the attempt, buyer fails to obtain a permit from the commissioner of corporations on or before _____ [date], all deposits, including the earnest money deposit, will be returned to buyer, unless buyer and seller agree to extend this date.

6. Escrow. Within _____ days after the execution of this agreement, buyer and seller will open an escrow for this transaction at _____. The escrow will close on _____ [date] unless extended by mutual agreement of buyer and seller.

7. Buyer's Nominee. Buyer has the one-time right to select one or more nominees to take title to the subject real property, without first obtaining seller's consent. However, after this one selection, neither buyer nor its nominee or nominees, may designate any other nominee or nominees for all or any portion of the subject real property without first obtaining the written consent of seller. After buyer has obtained the release of a parcel from the deed of trust, in accordance with the provisions of paragraph 4 of this agreement, buyer will have the right to sell, transfer or assign the released parcel, or any portion of it, to whomever buyer may select.

8. Liquidated Damages.

A. Seller's Damages: Buyer and seller agree that it is not now possible to anticipate the amount of damages which may be incurred by seller should buyer be unwilling or unable to complete this agreement. Both parties agree that it would be impracticable and extremely difficult to fix the actual damages. The subject real property is land on which considerable rezoning, surveying, and other miscellaneous improvements are anticipated to occur in the near or immediate future.

For this reason the parties to this agreement agree that, as the sole remedy of seller for buyer's breach of this agreement, seller shall be entitled to the sum of \$ _____ as liquidated damages.

B. Buyer's Damages:

(1). Damages for breach of this agreement: As aforesaid, buyer and seller agree that it is not now possible to anticipate the amount of damages. Should seller, after obtaining the permit described in paragraph 5(a) of this agreement, be unable to convey title to the subject real property, buyer shall be entitled to the sum of \$ _____ as liquidated damages.

(2). Other damages: Seller and buyer agree that, as a material portion of the consideration to buyer, seller will attempt to enhance the value of the subject real property as set forth below.

Seller represents that it will, within a reasonable time after this purchase is consummated, cause to be prepared a comprehensive master plan for the _____ property of which the subject real property is a part. It is acknowledged that buyer is purchasing the subject property partly in reliance upon development and implementation of the comprehensive master plan and that if the master plan has not been developed and implemented within _____ years from the date of close of escrow of the subject real property, buyer may suffer economic loss. For the purposes of this paragraph, preparation of such master plan shall include presentation to appropriate governmental agencies for purposes of obtaining appropriate zoning and for future use as an aid for marketing _____. "Implementation of a master plan" under this paragraph shall mean commencement of the conduct of sales and marketing activities by seller or its representatives consistent with such master plan.

It is acknowledged that buyer, in purchasing the subject real property, has relied partly upon certain assumptions and projections made by seller with respect to the zoning of the subject real property as set forth in the table below. In the event that the portion of the master plan relating to the subject real property results in zoning which reduces the average per acre value of the subject real property (as more particularly set forth below), the parties agree that the buyer may suffer damages, the extent and nature of which is impossible to ascertain at this time, for which buyer will be entitled to compensation. Therefore, buyer and seller have agreed that these possible future damages shall be calculated in the following manner: _____.

The damage provisions set forth above shall be buyer's sole remedy in the event that seller is unable to obtain an acceptable zoning _____ years from the date of close of escrow. Buyer will have no right of rescission or of other equitable relief and will have no right to damages in excess of \$ _____. Any and all damages to buyer shall be paid to buyer by seller only as follows:

To the extent that buyer sustains damages, as calculated above, seller will waive all or a portion of the purchase money promissory note interest payment or payments falling due on the _____ anniversary and, if necessary, the _____ anniversary, and, if necessary, the _____ anniversary of the close of escrow.

In no event will interest accrue on any damages under this agreement. In no event, will any principal payments on the purchase money promissory note be waived or deferred.

(3). If the buyer's damages, as calculated in paragraph 8B(2) above, exceed the sum of \$_____ then, in addition to the waiver of interest payments, seller agrees to lend to buyer a sum equal to the difference between buyer's damages and \$_____. In no event, will seller lend buyer an amount in excess of \$_____ under the provisions of this paragraph 8B(3).

Seller will make the loan described in this paragraph 8B(3) one day prior to the sixth annual anniversary of the close of escrow. The loan shall be evidenced by an unsecured promissory note, in standard form, bearing interest at the rate of _____% per annum, with interest only payable on it in advance annually for _____ years, at which time all principal and interest will become immediately due and payable.

9. Miscellaneous.

A. The parties agree to execute and deliver such other and further documents, including standard form escrow instructions not inconsistent with the terms and provisions of this agreement, as may be deemed necessary or proper in order to consummate this agreement. Seller further agrees to execute and deliver to buyer assignments and conveyances of any and all rights, titles and interest in and to the subject real property or any personal property owned by seller located on or in the property.

B. By acceptance of this offer, seller warrants that seller has not received, nor is aware of any notification from the department of building and safety, health department, or such other city, county or state authority having jurisdiction, requiring any work to be done on the subject real property. Seller further warrants that in the event any such notice or notices are received by seller prior to the close of escrow and seller is unable to or does not elect to perform the work required in the notice at seller's sole cost and expense on or before the close of escrow, the notices shall be submitted to buyer for h□ examination and written approval. Should buyer fail to approve the notice and elect not to acquire the property subject to the effect of same, within _____ days from the date seller submits the notice to buyer, then this agreement shall be cancelled without liability to either party, and buyer's earnest money deposit will be refunded.

C. This agreement supersedes any and all agreements between the parties regarding the subject real property which are prior in time to this agreement.

D. Time is of the essence of this agreement.

E. At the election of buyer, which election shall be evidenced by notice in writing to seller and delivered at or prior to the closing of escrow, seller will enter into a contract for the management of the agricultural activities upon the subject real property. The contract will be in the form attached to this agreement as Exhibit _____.

F. Seller by this agreement grants buyer an option, exercisable at any time within _____ years from the date of close of escrow in this agreement, to require seller to enter into an exclusive marketing contract for the sale of the subject real property, at a fee of _____% override on all sales by any brokers and _____% on all sales made directly by seller.

G. This agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared it.

H. Seller has procured, and attaches to this agreement as Exhibit _____, a preliminary title insurance report on the subject real property.

[Signatures]