

EXHIBIT “F”
MAP & TITLE (WILLOW SPRINGS)
3 of 3

Exhibit E

FORM OF PURCHASE AGREEMENT

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

Section 1. IDENTIFICATION OF PARTIES.

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "Agreement") is entered into as of _____, by and among _____ (collectively, "Seller"), and CAL-ORGANIC VEGETABLE COMPANY, a California corporation ("Purchaser"). Seller and Purchaser are parties to that certain Agricultural Lease ("Lease") dated as of _____, between Seller as Landlord, and Purchaser as Tenant. Pursuant to Section 5 of the Lease, Purchaser is purchasing the Property (as defined herein) subject to the terms and conditions set forth in this Agreement.

Section 2. DESCRIPTION OF THE PROPERTY.

Seller hereby agrees to sell, assign and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller all of Seller's right, title and interest in and to the following:

(a) That certain real property consisting of _____ acres in the County of [Kern] [Riverside], State of California, with assessors parcel numbers _____, and more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Land"), together with _____ building(s) with an approximate total of _____ square feet and all other improvements located on the Land (the "Improvements");

(b) All rights, privileges, easements and appurtenances to the Land, including, without limitation, all of Seller's right, title and interest in and to all easements, rights-of-way and other appurtenances, if any, used or connected with the beneficial use or enjoyment of the Land (the Land, the Improvements, and all such rights, privileges, easements, and appurtenances, including Seller's interest under the Leases are collectively referred to in this Agreement as the "Real Property"); and

(c) All personal property, equipment, supplies and fixtures (collectively, the "Personal Property") owned by Seller and located on the Land and used by Purchaser in connection with the Real Property, except as agreed to in writing by Purchaser. (The Real Property and the Personal Property are collectively referred to in this Agreement as the "Property").

Section 3. THE PURCHASE PRICE.

(a) The purchase price for the Property is \$ _____ per acre, for a total of _____ (\$ _____). Purchaser shall deposit the Purchase Price, less any amount paid by Purchaser as rent under the Lease with respect to the Property during the term of the Lease (the "Purchase Price"). If Purchaser's Conditions Precedent (as defined in Section (a)) are satisfied, then Purchaser shall deposit the Purchase Price in escrow with Title Company (as hereinafter defined) no later than one business day before the Closing (as hereinafter defined).

Section 4. TITLE.

(a) Upon the mutual execution of the Agreement, Seller shall promptly request the Title Company to deliver to Purchaser a preliminary title report (the "PTR") pertaining to the Real Property issued by Title Company,

together with legible copies of all documents relating to the title exceptions referred to in the PTR. Seller will provide Seller's most recent copy of a survey of the Real Property, prepared by a registered California land surveyor in accordance with ALTA/ASCM standards (the "Survey") dated within the last six months before the execution of this Agreement, if any. Otherwise, such survey shall be at the request and expense of Purchaser. The Survey shall set forth the precise acreage of the Land and be sufficient to enable Title Company to update the PTR to: (i) delete the standard survey exception. (ii) add any new title exceptions which are revealed by said Survey and an inspection of the Real Property. If the acreage of the Land as set forth on the Survey differs from that set forth in Section 3 hereof, then the Purchase Price will be adjusted upward or downward to conform with the acreage set forth on the Survey.

(b) Within fifteen (15) days after it receives the PTR, Purchaser shall notify Seller in writing of any title exceptions shown in the PTR that Purchaser disapproves and the exceptions disapproved in such timely notice shall constitute "Disapproved Exceptions." Thereafter, if any written update to the PTR reveals a material exception to title not shown on the PTR, then Purchaser shall notify Seller in writing of Purchaser's disapproval of such new exception within ten (10) days after Purchaser's receipt of such update, and the exceptions disapproved in such timely notice shall also be "Disapproved Exceptions". Any exception not disapproved in writing within said fifteen-day period (for review of the PTR) or within said ten-day period (for review of updates) shall be deemed approved by Purchaser, and shall constitute a "Permitted Exception" hereunder. Notwithstanding the foregoing, Purchaser hereby disapproves all liens representing monies owed (other than non-delinquent ad valorem real property taxes and other existing assessments), and Seller hereby agrees to cause all such liens representing monies owed (other than non-delinquent ad valorem real property taxes and other existing assessments) to be removed at or prior to Closing. If Seller fails to remove any such lien representing monies owed (other than non-delinquent ad valorem real property taxes and other existing assessments) prior to Closing, then Title Company shall apply such portion of the Purchase Price as is necessary (as determined by Title Company in connection with its issuance of the Title Policy) to cause the removal of such lien representing monies owed prior to Closing, and the proceeds of the sale to be otherwise distributed to Seller upon Closing shall be reduced by the amount so applied. The following matters shall constitute "Permitted Exceptions," regardless of whether Purchaser disapproves of them: (i) all non-delinquent taxes and assessments, including existing bond or special district assessments (which shall be assumed by Purchaser) and (ii) all matters created by or on behalf of Purchaser, including, without limitation, any documents or instruments to be recorded as part of any financing for the acquisition of the Property by Purchaser. Within 15 days after the date Seller receives Purchaser's written notice disapproving any title exceptions contained in the PTR (or update thereof), Seller shall notify Purchaser in writing of any disapproved title exceptions which Seller is unable or unwilling to cause to be removed or insured against prior to or at Closing (the "Unresolved Exceptions"); provided, however, that Seller shall use commercially reasonable efforts to attempt to remove any Disapproved Exceptions from title as long as such removal: (i) will at be no cost to Seller, and (ii) will not impose any liability upon Seller. With respect to any Unresolved Exception, Purchaser shall elect, by giving written notice to Seller and Title Company within five (5) days after Purchaser's receipt of Seller's determination regarding the Unresolved Exceptions, (i) to terminate this Agreement, or (ii) to waive its disapproval of such Unresolved Exceptions, in which case such Unresolved Exceptions shall then be deemed to be "Permitted Exceptions." Purchaser's failure to terminate this Agreement within such five-day period shall constitute Purchaser's agreement to treat the Unresolved Exceptions as Permitted Exceptions. If Purchaser terminates this Agreement in accordance with this Section 4, Title Company shall immediately refund the Deposit, plus any interest accrued thereon, to Purchaser; provided, however, that Purchaser shall be responsible for all title and escrow cancellation fees.

(c) Purchaser, at Purchaser's option, may obtain additional or extended title coverage at Purchaser's sole cost and expense, including without limitation, any costs of surveys or survey updates as may be required to obtain extended coverage. Purchaser's receipt of such additional or extended title coverage shall not be a condition to closing.

Section 5. REPRESENTATIONS AND WARRANTIES OF SELLER.

Seller represents and warrants to Purchaser that the following matters are true and correct as of the Closing:

(a) Seller is a _____ [type of entity], duly formed, validly existing and in good standing under the laws of the State of [California].

(b) All the documents executed by Seller which are to be delivered to Purchaser at the Closing shall have been duly authorized, executed, and delivered by Seller and will be legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the right of contracting parties generally), and will not violate the material provisions of any bond, note, or other evidence of indebtedness, contract, indenture, mortgage, deed of trust, loan agreement, lease, or other agreement to which Seller is a party or to which it is subject.

(c) Seller will deliver to Purchaser for Purchaser's review, or make available in Seller's offices, all current reports and analyses, if any, relating to the Property that Seller has in its possession or control. Seller represents to the best of Seller's actual knowledge that all such materials are true and correct as of the date of this Agreement except as otherwise indicated in writing by Seller to Purchaser. Seller has entered into no contracts, agreements or other obligations (written or oral) with any third parties relating to the Property which will survive the Closing except as otherwise disclosed in writing by Seller and approved by Purchaser in writing prior to the Closing.

(d) Except as set forth in the PTR or in the material delivered to Purchaser pursuant to this Agreement, or as otherwise disclosed in writing by Seller to Purchaser before the execution of this Agreement, Seller has received no written notice of any actions, suits or proceedings, pending or threatened, before any judicial, administrative, arbitration, or other governmental authority with respect to the Property (or any portion thereof), including without limitation, any eminent domain or condemnation proceedings affecting any portion of the Property.

(e) Except as set forth in the PTR or in the material delivered to Purchaser pursuant to this Agreement, or as otherwise disclosed in writing by Seller to Purchaser before the execution of this Agreement, Seller has received no written notice from any city, county, state or other government authority that the Property or any matter thereon is in violation of the laws, rules or ordinances applicable to the Property, which violation has not been corrected before the date of this Agreement.

(f) No representation, warranty, or statement of Seller in this Agreement, or documents delivered to Purchaser pursuant to this Agreement, contains or will contain any untrue statement of fact, or any statements reasonably likely to mislead Purchaser about the condition or current state of the Property. All representations, warranties, and statements made by Seller are based on correct and complete information as of the time furnished to Purchaser, and, unless otherwise disclosed to Purchaser, there has been no material adverse change in such information after such time. Seller agrees to notify Purchaser promptly if Seller learns of any material adverse changes to information provided to Purchaser before the Close of Escrow.

Seller represents and warrants that the items set forth in this Section 5 are true and correct as of the Closing. If Purchaser believes or asserts that any representation or warranty set forth in the Section 5 is not true or complete, it must commence an action or proceeding with respect to the truth, accuracy, or completeness of any representation or warranty of Seller, if at all, within two years after the Closing.

Section 6. REPRESENTATIONS, WARRANTIES AND COVENANTS OF PURCHASER.

(a) Purchaser represents and warrants to Seller that the following matters are true and correct as of the Closing:

(i) Purchaser is a California corporation and has the legal capacity to understand and execute this Agreement and all documents in connection therewith;

(ii) All the documents executed by Purchaser which are to be delivered to Seller at the Closing will be duly executed and delivered by Purchaser and will be legal, valid, and binding obligations of Purchaser enforceable against Purchaser in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the right of contracting parties generally), and will not violate the material provisions of any agreement to which Purchaser is a party or to which it is subject.

(b) Purchaser represents and warrants that, in entering into this Agreement, Purchaser has not relied on any representation, warranty, promise or statement, express or implied, of Seller, or anyone acting for or on behalf of Seller, other than as expressly set forth in this Agreement, and that Purchaser shall purchase the Property on Purchaser's own prior knowledge and investigation and examination of the Property (or Purchaser's election not to do so); **AND THAT PURCHASER IS PURCHASING THE PROPERTY IN AN "AS IS" AND "WITH ALL FAULTS" PHYSICAL CONDITION AND IN AN "AS IS" AND "WITH ALL FAULTS" STATE OF REPAIR.**

Notwithstanding anything to the contrary contained in this Agreement, Purchaser and Seller acknowledge that any written disclosures made by Seller prior to the Closing shall constitute notice to Purchaser of the matter disclosed, and Seller shall have no liability with respect thereto if Purchaser thereafter consummates the transaction contemplated hereby.

(c) Purchaser expressly acknowledges that no financing for this transaction shall be provided by Seller or any affiliate of Seller.

Section 7. DELIVERY OF DOCUMENTS.

Seller has made available or will deliver to Purchaser within ten business days after execution of this Agreement copies of the following documents relating to the Property:

(a) any environmental reports or documents pertaining to the environmental condition of the property in Seller's possession or control;

(b) a copy of the most recent tax bill for real estate taxes; and

(c) any other documents or information reasonably requested by Purchaser relating to the Property or were prepared or used by Seller in connection with its ownership or operation of the Property. To the extent the requests involve documentation not readily available as determined by Seller, then Purchaser shall compensate Seller for the time and cost of producing such documents at the time of delivery.

Section 8. CONDITIONS PRECEDENT TO CLOSING.

(a) The following shall be conditions precedent to Purchaser's obligation to consummate the purchase and sale transaction contemplated herein (the "Purchaser's Conditions Precedent"):

(i) Neither Purchaser nor Seller shall have validly terminated this Agreement.

(ii) Title Company shall stand ready to issue at the Closing an Owner's Policy of Title Insurance on the standard form used in the state of California with liability in the full amount of the Purchase Price, subject only to the Permitted Exceptions (the "Title Policy") insuring Purchaser's interest in the Property, dated the day of the Closing.

(iii) There shall exist no material breach of any of Seller's representations, warranties or covenants set forth in Section 5 and Section 9 as of the Closing.

(iv) Seller shall have delivered to the Title Company the items described in Section 10.

(v) Subject to Section 14 of this Agreement, and except as otherwise disclosed to Purchaser, at the Closing Time, there will not then be pending or threatened any litigation, administrative proceeding, investigation, or other form of governmental enforcement action or proceeding related to, directed at, or otherwise affecting the use, operation, or occupancy of any portion of the Property. No material adverse change (as the term "material" is defined in Section 14) may have occurred in the value or condition of the Property since the execution of this Agreement.

The conditions set forth in this Section 8(a) are solely for the benefit of Purchaser and may be waived only by Purchaser. Purchaser shall, at all times prior to the termination of this Agreement, have the right to waive any of these conditions.

(b) The following shall be conditions precedent to Seller's obligation to consummate the purchase and sale transaction contemplated herein (the "Seller's Conditions Precedent"):

- (i) Neither Purchaser nor Seller shall have validly terminated the Agreement.
- (ii) Purchaser shall have delivered to Title Company, prior to the Closing, for disbursement as directed hereunder, all cash or other immediately available funds due from Purchaser in accordance with this Agreement.
- (iii) There shall exist no material breach of any of Purchaser's representations, warranties or covenants set forth in Section 6 as of the Closing.
- (iv) Purchaser shall have delivered to Title Company the items described in Section 11.

The conditions set forth in this Section 8(b) are solely for the benefit of Seller and may be waived only by Seller. Seller shall, at all times before the termination of this Agreement, have the right to waive any of these conditions.

Section 9. COVENANTS OF SELLER.

Seller hereby covenants with Purchaser after the date hereof and before the Closing, so long as this Agreement remains in full force and effect, no part of the Property, or any interest therein, will be sold or otherwise transferred or encumbered without Purchaser's prior written consent.

Section 10. SELLER'S CLOSING DELIVERIES.

At least one (1) business day prior to the Closing, Seller shall deliver or cause to be delivered to Purchaser or Title Company the following:

- (a) A grant deed in the form of Exhibit B attached hereto (the "Grant Deed"), executed by Seller, in recordable form, conveying the Property (free and clear of all claims, liens and encumbrances except the Permitted Exceptions) to Purchaser.
- (b) An affidavit in the form of Exhibit C attached hereto, certifying that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986 (the "Certificate of Non-Foreign Status").
- (c) A Bill of Sale, executed by Seller in the form of Exhibit D attached hereto, assigning and conveying to Purchaser title to the Personal Property, free and clear of all encumbrances (the "Bill of Sale").
- (d) To the extent not previously delivered to Purchaser, originals of any documents or agreements relating to the Property, certificates of occupancy, governmental approvals, and any other documents, instruments or agreements reasonably necessary to effectuate the transaction contemplated by this Agreement.

Section 11. PURCHASER'S CLOSING DELIVERIES.

At least one (1) business day prior to the Closing, Purchaser shall deliver to Seller or Title Company:

- (a) The Purchase Price, together with such other sums as Title Company shall require to pay Purchaser's share of the closing costs, reimbursements and adjustments as set forth herein, all in immediately available funds.

(b) Any other documents, instruments or agreements reasonably necessary to effectuate the transaction contemplated by this Agreement.

Section 12. CLOSING.

The "Closing" of the purchase and sale contemplated herein shall occur on or before _____ (the "Closing Date"), or on such later date to which the parties may mutually agree in writing.

Section 13. CLOSING COSTS.

Seller shall pay the portion of the premium for the Title Policy (including the cost of any title endorsements reasonably requested by Purchaser, and Title Curative Endorsements (defined below)) equal to the amount of a CLTA standard coverage owner's policy, and fifty percent (50%) of all other escrow, recording, and closing costs. For purposes of this Agreement and each of the documents executed in connection herewith, "Title Curative Endorsements" shall specifically mean and be limited to those title endorsements obtained by Seller to clear Disapproved Exceptions. Purchaser shall pay all costs and expenses incurred in connection with obtaining any financing for the purchase of the Property, any additional title insurance premium payable in connection with any lender's policy of title insurance or any additional or extended title coverage and fifty percent (50%) of all other escrow, recording, and closing costs. Each party shall bear the expense of its own counsel. Unless otherwise specified herein, if the sale of the Property contemplated hereunder does not occur because of a default on the part of Purchaser or failure of a Seller's Condition Precedent, Purchaser shall pay all escrow and title cancellation fees; if the sale of the Property does not occur because of a default on the part of Seller or failure of a Purchaser's Condition Precedent, Seller shall pay all escrow and title cancellation fees.

Section 14. RISK OF LOSS; TAKING.

(a) If prior to the Closing, the Property is materially damaged (as defined in this Section 14) (except where such damage results directly or indirectly from Purchaser's negligent or intentional actions), Purchaser shall have the right, exercisable by giving written notice to Seller within five (5) days after receiving written notice of such damage or destruction (but in any event prior to the Closing), either (i) to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder, and any money (including, without limitation, the Deposit and all interest accrued thereon) or documents in escrow shall be returned to the party depositing the same and Purchaser shall be responsible for any title or escrow cancellation fee, or (ii) to accept the Property in its then condition and to proceed with the Closing and to receive an assignment of all of Seller's right to any insurance proceeds payable by reason of such damage or destruction, whether such proceeds are paid or are payable before or after the Closing. If Purchaser elects to proceed under clause (ii) above, Seller shall not compromise, settle or adjust any claims to such proceeds without Purchaser's prior written consent, and the Purchase Price will be reduced by the amount of any deductible that Purchaser will be required to pay after the Closing. Nothing in this Section 14 shall lessen or reduce Purchaser's responsibilities or obligations under any existing lease.

(b) If prior to the Closing, all or any material portion (as defined in this Section 14) of the Property is subject to a taking by public authority, Purchaser shall have the right, exercisable by giving written notice to Seller within five (5) days after receiving written notice of such taking (but in any event prior to the Closing), either (i) to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder, any money (including, without limitation, the Deposit and all interest accrued thereon, notwithstanding the fact that the Deposit may have been released to Seller before such termination) or documents in escrow shall be returned to the party depositing the same, and Purchaser shall be responsible for any title or escrow cancellation fee, or (ii) to accept the Property in its then condition, without a reduction in the Purchase Price, and to receive an assignment of all of Seller's rights to any condemnation award payable by reason of such taking, whether such amount is paid or payable before or after the Closing. If Purchaser elects to proceed under clause (ii) above, Seller shall not compromise, settle or adjust any claims to such award without Purchaser's prior written consent. As used in this Section 14, "taking" means any transfer of the Property or any portion thereof to a governmental entity or other party with appropriate authority, by exercise of the power of eminent domain.

(c) If prior to the Closing, any non-material portion of the Property is damaged or subject to a taking, Purchaser shall accept the Property in its then condition and proceed with the Closing, in which case Purchaser shall be entitled to an assignment of all of Seller's rights to any insurance proceeds, if any, or any award in connection with such taking, as the case may be. In the event of any such non-material damage or taking, Seller shall not compromise, settle or adjust any claims to such insurance proceeds or such award, as the case may be, without Purchaser's prior written consent, and the Purchase Price will be reduced by the amount of any deductible Purchaser is required to pay after the Closing.

(d) For the purpose of this Section 14, damage to the Property or a taking of a portion thereof shall be deemed to be "material", or involve a material portion, if the reasonably estimated cost of restoration or repair of such damage or the amount of the condemnation award with respect to such taking shall exceed \$50 per acre affected by the damage or taking and in the aggregate, exceed \$1,000.00.

(e) Seller agrees to give Purchaser notice of any taking, damage or destruction of the Property promptly after Seller obtains knowledge thereof.

Section 15. BROKER'S COMMISSION.

(a) Purchaser represents and warrants to Seller that no brokerage commission, finder's fee or other compensation is due or payable with respect to the transaction contemplated herein arising out of any action or representation by Purchaser. Purchaser hereby agrees to indemnify, defend, and hold the Seller harmless from and against any losses, damages, costs and expenses (including, but not limited to, attorneys' fees and costs) incurred by such party by reason of any breach or inaccuracy of the representations and warranties contained in this Section 15(a).

(b) Seller represents and warrants to Purchaser that no brokerage commission, finder's fee or other compensation is due or payable with respect to the transaction contemplated herein arising out of any action or representation by Seller except for any amount owed to Brereton and Company, Inc., which will be paid by Seller. Seller hereby agrees to indemnify, defend, and hold the Purchaser harmless from and against any losses, damages, costs and expenses (including, but not limited to, attorneys' fees and costs) incurred by such party by reason of any breach or inaccuracy of the representations and warranties contained in this Section 15(b).

(c) The provisions of this Section 15 shall survive the Closing.

Section 16. ESCROW.

(a) Instructions. Within three (3) days after their respective execution of this Agreement, Purchaser and Seller each shall deposit a copy of this Agreement executed by such party (or either of them shall deposit a copy executed by both Purchaser and Seller) with Title Company. This Agreement, together with such further instructions, if any, as the parties shall provide to Title Company by written agreement, shall constitute the escrow instructions. If any requirements relating to the duties or obligations of Title Company hereunder are not acceptable to Title Company, or if Title Company requires additional instructions, the parties hereto agree to make such deletions, substitutions and additions hereto as Purchaser and Seller shall mutually approve, which additional instructions shall not substantially alter the terms of this Agreement unless otherwise expressly provided therein.

(b) Deposits into Escrow. Seller shall make its deposits into escrow in accordance with Section 10. Purchaser shall make its deposits into escrow in accordance with Section 11. Title Company is hereby authorized to close the escrow only if and when: (i) Title Company has received all items to be delivered by Seller and Purchaser pursuant to Sections 10 and 11; and (ii) Title Company can and will issue the Title Policy concurrently with the Closing.

(c) Close of Escrow. Provided that Title Company shall not have received written notice in a timely manner from Purchaser or Seller of the failure of any condition to the Closing or of the termination of the escrow, and when Purchaser and Seller have deposited into escrow the matters required by this Agreement and Title Company can and will issue the Title Policy concurrently with the Closing, Title Company shall:

(i) Deliver to Purchaser: (i) the Grant Deed by causing it to be recorded in the Official Records of the Office of the County Recorder of the County in which the Land is located; and immediately upon recording, delivering to Purchaser a conformed copy of the Grant Deed; (ii) the Certificate of Non-Foreign Status; (iii) the Bill of Sale; (iv) any funds deposited by Purchaser, and (v) the Title Policy issued by Title Company.

(ii) Deliver to Seller: the Purchase Price (which shall be delivered by wire transfer or other means approved by Seller) after satisfying the closing costs and adjustments to be paid by Seller.

(d) **Real Estate Reporting Person.** Title Company is hereby designated the "real estate reporting person" for purposes of section 6045 of Title 26 of the United States Code and Treasury Regulation 1.6045-4 and any instructions or settlement statement prepared by Title Company shall so provide. Upon the consummation of the transaction contemplated by this Agreement, Title Company shall file the Form 1099 information return and send the statement to Seller as required under the aforementioned statute and regulation.

Section 17. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 18. MISCELLANEOUS.

(a) Each individual and entity executing this Agreement hereby represents and warrants that he, she or it has the capacity set forth on the signature pages hereof with full power and authority to bind the party on whose behalf he, she or it is executing this Agreement to the terms hereof.

(b) This Agreement supersedes all prior agreements and understandings, whether oral or written, between the parties with respect to the matters contained in this Agreement except for the Lease, which is to be read in conjunction with this Agreement. Any waiver, modification, consent or acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by or in behalf of the party to be bound thereby. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

(c) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Agreement attached thereto.

(d) Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement.

(e) Any communication, notice or demand of any kind whatsoever which either party may be required or may desire to give to or serve upon the other shall be in writing and delivered by personal service (including express or courier service), by electronic communication, whether by telex, telegram or telecopy (if confirmed in writing sent by registered or certified mail, postage prepaid, return receipt requested), or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

Purchaser:

Cal-Organic Vegetable Company
Post Office Box 81498
Bakersfield, California 93380

Telephone: (661) 845-5275
Telecopy: (661) 845-5262

With a copy to:

Munger, Tolles & Olson, LLP
355 South Grand, Suite 3500
Los Angeles, California 90071
Attn: Brian Daly, Esq.

Telephone: (213) 683-9576
Telecopy: (213) 687-3702

Seller:

Telephone: _____
Telecopy: _____

With a copy to:

Telephone: _____
Telecopy: _____

Title Company:

Attn: _____
Escrow No. _____

Telephone: _____
Telecopy: _____

Any party may change its address for notice by written notice given to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to have been duly given or served on the date personally served before 5:00 p.m. Pacific Standard Time on a business day, or on the next business day if served after 5:00 p.m. or on a non-business day, if by personal service, one (1) business day after the date of confirmed dispatch, if by electronic communication, or three (3) days after being placed in the U.S. Mail in the County of Los Angeles, Kern or Riverside, if mailed.

(a) The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

(b) The making, execution and delivery of this Agreement by the parties hereto has been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

(c) Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but, if any provision of this Agreement shall be invalid or prohibited thereunder, such invalidity or prohibition shall be construed as if such invalid or prohibited provision had not been inserted herein and shall not affect the remainder of such provision or the remaining provisions of this Agreement; provided that the invalid provision does not provide a material portion of the consideration to either party hereunder.

(d) The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the parties hereto. Section headings of this Agreement are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement. References to "Sections" are to Sections of this Agreement, unless otherwise specifically provided.

(e) If any action is brought by either party against the other party, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action or any appeal thereof. For purposes of this Agreement, the term "prevailing party" shall include a party which is named as a defendant or cross-defendant in a suit or action arising from or under this Agreement if that suit or action is eventually voluntarily dismissed by the plaintiff or cross-plaintiff, as the case may be, therein or is dismissed by the court following a dispositive motion.

(f) This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and to their respective transferees, successors, and assigns. Neither this Agreement nor any of the rights or obligations of Seller or Purchaser hereunder shall be transferred or assigned by Seller or Purchaser without the prior written consent of the non-assigning party; which consent shall not be unreasonably withheld or delayed.

(g) Exhibits A-D attached hereto are incorporated herein by reference.

(h) Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

(i) This Agreement shall not be recorded or filed in the public land or other public records of any jurisdiction by either party and any attempt to do so may be treated by the other party as a breach of this Agreement.

(j) Seller and Purchaser agree that it is their specific intent that no broker shall be a party to or a third party beneficiary of this Agreement or the escrow; and further that the consent of a broker shall not be necessary to any agreement, amendment, or document with respect to the transaction contemplated by this Agreement.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

SELLER:

By: _____

Title: _____

PURCHASER:

CAL-ORGANIC VEGETABLE COMPANY
a California corporation

By: _____

Robert A. Grimm
President

EXHIBIT A
LEGAL DESCRIPTION OF THE LAND

**EXHIBIT B
FORM OF GRANT DEED**

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL GRANT
DEED AND TAX STATEMENTS TO:**

GRANT DEED

The undersigned Grantor requests that the Documentary Transfer Tax not be made a part of the public records.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
_____,
_____, hereby GRANTS to **CAL-ORGANIC VEGETABLE COMPANY**, a
California corporation, that certain real property located in the City of _____, County of Kern, State of
California and more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the
"Property"), together with all building and other improvements located thereon and all rights, privileges, easements
and appurtenances held by Grantor appertaining to the Property and all right, title and interest of Grantor in, to and
under adjoining streets, rights-of-way and easements.

IN WITNESS WHEREOF, Grantor has caused its duly authorized representatives to execute this
instrument as of the date hereinafter written.

DATED AS OF: _____

GRANTOR:

By: _____

Title: _____

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, _____, before me, _____,
a Notary Public in and for said State, 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 _____ (Seal)

EXHIBIT A TO GRANT DEED

Legal Description of the Property

EXHIBIT B

**STATEMENT OF TAX DUE AND REQUEST
THAT TAX DECLARATION NOT BE MADE A PART
OF THE PERMANENT RECORD
IN THE OFFICE OF THE
COUNTY RECORDER**

(Pursuant to Cal. Rev. and Tax Code Section. 11932)

To: Registrar - Recorder/
County of [Kern]

Request is hereby made in accordance with the provision of the Documentary Transfer Tax Act that the amount of tax due not be shown on the original document which names:

_____, as grantor

and

CAL-ORGANIC VEGETABLE COMPANY, a California corporation, as grantee.

The property described in the accompanying document is located in [Kern] County, California.

The amount of tax due on the accompanying document is _____ Dollars (\$ _____), computed on full value of property conveyed, less any liens remaining on the property.

By: _____
Authorized Signatory of Grantor

NOTE: After the permanent record is made, this form will be affixed to the conveying document and returned with it.

EXHIBIT C
CERTIFICATION OF NONFOREIGN STATUS
OF

[Seller]

_____, ("Seller"), is the transferor of that certain real property located in Ventura County, State of California and more particularly described in Exhibit A attached hereto (the "Property").

Section 1445 of the Internal Revenue Code of 1986 (the "Code") provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax will not be required in connection with the disposition of the Property pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of _____, by and between Seller and CAL-ORGANIC VEGETABLE COMPANY, a California corporation.

The undersigned hereby certifies the following on behalf of Seller:

Section 38. Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code and the regulations promulgated thereunder;

Section 39. Seller's [Social Security numbers or U.S. employer identification number] is _____;
and

Section 40. Seller's address is:

It is understood that this certificate may be disclosed to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined the foregoing certification and, to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Seller.

Date: _____

Signature: _____
Authorized Signatory of Seller

EXHIBIT D

FORM OF BILL OF SALE

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned, _____ ("Seller"), does hereby give, grant, bargain, sell, transfer, assign, convey and deliver to **CAL-ORGANIC VEGETABLE COMPANY**, a California corporation ("Buyer") [the personal property identified on Exhibit B attached hereto and incorporated herein by this reference, and] all personal property (if any) owned by Seller (the "Personal Property") and located on or in that certain real property located in the City of _____, County of [Kern] [Riverside], State of California and more particularly described in Exhibit B attached hereto and incorporated herein by this reference.

Seller warrants to Purchaser that Seller owns all right, title and interest in the Personal Property, free and clear of any lien, security interest or adverse claim, and that Seller will warrant and defend the same against the claims and demands of any third partner.

Seller hereby covenants that it will, at any time and from time to time upon written request therefor, at Buyer's sole expense and without the assumption of any additional liability thereby, execute and deliver to Buyer, its nominees, successors and/or assigns, any new or confirmatory instruments and do and perform any other acts which Buyer, its nominees, successors and/or assigns, may reasonably request in order to fully assign and transfer to and vest in Buyer, its nominees, successors and/or assigns, and protect its or their rights, title and interest in and enjoyment of, all of the assets of Seller intended to be transferred and assigned hereby, or to enable Buyer, its nominees, successors and/or assigns, to realize upon or otherwise enjoy any such assets.

[SIGNATURES ON NEXT PAGE]

All references to "Seller" and "Buyer" herein shall be deemed to include their respective nominees, successors and/or assigns, where the context permits.

Dated as of: _____

SELLER:

By: _____
Title: _____

PURCHASER:

CAL-ORGANIC VEGETABLE COMPANY
a California corporation

By: _____
Robert A. Grimm
President

SCHEDULE A

[Schedule of Personal Property]

SCHEDULE B

Legal Description of Real Property

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Munger, Tolles & Olson LLP
355 South Grand Ave., 35th Floor
Los Angeles, CA 90071
Attn: John Frank & Brian Daly

SUBORDINATION AGREEMENT

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

THIS SUBORDINATION AGREEMENT (this "Agreement") is made as of [March] __, 2001, by and among Cal-Organic Vegetable Company, a California corporation ("Tenant"); Daniel C. Duncan and Susan G. Duncan, both individually and as husband and wife ("Duncans"); Daniel C. Duncan and Susan G. Duncan, as Trustees of the D.C. Duncan Family Trust dated June 23, 1995 ("Duncan Family Trust"); Michael B. Duncan; and B.W. Duncan and Carol F. Duncan, as Trustees of the B. and C. Duncan Living Trust dated July 24, 1978 ("Duncan Living Trust" and together with the Duncans, Michael B. Duncan, and the Duncan Family Trust, "Landlord"), and _____, a _____ ("Lienholder"), with reference to the following facts:

RECITALS

A. Those certain parcels of land described on Exhibit A attached hereto and incorporated herein by this reference (the "Property") are owned by one or more of the following parties: (i) the Duncans, (ii) the Duncan Family Trust, (iii) Michael B. Duncan, (iv) the Duncan Living Trust.

B. Landlord and Tenant have entered into that certain Agricultural Lease, dated as of March [], 2001, ("Lease") pursuant to which, among other things, (i) Landlord has leased the Property to Tenant, and (ii) Landlord has granted a purchase option ("Purchase Option") to Tenant to purchase all or a part of the Property (at the election of Tenant) together with the completed improvements thereon, at the prices and upon the terms and subject to the conditions set forth therein.

C. The Property is encumbered by the following deeds of trust:

1. Deed of Trust executed by _____, as trustor, in favor of _____ as beneficiary, and recorded on _____, _____, as instrument number _____, in the office of the _____ County Recorder.

2. Deed of Trust executed by _____, as trustor, in favor of _____ as beneficiary, and recorded on _____, _____, as instrument number _____, in the office of the _____ County Recorder.

[add others as necessary]

The instruments listed in paragraphs C.1 through C. __ above, together with all amendments, renewals, extensions or modifications of the same are collectively referred to herein as the "Deeds of Trust").

D. The parties desire to enter into this Agreement to provide for the relative priorities of the Lease and the Deeds of Trust, all as more particularly set forth herein.

NOW, THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. **Subordination.** The Lease and all supplements, amendments and modifications thereto and all renewals, replacements or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the Property prior and superior to each of the Deeds of Trust and to all rights of any of the Lienholders thereunder. Each of the Deeds of Trust and all rights of any of the Lienholders thereunder are hereby unconditionally subjected and made subordinate to the rights of Tenant under the Lease.

2. **Recognition of the Lease and Purchase Option.** Each of the Lienholders hereby agrees that:

2.1 Tenant shall not be named or joined in any foreclosure, trustee's sale or other proceeding to enforce any of the Deeds of Trust;

2.2 the enforcement of any remedy provided for in any or all of the Deeds of Trust shall not effect the rights of Tenant under the Lease or terminate the Lease or the Purchase Option; and

2.3 Tenant's right to purchase the Property under the Purchase Option shall not be affected in any manner by any foreclosure, trustee's sale or other proceeding instituted or action taken under or in connection with the Deeds of Trust or if any Lienholder takes possession of the Property pursuant to any provision of any of the Deeds of Trust .

3. **Tenant Not Responsible for Landlords' Obligations.** Nothing in this Agreement shall be deemed or construed to be an agreement by Tenant to perform any covenant of the any of the Landlords under any of the Deeds of Trust.

4. **Integration.** This Agreement shall be the whole and only agreement with regard to the subjection and subordination of the Deeds of Trust (and each of them) and the rights of Lienholder thereunder to the rights of Tenant under the Lease and the Purchase Option, and shall supersede and cancel, but only insofar as would affect the priority between the Deeds of

Trust (and each of them) and the Lease, any prior agreements as to such subjection or subordination.

5. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute one and the same instrument. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this Agreement to form one document, which may be recorded.

6. **Modifications; Successors and Assigns; Captions.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The headings or captions to each paragraph of this Agreement are for the convenience of the parties and do not limit or construe the contents of any provision hereof.

7. **Attorneys' Fees.** If an action is commenced (including an appeal thereof) to enforce any of the provisions of this Agreement or to enforce a judgment, whether or not such action is prosecuted to judgment (an "Action"), (i) the unsuccessful party therein shall pay all costs incurred by the prevailing party therein, including reasonable attorneys' fees and costs, court costs and reimbursements of any other expenses incurred in connection therewith, and (ii) as a separate right, severable from any other rights set forth in this Agreement, the prevailing party therein shall be entitled to recover its reasonable attorneys' fees and costs incurred in enforcing any judgment against the unsuccessful party therein, which right to recover post-judgment attorneys' fees and costs shall be included in any such judgment. The right to recover post-judgment attorneys' fees and costs shall (a) not be deemed waived if not included in any judgment, (b) survive the final judgment in any Action, and (c) not be deemed merged into such judgment. In the event any legal action or proceeding is commenced to interpret or enforce the terms of, or obligations arising out of, this Agreement, or to recover damages for the breach thereof, the party prevailing in any such action or proceeding shall be entitled to recover from the non-prevailing party all reasonable attorneys' fees and costs incurred by the prevailing party. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of counsel to the parties hereto, which may include printing, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney.

8. **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of California without giving effect to its conflict-of-law principles.

9. **Notices.** Any communication, notice or demand of any kind whatsoever which a party may be required or may desire to give to or serve upon another shall be in writing and delivered by personal service, by an express delivery (such as Federal Express) or courier service that provides receipted delivery service, delivery charges prepaid, by electronic communication, whether by facsimile (and, if the communication, notice or demand seeks to declare a default under this Agreement or give notice of a default under the Deeds of Trust,

confirmed in writing sent by registered or certified mail, postage prepaid, return receipt requested), or by registered or certified mail, postage prepaid, return receipt requested, to the address for such party set forth below or such other address or addresses as it may hereafter specify by like notice:

To Landlords: c/o 10409 Red Bridge Way
Bakersfield, CA 93311
Telephone: (661) 822-9586
Facsimile: (661) 822-9588,

To Tenant: Post Office Box 81498
Bakersfield, CA 93380-1498
Telephone: (661) 845-5275
Facsimile: (661) 845-5262.

To Lienholder (as applicable):

Attn: _____
Facsimile: _____

or

Attn: _____
Facsimile: _____

or

[add others as necessary]

Any such communication, notice or demand shall be deemed to have been duly given or served on the date personally served, if by personal service, on the date of confirmed delivery, if by express delivery or courier service or by electronic communication, or the date actually received, if mailed; provided, however, that any communication, notice or demand received by courier delivery or electronic communication that is received after 5:00 p.m. (local time for the addressee) shall be deemed to have been received on the next business day.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LANDLORD:

Daniel C. Duncan, Individually

Susan G. Duncan, Individually

Daniel C. Duncan and Susan G. Duncan,
as Trustees of the D.C. Duncan Family Trust
dated June 23, 1995

Daniel C. Duncan, Trustee

Susan G. Duncan, Trustee

Michael B. Duncan, Individually

B.W. Duncan and Carol F. Duncan,
as Trustees of the B. and C. Duncan Living Trust
dated July 24, 1978

B.W. Duncan, Trustee

Carol F. Duncan, Trustee

TENANT:

CAL-ORGANIC VEGETABLE COMPANY

By: _____

Name: _____

Its: _____

[signatures continue on next page]

LIENHOLDER:

[_____]

By: _____

Name: _____

Its: _____

[_____]

By: _____

Name: _____

Its: _____

[_____]

By: _____

Name: _____

Its: _____

STATE OF CALIFORNIA

)

) ss.

COUNTY OF _____

)

On _____, 2001 before me, _____, Notary Public, personally appeared _____, 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.

Notary Public

STATE OF CALIFORNIA

)

) ss.

COUNTY OF _____

)

On _____, 2001 before me, _____, Notary Public, personally appeared _____, 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.

Notary Public

STATE OF CALIFORNIA)

COUNTY OF _____

) ss.

)

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Witness my hand and official seal.

Notary Public

STATE OF CALIFORNIA)

COUNTY OF _____

)

) ss.

)

On _____, 2001 before me, _____, Notary Public, personally appeared _____, 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.

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