

# FRAMEWORK RANCH

## OFFERING MEMORANDUM



### **NATURAL RESOURCES GROUP, INC.**

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# INFORMATIONAL MATERIALS & REGISTRATION AGREEMENT

## Framework Ranch

C&D II Ranch, LLC, a California limited liability company and DLM Ranch, LLC, a California limited liability company own certain real property located in the County of Stanislaus, State of California generally described as Framework Ranch (the "Property").

Interested parties may advise Natural Resources Group, Inc., ("NRG") of their desire to register themselves ("Registered Party") or a client with respect to the potential purchase of the Property. NRG has been retained on an exclusive basis by C&D II Ranch, LLC and DLM Ranch, LLC, a California limited liability company, each of the title-holding LLCs that own the Property (collectively, "Owner"), with respect to the offering for sale of the Property. The Owner has indicated that all inquiries and communications with respect to the contemplated sale of the Property be directed to NRG. All fees due NRG in connection with the sale of the Property shall be paid by the Owner.

NRG has available for review certain information concerning the Property which includes informational and confidential materials (collectively "Informational Materials"). NRG will not make such Informational Materials available to the Registered Party unless and until the Registered Party has properly executed the appropriate Confidentiality and Accepting Party Agreement ("Agreement") available in the confidential data room (instructions below). Upon NRG's receipt of this executed Agreement, NRG is prepared to provide the Informational Materials for the Registered Party's consideration in connection with the possible purchase of the Property, subject to the following conditions:

1. All Informational Materials relating to the Property which may be furnished to the Registered Party by NRG shall continue to be the property of the Owner or NRG. The Informational Materials will be used by the Registered Party solely for the purpose of evaluating a potential purchase of the Property and may not be copied or duplicated without NRG's written consent and must be returned to NRG, immediately upon NRG's request or when the Registered Party is no longer negotiating a transaction with respect to the Property.

2. A Registered Party shall not disclose the Informational Materials to any person other than those involved in a potential purchase of the Property, unless NRG has approved in writing such disclosure, provided, however, that the Informational Materials may be disclosed to the Registered Party's partners, employees, legal counsel and lenders ("Related Parties"), for the purpose of evaluating the potential purchase of the Property. The Registered Party and such Related Parties shall be informed by the Registered Party of the confidential nature of the Informational Materials and must agree to keep all Informational Materials strictly confidential in accordance with the Registration Agreement. The Registered Party shall be responsible for any violation of this provision by a Related Party. The Registered Party agrees to the entry of an immediate injunction in the event of any violation of the above terms.

3. If the Registered Party is representing a client who is a potential purchaser ("Registered Potential Purchaser") the Registered Potential Purchaser authorizes the Registered Party to represent it with respect to the purchase of the Property. The Registered Potential Purchaser agrees to pay any and all additional compensation, if any, above what is due The Registered Party under the cooperating broker agreement and both the Registered Potential Purchaser and the Registered Party, hereby agree to indemnify NRG and the Owner against any compensation, fee, loss, liability or expense, including attorney's fees, arising from claims by the Registered Party, or any other party the Registered Potential Purchaser and/or Registered Party has had dealings with, excluding NRG in connection with the purchase of the Property (collectively, Related Parties). The Registered Party agrees it will not pursue NRG or the Owner for any compensation above that specified in the cooperating broker agreement in connection with the proposed transaction, and the Registered Party agrees it will not discuss the Property with any other party other than the Registered Potential Purchaser, and that it will not distribute the Informational Materials or excerpts therefrom to any other party. The Registered Potential Purchaser acknowledges that it is a principal in connection with the purchase of the Property, and the Registered Potential Purchaser hereby agrees that it will not pursue the Owner or NRG for any commissions, fees or other compensation in connection with the sale of the Property.

Additionally, the Registered Potential Purchaser acknowledges that it has not had any discussions regarding the Property with any broker or agent other than NRG and the Registered Party.

4. The Registered Party represents and covenants that it is, and at the time of the consummation of any sale of the Property to the Registered Potential Purchaser, a duly licensed real estate broker.

5. The Registered Party understands and acknowledges that NRG does not make any representation or warranty as to the accuracy or completeness of the Informational Materials, and that the information used in the preparation of the Informational Materials was furnished to NRG by others and has not been independently verified by NRG, and is not guaranteed as to completeness or accuracy. The Registered Party agrees that neither NRG nor the Owner shall have any liability for any reason to the Registered Party or the Registered Potential Purchaser or Related Parties resulting from their use of the Informational Materials.

6. The Registered Party hereby indemnifies and holds harmless NRG and the Owner and their respective affiliates, successors, and assigns against and from any loss, liability or expense, including attorney's fees, arising out of any (1) breach of any of the terms of this Agreement, and (2) claim or claims by any other broker, finder, or other party if such claim or claims are based in whole or in part on dealings with the Registered Party, the Registered Potential Purchaser, any Related Party or any of their representatives for commissions, fees and other compensation from the sale or proposed sale of the Property to the Registered Potential Purchaser.

7. The Registered Party acknowledges that the Property has been offered for sale subject to withdrawal from the market, change in offering price, prior sale, or rejection of any offer, whether because of the terms thereof, lack of satisfactory credit references of any prospective purchaser, or for any other reason whatsoever, without notice. Registered Parties acknowledges that the Property is being offered without regard to race, creed, sex, religion or national origin.

8. To complete the Confidentiality and Accepting Party Agreement, and to receive the Informational Materials, please click on the "[Data Room](https://www.natural-resources-group.com/framework-ranch.html)" link at: <https://www.natural-resources-group.com/framework-ranch.html>.

### NATURAL RESOURCES GROUP CONTACT INFORMATION



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## Framework Ranch

Stanislaus County, California

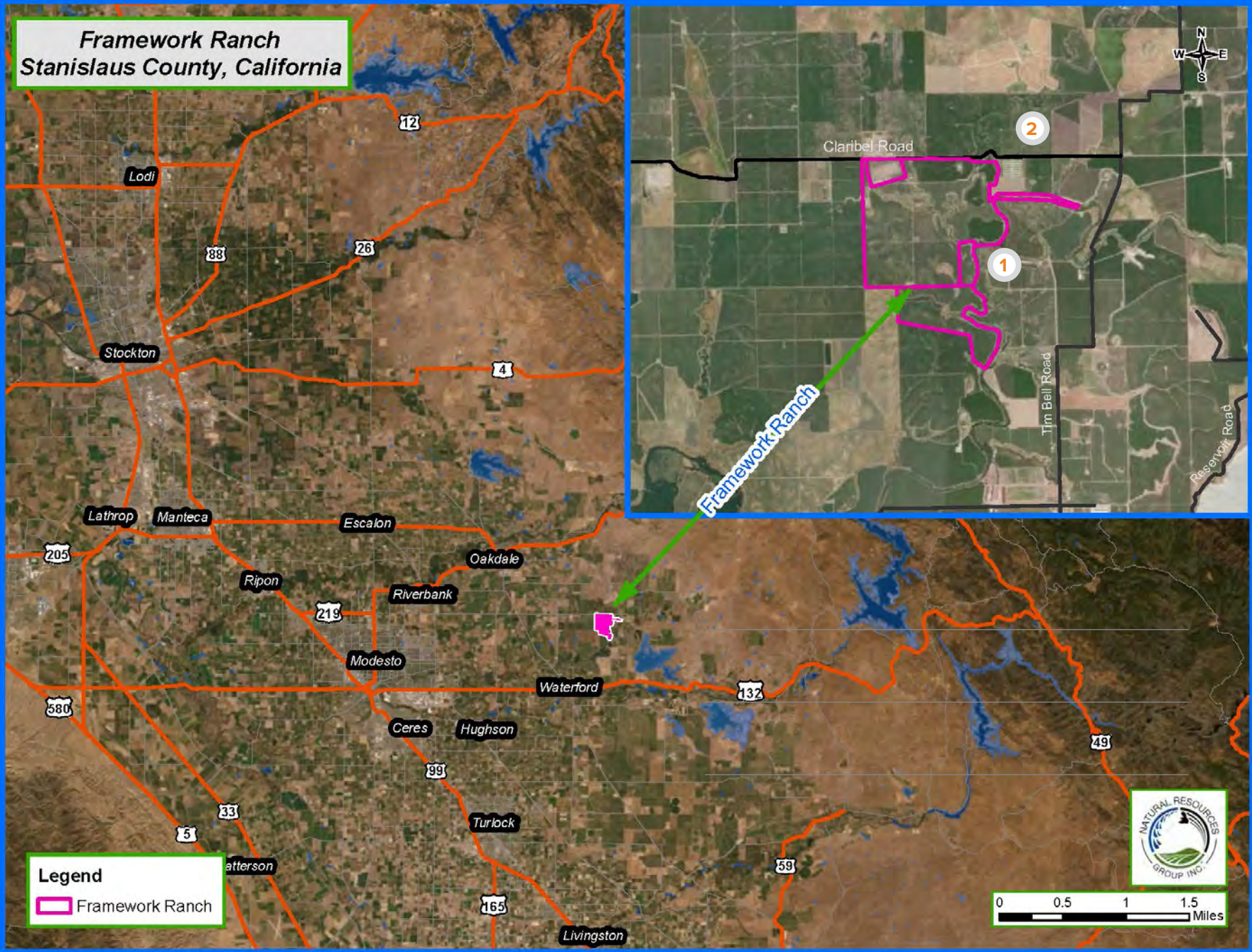
### OVERVIEW

Framework Ranch represents a rare opportunity to acquire a large private holding of established permanent crops with multiple sources of water, solar power, infrastructure, and additional revenue from radio tower and cold storage leases.

Located on the south side of Claribel Road at 14540-14600 Claribel Road in Waterford, California, the 826.31± property consists of approximately 539 acres of almonds, consisting of nonpareil, pollinators, and independents as well as approximately 110 acres of Tulare walnuts.

Additional materials are available to registered Brokers and/or Prospective Buyers through the confidential data room upon execution of an NDA.

FRAMEWORK RANCH





## Location & Industry Overview

California is by far the most valuable state in America in terms of agricultural production, and Stanislaus County ranks among the top agricultural counties in the state, with a total farm commodity value exceeding \$3.5 billion in 2020.

**STANISLAUS COUNTY:** The three most valuable agricultural commodities as detailed in the Stanislaus County Agricultural Commissioner’s Crop Report for 2020 are summarized in the table below. In 2020, the County had a total of 120,933 acres planted to almonds, with 111,780 bearing acres and 9,153 non-bearing acres. Stanislaus County has consistently been one of the top 3 producers of walnuts in the State with a farmgate production value of \$103,040,000 in 2020 from 37,916 bearing acres.

Stanislaus County			
Rank	Commodity	2020 Value	% of Total
1	Almonds	\$1,123,961,000	32%
2	Milk	\$736,644,000	21%
3	Chickens	\$342,099,000	10%
Total	All Commodities	\$3,476,093,000	100.0%

## FRAMEWORK RANCH

**ALMOND INDUSTRY:** California produces about 80% of the world's almond supply and nearly 100% of the domestic supply. In 2021, the California almond crop exceeded 2.9 billion pounds based upon approximately 1,330,000 bearing acres.

Almond assets have been an attractive investment class in recent years due to a growing global demand for California almonds, driven by new consumption trends and a rapidly expanding middle class in emerging markets. With this strong worldwide demand for nuts and approximately 70% of California's almond crop being exported, large productive almond orchards are expected to remain a profitable and desirable investment class over the life of the investment.

**WALNUT INDUSTRY:** The United States is the second largest producer of walnuts, behind China, accounting for approximately one third of the total world production. Domestically, California is the nation's number one walnut producer, accounting for nearly all walnuts produced in the U.S.

The 2021 California walnut production is forecast at 670,000 tons, down 15% from 2020's record production of 785,000 tons. This production is based on an estimated 385,000 bearing acres, up 1% from 2020's estimated bearing acreage of 380,000. The Framework Ranch block of Tulare walnuts have been strong producers which will continue to drive positive returns even in challenging market pricing.





## Framework Ranch Operations

The 826.31± acre Property is located on the south side of Claribel Road in Waterford, California.

Framework Ranch consists of approximately 110 acres of Tulare walnuts and 539 acres of almonds, consisting of nonpareil, pollinators, and independents.

In addition to the revenue generated from the farm commodities, Framework Ranch has additional, stable lease revenue from radio transmitter towers and a cold storage facility.

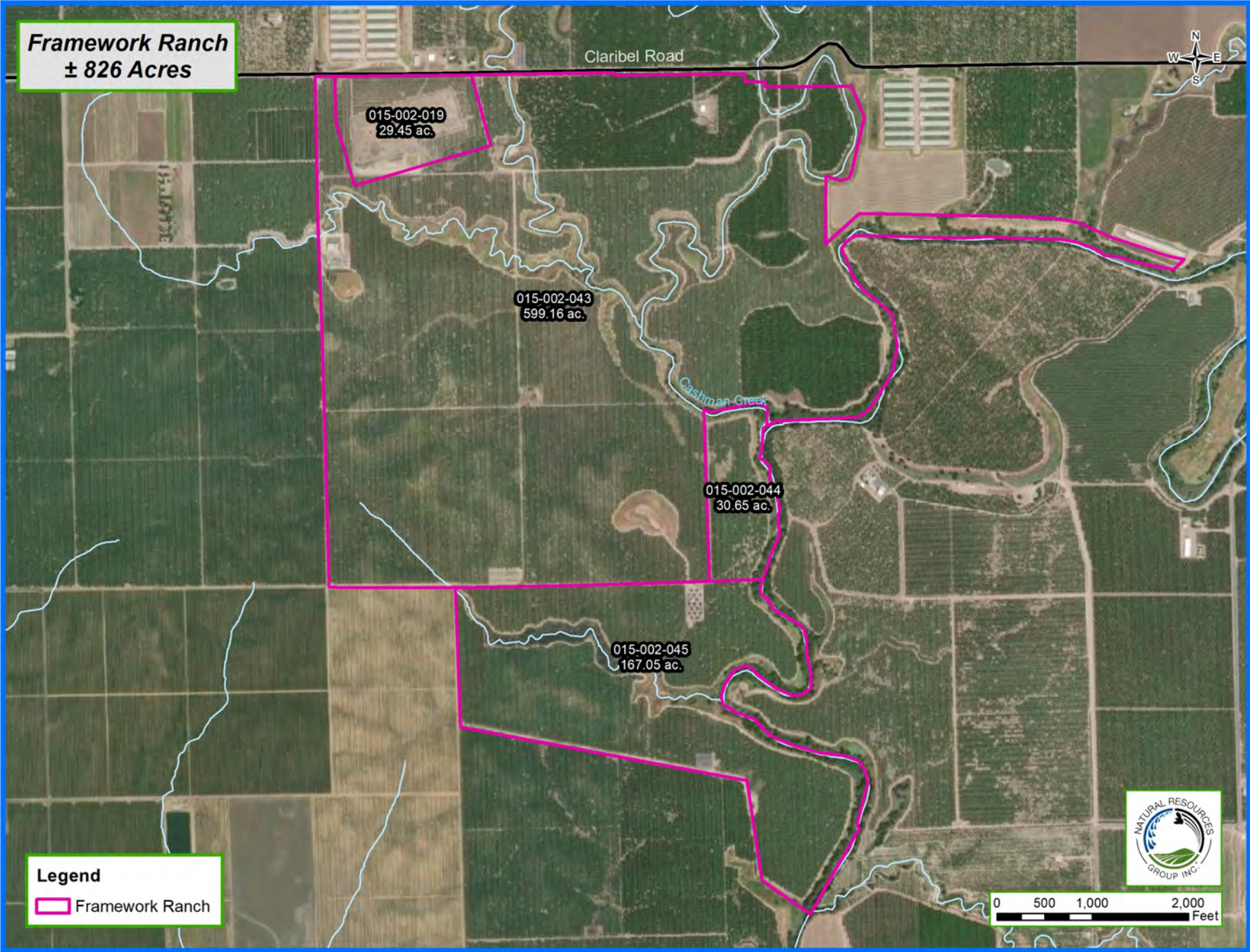
This is an excellent opportunity to acquire a quality turnkey operation with multiple water sources, consisting of groundwater, Modesto Irrigation District surface delivery and Oakdale Irrigation District surface delivery water.

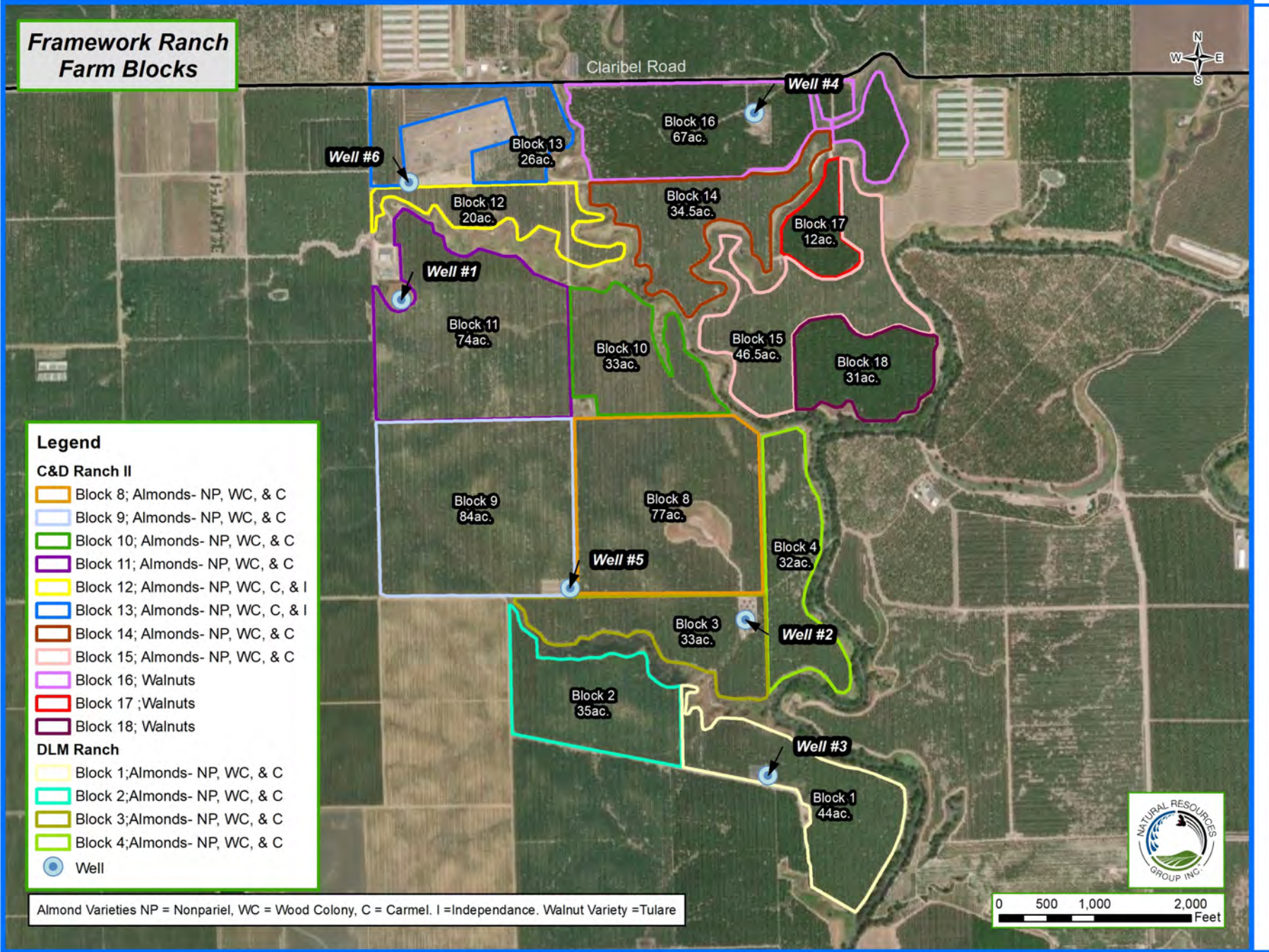
Framework Ranch has made significant investments in infrastructure with the ability to distribute water throughout the ranch, as well as installation of solar arrays for the main pumps and shop.

**ZONING:** Stanislaus County A-2-40, Exclusive Agriculture.



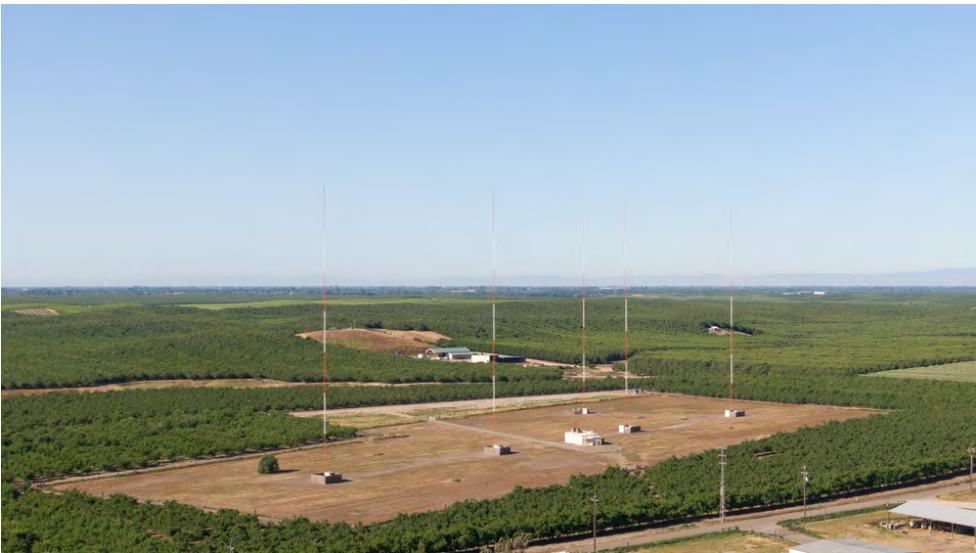
FRAMEWORK RANCH





**LEASE SUMMARY**

TENANT	COMMENCE - TERMINATE	RENT STRUCTURE
<p><b>Radio Tower</b></p> <p>Description</p>	<p>07/12/14 to 07/11/24</p> <p>Initial term with 5 year options to extend through 2044.</p> <p>Situated at 14600 Claribel Road, transmitter building, five antenna towers, guy wire anchors, buried copper antenna ground system and various and sundry buildings and appurtenances related to the operation of Standard Broadcast Station.</p>	<p>Cash Rent</p>
<p><b>Cold Storage/ Apiary Lease</b></p> <p>Description</p>	<p>10/1/2022 to 9/30/2027</p> <p>Initial term with 5 year options to extend through 2042.</p> <p>Cold storage facility is leased to an Apiary. Activities include receiving and shipping of bees and related equipment, storing and working bees on the antenna yard and cold storage yard, storing bees in the cold storage, maintenance and repair of equipment.</p>	<p>Cash Rent</p>



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**WATER:** The property has deep water wells on solar power with a buy-back contract for excess power. Approximately 37 acres of the ranch are served by Modesto Irrigation District (MID). The Owner is working with MID to secure the historical water usage from MID which totals approximately 137 acres. Approximately 158.55 acres of the ranch are within the Oakdale Irrigation District (OID). OID has stated water can be delivered, in surplus water years, to the Fringe Parcel balance of the APN of approximately 440.61 acres. An additional out of district parcel of approximately 30.65 acres is eligible to apply to the proposed 10 year out of district program to receive surplus water. Owner currently is not utilizing the OID water on the ranch but has plans to develop a reservoir and intake to efficiently utilize the water.

**STRUCTURES:** Shop, equipment storage, radio tower, cold storage building.

**EQUIPMENT:** Equipment is not included in the sale of the property but is available for purchase under separate agreement. A complete list of equipment can be found in the Informational Materials.

**SOLAR:** Three solar arrays in the orchard and an array on the Shop Building provide significant savings on power cost.

**TAXES & ASSESSMENTS:** The property is enrolled in the Williamson Act.

ASSESSMENTS & PROPERTY TAXES							
APN	YEAR	ACRES	LAND	STRUCTURAL IMPROV	GROWING IMPROV	TOTAL ASSESSMENT	TAXES TOTAL
015-002-019-000	2021-2022	29.45	\$ 825.84	\$ -	\$ -		\$ 1,426.08
015-002-043-000	2021-2022	599.16	\$ 2,845,684.00	\$ 940,253.00	\$ 2,662,810.00	\$ 64,487.48	\$ 72,864.44
015-002-044-000	2021-2022	30.65	\$ 110,856.00	\$ 10,207.00	\$ 77,898.00	\$ 1,989.60	\$ 2,244.38
015-002-045-000	2021-2022	167.05	\$ 789,951.00	\$ 555,372.00	\$ 307,968.00	\$ 16,532.90	\$ 19,025.24
	<b>TOTAL</b>	<b>826.31</b>	<b>\$ 3,747,316.84</b>	<b>\$ 1,505,832.00</b>	<b>\$ 3,048,676.00</b>	<b>\$ 83,009.98</b>	<b>\$ 95,560.14</b>

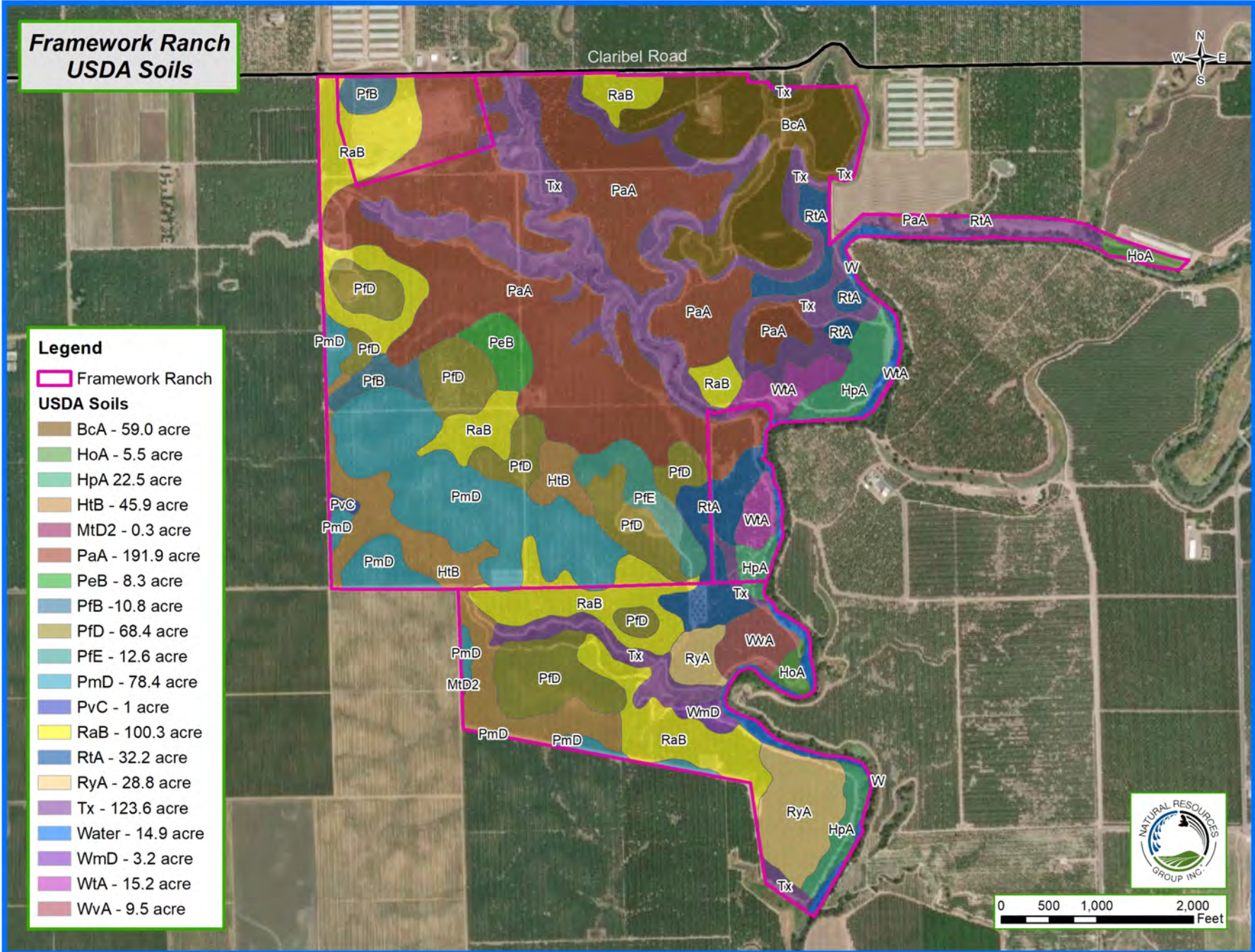
**PRELIMINARY TITLE REPORT:** Available in the Informational Materials.

**MINERAL RIGHTS:** To be conveyed with fee title.

**SALE TERMS:** All cash at closing. Framework Ranch is available for **\$29,788,000**.

**Shown by appointment only - do not enter property.**





**TERMS:**

Offers to be submitted to Listing Brokers with Proof of Funds or Qualifying Letter from Lender attached.

Please contact NRG with any additional questions.



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