

AGREEMENT TO PROCESS ENTITLEMENTS AND FOR THE INTERIM STORM BASIN EASEMENT AND CONVEYANCE OF 60-ACRE PROPERTY TO CITY

This Agreement to Process Entitlements and for the Interim Storm Basin Easement and Conveyance of 60-Acre Property to City ("Agreement"), dated _____, 2026 ("Effective Date"), is by and between the **City of Manteca**, a California municipal corporation (the "City"), **RAFF2, LLC**, a California limited liability company ("RAFF2") and **Scannell Properties, LLC**, an Indiana limited liability company ("Scannell"), and collectively with RAFF2 referred to as the "Developer". The City and Developer are individually referred to herein as a "Party" and collectively, as "Parties."

RECITALS

A. RAFF2 previously entered into two purchase agreements to acquire the real property that is the subject of this Agreement. The first agreement is referred to as the "**Marchesotti Purchase and Sale Agreement**," dated February 6, 2018, with Joe Marchesotti Co., Inc, a California corporation ("**Marchesotti**") as seller, for the sale to RAFF 2 of certain real property located in the City of Manteca, County of San Joaquin, State of California, as more particularly defined in the Marchesotti Purchase Agreement, as amended ("**Marchesotti Property**"). RAFF2's predecessor-in-interest assigned its interest in the Marchesotti Purchase and Sale Agreement to RAFF2 pursuant to the Marchesotti Fourth Amendment.

B. The second purchase agreement is referred to as the "**M&E Purchase and Sale Agreement**" with an Effective Date of May 23, 2018, with M&E Almonds, Inc, a California corporation ("**M&E**") as seller, for the sale to RAFF 2 of certain real property located in the City of Manteca, County of San Joaquin, State of California, as more particularly defined in the M&E Purchase Agreement, as amended ("**M&E Property**"). RAFF2's predecessor-in-interest assigned its interest in the M&E Purchase and Sale Agreement to RAFF2 pursuant to that certain Assignment of Interests dated May 1, 2023.

C. Marchesotti and M&E are collectively referred to as the "**Underlying Owner**."

D. RAFF2 and Scannell have entered into that certain Assignment and Assumption Agreement dated effective as of March 21, 2025, as amended (the "**Assignment and Assumption Agreement**"), whereby RAFF2 will assign all of its rights and duties under the Marchesotti Purchase and Sale Agreement and M&E Purchase and Sale Agreement to Scannell, and Scannell shall assume all of RAFF2's rights and duties under such agreements at each closing for the acquisition of the Marchesotti Property and the M&E Property from the respective Underlying Owner for the development of the Property.

E. Developer has an equitable interest in the M&E Property and the Marchesotti Property that is the subject of the Marchesotti Purchase and Sale Agreement, the M&E Purchase and Sale Agreement, and the Assignment and Assumption Agreement for the acquisition of a combined total of approximately 230 acres of property located in unincorporated San Joaquin County, identified as APN No.'s 204-050-21, 204-050-22, 204-050-42, 197-020-39, and 197-020-02, as shown in **Exhibit A**, attached hereto and incorporated herein (collectively, the "Property").

F. It is the intent of the Underlying Owner and the Developer to develop the Property as an industrial distribution project in two (2) or more phases ("Project"), in accordance with conditions imposed by the City as part of the entitlements approved for the Project. The Project

is subject to the City of Manteca General Plan and City of Manteca Municipal Code. The City will be the principal agency responsible for the land use approvals and entitlements associated with the Project.

G. The Property is not currently within the boundaries of the City but is within the City's sphere of influence. Underlying Owner and Developer desire to annex the Property as part of its development Project.

H. The Parties also intend to enter into an acquisition agreement whereby the City will acquire 60 acres ("City Property") of land controlled by Developer for use for public purposes after approval of entitlements for the Project and annexation of the Property to the City of Manteca.

I. The purpose of this Agreement is to set forth the City's and Developer's respective responsibilities and understandings in pursuing approvals for entitlements for the Project, acquisition of the City Property by the City, and achieving annexation of the Property, all subject to the terms of this Agreement.

AGREEMENT

1. Term of Agreement. This Agreement shall be effective as of the Effective Date, and shall remain in effect until it terminates upon the later of the following dates ("Termination Date"):

- a. The date that the City approves the Entitlements further defined below;
- b. The date that the San Joaquin Local Agency Formation Commission ("LAFCO") approves annexation;
- c. The date that the Developer acquires the Property; and
- d. The date that the last Project certificate of occupancy is issued.

Provided, however, that this Agreement will terminate in the event that the Developer does not acquire the Property or the annexation of the Property to the City has not become final (including an executed LAFCO Certificate of Completion) within twenty-four (24) months after the Effective Date of this Agreement.

2. Entitlements, Application and Project Approvals. Developer agrees to formally submit a complete Project application package for the entitlements identified below as necessary for the development of the Project (the "Entitlements"). The City will process the Entitlements based on the City's applicable rules, regulations, ordinances, policies and development standards in effect at the time the Project Entitlement applications are deemed complete. In addition, contingent on the timing of Developer's submittal of the Entitlement applications to City, the completeness of the application materials, and Developer (and its consultants) turnaround time, the City agrees to use reasonable efforts to expedite the processing and approval of the Entitlements with the intention that the annexation/reorganization application be submitted to LAFCO within eighteen (18) months after the Effective Date of this Agreement.

a. CEQA. The City will be the lead agency for purposes of conducting the analysis of environmental impacts of the proposed Project pursuant to the requirements of the California Environmental Quality Act ("CEQA"). Dependent upon the submittals in Developer's Entitlement application, the City will use reasonable efforts to expedite the environmental review of the development of the Project. The City will use reasonable efforts to utilize the City's prior environmental documents for the Property and recent General Plan Amendment, and will consider a statutory exemption under CEQA, if one applies.

b. Site Plan and Tentative Map. Site Plan and Tentative Map. The Developer's Entitlement application package shall include a site plan and tentative subdivision map for the Project. The site plan shall depict the proposed development concept, including building locations, circulation patterns, access points, parking areas, storm drainage facilities, open space areas, and the location of the City Property, as may be required by the City's development application requirements.

The Parties acknowledge that the final site plan, building footprints, building configurations, building layouts, access locations, infrastructure improvements, architectural design, and other development features of the Project have not been finalized and will be reviewed, refined, and considered as part of the City's entitlement and development review process. Final approval of the site plan and building layouts shall occur through the applicable entitlement, environmental review, engineering, and permit approval processes, and shall be coordinated between the Developer and the City in accordance with applicable City regulations, policies, standards, and conditions of approval. Any site plan submitted in connection with the Entitlement application shall supersede any preliminary site plans previously provided to the City.

c. Pre-zoning of the Property. Because the Property currently has no zoning designation, the Developer's Entitlement application package will include submittals for pre-zoning of the Property to a M1 (Light Industrial) and PQP (Public Quasi Public) zoning district development standards.

d. Annexation.

i. The Developer shall prepare and submit the application for annexation/reorganization with LAFCO. Developer shall take the steps necessary to achieve annexation of the Property and detachment from any current maintenance or fire districts at the soonest reasonable opportunity in accordance with a schedule approved by the Parties. The Parties agree to cooperate in the processing of the annexation application as expeditiously as possible.

ii. Developer shall be solely responsible for all costs associated with annexation of the Property into the City, including without limitation the cost of any required environmental review, and shall promptly reimburse City for its costs upon request, including the costs of City personnel and contractors and consultants incurred in connection with the annexation.

iii. The City staff and Planning Commission shall review the development proposal and Project applications submitted under this Section 2 and make recommendations to the City Council which shall take such action thereon, and such action as to final annexation, as it deems to be in the best interests of the City.

3. Post-Annexation Services. The City will consider applicable City standards that may apply to the provision of City utilities and services upon annexation of the Property. Upon annexation, and subject to applicable City's standard conditions and requirements, the City agrees to:

a. Provide all necessary City services and utilities for the Project.

b. Approve connections to all City water, sanitary sewer, and storm drainage lines to the Project, subject to the terms contained in this Agreement.

c. Provide police and fire services.

4. Fees. The Project will be subject only to the City's normal fees and costs, including but not limited to, fees and costs for Entitlement applications, environmental review, annexation, permits, and impact fees. The City will provide Developer with a building permit fee estimate as part of its review of Developer's Project building permit applications.

5. 60-acre City Property Acquisition.

a. Concurrently herewith, the City and Developer agree to enter into a purchase and sale agreement (the "PSA") for the City's acquisition of 60 acres of land from Developer ("City Property"), which acquisition is expected to close escrow within 30 days after approval of Project entitlements and annexation of the Property to the City with all appeal periods having lapsed without the filing of any appeals or lawsuits. In the event lawsuits were filed challenging the Entitlements, such lawsuits must be successfully resolved prior to the Acquisition. The purchase price of the City Property shall be \$6,500,000. The purchase price will be subject to a \$650,000 credit for the grant of the interim 5-acre Storm Basin Easement described in Section 6(a) below.

b. In the event the Purchase and Sale Agreement described in Section 5(a) is terminated prior to the close of escrow, the obligations of the Parties under Section 6 (Storm Drainage and Capacity) and Section 7(e)(5) that are expressly conditioned upon the City's acquisition of the City Property shall automatically terminate and be of no further force or effect. Notwithstanding the foregoing, termination of the Purchase and Sale Agreement shall not, by itself, require the removal of any public improvement from the City's Public Facilities Implementation Plan ("PFIP").

6. Storm Drainage and Capacity.

a. Easement. In accordance with the terms of the PSA, Developer shall provide an easement dedicating to the City a 5-acre storm drain basin easement ("Storm Basin Easement") for which the City will pay to the Developer the amount of \$650,000 at the time of dedication ("City Storm Basin"). The City Storm Basin shall be fenced upon completion of construction by the developer of the Union Ranch North Subdivision.

b. Developer shall use reasonable best efforts to maximize the buffer area adjacent to its southern and western property boundaries to treat and retain on-site storm drainage runoff prior to it entering the City Storm Basin, which terms shall be included in the PSA.

c. Capacity.

1. Pursuant to the City's preliminary engineering conditions for the Project dated 9/9/2025 ("Preliminary Conditions"), the City Storm Basin initially constructed pursuant to this Agreement and the PSA and shall be designed and constructed solely to serve the stormwater retention needs of the Union Ranch North Project and shall function as a basin sized only for the Union Ranch North Development required capacity. Union Ranch North Developer shall not be required to design or construct the City Basin to accommodate storm drainage from other properties or to ultimate tributary area capacity.

The developer(s) of properties identified in Exhibit B, including the Scannell/RAFF2 project area and other future tributary lands, shall be responsible for any future expansion, modification, or

enlargement of the City Storm Basin necessary to accommodate their stormwater runoff and to convert or modify the facility from a retention basin to a detention basin, as required by the City's ultimate drainage design. Such future improvements may include, but shall not be limited to, basin enlargement, hydraulic modifications, additional pumping facilities, and related stormwater infrastructure required to achieve ultimate design capacity.

Developer shall design and construct the pump station serving the City Storm Basin to ultimate design capacity for the future tributary area identified in Exhibit B, consistent with the City's ultimate drainage design requirements. The Parties acknowledge and agree that the pump station constitutes a Public Facilities Implementation Program ("PFIP") improvement to be fully funded by the City through the PFIP program. Accordingly, all reasonable and eligible costs associated with the design and construction of the pump station, including pumps, mechanical and electrical components, controls, and related appurtenant infrastructure required to achieve ultimate design capacity, shall be PFIP creditable and/or reimbursable against Project PFIP fees in accordance with applicable City ordinances, resolutions, and policies.

Piping and conveyance facilities extending to the pump station shall not be PFIP creditable, however, the cost for any pipe oversizing (above and beyond sizing to serve RAFF2 project) may be recovered through an Area of Benefit established by Developer, or other reimbursement mechanism approved by the City.

2. Pursuant to the City's Preliminary Conditions for the Project, Developer shall design and construct a pump station on the City Property to discharge storm drainage from the City Storm Basin, which shall be approved by the City. Developer shall pay for the cost of the design and construction. Such improvements are identified in the Public Facilities Implementation Plan ("PFIP") and therefore such costs by Developer shall be eligible for credits against PFIP storm drainage fees.

7. Additional City Obligations.

a. The City agrees that it will not require Developer to enter into a development agreement, as described in Government Code section 65865, as a condition to approval of the Entitlements.

b. The City will use reasonable efforts to expedite the issuance of grading permits and building permits.

c. EVA. The City shall use reasonable efforts to ensure adequate emergency vehicle access for the Project through the Union Ranch North Subdivision, identified as APN No.'s 197-020-21, -22, -23, -41, -46, and -47, which is located south of the Property ("Union Ranch North Subdivision"), to accommodate emergency vehicle access requirements for the Project by the date of issuance of the first grading or building permit for the Project, subject to any delays outside the City's control.

d. Water and Sewer Stubs. City agrees to use reasonable efforts to ensure that water and sewer main stubs are provided to the Project through the Union Ranch North Subdivision. In the event sewer and water mains are not in place by the issuance of the first grading or building permit for the project, City shall ensure a public utility easement through the Union Ranch North Subdivision sufficient for said sewer and water main is recorded.

e. STAA Route and Roth Road.

1. The City agrees to use reasonable efforts to support a temporary Surface Transportation Assistance Act ("STAA") route designation from the Property boundary to Lovelace Road and Union Road, north to French Camp Road.

2. The STAA route designation is anticipated to remain in place until such time as Roth Road is constructed from the Property boundary to Union Road, and when and if it is designated as a STAA route.

3. The City agrees to use reasonable efforts to obtain a right-of-way for Roth Road from the Property boundary to Union Road for construction of the Roth Road extension. Developer may phase the construction of the Roth Road extension in accordance with the phasing of its Project construction, and Developer shall not be required to commence construction of the Roth Road extension until the Marchesotti property develops in the second phase of the Project. Provided right-of-way is obtained for the Roth Road extension, Developer shall construct the Roth Road extension, including the installation of associated utility improvements, at its own cost, in accordance with the Project phasing; provided that the Roth Road improvements (limited to two lanes and a median) will be eligible for PFIP credit to the Project. Developer shall obtain City approval on the design of improvements. Other sources of funding for the extension (Measure K, etc.) will reasonably be pursued by City. The construction of Roth Road, provided right-of-way is obtained, shall be completed prior to the first Certificate of Occupancy for the second phase of the Project.

4. In the event that the Roth Road extension is not constructed by the opening of the City Property to public use, upon the City's request, the Developer shall install landscape mounding or wall screening along Lovelace Road where it fronts the City Property. The Developer shall obtain any required City approvals prior to making such improvements.

5. Developer shall construct improvements for Union Road that are PFIP reimbursable including but not limited to sewer, water, and street. Developer shall obtain City approval on the design of the improvements and all work shall be PFIP reimbursable or creditable.

8. Developer Obligations. In exchange for the City's agreement to expedite the processing of the Project Entitlements in accordance with this Agreement, Developer agrees to the following terms:

a. Developer shall be responsible to pay all post-city entitlement fees (e.g. LAFCo/SJLAFCO/San Joaquin County/State technical and processing fees).

b. Prior to the LAFCO hearing on annexation, Developer will be responsible for payment of applicable fees for detachment from any applicable maintenance and/or fire districts.

c. CFD. Developer agrees to participate in a newly created CFD or other regional funding program for its proportionate share of the future Roth Road maintenance costs.

d. Water and Sewer Improvements. Developer shall be required to install water and sewer improvements in Union Road to serve the Project. The Developer shall install all water and sewer main lines in Union Road that are necessary for the Project (approximately 2,700 feet) at its own cost. In the event the improvements are identified in the PFIP, Developer shall be eligible for credits against water and sewer fees, as applicable. Any portion of the pipeline

improvements located outside of Union Road may not be PFIP creditable but any oversizing of such improvements shall be recoverable from benefitted properties through an Area of Benefit.

9. Notices: Any notices relating to this Agreement shall be given in writing and shall be deemed sufficiently given and served for all purposes when either (i) delivered personally; (ii) by generally recognized overnight courier services; (iii) five (5) days after deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid; (iv) or via email to the email address indicated below, which will be effective at such time as it is sent, provided that acknowledgement of receipt is received, addressed as follows:

City:

City of Manteca
Attn: City Manager
1001 W Center Street
Manteca, CA 95337

With copy to:

Kronick, Moskovitz, Tiedemann & Girard
1331 Garden Hwy., 2nd Floor
Sacramento, CA 95833
Attention: Mona G. Ebrahimi
Telephone: (916) 321-4500
Facsimile: (916) 321-4555

Developer:

RAFF2 LLC
1433 Moffat Blvd. Ste 13
Manteca, CA 95336

Either party may change its address by written notice to the other given in the manner set forth above.

10. Entire Agreement: The terms of this Agreement, together with the exhibits to it, are intended by the parties as a final expression of their agreement with respect to such terms and exhibits as are included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement specifically supersedes any prior written or oral agreements between the parties. The language in all parts of this Agreement shall be construed as a whole in accordance with its fair meaning.

11. No Vested Rights. Nothing herein is intended to vest Developer in the policies and ordinances of the City, and references herein to City policies, including references to specific fees and charges due pursuant to those policies, shall be read to include amendments and modifications of those policies (and fees and charges) occurring during the term of this Agreement.

12. Amendments and Waivers. No addition to or modification of this Agreement shall be effective unless set forth in writing and signed by the party against whom the addition or modification is sought to be enforced. The party benefited by any condition or obligation may waive the same, but such waiver shall not be enforceable by another party unless made in writing and signed by the waiving party.

13. Indemnification, Defense and Hold Harmless. Developer shall indemnify, defend, and hold harmless the City and its officers and employees from and against any and all claims,

liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with (a) the actions described herein (including any challenge to the validity or enforceability of any provision of this Agreement) and (b) the attack on or set aside, voiding or annulment of any action by City on the subject annexation, or any of the proceedings, acts or determinations taken, done or made prior to or concurrently with said annexation. This indemnification obligation shall survive this Agreement and shall not be limited by any insurance policy, whether required by this Agreement or otherwise

14. Attorney Fees. If any legal or equitable proceedings are brought to enforce any of the terms or conditions of this Agreement, or in connection with any alleged disputes, breaches, defaults, or misrepresentations relating to any provision of this Agreement, the prevailing party in such action, or the non-dismissing party where dismissal occurs other than by reason of settlement, shall be entitled to recover its reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and costs of defense or prosecution paid or incurred in good faith. The "prevailing party" for purposes of this Agreement shall be deemed to be that party who obtains substantially the result sought.

15. Assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

17. Applicable Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to principles of conflicts of law. In the event of litigation arising under this Agreement, venue shall reside exclusively in the Superior Court of the County of San Joaquin.

18. No Joint Venture or Partnership. The Parties hereby renounce the existence of any form of joint venture or partnership between any or all of the Parties and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making any or all of the Parties joint venturers or partners. Further, the Developer is not an agent of the City.

19. Cooperation in the Event of Legal Challenge. In the event of any administrative, legal or equitable action or other proceeding instituted by a third party, governmental agency or official challenging the validity of any provision of this Agreement or the integrated annexation proceedings described herein, the Parties shall cooperate in defending the action or proceeding.

20. Authority. Each Party hereto and each person executing this Agreement on behalf of any Party hereby represents and warrants that the under-signed have the authority and capacity to make the releases set forth hereinabove and have the authority to execute this document on behalf of the named principal.

IN WITNESS WHEREOF, each Party has executed this Agreement on the date which appears next to the corresponding signature.

Dated: _____, 2026

CITY:

CITY OF MANTECA,
a California municipal corporation

By: _____
Toni Lundgren
City Manager

Dated: _____, 2026

DEVELOPER:

RAFF, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

RAFF, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

RAFF, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

Approved as to form:

Dated: _____, 2026

By: _____
Name: Andy Pinasco
Title: Interim City Attorney

Dated: _____, 2026

By: _____
Name: _____
Title: Attorney for Developer

Exhibit "A" Legal Description 1

The land described herein is situated in the State of California, County of San Joaquin, unincorporated area, described as follows:

PARCEL ONE:

The North 70 acres of the Northeast quarter (NE-1/4) of Section 20, Township 1 South, Range 7 East, Mount Diablo Base and Meridian.

EXCEPT the West 50 feet thereof.

ALSO EXCEPT portion in road along the East line thereof.

ALSO EXCEPT a strip of land deeded to South San Joaquin Irrigation District, by Deed recorded May 15, 1952, in Book 1422 of Official Records, Page 29, as Instrument No. 15124, and particularly described as follows:

A strip of land 60 feet in width in the North 70 acres of the Northeast quarter of Section 20, Township 1 South, Range 7 East, Mount Diablo Base and Meridian which said strip of land lies East of, adjacent to and parallel with the East line of right of way of the Tidewater Southern Railway and containing 1.59 acres, more or less.

APN: 197-020-02

PARCEL TWO:

The West 50.00 feet of that portion of the Northeast quarter (NE-1/4) of Section 20, Township 1 South, Range 7 East, Mount Diablo Base and Meridian, bounded on the South by the Westerly prolongation of the North line of Lot 7, Brunswick Tract, as recorded in Volume 4 of Maps and Plats, at Page 36, San Joaquin County Records.

EXCEPT all minerals and all mineral rights of every kind and character now known to exist or hereafter discovered underlying said land, including without limiting the generality of the foregoing, oil and gas and rights thereto, together with the sole, exclusive and perpetual right to explore for, remove and dispose of said minerals by means or methods suitable to Grantor, its successors and assigns, but without entering upon or using the surface of said property, and in such manner as not to damage the surface of said property, or to interfere with the use thereof by the Grantee, its successors and assigns, as reserved in Quitclaim Deed executed by Union Pacific Railroad Company, a Utah corporation (which through merger with the Tidewater Southern Railway Company became successor in interest to the real property described herein), recorded September 30, 1993, as Document No. 93113423, San Joaquin County Records.

APN: 197-020-39

Exhibit "A" Legal Description 2

The land described herein is situated in the State of California, County of San Joaquin, unincorporated area, described as follows:

PARCEL ONE:

The North one-half (N-1/2) of the North one-half (N-1/2) of the Southwest quarter (SW-1/4) of Section 17, Township 1 South, Range 7 East, Mount Diablo Base and Meridian.

EXCEPTING THEREFROM that portion as conveyed to the County of San Joaquin, by document recorded November 16, 1926, in Book "A" of Deeds, Vol. 262, Page 452, San Joaquin County Records.

ALSO EXCEPTING THEREFROM that portion as conveyed to Tidewater Southern Railway Company, a California corporation, by document recorded May 16, 1931, in Book of Official Records, Vol. 374, Page 43, San Joaquin County Records.

APN: 204-050-21

PARCEL TWO:

The South one-half (S-1/2) of the Southwest quarter (SW-1/4) of Section 17, Township 1 South, Range 7 East, Mount Diablo Base and Meridian.

EXCEPTING THEREFROM the East 25 feet of said premises conveyed to Tidewater Southern Railway Company, a California corporation.

ALSO EXCEPTING THEREFROM that portion as conveyed to the County of San Joaquin, by document recorded November 16, 1926, in Book "A" of Deeds, Vol. 262, Page 446, and in Book "A" of Deeds, Vol. 262, Page 455, San Joaquin County Records.

Portion of APN: 204-050-22

PARCEL THREE:

The South one-half (S-1/2) of the North one-half (N-1/2) of the Southwest quarter of Section 17, Township 1 South, Range 7 East, Mount Diablo Base and Meridian.

EXCEPTING THEREFROM that portion as conveyed to the County of San Joaquin, by document recorded November 16, 1926, in Book "A" of Deeds, Vol. 262, Page 452, and in Book "A" of Deeds, Vol. 262, Page 455, San Joaquin County Records.

ALSO EXCEPTING THEREFROM that portion as conveyed to Tidewater Southern Railway Company, a California corporation, by document recorded May 16, 1931, in Book of Official Records, Vol. 374, Page 43, San Joaquin County Records.

ALSO EXCEPTING THEREFROM that portion as conveyed to the South San Joaquin Irrigation District, in document recorded October 1, 1937, in Book of Official Records, Vol. 592, Page 197, San Joaquin County Records.

Portion of APN: 204-050-22

PARCEL FOUR:

The East 25.00 feet of the Southwest quarter (SW-1/4) of Section 17, and the West 12.50 feet of the Southeast quarter (SE-1/4) of Section 17, all in Township 1 South, Range 7 East, Mount Diablo Base and Meridian, pursuant to that certain Notice of Lot Line Adjustment, Application No. LA-92-103, recorded October 1, 1993, as Document No. 93113653, San Joaquin County Records.

EXCEPTING THEREFROM all minerals and all mineral rights of every kind and character now known to exist or hereafter discovered underlying said land, including without limiting the generality of the foregoing, oil and gas and rights thereto, together with the sole, exclusive and perpetual right to explore for, remove and dispose of said minerals by means or methods suitable to the Grantor, its successors and assigns, but without entering upon or using the surface of said property, and in such manner as not to damage the surface of said property, or to interfere with the use thereof by the Grantee, its successors and assigns, as reserved in Quitclaim Deed executed by Union Pacific Railroad Company, a Utah corporation, recorded September 30, 1993, as Document No. 93113423, San Joaquin County Records.

APN: 204-050-42

EXHIBIT B
(Easement Area)

Ultimate drainage area related to RAFF2 project requirements (beyond project parcels) for pump sizing and City's design of regional detention basin are based on serving the following properties:

- 204-050-470
- 204-050-460
- 204-050-480
- 204-050-300
- 204-050-310
- 204-050-450
- 197-020-290
- 197-020-300
- 197-020-360
- 197-020-350
- 197-020-200
- 197-020-460
- 197-020-220
- 197-020-210
- 197-020-230
- Roadways adjacent to RAFF2 Industrial Project and constructed as part of project