PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Joint Escrow Instructions (this “Agreement”) is made and entered into as of April 8, 2016 (the “Effective Date”) by and between Delta Wetlands Properties, an Illinois general partnership (“Seller”), and The Metropolitan Water District of Southern California, organized and existing under the Metropolitan Water District Act (West’s Water Code Appendix, Chapter 109) (“Buyer”).

Certain terms used in this Agreement have the meanings stated in Section 15.

RECITALS

A. Seller is the owner of the Property, as defined and described in Section 1.1 below.

B. Subject to and on the terms and conditions set forth in this Agreement, Seller wishes to sell the Property to Buyer, and Buyer wishes to purchase the Property from Seller.

NOW THEREFORE, for valuable consideration the receipt and sufficiency of which are acknowledged, the parties agree as follows:

Section 1. THE PROPERTY; AGREEMENT OF PURCHASE AND SALE.

1.1 The Property. As employed in this Agreement, the term “Property” means Seller’s interest in all of the following: (a) the land identified in Schedule 1.1-1 (the “Land”); (b) any and all easements, rights-of-way, title, interests and rights (including without limitation mineral rights, development rights, air rights, water allocations and water rights) that are appurtenant to the Land at the time of the Closing; (c) the Identified Licenses/Permits; (d) all improvements located on the Land at the time of the Closing; (e) the Third Party Agreements; and (f) the Related Personal Property; provided, the Property does not include any of the property identified in Schedule 1.1-2 (the “Excluded Property”).

1.2 Purchase and Sale. Subject to and on the terms and conditions set forth in this Agreement, Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller.

1.3 Escrow. Buyer and Seller have established an escrow (“Escrow”) with First American Title Company (the “Escrow Holder”), subject to the terms and conditions in this Agreement, with a signed counterpart of this document to be delivered as preliminary escrow instructions to the Escrow Company. The Escrow Holder shall execute and deliver a counterpart of this Agreement to each of Seller and Buyer.

Section 2. PURCHASE PRICE.

2.1 Purchase Price. The purchase price of the Property (the “Purchase Price”) is One Hundred Seventy-Five Million Dollars ($175,000,000).

2.2 Payment. Buyer shall pay the Purchase Price to Seller as follows:
(a) **Inducement Payment.** Within five (5) days after the Effective Date and as an inducement to Seller to enter into this Agreement, Buyer shall pay Seller the sum of One Million Five Hundred Thousand Dollars ($1,500,000) in immediately available funds (the "Inducement Payment"). The Inducement Payment is non-refundable except as provided in Section 11.1. If the purchase and sale of the Property occurs, then the Inducement Payment shall be credited to the Purchase Price.

(b) **Independent Consideration.** Within five (5) days after the Effective Date, in addition to the delivery of the Inducement Payment, Buyer shall pay to Seller the amount of One Hundred Dollars ($100) as independent contract consideration (the "Independent Consideration Amount"). The Independent Consideration Amount has been bargained for and agreed to as separate and independent consideration for Buyer’s exclusive right to purchase the Property pursuant to the terms of this Agreement, and for Seller’s execution and delivery of the Agreement. The Independent Consideration Amount shall be deemed fully earned by Seller, and shall be considered non-refundable to Buyer in all events, but if the purchase and sale of the Property occurs shall be credited to the Purchase Price.

(c) **Payment of Balance.** On or before the Closing Date, Buyer shall pay the balance of the Purchase Price, plus or minus prorations and closing costs as provided in Section 10.7, by electronic transfer of immediately available funds into Escrow in accordance with Section 10.5(a). At the Closing, the amount so paid into escrow by Buyer shall be paid to Seller by electronic transfer of immediately available funds in accordance with Section 10.6.

**Section 3. DUE DILIGENCE**

3.1 **Due Diligence Period.** The “Due Diligence Period” is the period beginning on the Effective Date and ending at 5:00 p.m. Pacific Time on June 3, 2016.

3.2 **Due Diligence Investigation.** During the Due Diligence Period, Buyer may conduct an investigation and review of such matters pertaining to an investment in the Property as Buyer deems advisable in its discretion (the “Due Diligence Investigation”). In connection with Buyer’s Due Diligence Investigation, Buyer shall have access to the Property on the terms and conditions set forth in the Access Agreement that has been entered into between Buyer and Seller, a copy of which is set forth in Schedule 3.2 (the “Access Agreement”).

3.3 **Approval/Disapproval of Due Diligence Investigation.** Buyer shall approve or disapprove the results of its Due Diligence Investigation (which it may do for any or no reason) by written notice delivered to Seller no later than 5:00 p.m. Pacific Time on the last day of the Due Diligence Period. If Buyer timely disapproves the results of its Due Diligence Investigation by written notice delivered to Seller no later than 5:00 p.m. Pacific Time on the last day of the Due Diligence Period, this Agreement shall terminate and Section 11.3 shall apply.

**Section 4. CONDITION OF TITLE.**

4.1 **Title Review.**

(a) Prior to the Effective Date, Orange Coast Title Company (the “Title Company”) delivered to Buyer and Seller one or more preliminary title reports on the Property (collectively, the "Preliminary Report"), together with links to the supporting documents (the “Supporting Documents”).

(b) Buyer shall have until 5:00 p.m. Pacific time on May 27, 2016 to provide Seller with written notice of the Title Conditions (other than the Standard Title Exceptions, the Title Conditions identified in Schedule 9.1(d) and any Third Party Conditions, all of which shall be deemed Permitted Exceptions without any action by Buyer) that Buyer will and will not accept as
Title Conditions affecting the Property as of the Closing. The Title Conditions that Buyer will accept, as stated in Buyer’s notice under this Section 4.1(b), are sometimes collectively referred to in this Agreement as “Accepted Title Conditions.” Any Title Conditions that are not Accepted Title Conditions shall be deemed to be disapproved by Buyer subject to the following provisions of this Section 4.1, and are sometimes collectively referred to in this Agreement as “Unaccepted Title Conditions.” Seller acknowledges and agrees (i) that Buyer may accept or not accept any Title Condition reviewed by Buyer under this Section 4.1(b) (including but not limited to any of the items identified in Part B of Schedule 7.1(d)) for any or no reason as Buyer deems appropriate, and (ii) that Buyer may refuse to accept any such Title Condition that is not evidenced by a writing unless it is reduced to writing in a form acceptable to Buyer.

(c) No later than 5:00 p.m. Pacific time on June 3, 2016 (as extended if at all pursuant to the provided clause of this sentence, “Seller’s Response Deadline”), Seller shall notify Buyer in writing (i) whether Seller intends to remove or terminate any Unaccepted Title Conditions; provided, in the event Seller wishes to have a longer period to consider any Unaccepted Title Condition(s), Seller may extend Seller’s Response Deadline to any Business Day that is no later than July 6, 2016, in which event the Closing Date (if any) shall be extended to the fourth (4th) Business Day next succeeding Seller’s Response Deadline as so extended.

(d) If Seller timely notifies Buyer that it intends to remove or terminate all Unaccepted Title Conditions, then Seller shall be obligated to do so at or before the Closing.

(e) If Seller timely indicates to Buyer in writing that it does not intend to remove or terminate one or more Unaccepted Title Conditions, or if Seller fails to timely notify Buyer of its intent concerning the removal or termination of any Unaccepted Title Condition, Buyer may elect by written notice to Seller to purchase the Property subject to all Unaccepted Title Conditions, in which event all Unaccepted Title Conditions shall become Accepted Title Conditions and Permitted Exceptions. In the event Buyer does not make this election by 5:00 p.m. Pacific time on the fifth (5th) Business Day next succeeding Seller’s Response Deadline, this Agreement shall terminate, and Section 11.3 shall apply.

(e) Seller covenants and agrees that unless and until this Agreement terminates, Seller will not create any Title Condition on the Property other than (i) this Agreement, (ii) any mechanics lien or other Title Condition, other than a Permitted Exception, that is satisfied, bonded against by Seller or otherwise removed prior to the Closing, and (iii) any Permitted Exception. In the event Seller creates a mechanics lien or Title Condition that is not a Permitted Exception pursuant to subsection (ii) above between the Effective Date and the Closing, Seller will notify Buyer, prior to the Closing, of such Title Condition on the Property and explain how Seller resolved the Title Condition. Seller’s failure to properly satisfy, bond against or otherwise remove any mechanics lien or other Title Condition that is not a Permitted Exception prior to Closing shall constitute a material Seller breach of this Agreement.

Section 5. SELLER DOCUMENTS.

5.1 Seller’s File Indices. Prior to the execution and delivery of this Agreement, Seller has provided Buyer with copies of the indices of Seller’s files that exist at the Effective Date, as prepared by Seller or Ellison, Schneider & Harris in the ordinary course of business, to track those Seller files (collectively, the “Seller File Indices”). Also prior to the execution and delivery of this Agreement, Buyer has identified to Seller those of the files shown in the Seller Indices that Buyer wishes to have access to for purposes related to Buyer’s investigation of the Property (the “Buyer Identified Files”).

5.2 Seller’s Examination. Promptly after the execution and delivery of this Agreement, Seller shall conduct such examination as Seller deems appropriate to identify and
segregate from Seller’s files those Buyer Identified Files that contain information that is privileged, proprietary or confidential (which shall include, without limitation, internal memoranda and appraisals) (collectively, the “Confidential Documents”). Periodically as it identifies and segregates Confidential Documents, Seller shall notify Buyer thereof, describing the category of Confidential Documents involved (e.g., attorney client privileged, proprietary, etc.), but without otherwise disclosing the contents thereof. In the event Buyer should wish to dispute Seller’s identification of any document as a Confidential Document, the dispute shall be settled by appropriate mutually agreed expedited procedures that preserve the confidentiality of the documents Seller has identified as Confidential Documents pending the resolution of the dispute.

5.3 Buyer’s Examination. Promptly after Seller identifies and segregates Confidential Documents from any portion of the Buyer Identified Files, it shall grant Buyer access to the balance of that portion of the Buyer Identified Files (either electronically or in place where the Buyer Identified Files are located), so Buyer’s Agents may at Buyer’s expense examine the balance of that portion of the Buyer Identified Files and at Buyer’s expense make copies thereof in place as Buyer deems appropriate.

5.4 Disputed Files. In the event that Buyer disputes Seller’s determination that any document in the Buyer Identified Files constitutes a Confidential Document and that dispute is resolved adversely to Seller, then promptly upon that resolution Seller shall grant Buyer access to the document in question (either electronically or in place where the document is located), so Buyer’s Agents may at Buyer’s expense examine the document and at Buyer’s expense make copies thereof in place as Buyer deems appropriate.

5.5 Monitoring. Seller shall have the right to be present at and to monitor all examinations of Buyer Identified Files as reasonably determined by Seller to be necessary to ensure the preservation and integrity of all Buyer Identified Files.

5.6 Disclaimer. Seller makes no representation or warranty relating to the accuracy or sufficiency of any of the Buyer Identified Files that are accessed, inspected or copied by Buyer or any Buyer’s Agents (collectively, the “Seller Documents”), and Buyer acknowledges and agrees that Buyer and Buyer’s Agents are responsible for reviewing and verifying the same to the extent any of them wishes to do so.

5.7 Ownership of Information and Documents. All Seller Documents and all other information supplied by Seller to Buyer or any of Buyer’s Agents pursuant to this Agreement are the property of Seller. Buyer and its consultants, engineers and other experts shall have the right to use all Seller Documents delivered by Seller only for the limited purpose of assessing the Property and its fitness for various possible uses. In the event this Agreement is terminated for any reason prior to Closing, Buyer shall promptly return to Seller (or destroy and provide certification of such destruction of) all Seller Documents and all other documents obtained from Seller or Seller’s Agents and, at Seller’s request, shall deliver copies of all documents prepared by or on behalf of Buyer with respect to any physical condition or condition of title of the Property to Seller, which documentation Buyer may retain. Notwithstanding the foregoing, in the event the Closing occurs, Buyer shall be entitled to retain and use all copies of all Buyer Identified Documents that Buyer or any of Buyer’s Agents may have made and to use them for any purpose whatsoever.

Section 6. COVENANTS.

6.1 Maintenance. Until the Closing, Seller shall use its reasonable commercial efforts to maintain the Property in substantially the same physical condition in which it is
currently maintained as of the Effective Date, except for (a) such changes as are incident to
customary uses conducted in the past, (b) such changes (if any) as are consented to in writing
by Buyer, and (c) ordinary wear and tear and casualty. Without limiting the generality of the
preceding sentence and except as permitted by it, from and after the Effective Date Seller shall
not remove from the Land any improvements, fixtures or other property of Seller that would be
Property if located on the Land at the date of the Closing.

6.2 No Transfer of Intangible Property. Between the Effective Date and the
Closing, Seller shall not, without the prior consent of Buyer, voluntarily assign, convey, sell or
transfer any of Seller’s interest in the Third Party Agreements, the Identified Licenses/Permits,
or any and all rights (including without limitation mineral rights, development rights, air rights,
water allocations and water rights) that are appurtenant to the Land as of the Effective Date,
other than any Excluded Property.

Section 7. REPRESENTATIONS AND WARRANTIES; OTHER.

7.1 In General. With the sole exception of those representations and warranties
stated in Section 7.2, neither Seller nor any of Seller’s Agents has made any representation or
warranty, express or implied, affirmative or negative, concerning the Property or any other
matter. With the sole exception of those representations and warranties stated in Section 7.3,
neither Buyer nor any of Buyer’s Agents has made any representation or warranty, express or
implied, affirmative or negative, concerning the Property or any other matter.

7.2 Representations and Warranties of Seller. Seller represents and warrants as
follows:

(a) Organization. At the Effective Date, Seller is, and at the Closing Seller will be, a
general partnership duly organized and validly existing under the laws of the State of Illinois.

(b) Authority. At the Effective Date Seller has, and at the Closing Seller will have,
all power and authority necessary under the Illinois Uniform Partnership Act to execute, deliver
and perform this Agreement, the Access Agreement and the other agreements and instruments
to be executed and delivered by Seller pursuant to this Agreement (this Agreement, the Access
Agreement and such other agreements and instruments being collectively referred to in this
Agreement as the “Seller Agreements”). At the Effective Date, this Agreement and the Access
Agreement are, and at the Closing each of the Seller Agreements will be, the legal, valid and
binding obligation of Seller, enforceable in accordance with their terms except as the
enforcement thereof may be limited by equitable principles and insolvency and other laws
affecting the rights of creditors generally.

(c) No Violation. At the Effective Date and at the Closing, the execution and
delivery by Seller of each of the Seller Agreements, and the performance of its obligations
thereunder, do not and will not violate (and none of such obligations shall be void or voidable
under) any law, regulation, order, arbitration award, judgment or decree to which it is a party or
to which it is subject.

(d) Litigation and Claims. At the Effective Date and to Seller’s Knowledge and
except as set forth in Schedule 7.2(d), there are no existing or threatened suits, actions,
arbitrations, or legal, administrative, or other proceedings, or governmental investigations
pending that would prevent the Closing in accordance with the terms of this Agreement.

(e) Environmental Matters. At the Effective Date and to Seller’s Knowledge and
except as set forth in Schedule 7.2(d): (i) Seller has not received any written notice of violation
or other written notices from any governmental authority issued pursuant to any Environmental
Law with respect to any part of the Property that has not otherwise been remedied or
addressed in all material respects and in material compliance with applicable Environmental Laws; (ii) neither Seller nor any other Person occupying or operating any part of the Property with the permission of Seller or any prior owner of the Property, whether by lease or otherwise, has used, handled, generated, produced, manufactured, treated, stored, transported or Released any Hazardous Substance on the Property in violation of applicable Environmental Law and that has not otherwise been remedied or addressed in all material respects and in material compliance with all applicable Environmental Laws; and (iii) there are no underground storage tanks, whether empty or containing substances of any nature, located in or under any of the Property.

(f) **Condemnation.** At the Effective Date and to Seller’s Knowledge, there are no pending or threatened proceedings in eminent domain, which would affect the Property or any portion thereof. Threatened proceedings in eminent domain mean a public agency with eminent domain powers over any part of the Property has notified Seller, in writing or at a public hearing, of a present intent to commence a possible proceeding in eminent domain against that part of the Property.

7.3 **Representations and Warranties of Buyer.** Buyer represents and warrants as follows:

(a) **Organization.** At the Effective Date, Buyer is, and at the Closing Buyer will be, a metropolitan water district duly organized, validly existing and in good standing under the Metropolitan Water District Act (West’s Water Code Appendix, Chapter 109) and other applicable laws of the State of California.

(b) **Authority.** At the Effective Date Buyer has, and at the Closing Buyer will have, all power and authority necessary under the Metropolitan Water District Act (West's Water Code Appendix, Chapter 109), other applicable laws of the State of California and Buyer’s organizational documents to execute, deliver and perform this Agreement, the Access Agreement and the other agreements and instruments to be executed and delivered by Buyer pursuant to this Agreement (this Agreement, the Access Agreement and such other agreements and instruments being collectively referred to in this Agreement as the “**Buyer Agreements**”). At the Effective Date, this Agreement and the Access Agreement are, and at the Closing each of the Buyer Agreements will be, the legal, valid and binding obligation of Buyer, enforceable in accordance with their terms except as the enforcement thereof may be limited by equitable principles and insolvency and other laws affecting the rights of creditors generally.

(c) **No Violation.** At the Effective Date and at the Closing, the execution and delivery by Buyer of each of the Buyer Agreements, and the performance of its obligations thereunder, do not and will not violate (and none of such obligations shall be void or voidable under) any law, regulation, order, arbitration award, judgment or decree to which it is a party or to which it is subject.

(d) **Litigation and Claims.** To Buyer’s Knowledge, at the Effective Date and except as set forth on **Schedule 7.2(d)**, there are no existing or threatened suits, actions, arbitrations, or legal, administrative, or other proceedings, or governmental investigations pending that would prevent the Closing in accordance with the terms of this Agreement.

7.4 **Acknowledgments and Agreements of Buyer.**

(a) **Access.** Buyer acknowledges that the Title Policy will contain exceptions for, and will not insure Buyer against, lack of access to, from or within any or all portions of the Property and that Seller is providing no assurances with respect to, and has no responsibility
for, access to any or all portions of the Property. The securing of access to, from and within the Property shall be the sole responsibility of Buyer.

(b) **Reclamation Districts.** Buyer acknowledges that (i) the Property is within Reclamation District 756, Reclamation District 2025, Reclamation District 2026 and Reclamation District 2028 (the "Districts"), (ii) the rights of Buyer to use water may be subject to the rights, fees, charges, rules, regulations, ordinances, restrictions, easements, and administration of the Districts, and (iii) ferry service to Webb Tract is administered in connection with Reclamation District 2026. Seller has assisted Buyer in obtaining access to certain files of the Districts. Buyer acknowledges that those files are not Seller Documents or files or property of Seller, that neither Seller nor any of the Districts makes any representation or warranty relating to the accuracy or sufficiency of any of the District files, and that Buyer and Buyer’s Agents are responsible for reviewing and verifying the same to the extent any of them wishes to do so.

(c) **Quitclaim Deed(s).** Buyer acknowledges that the Quitclaim Parcels will be quitclaimed to Buyer pursuant to the Quitclaim Deed(s) described in Section 10.4(b), and Seller makes no representation or warranty regarding title to the Quitclaim Parcels or Buyer’s ability to obtain title insurance on the parcels.

(d) **Assumed Agreements.** At the Closing, and subject to and in accordance with, the terms and conditions of the Assignment and Assumption Agreement, Buyer shall assume and thereafter perform all obligations of Seller under all Third Party Agreements that are Permitted Exceptions and all other contracts, leases and other agreements and obligations that are Permitted Exceptions (collectively, the “Assumed Agreements”).

(e) **CEQA Notice.** Prior to or within 48 hours of executing this Agreement, Buyer will deliver a notice of exemption with required filing fees to the county clerk in the Counties of San Joaquin, Contra Costa and Solano setting forth the determination that Buyer’s acquisition of the Property is exempt from the provisions of CEQA. Buyer shall ensure that the notice is posted and will use commercially reasonable best efforts to ensure that the notice remains posted for a period of no less than 30 days.

Section 8. AS-IS.

8.1 **Certain Environmental Matters.** In the event either party learns of any matter occurring during the period between the Effective Date and the Closing Date that is not an Identified Matter and that would constitute a breach of Seller’s representation and warranty in Section 7.2(e) had that representation and warranty also been made as of the Closing Date instead of only as of the Effective Date (an “Intervening Environmental Matter”), the party learning of it shall promptly notify the other party thereof in writing, describing the matter in reasonable detail. As provided in Section 12.3, Buyer shall have the right to terminate this Agreement on account of the Intervening Environmental Matter if, in the reasonable discretion of the Buyer, such Intervening Environmental Matter materially impacts the future use and enjoyment of the Property.

8.2 “As Is”. Buyer acknowledges that, except to the extent of any express representations and warranties set forth in Section 7.2, neither Seller nor any of Seller’s Agents has made any representations or warranties, express or implied, regarding (i) any of the Property, or (ii) any matters affecting any of the Property or any of the Third Party Agreements, whether made by Seller, on Seller’s behalf or otherwise, including, without limitation, the physical condition of any of the Property, enforceability of any of the Third Party Agreements, title to, or the boundaries of any of the Property, pest control matters, permits, entitlements, soil conditions, the presence, existence or absence of hazardous wastes, toxic substances or other
environmental matters, compliance with building, health, safety, land use and zoning laws, regulations and orders, structural and other engineering characteristics (including seismic factors or damage), economic conditions or projections, and any other information pertaining to any of the Property or the Third Party Agreements or the market and physical environments in which any of the Property is located. Buyer acknowledges: (a) it is a sophisticated investor with sufficient experience and expertise to evaluate the Property and the Third Party Agreements and all matters affecting the Property and the Third Party Agreements including all materials provided to Buyer or in Buyer’s possession, (b) it has received sufficient information and had adequate time to make such an evaluation, (c) it has relied upon its own investigation or that of third parties with respect to the physical, environmental, economic and legal and other condition of the Property and the Third Party Agreements, (d) in connection with its investigations it has had the opportunity to use advisors and consultants, including but not limited to environmental consultants, engineers and geologists, soils and seismic experts, to conduct such environmental, geological, soil, hydrology, seismic, physical, structural, mechanical and other inspections of the Property as it deems to be necessary, and that it has reviewed thoroughly all such reports as well as all materials and other information given or made available to it by Seller, and (e) it is not relying upon any statements, representations or warranties of any kind, other than those specifically set forth in Section 7.2. Buyer further acknowledges that it has not received from or on behalf of Seller any accounting, tax, legal, engineering or other advice with respect to this transaction, and is relying solely upon the advice of its own accounting, tax, legal, architectural, engineering, property management and other advisors. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, BUYER SHALL PURCHASE THE PROPERTY AND ACQUIRE, ASSUME OR UNDERTAKE THE RIGHTS AND OBLIGATIONS IT IS ACQUIRING, ASSUMING OR UNDERTAKING PURSUANT TO THIS AGREEMENT IN THEIR “AS IS” CONDITION AND “WITH ALL FAULTS” ON THE CLOSING DATE.

8.3 Release. Seller shall not after the Closing be liable to Buyer or any successors-in-interest to Buyer for any loss or damage to persons or property, injury to Buyer’s business or any loss of income therefrom, arising or resulting from any cause, regardless of whether such damage or injury results from the condition of any of the Property or any of the Third Party Agreements or any acts or omissions of Seller as owner of or Buyer’s predecessor with respect to any thereof. Buyer, for itself and all successors-in-interest to Buyer (collectively, “Releasors”), unconditionally and absolutely hereby waives, releases, acquits, and forever discharges Seller, its Affiliates, subsidiaries, directors, officers, employees, agents, successors and assigns (collectively, the “Released Parties”), of and from any and all claims, liens, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, all costs and expenses incurred in connection therewith (including, without limitation, reasonable attorneys’ fees, reasonable costs of defense, and reasonable costs and expenses of all experts and consultants), or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, accrued or unaccrued, liquidated or unliquidated, fixed or contingent, which any of Releasors ever had, now has or may have, or which may arise in the future on account of or in any way growing out of or in connection with (a) any Hazardous Substances on, in, under, from or affecting any of the Property, or (b) otherwise arising out of or connected to any of the Property or any of the Third Party Agreements, or out of any law or regulations applicable thereto, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, as amended, and any similar California or local law, excluding only any Post-Closing Environmental Indemnity (collectively, the “Released Matters”). With respect to the Released Matters only, Buyer understands and expressly waives any rights or benefits available to it under Section 1542 of the California Civil Code, which reads as follows:
“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

or under any other statute or common law principle of similar effect.

8.4 Survival. The acknowledgements, agreements and covenants of each of Releasors under this Section 8 shall survive the Closing or termination of this Agreement prior to Closing.

Section 9. CONDITIONS PRECEDENT.

9.1 Buyer’s Conditions. Buyer’s obligation to close the transaction contemplated by this Agreement is subject to the fulfillment of the following conditions at Closing, each of which shall be deemed waived unless Buyer objects prior to Closing except as to post-closing claims for breach of any of Seller’s representations or warranties as and to the extent those claims would survive the Closing under Section 14.15:

(a) Representations and Warranties. Seller’s representations and warranties made in Section 7.2 as of the Effective Date shall have been true in all material respects at and as of the Effective Date, and Seller’s representations and warranties made in Section 7.2 as of the Closing and in each of the Seller Agreements shall be true in all material respects at and as of the Closing.

(b) Performance. Seller shall have performed and complied in all material respects with all covenants, agreements, terms and conditions required by each Seller Agreement to be performed or complied with by Seller prior to or at the Closing.

(c) No Termination Under Section 12.3. This Agreement shall not have terminated under Section 12.3.

(d) Title Policy. The Title Company shall at the Closing be irrevocably and unconditionally committed to deliver the following to Buyer a CLTA owner’s policy of title insurance, with liability equal to the Purchase Price less any value attributable to any parts thereof on which Buyer is unable to obtain title insurance, insuring fee title to the Land vested in Buyer subject only to the following (collectively, the “Permitted Exceptions”): (i) the Title Conditions described in Schedule 9.1(d), (ii) the Accepted Title Conditions, (iii) the Standard Title Exceptions; (iv) any Title Conditions which otherwise have been consented to in writing by Buyer since the Effective Date; and (v) the Third Party Conditions. This title policy is referred to in this Agreement as the “Title Policy.”

(e) No Law or Proceeding. No Laws and Restrictions, order, decree, writ, judgment or preliminary or permanent injunctions shall have been enacted, entered, promulgated or enforced by any governmental authority (other than Buyer or any Person acting directly or indirectly in concert with Buyer or directly or indirectly at Buyer’s request or instigation) which prohibits or restricts the consummation of the transactions contemplated hereby.

(f) Other Actions. The actions described in Section 10.6(b) shall have been completed in accordance therewith.

(g) No Other Termination. This Agreement shall not have terminated under either of Sections 3.3 or 4.1.

(h) Bankruptcy. At Closing (i) no voluntary or involuntary insolvency, bankruptcy or other similar proceeding with respect to Seller shall be pending, and Seller shall not have
declared insolvent, and (ii) no receiver or similar official shall have been appointed and then be serving by or on behalf of Seller or with respect to the Property.

(i) **Bouldin Farming Estoppel Certificate.** At least ten (10) calendar days prior to the end of the title review period set forth in Section 4.1, Seller shall have obtained and delivered to Buyer a duly executed tenant estoppel certificate from the tenant under the lease listed in Item No. 1 of **Schedule 7.4(d),** substantially in the form set forth in **Schedule 9.1(i)** ("Estoppel Certificate"); provided, in the event the tenant defaults in its obligation under the lease to deliver the Estoppel Certificate, then the condition set forth in this Section 9.1(i) shall be deemed satisfied but without prejudice to the rights of Seller or Buyer (as Seller's successor under the lease) against the tenant on account of such default.

(j) **D & L Farms Estoppel Certificate.** Seller shall have used reasonable commercial efforts to obtain and deliver to Buyer, at least ten (10) calendar days prior to the end of the title review period set forth in Section 4.1, a duly executed tenant Estoppel Certificate from the tenant under the lease listed in Item No. 2 of **Schedule 7.4(d).**

### 9.2 Seller's Conditions

Seller’s obligation to close the transaction contemplated by this Agreement is subject to the fulfillment of the following conditions at Closing, each of which shall be deemed waived unless Seller objects prior to Closing except as to post-closing claims for breach of any of Seller's representations or warranties as and to the extent those claims would survive the Closing under Section 14.15:

(a) **Representations and Warranties.** Buyer’s representations and warranties made in Section 7.3 and in each of the Buyer Agreements shall be true in all material respects at and as of the Closing.

(b) **Performance.** Buyer shall have performed and complied in all material respects with all covenants, agreements, terms and conditions required by each Buyer Agreement to be performed or complied with by Buyer prior to or at the Closing.

(c) **No Law or Proceeding.** No Laws and Restrictions, order, decree, writ, judgment or preliminary or permanent injunctions shall have been enacted, entered, promulgated or enforced by any governmental authority which prohibits or restricts the consummation of the transactions contemplated hereby.

(d) **Other Actions.** The actions described in Section 10.6(b) shall have been completed in accordance therewith.

(e) **No Termination Under Section 12.3.** This Agreement shall not have terminated under Section 12.3.

(f) **No Other Termination.** This Agreement shall not have terminated under either of Sections 3.3 or 4.1.

(g) **Bankruptcy.** At Closing (i) no voluntary or involuntary insolvency, bankruptcy or other similar proceeding with respect to Buyer shall be pending, and Buyer shall not have declared insolvency, and (ii) no receiver or similar official shall have been appointed and then be serving by or on behalf of Buyer or with respect to any part of its property.

### 9.3 Failure of Conditions

So long as a party is not in default hereunder, if any condition to such party's obligation to proceed with the Closing hereunder has not been satisfied as of the Closing or any other applicable date specified in this Agreement, such party may, in its sole discretion, either (a) extend the time available for the satisfaction of such condition by up to a total of ten (10) Business Days, or (b) elect to close, notwithstanding the non-satisfaction of such condition, in which event such party shall be deemed to have waived any such condition. If such party elects to proceed pursuant to clause (a) above, and such condition remains
unsatisfied after the end of such extension period, then, at such time, such party may elect to proceed pursuant to either clause (a) or the applicable provisions of Section 11 shall apply.

Section 10. CLOSING.

10.1 Closing Date. Subject to Section 9, the parties shall close the transaction contemplated by this Agreement (the “Closing”) on June 8, 2016 or such later date (if any) to which the Closing may be extended under Section 4 or Section 9.3 or otherwise by agreement of the parties (the “Closing Date”).

10.2 Conveyance at Closing. At Closing, Seller’s interest in the Property shall be conveyed by Seller to Buyer subject to the Permitted Exceptions.

10.3 Escrow. The terms of this Agreement (including, but not limited to, the terms contained in this Section 10), together with such additional instructions as the Escrow Holder or either party shall reasonably request, shall constitute the escrow instructions to the Escrow Holder. If there is any inconsistency between this Agreement and any additional escrow instructions given to the Escrow Holder, this Agreement shall control. In order to comply with Internal Revenue Code Section 6045(e), as amended, and relevant provisions of California laws and regulations, the Escrow Holder is hereby designated as the “person responsible for closing the transaction” and also as the “reporting person” for purposes of filing any required information returns with the Internal Revenue Service, State of California and San Joaquin, Contra Costa and Solano Counties concerning the purchase and sale of the Property.

10.4 Seller’s Deposits Into Escrow. Seller shall deposit into escrow on or before Closing the following documents:

(a) Three (3) duly executed and acknowledged grant deeds in the form of Schedule 10.4(a) covering the parts of the Property that are identified therein (the “Grant Deeds”);

(b) One or more duly executed and acknowledged quitclaims deeds in the form of Schedule 10.4(b) covering each Quitclaim Parcel (the “Quitclaim Deed(s)”);

(c) Two (2) duly executed counterparts of an assignment and assumption agreement in the form of Schedule 10.4(c) (the “Assignment and Assumption Agreement”);

(d) Two (2) duly executed counterparts of a bill of sale in the form of Schedule 10.4(d) (the “Bill of Sale”);

(e) Such evidence as the Escrow Holder may require as to the authority of the Person or Persons executing documents on behalf of Seller;

(f) A duly executed certificate of Seller stating that Seller is or is not a “foreign person” within the meaning of Section 1445(f) of the Internal Revenue Code of 1986, as amended (the “Non-Foreign Certificate”);

(g) A duly executed Real Estate Withholding Exemption Certificate and Waiver Request for Non-Individual Sellers, California Form 593-C (the “Withholding Certificate”);

(h) Such affidavits as may be customarily and reasonably required by the Escrow Holder or the Title Company;

(i) An executed closing statement approved by Seller; and

(j) Such additional documents, including written escrow instructions consistent with this Agreement, as may be reasonably necessary for conveyance of the Property in accordance with the terms of this Agreement.
10.5 Buyer’s Deposits into Escrow. Buyer shall deposit into escrow on or before Closing:

(a) By electronic transfer of immediately available funds, the amount required to be deposited by Buyer under Section 2.2(c);

(b) A duly executed Certificate of Acceptance for each Grant Deed and Quitclaim Deed;

(c) Two (2) duly executed and acknowledged counterparts of the Assignment and Assumption Agreement;

(d) Two (2) duly executed counterparts of the Bill of Sale;

(e) Such evidence as the Escrow Holder may require as to the authority of the Person or Persons executing documents on behalf of Buyer;

(f) Such affidavits as may be customarily and reasonably required by the Escrow Holder or the Title Company;

(g) An executed closing statement approved by Buyer; and

(h) Such additional documents, including written escrow instructions consistent with this Agreement, as may be reasonably necessary for conveyance of the Property in accordance with this Agreement.

10.6 Closing. When the Escrow Holder has received all documents and funds identified in Sections 10.4 and 10.5, and has received written notification from Buyer and Seller that all conditions to Closing, other than those described in Sections 9.1(d), 9.1(f) and 9.2(d), have been satisfied or waived, and has received confirmation that the Title Company is irrevocably committed to issue the Title Policy as described in Section 9.1(d), then the following shall occur:

(a) Concurrently with the Closing, an authorized representative of each of Buyer and Seller shall meet with an authorized representative of the SWRCB at the SWRCB Office (the “Remote Meeting”). At the Remote Meeting, the parties’ representatives shall cooperate with each other and with the SWRCB representative to verify that: (i) Seller is prepared to deliver to the SWRCB representative at the meeting an originally executed counterpart of its Request for Cancellation of Water Rights Application in substantially the form attached as Schedule 10.6(a)-1, modified to incorporate any Agreed/Necessary Changes (the “Request”), together with a cover letter therefor in substantially the form attached as Schedule 10.6(a)-1, modified to incorporate any Agreed/Necessary Changes (the “Cover Letter”); and (ii) the SWRCB representative is prepared, on behalf of the SWRCB, to deliver to the Seller representative at the Remote Meeting, immediately upon submission of the Request, an originally executed Order Canceling Water Rights Application in substantially the form attached as Schedule 10.6(a)-2, modified to incorporate any Agreed/Necessary Changes (the “Order”). As employed in this Section 10.6(a), the term “Agreed/Necessary Changes,” when used with respect to the form of the Request, the Cover Letter or the Order, means (x) such changes in the form as may be agreed between the parties’ counsel, and (y) such changes in the form as may be required by the SWRCB or the SWRCB representative, provided such requested or required changes do not materially impact the legal effect of the form in question. Seller shall give Buyer prompt written notice of any change in the form of the Request, the Cover Letter or the Order that is proposed by the SWRCB.

(b) When the verifications described in Section 10.6(a) have been made to the satisfaction of the parties’ representatives at the Remote Meeting, and when the Escrow Holder has confirmed:
(i) that the Escrow Holder has in its possession all documents and funds required to pay Seller by electronic transfer of immediately available funds the amount payable to Seller at the Closing under Section 2.2(c) and to otherwise consummate the Closing in accordance with this Agreement; and

(ii) that, upon e-mail authorization to proceed with the Closing from authorized representatives of each of the parties, the Escrow Holder shall be irrevocably committed to immediately pay Seller by electronic transfer of immediately available funds the amount payable to Seller at the Closing under Section 2.2(c) and to otherwise consummate the Closing in accordance with this Agreement;

then and only then the following shall occur concurrently:

(iii) the authorized representative of Seller at the Remote Meeting shall submit the Application to the authorized representative of the SWRCB in exchange for the Order, and the Seller representative shall hand the Order to the Buyer representative;

(iv) the parties shall, by e-mail authorization from authorized representatives of each of the parties to the Escrow Holder, authorize the Escrow Holder to proceed with the Closing and to immediately pay Seller by electronic transfer of immediately available funds the amount payable to Seller at the Closing under Section 2.2(c) and to otherwise consummate the Closing in accordance with this Agreement; and

(v) the Escrow Holder shall confirm to Seller that it has initiated the transfer described in clause (iv) and provided Seller with the Federal Reserve Bank reference number therefor.

(c) Following completion of the actions described in Section 10.6(b), the Escrow Holder shall:

(i) Record the Grant Deeds and any Quitclaim Deed(s) (marked for return to Buyer);

(ii) Direct the Title Company to issue the Title Policy to Buyer;

(iii) Deliver to Buyer: (A) a conformed copy (showing all recording information thereon) of the Grant Deeds and any Quitclaim Deed(s), (B) a signed counterpart of the Assignment and Assumption Agreement, (C) a signed counterpart of the Bill of Sale, (D) the signed Non-Foreign Certificate, and (E) the signed Withholding Certificate; and

(iv) Deliver to Seller: (A) a conformed copy (showing all recording information thereon) of the Grant Deeds and any Quitclaim Deed(s), (B) a signed counterpart of the Assignment and Assumption Agreement, and (C) a signed counterpart of the Bill of Sale;

(v) take any and all steps required to complete or confirm the payment to and receipt by Seller of the amount payable to Seller at the Closing under Section 2.2(c).

The Escrow Holder shall prepare and sign final closing statements showing all receipts and disbursements and deliver copies to Buyer and Seller.

10.7 Prorations and Closing Costs. Subject to the other provisions of this Section 10.7, all receipts and disbursements of the Property, including but not limited to assessments, fees, rents and charges related to the Property but excluding the Semitropic Rent and the Defaulted D&L 2015 Rent (neither of which shall be pro rated and both of which shall belong solely to Seller) will be prorated as of 11:59 p.m. Pacific Time on the day immediately preceding the Closing Date. Not less than five (5) Business Days prior to the Closing, the
Escrow Holder shall submit to Buyer and Seller for their approval a tentative prorations schedule showing the categories and amounts of all prorations proposed. The parties shall agree on a final prorations schedule prior to the Closing. If following the Closing either party discovers an error in the prorations statement, it shall notify the other party and the parties shall promptly make any adjustment required. The provisions of this Section 10.7 shall survive the Closing.

(a) All real and personal property taxes, assessments, improvement bonds and other similar expenses, if any, whether payable in installments or not, including, without limitation, all supplemental taxes attributable to the period prior to the Closing Date for the calendar year in which the Closing occurs, shall be prorated to the Closing Date, based on the latest available tax rate and assessed valuation. If the amount of any installment of real property taxes is not known as of the Closing Date, then a proration shall be made by the parties based on a reasonable estimate of the real property taxes applicable to the Property and the parties shall adjust the proration when the actual amount becomes known upon the written request of either party made to the other.

(b) Closing Costs. The parties shall pay costs of Closing as follows: Buyer shall pay all state and county conveyance or documentary transfer taxes, if due, in connection with the recordation of the Grant Deeds, any Quitclaim Deed(s) and the transfer of the Property to Buyer. Buyer shall pay the premium cost for the Title Policy, and the survey costs, if any. Seller and Buyer shall each pay one-half (1/2) of any escrow fees charged by the Escrow Holder, and any recording fees associated with the Closing.

(c) D&L 2016 Rent. After the Closing, the D&L 2016 Rent will be due and payable to Buyer in 2017, and Buyer agrees to use its customary practices to collect it. Promptly upon receipt of any part of the D&L 2016 Rent, Buyer will pay Seller a portion thereof equal to the amount thereof multiplied by the fraction x/365, where “x” is equal to the number of days in the period January 1, 2016 to and including the Closing Date.

(d) Identified Licenses/Permits. Buyer shall be solely responsible for preparing, processing and obtaining at Buyer’s expense prior to the Closing all documents, consents, permissions and authorizations as are necessary or (in the reasonable opinion of either Buyer or Seller desirable) in connection with the transfer by Seller to Buyer of any of the Identified Licenses/Permits that are identified in Schedule 15-1 or any of the Related Personal Property that is included in the Property. At the request of Buyer, Seller shall execute any and all such documents that are reasonably required to be executed by Seller provided that such documents do not create or continue any liability or obligation of Seller after the Closing. Buyer acknowledges that Seller has filed certain Statements of Water Diversion and Use for claimed existing riparian and pre-1914 appropriative water rights in connection with the Property. At Closing, Seller shall file notice(s) of change of ownership and Buyer may take whatever action Buyer deems necessary to update the Statements of Water Diversion and Use maintained by the State Water Resources Control Board, including cancelling the Statements of Water Diversion and Use.

10.8 Possession. Seller shall deliver exclusive right of possession of the Property to Buyer on the Closing Date, free and clear of any occupants and any Person claiming a possessory right to the Property except for those entitled to possession under a Permitted Exception.

Section 11. TERMINATION AND OTHER RIGHTS.

11.1 Buyer’s Rights. If the Closing does not timely occur in accordance with this Agreement because any of the conditions specified in any of Sections 9.1(a), 9.1(b), 9.1(c) or 9.1(h) is not satisfied or waived in accordance with this Agreement on the Closing Date and
provided the same is not due to any breach of any of the representations, warranties or covenants of Buyer under this Agreement, then Buyer shall have the following rights, which are Buyer’s sole rights and remedies on account of the failure of the Closing to occur:

(a) Buyer may terminate this Agreement, in which event the Inducement Payment shall be returned to Buyer by Seller, any money deposited into Escrow by Buyer shall be returned to Buyer by the Escrow Holder and there shall be no further liability or obligation on the part of either party under this Agreement except (i) for Buyer’s right to the Inducement Payment and any such money deposited by Buyer into Escrow,(ii) as otherwise provided in Section 14.15(c) and (iii) escrow fees, for which Seller and Buyer shall each pay one-half (1/2) of any escrow fees charged by the Escrow Holder.

11.2 Seller’s Rights. If the Closing does not timely occur in accordance with this Agreement because any of the conditions specified in any of Sections 9.2(a), 9.2(b) or 9.2(g) is not satisfied or waived in accordance with this Agreement on the Closing Date and provided the same is not due to any breach of any of the representations, warranties or covenants of Seller under this Agreement, then Seller shall have the right to retain the Inducement Payment and the following additional rights, which together with Seller’s right to retain the Inducement Payment are Seller’s sole rights and remedies on account of the failure of the Closing to occur:

(a) Seller may (i) terminate this Agreement, or (ii) within sixty (60) days following the date the Closing should have occurred, and if but only if the condition precedent specified in Sections 9.1(f) and 9.2(d) has been satisfied, Seller shall be entitled to institute an action seeking specific performance of the obligation of Buyer to purchase the Property from Seller under and in accordance with this Agreement and if such relief is granted and the purchase is consummated the Inducement Payment shall be credited against the Purchase Price; and

(b) If and when Seller terminates this Agreement under Section 11.2(a)(i) or in the event specific performance of the obligation of Buyer to purchase the Property from Seller under and in accordance with this Agreement is denied in an action brought by Seller under Section 11.2(a)(ii), this Agreement shall terminate. Upon any such termination, there shall be no further rights or obligations on the part of either party under this Agreement except (i) for Seller’s right to the Inducement Payment,(ii) as otherwise provided in Section 14.15(c) and (iii) escrow fees, for which Seller and Buyer shall each pay one-half (1/2) of any escrow fees charged by the Escrow Holder.

11.3 If the Closing does not timely occur in accordance with this Agreement for any reason other than those specified in Sections 11.1 or 11.2, then Seller shall be entitled to retain the Inducement Payment and the Independent Consideration and, upon notice by either Buyer or Seller to the other, this Agreement shall become null and void and there shall be no further liability or obligation on the part of either party under this Agreement except (i) for Seller’s right to the Inducement Payment,(ii) as otherwise provided in Section 14.15(c) and (iii) escrow fees, for which Seller and Buyer shall each pay one-half (1/2) of any escrow fees charged by the Escrow Holder.

Section 12. LOSS EVENTS AND ENVIRONMENTAL EVENTS.

12.1 Material Loss Events.

(a) Seller shall use commercially reasonable efforts to advise Buyer as promptly as practicable after Seller gains Knowledge thereof of any material adverse change in the physical condition of any of the Property, including material damage or destruction to any of the Property, or any material Taking of any thereof by any Person other than Buyer or any Person
acting directly or indirectly in concert with Buyer or directly or indirectly at Buyer’s request or instigation (a “Loss Event”).

(b) In the event that a Loss Event shall occur prior to the Closing, Buyer shall have the right, exercisable only by giving notice of such decision to Seller prior to the Closing, to terminate this Agreement, in which case the Inducement Payment shall be retained by Seller, and this Agreement shall thereupon become null and void and there shall be no further liability or obligation on the part of either party under this Agreement except (i) for Seller’s right to the Inducement Payment, and (ii) as otherwise provided in Section 14.15(c). If Buyer fails to give written notice of its election to terminate this Agreement prior to the Closing under this Section 12.1(b), then Buyer shall be deemed to have waived the Loss Event and any and all rights on account thereof.

12.2 Other Loss Events. Except as provided in Section 12.1, no Loss Event occurring prior to the Closing shall in any way affect any rights or obligations of the parties, and Buyer shall be obligated to consummate its acquisition of the Property and the Third Party Contracts without abatement or reduction of any amounts payable by Buyer to Seller under this Agreement, and Seller shall as of the Closing assign to Buyer all of Seller’s right, title and interest in any claims and proceedings the Seller may have relating to the Loss Event and in any insurance proceeds or condemnation award payable to Seller on account of the Loss Event.

12.3 Intervening Environmental Matter. If an Intervening Environmental Matter, as set forth in Section 8.1, is discovered at any time prior to Closing, up to, but not including, the commencement of the Remote Meeting procedures at the offices of the State Water Resources Control Board set forth in Section 10.6, Buyer shall have the right, exercisable only by giving notice to Seller prior to the commencement of the Remote Meeting procedures at the offices of the State Water Resources Control Board set forth in Section 10.6, to terminate this Agreement, and if Buyer timely gives such notice, Section 11.1 shall apply. If Buyer fails to timely give such notice, then Buyer shall be deemed to have waived the Intervening Environmental Matter and any and all rights on account thereof.

Section 13. RESERVED

Section 14. MISCELLANEOUS PROVISIONS.

14.1 Enforcement. The parties agree that irreparable damage to Seller would occur in the event that any of the provisions of this Agreement to be performed by Buyer and for which the remedy of specific performance is provided in Section 11.2(a) were not performed in accordance with their specific terms or were otherwise breached. Accordingly, but subject to and without limiting Section 11, Seller shall be entitled to, and Buyer shall not oppose, specific performance of the terms thereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, but only as and to the extent provided in Section 11.2(a). With respect to any obligations for which the remedy of specific performance is provided in Section 11.2(a), Buyer hereby waives (a) any defense in any action for specific performance that a remedy at law would be adequate and (b) any requirement under any law to post security or to prove the inadequacy or unavailability of monetary damages as a prerequisite to obtaining equitable relief.

14.2 No Brokers, Finders, Etc. None of the parties has engaged any agent, broker, finder or investment or commercial banker in connection with the negotiation, execution or performance of this Agreement, or the transactions contemplated hereby. Seller shall indemnify Buyer and hold Buyer harmless against and in respect of any claim for brokerage fees, commissions or other compensation incurred or owing due to any such engagement or alleged
engagement by Seller. Buyer shall indemnify and hold Seller harmless against and in respect of any claim for brokerage fees, commissions or other compensation incurred or owing due to any such engagement or alleged engagement by Buyer.

14.3 Expenses. Whether or not the transactions contemplated by this Agreement are consummated, each of the parties shall pay their own fees and expenses incident to the negotiation, preparation, execution, delivery and performance of this Agreement.

14.4 Complete Agreement; Waiver and Modification, Etc. This Agreement constitutes the entire agreement between the parties hereto and thereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties with respect thereto. There are no representations, warranties, covenants or conditions by or benefiting any party except those expressly stated or provided for in this Agreement, any implied representations, warranties, covenants or conditions being hereby expressly disclaimed. No Persons other than the parties to this Agreement and, in the case of Section 8 the Released Parties and, in the case of Section 7.4(b), the Districts, have any rights or remedies under or in connection with this Agreement, except rights or remedies validly assigned hereunder. No amendment, supplement or termination of or to this Agreement and no waiver of any of the provisions hereof, shall require the consent of any Person other than the parties hereto, nor shall any such amendment, supplement, termination or waiver be binding on a party to this Agreement unless made in a writing signed by such party.

14.5 Communications. Whether expressly so stated or not, all notices, demands, requests and other communications required or permitted by or provided for in this Agreement (“Communications”) shall be given in writing to the parties at their respective addresses set forth below, or at such other address as a party shall designate for itself in writing in accordance with this Section:

Buyer: Metropolitan Water District of Southern California
Office of the Chief Administrative Officer
700 N. Alameda Street
Los Angeles, CA 90012
Attn: Fidencio Mares

With copies to: Metropolitan Water District of Southern California
Office of the General Counsel
700 N. Alameda Street
Los Angeles, CA 90012
Attn: Bryan Otake

Seller: Delta Wetlands Properties
c/o Zurich Alternative Asset Management
165 Broadway - One Liberty Plaza
New York, NY 10006
Attn: General Counsel

With copies to: Rick Stephens
7975 Lahontan Drive
Truckee CA 96161
Communications may be transmitted (a) by personal delivery, (b) by delivery by messenger, express or air courier or similar courier, and (c) by delivery by United States first class certified or registered mail, postage prepaid. Except as otherwise provided in this Agreement, delivery or service of any Communication shall be deemed effective only upon receipt, and receipt shall be deemed to have occurred when the Communication was delivered to the specified address without regard to whether or not a representative of the addressee was present to receive the Communication; provided, any Communication delivered after 5:00 P.M. local time of place of receipt, or on a day other than a Business Day, shall be deemed received on the next succeeding Business Day.

14.6 Law Governing; Construction. This Agreement shall be interpreted in accordance with and governed by the laws of the state of California, without regard to principles of conflicts of laws. This Agreement shall be given a fair and reasonable construction in accordance with the intention of the parties and without regard to, or aid of, Section 1654 of the California Civil Code.

14.7 Headings; References; "Hereof," Etc. The Section headings and tables of contents in this Agreement are provided for convenience only, and shall not be considered in the interpretation hereof or thereof. References in this Agreement to Sections or Schedules refer, unless otherwise specified, to the designated Section of or Schedule to this Agreement, and terms such as “herein,” “hereto” and “hereof” used in this Agreement refer to this Agreement as a whole.

14.8 Successors and Assigns. Neither party may assign any of its rights or delegate any of its obligations under this Agreement without the consent of the other party. Any purported assignment or delegation in violation of this provision shall be null and void and of no force or effect.

14.9 Severability. If for any reason any provision of this Agreement shall be held invalid, illegal or unenforceable in whole or in part in any jurisdiction, then that provision shall be ineffective only to the extent of that invalidity, illegality or unenforceability and in that jurisdiction only, without in any manner affecting the validity, legality or enforceability of the unaffected portion and the remaining provisions in that jurisdiction or any provision of this Agreement in any other jurisdiction.

14.10 Cumulative Rights and Remedies. The rights and remedies of each party under this Agreement are cumulative, except as otherwise expressly provided.

14.11 Further Assurances. From time to time and at any time after the execution and delivery hereof, each of the parties, at their own expense, shall execute, acknowledge and deliver any further instruments, documents and other assurances reasonably requested by another party, and shall take any other action consistent with the terms of this Agreement that may reasonably be requested by another party to evidence or carry out the intent of or to implement this Agreement.

14.12 Counterparts; Separate Signature Pages. This Agreement may be executed in any number of counterparts, or using separate signature pages. Each such executed
counterpart and each counterpart to which such signature pages are attached shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same instrument.

**14.13 Time.** Whether expressly so stated or not in connection with any obligation, time is of the essence in the performance of each party’s respective obligations under this Agreement, and no notice of a party’s intent to require strict compliance with any of the deadlines set forth in this Agreement is required. In the event that any time period set forth in this Agreement would otherwise expire on a Saturday, Sunday or holiday, such time period shall be automatically extended to the next Business Day.

**14.14 Confidentiality.** Seller and Buyer agree that either Seller or Buyer may disclose the contents of this Agreement including its schedules. Except as provided in the preceding sentence or as required by applicable law, neither party shall disclose Confidential Information to any Person, other than their respective agents, employees or consultants (collectively, “Representatives”) having a need to know such terms and who agree to be bound by the provisions of this Section 14.14, nor shall Buyer nor any of its Representatives use any Confidential Information for any purpose other than to evaluate Buyer’s possible purchase of the Property from Seller. Seller recognizes that Buyer is a public agency and is subject to legal requirements regarding disclosure, including but not limited to the Public Records Act. If Buyer is requested or required to disclose any Confidential Information and determines that the Confidential Information must be disclosed, Buyer will promptly notify Seller prior to providing any disclosures. Each party shall be liable for any breach of this Section 14.14 by it or any of its Representatives. Notwithstanding the foregoing, no liability shall apply to either party in the event disclosure is required under the Public Records Act or other applicable law and in the event notice has been provided by Buyer to Seller of Buyer’s receipt of a request for records under the Public Records Act. The provisions of this Section 14.14 shall terminate at the earlier of (a) the Closing or (b) one (1) year after any termination of this Agreement. In either case, upon termination of these provisions, the parties shall have no further obligations under this Section 14.14; provided, that no such termination shall relieve either party from responsibility for any breach of this Section 14.14 occurring prior to such termination.

As employed in this Agreement, the term “Confidential Information” means (a) in the case of the obligations of both Seller and Buyer under this Section, the Seller Agreements (other than this Agreement and its schedules) and the Buyer Agreements (other than this Agreement and its schedules); and (b) in the case of Seller’s obligations under this Section, any documents or other information of any kind provided by Buyer or any of its Representatives to Seller or any of Seller’s Representatives at any time, whether prior to, on or after the date of this Agreement and whether provided in writing or orally, visually, electronically or by other means; and (c) in the case of Buyer’s obligations under this Section, any documents or other information of any kind provided by Seller or any of its Representatives to Buyer or any of Buyer’s Representatives at any time, whether prior to, on or after the date of this Agreement and whether provided in writing or orally, visually, electronically or by other means, including the Seller File Indices, the Seller Documents, any studies or investigations that Buyer or Buyer’s Representatives may conduct in connection with its due diligence investigations, and all notes, copies or other documents containing or reflecting Confidential Information (including reports and other work product produced by, for, or on behalf or at the direction of Buyer or any of its Representatives); provided, Confidential Information shall not include (i) in the case of Seller, the Seller File Indices, the Seller Documents or any of the documents or information described in Section 5.7, or (ii) in the case of either Seller or Buyer, any of the following: (a) information that is publicly known at the time or disclosure or subsequently becomes publicly known through no fault of the party claiming the same is not Confidential Information; (b) information
that is learned by the party claiming the same is not Confidential Information through legitimate means other than from the other party or its representatives and as to which the party and its Representatives have no duty or obligation as to confidentiality; (c) information that is disclosed by a party with the prior written approval of the other party; (d) this Agreement, including its schedules; or (e) information that is required to be disclosed by Applicable Laws and Restrictions, provided either party that proposes to disclose any information described in this clause (e) shall give the other party prompt written notice, prior to the disclosure of it, of the party’s intention to disclose it.

14.15 Survival.

(a) Covenants. All covenants and agreements contained herein or in any other Seller Agreement or Buyer Agreement shall survive the Closing indefinitely unless such covenant or agreement specifies a term of survival, in which case such covenant or agreement shall survive the Closing for such specified term.

(b) Representations and Warranties. Subject to the next sentence, the representations and warranties of the Seller and Buyer contained in this Agreement shall survive the Closing indefinitely. However, the representations and warranties of Seller in Section 7.2(e) shall survive only until the first anniversary of the Closing Date, and Seller shall have no liability whatsoever with respect to any breach of any those representations and warranties unless Buyer notifies Seller of its claim prior to the first anniversary of the Closing Date.

(c) In the Event of Termination. The following provisions shall survive any termination of this Agreement: (i) the last sentences of Sections 2.2(a), 2.2(b), 3.3 and 7.4(b); (ii) Sections 4.1(e), 4.1(f), 5.6, 8.2, 11.1, 11.2, 11.3, 12.1(b), 12.3, 14.2, 14.3, 14.4, 14.6, 14.8, 14.9, 14.10, 14.14, and 14.17; and (iii) this Section 14.15(c).

14.16 Reserved.

14.17 Limited Recourse. No recourse shall be had against any partner of Seller or any of its Affiliates on account of or in connection with any obligation of Seller under this Agreement or any document or instrument executed by Seller pursuant to or in connection with this Agreement.

Section 15. GLOSSARY.

Affiliate - a Person who directly or indirectly controls, is controlled by or is under common control with another Person, or who directly or indirectly owns 25% or more of the voting power in such other Person, or of whose voting power such other Person (or a Person holding 25% or more of the voting power in such other Person) owns 25% or more. For purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

Business Day - a day that is not a Saturday, Sunday or bank holiday under the laws of the United States of America or the State of California.

Buyer’s Agents – any contractor, consultant, agent, employee or invitee of Buyer or other Person acting at the request and for the benefit of Buyer.

Buyer’s Knowledge - means the actual knowledge, without investigation or inquiry of any kind, of the following individuals: Sherman Hom and Stephen Arakawa. And Buyer shall be
deemed to have “Knowledge” and to have learned of any matter that is within the actual knowledge, without investigation or inquiry, of any of these Persons provided, none of these Persons shall have any personal liability as a result of being used as a measure of Buyer’s Knowledge.

**CEQA** – the California Environmental Quality Act, as amended.

**D&L 2016 Rent** – the 2016 rent that will be due and payable by D&L Farms under its lease of a portion of the Property.

**Defaulted D&L 2015 Rent** – the 2015 crop share rent that was due, but not paid, by D&L Farms under its lease of a portion of the Property.

**Environmental Laws** - all Laws and Restrictions pertaining to the protection of human health and safety or the environment in connection with the handling, storage, transportation, disposal or Release of Hazardous Substances.

**Hazardous Substances** - those hazardous or toxic substances or wastes regulated under applicable Environmental Laws, and including petroleum and petroleum products, including crude oil and any fractions thereof, polychlorinated biphenyls, and asbestos.

**Identified Licenses/Permits** – all licenses, permits, variances, registrations, accreditations, certifications, authorizations, approvals, consents, certificates of occupancy, and entitlements issued, approved, or granted by any governmental entity (including building and use permits, irrigation and dam permits, wetlands permits, waste disposal permits, conservation and environmental permits, and consumptive use permits, and development rights to the extent related to or used in connection with the Property and its operations, including all rights, privileges, benefits, powers and interests as “developer,” “owner,” “declarant,” or otherwise under or with respect to any restrictive covenants, use restrictions, or other deed restrictions pertaining to the Land or any portion thereof) (a) that do not relate to the Project, and (b) (i) that are appurtenant to the Property, or (ii) that are identified in **Schedule 15-1**.

**Laws and Restrictions** – collectively, any applicable federal, state, local or other laws, regulations, codes, orders, ordinances, rules and statutes, including, without limitation, those relating to fire safety, land use, health, labor, environmental protection, conservation, wetlands or zoning.

**Person** – an individual, or a corporation, partnership, limited liability company, trust, association or other entity of any nature, or a governmental agency.

**Project** – Seller’s proposed project involving facilities for diversion and storage of water on and discharge of water from Bacon Island and Webb Tract pursuant to water right applications 29062, 29066, 30268 and 30270 and seasonal diversion and use of water on Bouldin Island and Holland Tract for farming and wildlife habitat.

**Quitclaim Parcels** – any part of the Property that was acquired by Seller or any predecessor in title to Seller by quitclaim deed.

**Related Personal Property** – all tangible and intangible personal property of Seller located on or used in the operation, maintenance or repair of the Property including: (a) all mobile homes, fixtures, furniture, furnishings, equipment, materials, machinery, vehicles, tools,
repair parts, and supplies; (b) all reports, technical studies and architectural and engineering plans, specifications and drawings, if any, including all site plans, surveys, floor plans, engineering studies, hydrological studies, environmental and toxic waste studies and information (including information concerning any wetlands and endangered species habitat located on the Land), and levee studies; (c) the Third Party Agreements and guaranties, warranties (express or implied), and bonds of third parties in favor of Seller in effect with respect to the Land or any portion thereof, which, by their terms, survive Closing, including, all such guaranties, warranties and bonds of contractors, materialmen, manufacturers, mechanics, or suppliers who have been engaged by Seller or any of their agents to furnish labor, materials, equipment, or supplies to all or any portion of the Land.

**Release** - has the meaning set forth in Section 101(22) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as subsequently amended.

**Seller's Agents** - any contractor, consultant, agent, employee or invitee of Seller, or other Person acting at the request and for the benefit of any of Seller.

**Seller's Knowledge** - means the actual knowledge, without investigation or inquiry of any kind, of the following individuals: Dave Forkel, Cole Frates, Jim James, Rick Stephens and Ari Swiller. And Seller shall be deemed to have “Knowledge” and to have learned of any matter that is within the actual knowledge, without investigation or inquiry, of any of these Persons provided, none of these Persons shall have any personal liability as a result of being used as a measure of Seller's Knowledge.

**Semitropic Lease** – that certain Delta Wetlands Properties Agricultural Lease, dated as of February 19, 2014, between Seller and Semitropic Water Storage District, as from time to time amended, including by that certain Second Lease Amendment, dated as of October 30, 2015, between those parties.

**Semitropic Rent** – all rent due and payable under the Semitropic Lease at any time prior to the Closing.

**Standard Title Exceptions** – each of the following: (a) property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the applicable fiscal year; (b) the lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California; (c) the lien of any assessment that is or will be collected with and included in the property taxes described in clause (a) or (b); (d) rights of the public in and to those portions of the Property lying within streets, roads and highways; (e) water rights, claims or title to water, whether or not shown by public records; (f) any facts, rights, interests or claims which would be disclosed by a correct ALTA/ACSM survey; (g) standard exclusions and exceptions from coverage included in any title policy issued to Seller or Buyer for any of the Property; (h) asserted rights of any tenant wrongfully holding over under any lease that has terminated; provided, however, Seller shall bear the cost of any unlawful detainer action necessary to remove from the Property any tenant wrongfully holding over; (i) exclusions and exceptions from coverage for lack of access to any or all of the Property; and (j) any statutory lien for labor or materials arising out of any work of improvement; provided that Seller shall provide to Buyer such standard affidavits as the Title Company reasonably requires to insure over such lien.

**SWRCB** – the California State Water Resources Control Board.
**SWRCB Office** – the SWRCB office located at 1001 I Street, Sacramento, California 95814 or other location designated by SWRCB.

**Taken** or **Taking** – when used with respect to the Property means that the Property is taken by eminent domain, or by inverse condemnation, or by deed or transfer in contemplation of thereof, or for any public or quasi-public use under any statute or law.

**Third Party Agreements** – the items identified in **Schedule 7.4(d)**.

**Third Party Conditions** – each of the following: (a) any Title Condition created by Buyer or any of its Affiliates or any contractor, consultant, agent, employee, invitee or other Person acting at the request and for the benefit of any of them; (b) any Title Condition resulting from or associated with a Taking.

**Title Condition** - any lien, lease, easement, agreement, encumbrance, restriction or other title matter, including all exceptions identified on any preliminary title report, all of the Third Party Agreements and all other matters identified or described in either **Schedule 7.4(d)** or **Schedule 9.1(d)**.
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of this Agreement.

Buyer: METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: ____________________________
Name: GEFFREY RIGTLINGER
Title: GENERAL MANAGER

Approved as to form:

Marcia Scully
General Counsel

By: ____________________________
Bryan M. Otake
Sr. Deputy General Counsel

Seller: DELTA WETLANDS PROPERTIES, an Illinois general partnership

By: KLMLP 2, LLC,
a Delaware limited liability company,
Managing General Partner of Delta Wetlands Properties

By: KLMLP, L.P.,
a Delaware limited partnership,
Managing Member of KLMLP 2, LLC

By: Zurich American Corporation (f/k/a Kemper Corporation),
a Delaware corporation,
Managing General Partner of KLMLP, L.P.

By: ____________________________
Name: ____________________________
Title: ____________________________
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of this Agreement.

Buyer: METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: ____________________________
Name: __________________________
Title: __________________________

Approved as to form:

Marcia Scully
General Counsel

By: ____________________________
Bryan M. Otake
Sr. Deputy General Counsel

Seller: DELTA WETLANDS PROPERTIES,
an Illinois general partnership

By: KLMLP 2, LLC,
a Delaware limited liability company,
Managing General Partner of Delta Wetlands Properties

By: KLMLP, L.P.,
a Delaware limited partnership,
Managing Member of KLMLP 2, LLC

By: Zurich American Corporation (f/k/a Kemper Corporation),
a Delaware corporation,
Managing General Partner of KLMLP, L.P.

By: ____________________________
Name: W. Jay Rose, Esq.
Title: VP & Treasurer
Acceptance by Escrow Holder

The Escrow Holder acknowledges receipt of the foregoing Agreement and accepts the instructions contained herein.

Dated: ____________, 2016

FIRST AMERICAN TITLE COMPANY

By: ______________________

Name: ____________________

Title: ______________________
List of Schedules:

1.1-1 The Land
1.1-2 Excluded Property
3.2 Access Agreement
7.2(d) Litigation and Claims and Environmental Matters
7.4(d) Third Party Agreements; Other
9.1(d) Certain Permitted Exceptions
9.1(i) Form of Estoppel Certificates
10.4(a) Form of Grant Deeds
10.4(b) Form of Quitclaim Deed(s)
10.4(c) Form of Assignment and Assumption Agreement
10.4(d) Form of Bill of Sale
10.6(a)-1 Form of Request and Cover Letter
10.6(a)-2 Form of Order
15-1 List of Identified Licenses/Permits
Schedule 1.1-1

The Land

[See attached legal descriptions]
Exhibit “A”

Beginning at a point on the Northwesterly line of the San Francisco and Sacramento Railroad Company’s Land on Chips Island, which point is North 46° 41’ East, 6.44 chains from the middle of the levee as it was in May, 1924; thence along the middle of a Dredger ditch and prolongation thereof, North 35° 00’ West about 48.50 chains to Honker Bay; thence following the shore line of Honker Bay and Suisun Bay, Westerly, Southerly and Easterly about 145 chains to the land of said railroad; thence along said North 46° 41’ East about 12.80 chains to the place of beginning.

Excepting and reserving one-half (1/2) of all minerals, oil, gas, and other hydrocarbon substances lying on or below the surface of said land, as excepted in that certain deed from Edgar L. Fraser, et al., to Antioch Steel Fabricators, Inc., et al., dated August 10, 1959 and recorded September 3, 1959 in Book 991 of Official Records, at Page 25 as Instrument No. 18122.
Exhibit “A”

Tract One:

Parcel One:

A portion of Reclamation District No. 756 located in San Joaquin County, California and as shown in Book of Surveys, Book 18, Page 149, San Joaquin County Records, more particularly described as follows:

That portion of Reclamation District No. 756 lying Northerly of State Highway 12 and Westerly of the center line of a roadway and its prolongation bearing North 11° 12' East which passes through a point bearing South 83° 03' East 210.0 feet from point 200 shown in the above mentioned survey.

Those certain berms or islands lying within said reclamation district No. 756 boundary shown as berms “A” and “A-A” as shown upon survey filed for Record March 5, 1969 in Book of Surveys, Vol. 18, Page 149, San Joaquin County records.

(APN 069-030-35) (069-030-08) (069-030-09)

Parcel Two:

A portion of Reclamation District No. 756 located in San Joaquin County, California and as shown in Book of Surveys, Book 18, Page 149, San Joaquin County Records, more particularly described as follows:

That portion of Reclamation District No. 756 lying Southerly of State Highway 12 and Easterly of a line described as follows:

A line bearing North 1° 50' 30" East passing through a point bearing North 81° 27' West 74.2 feet from point 75 shown in the above mentioned survey and extending 2525.0 feet Northerly from said point of passing; thence running North 0° 30' West 6090 feet to the Southerly line of State Highway 12.

Those certain berms or islands lying within said reclamation district No. 756 boundary shown as berms F, I and J as shown upon Survey filed for Record March 5, 1969 in Book of Surveys, Vol. 18, Page 149, San Joaquin County records.

(APN 069-100-02) (069-100-08) (069-100-04) (069-100-05) (069-100-03)

Parcel Three:

A portion of Reclamation District No. 756 located in San Joaquin County, California and as shown in Book of Surveys, Book 18 Page 149, San Joaquin County Records, more particularly described as follows:

That portion of Reclamation District No. 756 lying Southerly of State Highway 12 and Easterly of a line described as follows:

A line bearing North 55° 00' 00" East passing through a point bearing South 70° 07' 30" East 1030 feet from point 161 shown on the above mentioned survey and extending 4000 feet, more or less from said point of passing along the center line of a ditch to a point in the center line of a main drain canal; thence running along last said center line North 36° 00' West 470 feet and North 27° 30' East 660 feet to the Southerly line of State Highway 12; and also lying Westerly of the following described line:

A line bearing North 3° 47' 30" West passing through a point bearing South 53° 27' East 43.6 feet from point 92 shown on the above described survey and extending Northerly 5039.5 feet from said point of passing to center line of a road; thence along said center line South 89° 03' West 1040.3 feet to the center line of a road going Northerly; thence along the center line of last said road North 19° 53' West 5290 feet to the Southerly line of State Highway 12.

Those certain berms or islands lying within said reclamation district No. 756 boundary shown as berms P, Q, S, T, U, V, W, X, a Westerly portion of O and a portion of R, as shown upon survey filed for Record March 5, 1969 in Book of Surveys, Vol. 18, Page 149, San Joaquin County records.


Legal description Continued
Parcel Four:

A portion of Reclamation District No. 756 located in San Joaquin County, California and as shown in Book of Surveys, Book 18, Page 149, San Joaquin County Records, more particularly described as follows:

That portion of Reclamation District No. 756 lying Northerly of State Highway 12 and Easterly of the center line of a roadway and its prolongation bearing North 11° 12' East which passes through a point bearing South 83° 03' East 210.0 feet from point 200, shown in the above mentioned survey and also lying Westerly of the center line of another roadway and its prolongation bearing South 0° 30' East which passes through a point bearing North 82° 43' East 350.0 feet from point 208 shown in the above mentioned survey.

Those certain berms or islands within said reclamation district No. 756 boundary shown as berms “B”, “C” and the Westerly portion of berm “D” as shown upon Survey filed for record March 5, 1969 in Book of Surveys, Vol. 18, Page 149, San Joaquin County Records.

Excepting therefrom an undivided one-half of all oil, gas, minerals and other hydrocarbon substances below a depth of 500 feet under the surface as reserved by Bouldin Development Corporation in Deed recorded August 6, 1969 in Book of Official Records, Book 3325 Page 202, San Joaquin County Records. (APN 069-030-38) (069-030-10, 069-030-11) (069-100-11)

Parcel Five:

A portion of Reclamation District No. 756 located in San Joaquin County, California and as shown in Book of Surveys, Book 18, Page 149, San Joaquin County Records, more particularly described as follows:

That portion of Reclamation District No. 756 lying Southerly of State Highway 12 and Westerly of a line described as follows:

A line bearing North 1° 50' 30" East passing through a point bearing North 81° 27' West 74.2 feet from point 75 shown in the above mentioned survey and extending 2525.0 feet Northerly from said point of passing; thence running North 0° 30' West 6090.00 feet to the Southerly line of State Highway 12; and Easterly of the following described line:

A line bearing North 3° 47' 30" West passing through a point bearing South 53° 27' East 43.6 feet from point 92 shown on the above described survey and extending Northerly 5039.5 feet from said point of passing to the center line of a road; thence along said center line South 89° 03' West 1040.3 feet to the center line of a road going Northerly; thence along the center line of last said road North 19° 53' West 5290 feet to the Southerly line of State Highway 12.

Those certain berms or islands lying within said reclamation district No. 756 boundary shown as berms K, L, M, N and the Easterly portion of “O” as shown upon survey filed for Record March 5, 1969 in Book of Surveys, Vol. 18, Page 149, San Joaquin County records.

(APN 069-030-039) (069-030-19, 069-030-20, 069-030-21, 069-030-34 and a portion of 069-030-22

Parcel Six:

A portion of Reclamation District No. 756 located in San Joaquin County, California and as shown in Book of Surveys, Book 18, Page 149, San Joaquin County Records, more particularly described as follows:

Beginning at the intersection of the Easterly bank of the Mokelumne River and the Southerly right of way line of State Highway 12; thence along said right of way line South 61° 05' East 50 feet, more or less to a point bearing North 35° 10' 30" East 150 feet from point 173 on the above mentioned survey; thence continuing along said right of way line South 61° 05' East 4210 feet to the center line of a main drain canal bearing South 27° 30' West; thence along said center line South 27° 30' West 660 feet and South 36° 00' East 470 feet to the center line of a ditch running South 55° 00' West; thence along said center line and its prolongation South 55° 00' West 4,000 feet, more or less to a point bearing South 70° 07' 30" East 1030 feet from point 161 shown on the above mentioned survey; thence continuing South 55° 00' West 30 feet, more or less to the Easterly Bank of the Mokelumne River; thence meandering said bank upstream to its intersection with the Southerly right of way line of State Highway 12 and the Point of Beginning.

Those certain berms or islands lying within said reclamation district No. 756 boundary shown as berms “Y” and “Z” as shown upon survey filed for Record March 5, 1969 in Book of Surveys, Vol. 18, Page 149, San Joaquin County records.

(APN 069-030-36) (069-030-32, 069-030-33)

*Legal description Continued*
Parcel Seven:

A portion of Reclamation District No. 756 located in San Joaquin County, California and as shown in Book of Survey’s Book 18, Page 149, San Joaquin County Records, more particularly described as follows:

That portion of Reclamation District No. 756 lying Northerly of State Highway 12 and Easterly of the center line of a roadway and its prolongation bearing South 0° 30' East which passes through a point bearing North 82° 43' East 350.00 feet from point 208 shown in the above mentioned survey.

Excepting therefrom that portion described in Deed to State of California recorded July 2, 1987, Recorder’s Instrument No. 87063660, San Joaquin County Records. (APN 069-100-01)

Excepting therefrom Tract One all that portion of land granted to the State of California in that certain Grant Deed recorded November 19, 2012 as Instrument No. 2012-151011, San Joaquin County Official Records.

Those certain berms or islands lying within said reclamation district No. 756 boundary shown as berms Easterly portion of “D” and all berm “E” as shown upon survey filed for Record March 5, 1969 in Book of Surveys, Vol. 18, Page 149, San Joaquin County records.

(APN 069-100-01) (069-100-10) (069-100-09)

Tract Two:

Parcel One:

A portion of that certain Tract of Land commonly known as Camp 7, Bacon Island, in the County of San Joaquin, State of California, more particularly described as follows:

Commencing as a point 359 North of the corner common to Sections 10, 11, 14 and 15, Township 1 North, Range 3 East Mount Diablo Base and Meridian; thence running East parallel with and 359 feet distant from the center line of the Main Tract of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the Levee forming the South boundary of the larger tract of land commonly known as Bacon Island and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Island; thence running along the center line produced and center line of said 4 foot ditch, North 15° 33' West 2417 feet, more or less to the center line of main North and South Drainage Canal; thence along the center line of said main North and South Drainage Canal, North 14° 55' West 10,869 feet; North 8° 17' East 6207 feet, more or less to the center line produced of a 4 foot ditch running Easterly; thence running along the center line of said 4 foot ditch, South 87° 53' East 810 feet, more or less to the center line of a 4 foot ditch running Southerly; thence along the center line of said 4 foot ditch, South 8° 30' East 380 feet, more or less to the center line of a 4 foot ditch running Easterly; thence along the center line of said last named 4 foot ditch, North 83° 22' East 5468 feet, more or less to the outer toe of levee forming the East boundary of said Bacon Island; thence along said outer toe of levee, North 5° 50' East 230 feet; North 13° 02' East 700 feet and North 27° 36' East 324.9 feet to the center line produced of a 4 foot ditch; thence South 84° 48' West 60 feet to a point designated as Point “A” and being the true point of beginning of the herein described Parcel of Land and lying in the center line of the levee and on the North line of that certain Tract of Land conveyed to Stewart K. Nakano by Productive Properties LTD., by Deed recorded August 9, 1938 in Book of Official Records, Book 624 Page 152, San Joaquin County Records; thence along the center line of said levee; the following Eleven Courses and distances:

North 27° 36' East 115.1 feet; North 45° 38' East 1630 feet; North 38° 57' East 300 feet; North 32° 45' East 300 feet; North 18° 41' East 180 feet; North 41° 44' West 120 feet; North 72° 54' West 2640 feet; South 67° 16' West 300 feet; South 79° 05' West 165 feet; North 82° 46' West 215 feet; North 62° 55' West 352.4 feet

To a point designated as Point “B” lying in the center line of the levee; thence South 11° 04' 1/2' West 3092.4 feet to the intersection of said North line of that certain Tract of Land conveyed to Stewart K. Nakano with a 4 foot ditch running Northerly; thence North 84° 48' East 2546.4 feet along said North line of that certain Tract of Land conveyed to Stewart K. Nakano to said Point “A” and inclusive of all that portion of said levee that lies between the said eleven courses and distances above mentioned and a line produced North 84° 48' East from said Point “A” and a line produced North 11° 04' 1/2' East from said Point “B” and the outer toe of said levee.

Legal description Continued
Except any portion lying with the boundaries of the Tract of Land described in Deed from Productive Properties, LTD., a Corporation to Delta Farms Reclamation District No. 2028, a Corporation, recorded August 14, 1941 in Book of Official Records, Book 746, Page 388, San Joaquin County Records. (APN 129-050-01, 129-050-02)

Parcel Two:

That portion of Bacon Island in the County of San Joaquin, State of California commonly known as Camps 8 and 8 ½ and the Southerly 200 acres of Camp 7, more particularly described as follows:

Commencing at a point 359 North of the corner common to Sections 10, 11, 14 and 15 in Township 1 North 3 East, Mount Diablo Base and Meridian; thence running parallel with and 359 feet distant from the center line of the main Tract of Atchison, Topeka and Santa Fe Railroad, 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence along the center line produced and center line of said 4 foot ditch, North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal thence along the center line of said main North and South drainage canal, North 14° 55' West 10,869 feet; thence North 8° 17' East 2506 feet, more or less to an intersection with the center line produced a 4 foot ditch running Easterly being the Point of Beginning of the Tract herein described; thence bounding said Tract and running along the center line of said 4 foot ditch, North 88° 20' East 5942 feet, more or less to the outer toe of levee forming the East boundary of said Bacon Tract; thence along said outer toe of levee,

North 00° 36' East 235 feet; North 19° 32' West 300 feet;
North 27° 16' West 385 feet; North 3° 23' West 414 feet;
North 14° 06' East 300 feet; North 31° 03' East 300 feet;
North 54° 33' East 255 feet; North 64° 34' East 400 feet;
North 67° 49' East 854 feet; North 35° 04' East 160 feet;
North 11° 44' West 130 feet; North 34° 19' West 670 feet;
North 14° 02' West 440.5 feet; North 5° 50' East 230 feet;
North 13° 02' East 700 feet; North 27° 36' East 324.9 feet;

To the center line produced of a 4 foot ditch running Westerly; thence along the center line of said 4 foot ditch and its production, South 84° 48' West 4717.0 feet; thence North 8° 30' West 539.7 feet to the center line of Youngs Slough; thence along said center line of Youngs Slough;

North 86° 30' West 211.7 feet; North 30° 00' West 174 feet;
North 49° 00' West 150 feet; North 82° 00' West 73 feet;
South 11° 30' West 184 feet; South 65° 00' West 82 feet;
North 50° 00' West 134 feet; North 88° 00' West 93.2 feet;
South 45° 30' West 234 feet; South 21° 30' West 312 feet;
South 64° 00' West 110 feet; North 68° 00' West 98 feet;
North 43° 00' West 189 feet; North 86° 30' West 350 feet;
South 43° 30' West 355 feet; South 17° 41' East 522.5 feet

To the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal, South 17° 41' East 117.5 feet; South 8° 17' West 4225 feet to the Point of Beginning.

Excepting therefrom any portion lying within the boundary of the Tract of Land described in Deed from Productive Properties, LTD., a Corporation to Delta Farms Reclamation District No. 2028, a Corporation, recorded August 14, 1941 in Book of Official Records, Book 746 Page 388, San Joaquin County Records.

Also excepting therefrom so much thereof as lies within the exterior boundaries of that Parcel of Land described in the Deed from California Delta Farms, a Corporation to Roy and Gordon Lacy recorded January 10, 1927 in Book of Official Records, Book 175 Page 152, San Joaquin County Records.


Legal description Continued
Parcel Three:

Being that part of Bacon Island in the County of San Joaquin, State of California, inside of line which is hereby described as follows:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15, Township 1 North Range 3 East, Mount Diablo Base and Meridian; thence running East parallel with and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger Tract of Land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said 4 foot ditch, North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said North and South drainage canal, North 14° 55' West 10,869 feet; North 8° 17' East 6207 feet, more or less to the center line produced of a 4 foot ditch running Easterly, being the point of beginning of the tract herein described; thence bounding said Tract and running along the center line of said 4 foot ditch, South 87° 53' East 810 feet, more or less to the center line of a 4 foot ditch running Southerly; thence along the center line of said 4 foot ditch South 8° 30' East 380 feet, more or less to the center line of a 4 foot ditch running Easterly; thence along the center line of said last named 4 foot ditch, North 83° 22' East 5468 feet, more or less to the outer toe of the levee forming the East boundary of said Bacon Tract; thence along said outer toe of levee,

North 05° 50' East 230 feet; North 13° 02' East 700 feet;
North 27° 36' East 440 feet; North 45° 38' East 1630 feet;
North 38° 57' East 300 feet; North 32° 45' East 300 feet;
North 18° 41' East 180 feet; North 41° 44' West 120 feet;
North 72° 54' West 2640 feet; South 67° 16' West 300 feet;
South 79° 05' West 165 feet; North 82° 46' West 215 feet;
North 62° 55' West 770 feet; South 88° 54' West 1070 feet;
South 64° 56' West 140 feet; South 45° 21' West 460 feet;
South 56° 58' West 250 feet; South 77° 02' West 220 feet;
North 80° 40' West 275 feet; North 64° 37' West 900 feet

To an intersection with the center line produced by Youngs Slough; thence Southerly along the center line of said Youngs Slough 8059 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main South and North drainage canal, South 17° 41' East 117.5 feet; South 8° 17' West 524 feet, more or less to the point of beginning.

Excepting therefrom that certain 200 Acre Tract of land described in Deed to Stewart K. Nakano recorded August 9, 1938 in Book of Official Records, Book 624, Page 152, San Joaquin County Records.

Also excepting that certain 200 Acre Tract of land described in the Deed to go Togo Shima recorded April 27, 1941 in Book of Official Records, Book 781, Page 66, San Joaquin County Records.

Also excepting any portion lying within the boundaries of the tract of land described in deed from Productive Properties, Ltd., a Corporation to Delta Farms Reclamation District No. 2028, a Corporation recorded August 14, 1941 in Book of Official Records, Book 746, Page 388, San Joaquin County Records.

Also Excepting an undivided ½ interest in all oil, gas, minerals and other hydrocarbons now or at any time thereafter situated therein or under the premises described herein, together with all easements and rights necessary or convenient for the production, storage and transportation thereof and testing of said real property; and also the right to drill for, produce, and use water from the said real property in connection with its drilling or mining operations thereon as reserved by Vincent G. Contiente, et ux in Deed recorded September 17, 1959 in Book of Official Records, Book 2219, Page 163, San Joaquin County Records.

Also excepting from said Parcels One, Two and Three the right to a one-half of the Royalty Income from any and all oil, gas, minerals and/or other hydrocarbon substances produced for said land as reserved in deed executed by Bacon Eight Investment Company, a Co-Partnership recorded January 10, 1990, recorder’s Instrument No. 90002991, San Joaquin County Records. (APN 129-050-03, 129-050-04)

Parcel Four:

That Part of Bacon Island in San Joaquin County (and being parts of Sections 4 and 5, Township 1 North, Range 4 East, Mount Diablo Base and Meridian; and parts of Sections 32 and 33, Township 2 North, Range 4 East Mount Diablo Base and Meridian) described as follows:

*Legal description Continued*
Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15 in Township 1 North, Range 3 East; thence running parallel with and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said 4 foot ditch, North 15° 33’ West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal, North 14° 55’ 7353 feet to an intersection with the center line produced of a 4 foot ditch running Easterly being point of beginning of the tract herein described; thence bounding said tract and running along the center line of said 4 foot ditch, North 85° 44’ East 5429 feet, more or less to the outer toe of levee forming the East boundary of said Bacon Tract; thence along said outer toe of levee North 7° 47’ West 180 feet; North 40° 30’ West 130.94 feet, more or less to a point on the center line produced of a 4 foot ditch running Westerly; thence along the center line produced and center line of said 4 foot ditch, South 85° 47’ West 2943.49 feet to the point of intersection with the center line of a 4 foot ditch running Northwesterly; thence along the center line of the 4 foot ditch running Northwesterly North 33° 14’ West 122.58 feet to the point of intersection with the center line of a 4 foot ditch running Westerly; thence along the center line of the 4 foot ditch running Westerly, South 85° 55’ West 2413.11 feet, more or less to the center line of the above mentioned drainage canal; thence along the center line of the said drainage canal, South 14° 55’ East 409.81 feet, more or less, to the point of beginning of the herein described parcel. (APN Portion of 129-050-11)

Parcel Five:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15 in Township 1 North, Range 3 East and thence running parallel with and 359 feet distant from the center line of the main track of the Atchison Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said 4 foot ditch, North 15° 33’ West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal, North 14° 55’ West 6185 feet, more or less to an intersection with the center line produced of a 4 foot ditch running Easterly being point of beginning of the tract herein described; thence bounding said tract and running along the center line of said 4 foot ditch, North 85° 02’ East 5282 feet, more or less to the outer toe of levee forming the East boundary of said bacon tract, thence along said outer toe of levee, North 10° 09’ West 668 feet North 3° 44’ West 418.6 feet to the center line of a 4 foot ditch running Westerly; thence along the center line of said 4 foot ditch, South 85° 44’ West 5429 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal; South 14° 55’ East 1168 feet, more or less to the point of beginning.

(APN Portion of 129-050-11)

Parcel Six:

That part of Bacon Island in the County of San Joaquin, State of California inside of the line which is hereby described as follows:

Commencing at a point 359 feet North of the corner common to Sections 10, 14 and 15 in Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence running parallel with and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said four foot ditch, North 15° 33’ West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal; thence North 14° 55’ West 5512 feet to a point being point of beginning the tract herein described; thence bounding said tract and running North 85° 02’ East 5218 feet, more or less to the outer toe of levee forming the East boundary of said Bacon Tract; thence along said outer toe of levee, North 10° 09’ West 665 feet to the center line of a 4 foot ditch running Westerly; thence along the center line of said 4 foot ditch, South 85° 02’ West 5282 feet, more less to the center line of the main North and South drainage canal; thence along the center line of said North and South main drainage canal, South 14° 55’ East 673 feet, more or less to the point of beginning.

Excepting from said Parcels Four, Five and Six the right to 1/4 of the Royalty Income from any and all oil, gas, minerals and/or other hydrocarbon substances produced for said land as reserved in deed executed by Pacific Storage Company, a California Corporation recorded January 10, 1990 recorders Instrument No. 9002981, San Joaquin County Records.

(APN 129-050-12)

Legal description Continued
Parcel Seven:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15 in Township 1 North, Range 3 East; thence run parallel to and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence continuing along the center line produced and center line of said 4 foot ditch, North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said North and South drainage canal, North 14° 55' West 459 feet being the point of beginning of the tract herein described; thence bounding, said tract and continuing along the center line of the main North and South drainage canal, North 14° 55' West 3341 feet to a point; thence South 74° 19', West along the center line of a 4 foot ditch 3789 feet, more or less to the outer toe of the levee forming the Western boundary of said Bacon Tract; thence along the outer toe of the levee,

South 20° 20' East 175.5 feet; South 31° 47' East 2975 feet;

South 23° 03' East 300 feet; North 74° 07' East 2842 feet to the point of beginning.

Together with the right of ingress and egress along and over the levees of Reclamation District No. 2028 from the land herein conveyed to the Bacon Island Ferry.

Preserving unto the land herein conveyed the riparian rights.

Excepting ½ of the oil, gas and other hydrocarbon substances as reserved in deed by Lacy Bros., Inc. a Corporation recorded April 11, 1951 in Book of Official Records, Book 1336, Page 300, San Joaquin County Records.

Also excepting from said Parcel Seven the right to 1/2 of the Royalty Income from any and all oil, gas, minerals and/or other hydrocarbon substances produced for said land as reserved in deed executed by Gino Celia, et ux recorded January 10, 1990, Recorder’s Instrument No. 90002985, San Joaquin County Records. (APN 129-050-17)

Parcel Eight:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15 in Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence running Easterly and parallel with and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract (now known as Bacon Island) and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of the said 4 foot ditch North 15° 33' West 2417 feet, more or less to the center line of said main North and South drainage canal; thence along the center line of said main North and South drainage canal, North 14° 55' West 6133 feet to a point being point of beginning of the tract herein described; thence bounding said tract and continuing along the center line of said main North and South drainage canal, North 14° 55' West 2126 feet, more or less to an intersection with the center line produced of a 4 foot ditch running Westerly; thence along the center line of said 4 foot ditch and its production Westerly, South 68° 57' West 5209 feet, more or less to the outer toe of levee forming the West boundary of said Bacon Tract; thence along said outer toe of levee, South 47° 21' East 384 feet; South 56° 47' East 1130 feet; South 52° 23' East 579.6 feet to a point; thence North 74° 19' East 3862 feet, more or less to the point of beginning. (APN 129-050-19)

Parcel Nine:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15 in Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence running Easterly and parallel with and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract (now known as Bacon Island) and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said 4 foot ditch, North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said North and South drainage canal, North 14° 55' West 3800 feet to the point of beginning of the tract herein described; thence bounding said tract and continuing along the center line of the main North and South drainage canal, North 14° 55' West 2333 feet to a point; thence South 74° 19' West 3862 feet, more or less to the outer toe of levee forming the West boundary of said Bacon Tract; thence along said outer toe of levee,

Legal description Continued
South 52° 23' East 20.4 feet; South 48° 48' East 266.6 feet; South 26° 07' East 300 feet; South 10° 09' East 1682 feet; South 20° 20' East 124.5 feet to a point; thence along the center line of a ditch: and its production, North 74° 19' East 3789 feet, more or less to the point of beginning.

Excepting therefrom Parcels Eight and Nine an undivided ½ interest of the oil, gas and other hydrocarbon substances in or under said real property as reserved by Lacy Bros., Inc. in deed recorded December 29, 1950 in Book of Official Records, Book 1320, Page 207, San Joaquin County Records.

Together with the right of ingress and egress over and along the levees and canal banks of Reclamation District No. 2028 along the West, South and East boundary lines of lands of Lacy Bros, Inc. adjoining on the South.

Also together with the right of ingress and egress along and over the levees of Reclamation District No. 2028 from the land of Lacy Bros., Inc. to the Bacon Island Ferry.

Excepting from said Parcels Eight and Nine the right to 1/2 of the Royalty Income from any and all oil, gas, minerals and/or other hydrocarbon substances produced for said land as reserved in deed executed by Wagner Corporation recorded January 10, 1990 Recorder’s Instrument No. 90002983, San Joaquin County Records. (APN 129-050-18)

Parcel Ten:

Beginning at a point which is the intersection of the center line produced of a 4 foot ditch running Westerly and the center line of the main drainage canal that runs North and South through Bacon Tract, said intersection being distant along the center line of said main North and South drainage canal, North 8° 17' East 1290 feet from the Southeast corner of that certain tract of land known as Camp No. 5 and described as Parcel Two in that certain deed from Productive Properties, Ltd., to Roy Lacy and Gordon Lacy, dated May 17, 1934 in Book of Official Records, Book 456, Page 303, San Joaquin County Records; thence running from said point of beginning along the center line of said 4 foot ditch North 81° 49' West 6294 feet, more or less to the outer toe of the levee forming the West boundary of said Bacon Tract thence along said outer toe of levee,

North 2° 27' East 117 feet, North 15° 04' East 300 feet;

North 33° 41' East 225 feet; North 41° 26' East 400 feet;

North 43° 00' East 210 feet; North 64° 23' East 525 feet

To an intersection with the center line produced of a 4 foot ditch running Easterly; thence along the center line of said 4 foot ditch; South 80° 29' East 5336 feet, more or less to an intersection with the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal South 14° 42' East 166 feet; thence South 8° 17' West 1140 feet to the point of beginning.

Excepting therefrom an undivided 1/2 interest in and to all oil, gas and other hydrocarbon substances in or under said premises as reserved in deed executed by Lacy Bros., Inc., a Corporation recorded December 29, 1950, in Book of Official Records, Book 1298, Page 395, San Joaquin County Records.


Parcel Eleven:

Being a part of Bacon Island in the County of San Joaquin inside of the line which is hereby described as follows:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15 in Township 1 North, Range 3 East; thence running parallel to and 359 feet distant from the center line of the main tract of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said 4 foot ditch North 15° 35' West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal, North 14° 55' West 10,869.0 feet; North 8° 17' East 6748 feet; thence North 14° 42' West 166 feet, more or less to an intersection with the center line produced of a 4 foot ditch running Westerly being

*Legal description Continued*
point of beginning of the tract herein described; thence bounding said tract and running along the center line of said 4 foot ditch North 80° 29' West 5336 feet, more or less to the outer toe of levee forming the West boundary of said Bacon Tract; thence along said outer toe of levee;

North 43° 25' East 300 feet; North 37° 27 East 1980 feet;
North 46° 54' East 250 feet; North 74° 54' East 900 feet;
North 70° 36' East 270 feet; North 50° 13' East 230 feet;
North 26° 24' East 1890 feet; North 52° 01' East 275 feet;
North 83° 58' East 230 feet; South 71° 34' East 970 feet;
South 65° 04' East 200 feet; South 36° 40' East 200 feet;
South 27° 12' East 660 feet; South 52° 34' East 250 feet;
South 58° 33' East 611 feet,

More or less to an intersection with the center line produced of Youngs Slough; thence along the center line of said Youngs Slough, the following courses and distances:

South 16° 40' West 401 feet; South 45° 43' East 282 feet;
South 27° 21' East 453 feet; South 69° 49' West 342 feet;
South 4° 14' East 257 feet; South 15° 22' West 189 feet;
South 5° 57' East 280 feet; South 44° 45' East 332 feet;
North 21° 28' East 342 feet; North 87° 15' East 416 feet;
South 27° 37' West 194 feet; South 50° 00' East 429 feet;
South 58° 00' West 208 feet; South 5° 03' East 454 feet;
South 86° 37' West 440 feet; North 32° 02' West 202 feet;
North 51° 54' West 206 feet; South 17° 31' West 239 feet;
North 66° 19' West 231 feet; South 46° 02' West 275 feet;
South 22° 33' West 289 feet; South 74° 13' West 143 feet;
North 44° 01' West 249 feet; North 89° 01' West 351 feet;
South 39° 05' West 343 feet; South 23° 16' East 233 feet;
South 20° 14' East 202 feet to the point of beginning.

Excepting therefrom an undivided 1/2 interest in and to all oil, gas and other hydrocarbon substance in or under said premises, as reserved in deed executed by Lacy Bros, Inc., a Corporation, recorded December 29, 1950 in Book of Official Records, Book 1298, Page 395, San Joaquin County Records.


*Legal description Continued*
Together with the right to use the existing road located on the levee which runs Easterly from the above described property to the County Road. (APN 129-050-26, 129-050-27)

Excepting from parcels one through eleven any portion of said parcels which is or was formerly tidelands within the natural bed of any tidal slough.

Parcel Twelve:

Being part of Bacon Island in the County of San Joaquin, more particularly described as follows:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15 in Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence running parallel to and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said 4 foot ditch North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal North 14° 55' West 8259 feet, more or less to an intersection with the center line produced of a 4 foot ditch running Westerly, being point of beginning of the tract herein described; thence bounding said tract and running along the center line of said 4 foot ditch South 68° 57' West 5209 feet, more or less to the outer toe of levee forming the West boundary of said bacon tract; thence Along said outer toe of levee;

North 35° 45' West 230 feet; North 21° 58' West 900 feet;
North 2° 34' West 230 feet; North 9° 59' East 790 feet;
North 11° 24' West 400 feet; North 26° 02' West 1040 feet;
North 9° 55' West 300 feet; North 3° 23' East 250 feet;
North 24° 48' East 300 feet; North 37° 06' East 860 feet;
North 22° 17' East 150 feet; North 4° 13' East 160 feet;
North 18° 30' West 242 feet to an intersection with the center line produced of a drainage canal running Easterly; thence along the center line of said drainage canal, South 77° 10' East 4586 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal South 14° 55' East 2603 feet, more or less to the point of beginning. (APN 129-050-56, 129-050-60)

Parcel Thirteen:

Being part of Bacon Island in the County of San Joaquin, State of California, more particularly described as follows:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15, Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence running parallel with and 359 feet distant from the center line of the main Tract of Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the Levee forming the South boundary of the larger Tract of land commonly known as the Bacon Island and in the center line produced of a 4 foot ditch that extends Southerly form the main drainage canal that runs North and South through said Bacon Island; thence running along the center line produced and center line of said 4 foot ditch North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal North 14° 55' West 10, 862 feet, more or less to the center line of a canal running Westerly; North 8° 17' East 4318 feet more or less to an intersection with the center line produced of a 4 foot ditch, running Westerly being point of beginning of the Tract herein described thence bounding said tract; thence running along the center line of said 4 foot ditch North 81° 43' West 5008 feet, North 72° 02' Minutes West 1201 feet, more or less to the outer toe of the levee forming the West boundary of said Bacon Island; thence along the outer toe of said levee;

South 0° 56' West 200 feet; South 20° 25' West 187 feet;
South 29° 33' West 240 feet; South 51° 53' West 570 feet;
South 60° 19' West 545 feet; South 50° 45' West 245 feet;

Legal description Continued
South 14° 01' West 144 feet; South 10° 06' West 1500 feet;
South 20° 17' East 194 feet; South 44° 41' East 180 feet;
South 62° 26' East 300 feet; South 76° 26' East 300 feet;
South 81° 23' East 1170 feet; South 74° 53' East 145 feet;
South 60° 37' East 188 feet; South 48° 06' East 260 feet;
South 27° 17' East 410 feet

To an intersection with the center line produced of a main drainage canal running Southeasterly; thence along the center line of said drainage canal and center line produced South 77° 10' East 4586 feet, more or less to the intersection with the center line of a canal running Northerly; thence North 8° 17' East 4318 feet to the point of beginning. (APN 129-050-52)

Parcel Fourteen:

Being part of Bacon Island in the County of San Joaquin, State of California, more particularly described as follows:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15, Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence running parallel with and 359 feet distant from the center line of the main Track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger Tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said 4 foot ditch North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal North 14° 55' West 10,862 feet, more or less to the center line of a canal running Westerly North 8° 17' East 4318 feet, more or less to an intersection with the center line produced of a 4 foot ditch running Westerly being point of beginning of the tract herein described; thence bounding said tract and running along the center line of said 4 foot ditch North 81° 43' West 5008 feet; North 72° 02' West 1201 feet, more or less to the outer toe of levee forming the West boundary of said bacon tract; thence along said outer toe of levee;

North 4° 59' West 210 feet; North 2° 36' East 700 feet;
North 9° 13' East 300 feet; North 15° 04' East 300 feet;
North 33° 41' East 225 feet; North 41° 26' East 400 feet;
North 43° 00' East 210 feet; North 64° 23' East 525 feet

To an intersection with the center line produced of a 4 foot ditch running Easterly; thence along the center line of said 4 foot ditch South 80° 29' East 5336 feet, more or less to an intersection with the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal, South 14° 42 East 166 feet; thence South 8° 17' West 2430 feet, more or less to the point of beginning.

Excepting from that portion thereof conveyed to Donald R. Warren Co., a Co-Partnership consisting of Donald R. Warren and Donald F. Warren by deed recorded December 29, 1950 in Book of Official Records, Book 1298, Page 395, San Joaquin County records, described as follows:

Beginning at a point which is the intersection of the center line produced of a 4 foot ditch running Westerly and the center line of the main drainage canal that runs North and South through Bacon Tract, said intersection being distant along the center line of said main North and South drainage canal North 5° 17' East 1290 feet from the Southeast corner of that certain tract of land known as Camp 5 and described as Parcel Two in that certain deed from Productive Properties, Ltd., to Roy Lacy and Gordon Lacy, dated May 17, 1934 in Book of Official Records, Book 456, Page 303, San Joaquin County Records; thence running from said point of beginning along the center line of said 4 foot ditch North 81° 49' West 6294 feet, more or less to the outer toe of the levee forming the West boundary of said Bacon Tract; thence along said outer toe of levee; North 2° 27' East 117 feet; North 15° 04' East 300 feet; North 33° 41' East 225 feet; North 41° 26' East 400 feet; North 43° 00' East 210 feet; North 64° 23' East 525 feet to an intersection with the center line produced of a 4 foot ditch running Easterly; thence along the center line of said 4 foot

Legal description Continued
ditch South 80° 29' East 5336 feet, more or less to an intersection with the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal South 14° 42' East 166 feet; thence South 8° 17' West 1140 feet to the point of beginning. (APN 129-050-24)

Parcel Fifteen:

Being part of Bacon Island in the County of San Joaquin, State of California, more particularly described as follows:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15, Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence running parallel with and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said 4 foot ditch North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal.; thence along the center line of said main North and South drainage canal North 14° 55' West 9,709 feet to an intersection with the center line produced of a 4 foot ditch running Easterly being point of beginning of the tract herein described; thence along the center line of said 4 foot ditch North 87° 18' East 4738 feet to the Water's Edge; thence along the Water's Edge South 20° 29' West 103 feet and South 2° 02' East 215.66 feet; thence parallel to and 16.2 feet Southerly from the standard oil gas line; North 78° 07' West 164.73 feet; North 57° 10' West 389.0 feet; South 87° 18' West 4078.75 feet; South 57° 43' West 134.04 feet to the center line of the main drainage canal; thence North 14° 55' West 111.50 feet to the point of beginning. (APN 129-050-28)

Parcel Sixteen:

That part of Bacon Island in San Joaquin County (and being parts of Sections 4 and 5, Township 1 North, Range 4 East, Mount Diablo Base and Meridian and part of Sections 32 and 33, Township 2 North, Range 4 East, Mount Diablo Base and Meridian), described as follows:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15 in Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence running parallel to and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said 4 foot ditch North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal North 14° 55' West 7355 feet to an intersection with the center line produced of a 4 foot ditch running Easterly being point of beginning of the tract herein described; thence bounding said tract and, running along the center line of said 4 foot ditch North 85° 44' East 5429 feet, more or less to the outer toe of levee forming the east boundary of said bacon tract; thence along said outer toe of levee;

North 7° 47’ West 180 feet; North 40° 30’ West 180 feet;
North 61° 00’ West 930 feet; North 38° 15’ West 280 feet;
North 28° 45’ West 300 feet; North 8° 10’ West 300 feet;
North 2° 02’ West 460 feet; North 20° 29’ East 103 feet;

To an intersection with the center line produced of a 4 foot ditch running Westerly; thence along the center line produced and center line of said 4 foot ditch South 87° 18’ West 4738 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal South 14° 55’ East 2356 feet, more or less to the point of beginning.

Excepting from the above described premises that parcel conveyed to Pacific Storage Company, a California Corporation by deed recorded February 20, 1956 in Book of Official Records, Book 1839, Page 172, San Joaquin County Records, more particularly described as follows:

That part of Bacon Island in San Joaquin County (and being parts of Sections 4 and 5, Township 1 North, Range 4 East, Mount Diablo Base and Meridian and parts of Sections 32 and 33, Township 2 North, Range 4 East, Mount Diablo Base and Meridian) described as follows:

*Legal description Continued*
Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15 in Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence running parallel with and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said bacon tract; thence running along the center line produced and center line of said 4 foot ditch North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal North 14° 55' West 7353 feet to an intersection with the center line produced of a 4 foot ditch running Easterly being point of beginning of the tract herein described; thence bounding said tract and running along the center line of said 4 foot ditch North 85° 44 East 5429 feet, more or less to the outer toe of levee forming the East boundary of said Bacon Tract; thence along said outer toe of levee North 7° 47' West 180 feet; North 40° 30' West 130.94 feet, more or less to a point on the center line produced of a 4 foot ditch running Westerly; thence along the center line produced and center line of said 4 foot ditch South 85° 47' West 2943.49 feet to the point of intersection with the center line of a 4 foot ditch running Northwesterly; thence along the center line of the 4 foot ditch running Northwesterly North 33° 14' West 122.58 feet to the point of intersection with the center line of a 4 foot ditch running Westerly; thence along the center line of the 4 foot ditch running Westerly South 85° 55' West 2413.11 feet, more or less to the center line of the above mentioned drainage canal; thence along the center line of the said drainage canal South 14° 55' East 409.81 feet, more or less to the point of beginning of the herein described parcel.

Also excepting therefrom that certain 6.5 acre parcel described in the deed to Lacy Bros., Inc., dated December 10, 1958, recorded January 9, 1959 in Book of Official Records, Book 2133, Page 593, San Joaquin County Records.

Together with the following as contained in deed executed by Rancho Del Rio, a California General Partnership [grantor] to Delta Wetlands Properties, an Illinois General Partnership [grantee] which deed was recorded March 12, 1993 recorder’s Instrument No. 93030616, San Joaquin County Records:

“The reversionary interest in that certain County Roadway pursuant to document recorded September 23, 1936 in Book of Official Records, Book 408, Page 203, San Joaquin County Records; as well as any other reversionary rights in connection with the real property described above, if any, is hereby granted to Delta Wetlands Properties, an Illinois General Partnership,”

Also excepting from Parcels Twelve, Thirteen, Fourteen, Fifteen and Sixteen above the following as contained in deed executed by Rancho Del Rio, a California General Partnership [grantor] to Delta Wetlands Properties, an Illinois General Partnership [grantee] which deed was recorded March 12, 1993 recorders Instrument No. 93030616, San Joaquin County Records:

“Rancho Del Rio, a General Partnership, reserves the right to one-half (1/2) of the Royalty Income received by Delta Wetlands Properties, an Illinois General Partnership, its heirs, successors and/or assigns, from any and all oil, gas, mineral, and/or other hydrocarbonous substances produced or extracted from the above described property for a period of ten (10) years beginning on the date of recordation of this deed from Rancho Del Rio, a General Partnership, and continuing thereafter for either the entire period of each commercial production of any oil, gas or minerals which commences production within said ten (10) year period or until such time after said ten (10) year period that each such production has been halted for a period of five hundred forty (540) consecutive and successive calendar days, whichever is first to occur”. (APN 129-050-54, 129-050-55)

Parcel Seventeen:

Being a part of Bacon Island inside of the line which is hereby described as follows:

Commencing at a point 359 feet north of the corner common to Sections 10, 11, 14 and 15, Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence running parallel with and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said 4 foot ditch, North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal North 14° 55' West 9709 feet, more or less to an intersection with the center line produced of a 4 foot ditch running Easterly being point of beginning of the tract herein described; thence bounding said tract and running along the center line produced of said 4 foot ditch, North 87° 18' East 4738 feet, more or less to the outer toe of levee forming the East boundary of said Bacon Tract; thence along said outer toe of levee, North 30° 42 East 231 feet; North 50° 22' East 1200 feet; North 30° 52' East 150 feet; North 1° 57' East 260 feet; North 32° 37' West 630 feet; North 13° 52' West 250 feet; North 4° 56' East 280 feet; North 26° 57' East 1094 feet; North 10° 43' East 172 feet to an intersection with the center line produced of a 4 foot ditch running Westerly; thence along the center line of said 4 foot ditch,

Legal description Continued
South 88° 20' West 5942 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal, South 8° 17' West 2506 feet; South 14° 55' East 1160 feet to the point of beginning.

Excepting therefrom one-half interest in and to all oil, gas, minerals and other hydrocarbon substances as reserved by Albert C. Nelson and Uradel B. Nelson, his wife by deed recorded June 22, 1965 in Book of Official Records, Book 2956, Page 255, San Joaquin County Records. (APN 129-050-09)

Parcel Eighteen:

Commencing at a point 359 feet north of the corner common to Sections 10, 11, 14 and 15 in Township 1 North, Range 3 East; thence running parallel with and 359 feet distant from the center line of the main tract of the Atchison, Topeka and Santa Fe Railroad, 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a four foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said 4 foot ditch North 15° 33' West 1399 feet to the point of beginning of the tract herein described; thence bounding said tract and continuing along the center line of said 4 foot ditch North 15° 33' West 1018 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal North 14° 55' West 2482 feet to a point; thence North 89° 24' East 5050 feet, more or less to the outer toe of levee forming the East boundary of said Bacon Tract; thence along said outer toe of levee South 37° 38' West 417 feet South 28° 30' West 1540 feet; South 22° 33' West 300 feet; South 0° 18' East 265 feet; South 18° 03' East 220 feet; South 24° 15' East 910 feet; South 9° 16' East 110 feet to the center line produced of a 4 foot ditch running Westerly; thence along the center line produced and center line of said, 4 foot ditch South 89° 01' West 3474 feet to the point of beginning. (APN 129-050-14)

Parcel Nineteen:

That part of Bacon Island in the County of San Joaquin, State of California inside of the line which is hereby described as follows:

Commencing at a point 359 feet north of the corner common to Sections 10, 11, 14, 15 in Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence running parallel with and 359 feet distant from the center line of the main tract of the Atchison, Topeka and Santa Fe Railroad, 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract being point of beginning of the tract herein described; thence bounding said tract and running along the center line produced and center line of said 4 foot ditch, North 15° 33' West 1399 feet, more or less to an intersection with the center line of a 4 foot ditch running Easterly; thence along the center line of said 4 foot ditch, North 89° 01' East 3474 feet, more or less to the outer toe of levee forming the East boundary of said Bacon Tract; thence along said outer toe of levee South 9° 16' East 234 feet; South 3° 57' East 300 feet; South 0° 32' East 300 feet; South 12° 23' West 500 feet; South 89° 19' West 3030 feet, more or less to the point of beginning.

Excepting therefrom an undivided one-half interest in all oil, gas, minerals and other hydrocarbons now or at any time hereafter situated therein and thereunder, together with all easements and rights necessary or convenient for the production, storage and transportation thereof and testing of said real property; and also the right to drill for, produce and use water from the said real property in connection with drilling or mining operations thereon as excepted and reserved by Cordner B. Nelson and Mary Elizabeth Nelson, his wife in deed recorded April 29, 1974 in Book of Official Records, Book 3868, Page 420, San Joaquin County Records.

Excepting from Parcels Seventeen, Eighteen and Nineteen above the following as contained in deed executed by Riverview Investment Company, a California Corporation [grantor] to Delta Wetlands Properties, an Illinois General Partnership [grantee] which deed was recorded February 16, 1996 Recorder's Instrument No. 96016067, San Joaquin County Records.

Riverview Investment Company, a California Corporation reserves the right to one-half (1/2) of the Royalty Income received by Delta Wetlands Properties, an Illinois General Partnership, its heirs, successors and/or assigns; from any and all oil, gas, mineral and/or other hydrocarbonous substances produced or extracted from the above described property for a period of ten (10) years beginning on the date of recordation of this deed from Riverview Investment Company, a California Corporation, and continuing thereafter for either the entire period of each commercial, production of any oil, gas or minerals which commences production within said ten (10) year period or until such time after said ten (10) year period that each such production has been halted for a period of five hundred forty (540) consecutive and successive calendar days, whichever is first to occur.

(APN 029-050-15)

Legal description Continued
Parcel Twenty:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15 in Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence run parallel with and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad, 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract, being point of beginning of the tract herein described; thence bounding said tract and continuing along the center line produced and center line of said 4 foot ditch North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal, North 14° 55' West 459 feet to a point; thence South 74° 07' West 2842 feet, more or less to the outer toe of levee forming the West boundary of said Bacon Tract; thence along the said outer toe of levee,

South 4° 12' West 300 feet; South 16° 50' West 300 feet;  
South 23° 12' West 300 feet; South 31° 42' West 660 feet;  
South 25° 28' West 360 feet; South 15° 47' East 150 feet;  
South 42° 57' East 150 feet; South 76° 02' East 120 feet;  
North 89° 19' East 3940 feet, more or less to the point of beginning.

Excepting therefrom one-half of the oil, gas and other hydrocarbon substances in or under said real property as reserved in deed executed by Lacy Bros., Inc., a Corporation to Jack Williams dated March 16, 1951, recorded April 11, 1951, recorder's Instrument No. 11669, San Joaquin County Records.

Also excepting therefrom the following as contained in deed executed by Ishimaru-Takechi Farms, a California General Partnership [grantor] to Delta Wetlands Properties, an Illinois General Partnership [grantee] which deed was recorded February 16, 1996 recorder's Instrument No. 96016069, San Joaquin County Records:

Ishimaru-Takechi Farms, a partnership reserves the right to one-half (1/2) of the Royalty Income received by Delta Wetlands Properties, an Illinois General Partnership, its heirs, successors and/or assigns, from any and all oil., gas, mineral and/or other hydrocarbonous substances, produced or extracted from the above described property for a period of ten (10) years beginning on the date of recodation of this deed from Ishimaru-Takechi Farms, a Partnership and continuing thereafter for either the entire period of each commercial production of any oil, gas or minerals which commences production with said ten (10) year period or until such time after said ten (10) year period that each such production has been halted for a period of five hundred forty (540) consecutive and successive calendar days, whichever is first to occur. (APN 029-050-16)

Parcel Twenty-One:

That part of Bacon Island in the County of San Joaquin, more particularly described as follows:

Commencing at a point 359 feet North of the corner common to Sections 10, 11, 14 and 15 in Township 1 North, Range 3 East, Mount Diablo Base and Meridian; thence running parallel with and 359 feet distant from the center line of the main track of the Atchison, Topeka and Santa Fe Railroad 22,422 feet to a point on the South side of the levee forming the South boundary of the larger tract of land commonly known as the Bacon Tract and in the center line produced of a 4 foot ditch that extends Southerly from the main drainage canal that runs North and South through said Bacon Tract; thence running along the center line produced and center line of said 4 foot ditch, North 15° 33' West 2417 feet, more or less to the center line of the main North and South drainage canal; thence along the center line of said main North and South drainage canal, North 14° 55' West 2482 feet to the point of beginning of the tract herein described; thence bounding said tract and continuing along the center line of said main North and South drainage canal, North 14° 55' West 3030 feet to a point; thence North 85° 02' East 5218 feet, more or less to the outer toe of levee forming the east boundary of said bacon tract; thence along said outer toe of levee,

South 10° 09' East 787 feet, South 19° 28' East 200 feet;  
South 26° 48' East 600 feet; South 39° 40' East 540 feet;  
South 50° 04' East 475 feet; South 29° 42' East 125 feet;  
Legal description Continued
South 3° 31' West 200 feet; South 37° 38' West 1000 feet to a point;

Thence South 89° 24' West 5050 feet to the point of beginning.

Excepting from above the Joseph A. Mc Glinchey Survivor’s Trust and the Catherine C. Mc Glinchey Exemption Trust under the Joseph A. Mc Glinchey and Catherine C. Mc Glinchey Marital Trust dated November 30, 1990 as grantors reserve the right to one-half of the Royalty income received by Delta Wetlands Properties, an Illinois General Partnership its heirs, successors and/or assigns from any and all oil gas and/or other hydrocarbonous substances produced or extracted from the above described property for a period of 10 years beginning on the date of recordation of this deed from the above said trustees as grantors and continuing thereafter for either the entire period of each commercial production of any oil, gas or minerals which commences production within said 10 year period or until, such time after said 10 year period that each such production has been halted or a period of 540 consecutive and successive calendar days whichever is first to occur, as also excepted and as resolved in that certain Grant Deed recorded February 17, 1998 as Instrument No. 98017195 of Official Records. (APN 029-050-13)
Exhibit “A”

Parcel One (Webb Tract):

Parcel One-A:

Being a portion of Projected Government Section 26, 27, 34 and 35, Township 3 North, Range 3 East, Mount Diablo Base and Meridian location on Webb Island, Contra Costa, California, described as follows:

Commencing at the intersection of the center line of the Main East-West Drainage Canal with the West line of that certain 677.30 acre parcel of land shown upon a Record of Survey filed July 21, 1955, in Book 16 of Surveys, Page 50, Contra Costa County Records, said Point of Commencement also lying South 15°23' East, 10.0 feet from the Northwest corner of said 677.30 acre Parcel; thence along the center line of the Main East-West Drainage Canal North 87°24' West, 4982.55 feet to the intersection of said Main East-West Drainage Canal with the center line of a North-South Drainage Ditch, said intersection being the True Point of Beginning of the following described land; thence along the center line of said North-South Drainage Ditch, South 1°12' West, 40.0 feet to an iron pipe; thence continuing along said center line South 1°12' West, 2829.86 feet; thence leaving said center line South 8°57' East, 2457.50 feet to an iron pipe on top of the levee; thence continuing South 8°57' East, 35.75 feet to the mean high water line of false river; thence along said mean high water line of false river North 25°04' East, 175.32 feet; North 32°32' East, 139.19 feet, North 36°07' East, 165.99 feet; North 49°21' East, 132.92 feet, North 56°52' East, 117.94 feet, North 61°51' East, 271.61 feet and continuing along the mean high water line of false river North 58°03' East, 255.02 feet to the intersection of said mean high water line with the center line of a 4-foot wide drainage ditch; North 1°26' East, 11.97 feet to an iron pipe on top of the levee; thence along the center line of said 4-foot drainage ditch North 1°26' East, 4396.23 feet to an iron pipe; thence continuing along said center line North 1°26' East, 40.0 feet to the center line of the main East-West Drainage Canal; thence along the center line of said East-West Drainage Canal North 87°24' West, 1342.85 feet to the True Point of Beginning.

A Map thereof was filed for record October 28, 1960, in Book 18 of L. S. M. at Page 49, Official Records, Contra Costa County.

Excepting therefrom:


“Excepting therefrom and reserving, however, an undivided one-half (1/2) of all oil, gas, casinghead gasoline and other hydrocarbon and mineral substances in, on and under said land, or that may be produced, recovered, or saved from said land, with the right to enter on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances, and all rights reasonable and incident to such purposes.”

2. The rights reserved in the Deed from Central Valley Farms, Inc. to James E. Cox, et al, recorded May 1, 1970, Book 6119, Official Records, Page 428, as follows:

“Excepting therefrom and reserved, however, an undivided one-quarter (1/4) of all oil, gas, casinghead gasoline and other hydrocarbon and mineral substances in, on and under said land, or that may be produced, recovered or saved from said land, with the right to enter on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbons and mineral substances, and all rights reasonable and incident to such purpose. The above excepted minerals and mineral rights shall revert to James E. Cox and Christine D. Cox, his wife, as tenants, in common, as to an undivided ½ interest; Charles Giovannoni and Edythe C. Giovannoni, his wife, as tenants in common, as to an undivided ½ interest, their heirs, successors or assigns on May 1, 1980.”

3. Excepting therefrom, an undivided ¼ of all oil, gas, casinghead gasoline and other hydrocarbon and mineral substances that may be produced, recovered or saved from said land beneath the uppermost 500 feet of the soil horizon, together with non-exclusive surface entry rights, including the uppermost 500 feet of the soil horizon, for the purpose of exploring, testing, taking, removing, transporting, disposing, mining and operating for all oil, gas and other hydrocarbons and mineral substances and all rights reasonable and incident to such purposes.

Legal description Continued
Provided that Grantor, its transferees, successor and assigns shall not engage in any open pit or surface mining and that adequate compensation shall be paid to Grantee, its heirs, successors or assigns, for any material damages caused to the crops, land and/or improvements thereon by reason of the Grantors exercise of the above said rights as reserved in that Deed from False River Farms, a partnership to Monolopsis Equity Exchange, Inc., a California Corporation, dated December 13, 1988 and recorded December 28, 1988, Book 14795 Page 819, Official Records. (APN: 026-060-003)

Parcel One-B:

Parcel A, as shown on Parcel Map No. 173-71, filed September 27, 1973, in Book 30 of Parcel Maps, Page 13, Contra Costa County Records.

Excepting therefrom:

1. An undivided one-half (1/2) of oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances, in, on and under said land or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining, and operating for oil, gas and other hydrocarbon and mineral substances, and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to Grantees, their heirs, successors or assigns, in the event damages, are caused by the exercise of any of the rights above reserved, as reserved in the Deed from Charles L. Floto, et al, recorded January 30, 1957 in Book 2922, Official Records, Page 581.

2. An undivided ½ interest in all oil, gas, casinghead gasoline and other hydrocarbon and mineral substances below a point 500 feet below the surface of said land, together with the right to take, remove, mine, pass through and dispose of all said oil, gas, casinghead gasoline and other hydrocarbon and mineral substances, but without any right whatsoever to enter upon the surface of said land or upon any part thereof, as reserved in the Deed from Joseph J. Baldocchi, et ux, to Jack L. Jones, et ux, recorded May 31, 1974, Book 7238 Page 349, Official Records.

Excepting therefrom by Jack L. Jones, a Married Man, as his separate property, as to an undivided 75% interest, and R. E. Grylich and Patricia Ann Grylich, his wife, as joint tenants, as to an undivided 25% interest, in and to an undivided one fourth (1/4) of all oil, gas, casinghead gasoline and other hydrocarbon and mineral substances, in, on and under said land below the depth of two hundred (200) feet from the surface of said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas, and other hydrocarbon and mineral substances, and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns in the event damages are caused by the exercise of any of the rights above reserved in the Deed from Jack L. Jones, et al, recorded November 16, 1987 in Book 14019 Page 74, Official Records. (APN: 026-060-015)

Parcel One-C:

Parcel B, as designated on the Parcel Map filed September 27, 1973, Book 30 Parcel Maps, Page 13, Contra Costa County Records.

Excepting therefrom:

1. Rights excepted in the Deed from Charles L. Floto, et al, recorded January 30, 1957, Book 2922, Official Records, Page 581, as follows:

"An undivided one-half (1/2) of all oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances and all rights reasonable and incident to such purposes, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns, in the event damages are caused by the exercise of any of the rights above reserved:"

2. Rights granted in the Deed to Clifford A. Egan, et ux, recorded January 20, 1984, Book 11619, Official Records, Page 516, as follows:

Legal description Continued
"All oil, gas, casinghead gasoline and other hydrocarbon and mineral substances in, on and under the following described land, or that may be produced, recovered or saved from said land, together with the right of entry on said land for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances and all the rights reasonable and incident to such purpose."

Not excepting therefrom, however, the rights regranted in the Deed to Robert F. Lautze, recorded January 20, 1984, Book 11619, Official Records, Page 520, as follows:

"An undivided 1/16 interest in all oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances in, on and under the following described land, or that may be produced, recovered or saved from said land, together with the right of entry on the said land for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances and all the rights reasonable and incident to such purpose.

3. Rights reserved in the Deed from Robert F. Lautze, recorded January 20, 1984, Book 11619, Official Records, Page 521 as follows:

"All oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances, and all rights reasonable and incident to such purposes, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns, in the event damages are caused by the exercise of any of the rights above reserved."

4. Rights granted in the Quitclaim Deed from Delta Wetlands to Peter Giannotti and Norma Giannotti, recorded November 4, 1992, Book 18000, Page 396, Official Records, as follows: 1/8 interest in all mineral rights. (APN: 026-060-016)

Parcel One-D:

Parcel C, as shown on Parcel Map No. 173-71, filed September 27, 1973 in Book 30 of Parcel Maps, Page 13, Contra Costa County Records.

Excepting therefrom:

1. An undivided one-half (1/2) of all oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances, in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances, and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns, in the event damages are caused by the exercise of any of the rights above reserved, as reserved in the Deed from Charles L. Floto, et al, recorded January 30, 1957, Book 2922 Official Records, Page 581.

2. An undivided ¼ of all oil, gas, casinghead gasoline and other hydrocarbon and minerals substances, in, on and under said land below the depth of two hundred (200) feet from the surface of said land or that may be produced, recovered or saved from said land with the nonexclusive right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operation for oil, gas and other hydrocarbon and mineral substances and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to Grantees, their heirs, successor or assigns, in the event damages are caused by the exercise of any of the rights above reserved in Deed from William Dinelli and Irene Dinelli, recorded March 7, 1989, Book 14921 Official Records, Page 686. (APN: 026-060-017)

Parcel One-E:

Lots 1 and 2, as shown upon the Map of Subdivision 5567, filed September 18, 1980, Book 245 of Maps, Page 43, Contra Costa County Records.

Excepting from Parcel One-E:

Rights reserved in the Deed from Charles L. Floto, et al, recorded February 20, 1962, Book 4060, Official Records, Page 474, as follows:

Legal description Continued
"Reserving therefrom: All oil, gas casinghead gasoline and other hydrocarbon and mineral substances in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns in the event damages are caused by the exercise of any of the rights herein reserved. Said reservation shall consist of the following:

1. 100% on that portion of the hereinafore described premises as contained in that certain oil and gas lease executed by Charles L. Floto, et al, Lessor, to Standard Oil Company of California, a Corporation, Lessee, recorded October 21, 1954 in Book 2404, Official Records, Page 115; and

2. An undivided 50% on the remainder of the hereinafore described property.”
(APN: 026-060-018, 026-060-019)

Parcel One-F:

Lots 3 and 4, as shown upon the Map of Subdivision 5567, filed September 18, 1980, Book 245 of Maps, Page 43, Contra Costa County Records.

Excepting from Parcel One-F:

Rights reserved in the Deed from Irene M. Floto, et al, recorded August 5, 1966, Book 5177, Official Records, Page 608, as follows:

"Excepting therefrom: All oil, gas, casinghead gasoline and other hydrocarbon and mineral substances in, on and under said land, or that may be produces, recovered or saved from said and with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances and all rights reasonable and incident to such purpose provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns in the event damages are caused by the exercise of any of the rights herein reserved". (APN: 026-070-010, 026-070-011)

Parcel One-G:

Lots 5 and 6, as shown upon the Map of Subdivision 5567, filed September 18, 1980, Book 245 of Maps, Page 43, Contra Costa County Records.

Excepting from Parcel One-G:

Rights reserved in the Deed from Charles L. Floto, et al, recorded April 10, 1962, Book 4094, Official Records, Page 346, as follows:

"Excepting therefrom: all oil, gas, casinghead gasoline and other hydrocarbon and mineral substances in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns in the event damages are caused by the exercise of any of the rights herein reserved. Said Reservation shall consist of the following:

1. 100% on that portion of the hereinafore described premises which lie within that certain oil and gas lease executed by Charles L. Floto, et al, Lessor, to Standard Oil Company of California, a Corporation, Lessee, recorded October 21, 1954, in Book 2404 of Official Records, Page 115; and

2. An undivided 50% on the remainder of the hereinafore described property.”

Reserving from Parcels One-E and One-F and One-G above;

Rights reserved in the Deed from Coleman Foley, Inc., recorded March 25, 1988, Book 14235, Page 238, Official Records, as follows:

Legal description Continued
“The right to all of the royalty income from any and all oil, gas, mineral and/or other hydrocarbon substances produced or extracted from the above described property for a period of four years beginning from and including the date of recordation of this deed and continuing thereafter for the entire period of commercial production of any oil, gas, well or mineral extraction enterprises which commences production within said four year period.

In the event no such production is commenced on or before March 23, 1992; or in the event production commences prior to March 23, 1992, then upon the abandonment of such production by the producer; then Coleman Foley, Inc. shall cease to have any further right, title or interest of any kind as this reservation shall effectively cease, terminate and be of no further force nor effect.” (APN: 026-070-012, 026-070-013)

Parcel One-H:

A portion of Projected Government Sections 14, 22 and 23, Township 3 North, Range 3 East, Mount Diablo Base and Meridian, situated on Webb Tract, Contra Costa County, California, being a portion of Delta Farms Reclamation District No. 2026, as described in the Judgement and Decree Quiet Title had in the Superior Court of the State of California, in and for the County of Contra Costa, Case No. 17374, entitled “Productive Properties, LTD., VS. C.L. Dodge, et al”, a certified copy of which was recorded October 8, 1931, Book 287, Official Records, Page 385, described as follows:

Beginning at a point marking the intersection of a 4 foot wide drainage ditch with the North-South main drainage canal through Webb Tract, said point of beginning lying North 7° 55' West, 2201.60 feet and North 7° 37' West, 2176.75 feet from the Northwest corner of that certain 677.30 acre parcel of land described in the Deed to Benj C. Mickle, recorded August 26, 1955, Book 2599, Official Records, Page 219, thence Westerly along the center line of a 4 foot drainage ditch, South 89° 51' West, 3242.0 feet to the center line of a 4 foot drainage ditch running North-South, thence along said 4 foot drainage ditch, North 6° 52' West, 1863.0 feet to the center line of a 4 foot drainage ditch running Westerly, thence along the center line of said drainage ditch South 82° 33' West, 594.05 feet to an iron pipe, thence continuing South 82° 33' West, 11.05 feet to the mean high water line to the San Joaquin River, thence along said mean high water line, as follows: North 15° 24' East, 302.42 feet, North 3° 29' East, 314.18 feet, North 7° 26' West, 281.72 feet, North 4° 19' West, 370.84 feet, North 10° 31' West, 358.49 feet, North 3° 45' West, 486.25 feet, North 27° 02' East, 276.07 feet, North 38° 41' East, 201.19 feet, North 47° 38' East, 415.54 feet, North 57° 00' East, 125.05 feet, North 71° 15' East, 154.60 feet, North 74° 14' East, 271.17 feet, North 77° 42' East, 427.29 feet, North 80° 33' East, 405.48 feet, North 77° 48' East, 543.67 feet, North 80° 22' East, 366.05 feet and continuing along the mean high water line of the San Joaquin River, North 78° 35' East, 686.04 feet to the intersection of the mean high water line with the prolongation of the center line of the North-South main drainage canal, thence along the prolongation of said center line South 7° 37' East, 30.07 feet to an iron pipe, thence continuing along said center line, South 7° 37' East, 4988.68 feet to the Point of Beginning.

Excluding therefrom:

1. Mineral rights reserved in the Deed from Charles L. Floto, et al, recorded July 11, 1960, Book 3657, Official Records, Page 251, as follows:

   “An undivided one-half (1/2) of all oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploration, taking, removing, disposing, mining, and operating for oil, gas and other hydrocarbon and mineral substances and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements therefore will be paid to grantees, their heirs, successors or assigns, in the event damages are caused by the exercise of any of the rights above reserved.”

2. “An undivided one-quarter (1/4) (1/2 of the rights remaining after the exception referred to above) of all oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances, in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry, on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbons and mineral substances, and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements therefore will be paid to grantees, their heirs, successors or assigns, in the event damages are caused by the exercise of any of the rights above reserved”, as reserved in the Deed from Radd Management Inc., a Corporation and American Lithograph and Business Forms, Inc., a Corporation to Steelies AG Equities, a California Limited Partnership, recorded March 23, 1978, in Book 8761 of Official Records, Page 192.

3. The mineral rights reserved in the Deed from Christopher Rivers, Jr., recorded July 20, 1982, Book 10859, Page 864, Official Records, as follows:

Legal description Continued
"An undivided one-eighth (1/8) (1/2 of the rights remaining after the exceptions referred to above) of all oil, gas, casinghead gasoline and other hydrocarbon and mineral substances, in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry, on said property for the purpose of exploring, taking, removing, disposing, mining and operation of oil, gas and other hydrocarbons and mineral substances, and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns, in the event damages are caused by the exercise of any of the rights above reserved. The intent of Grantor herein is to retain the remaining undivided 1/8 interest in the mineral rights.” (APN: 026-070-01)

Parcel One-I:

Portion of Projected Government Sections 22, 23, 26, 27, Township 3 North, Range 3 East, Mount Diablo Base and Meridian situated on Webb Tract, Contra Costa County, California, being a portion of Delta Farms Reclamation District No. 2026, as described in the Judgement and Decree Quiet Title had in the Superior Court of the State of California, in and for the County of Contra Costa, Case No. 17374, entitled “Productive Properties, LTD., VS. C.L. Dodge, et al,” a certified copy of which was recorded October 8, 1931 in Book 287 of Official Records, Page 385, described as follows:

Beginning at a point marking the intersection of the main East-West drainage canal with the main North-South drainage canal through Webb Tract, said point also being on the North line of the 433.16 acre parcel of land described in the Deed to Peter Giannetti, et al, recorded January 30, 1957, in Book 2922 of Official Records, Page 581, at the West line of that certain 677.30 acre Parcel of Land described in the Deed to Benj C. Mickle, recorded August 26, 1955 in Book 2599 of Official Records, at Page 219, Contra Costa County Records, said point of beginning lying South 15o 23' East, 10.0 feet from the Northwest corner of said 677.30 acre parcel; thence North 87o 24' West, along said North line (2922 OR 581), 3367.37 feet to its intersection with a North-South drainage ditch being also the East line of the 360.02 acre Parcel of Land described in the Deed to Central Valley Farms, Inc., a Corporation, recorded April 10, 1962, in Book 4094 of Official Records, Page 346; thence North 5o 46' West along said East line, 4048.80 feet to the most South-West corner of that certain 377.90 acre parcel of land described in the Deed to Rheem Manufacturing Company, a Corporation, recorded July 11, 1960 in Book 3657 of Official Records, Page 251, Contra Costa County Records; thence along the South line of said 377.90 acre parcel North 85o 51' East, 6.0 feet to an iron pipe and continuing along said South line being the center line of a drainage ditch, North 85o 51' East, 3236.0 feet to a point in the center line of the main North-South drainage canal through Webb Tract, said point also being the Southeast corner of said 377.90 acre parcel (3657 OR 251); thence along said center line of the North-South Drainage Canal, South 7o 37' East, 2177.10 feet and continuing along said center line South 7o 35' East, 2201.60 feet to the Northwest corner of said 677.30 acre parcel (2599 OR 219) thence along the West line of said 677.30 acre parcel (2599 OR 219) South 15o 23' East, 10.0 feet to the Point of Beginning.

Excepting from Parcel One-I:


"Excepting therefrom, an undivided one-half of all oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances in, on and under said gasoline, and other hydrocarbon and mineral substances in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining, and operating for oil, gas and other hydrocarbons and mineral substances, and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns, in the event damages are caused by the exercise of any of the rights above reserved."

2. Right reserved in the Deed from Frederick Bransletter, et al, recorded January 20, 1988, Book 141311, Page 655, Official Records, as follows: "All of their interest in and to all oil, gas, casinghead gasoline and other hydrocarbons and mineral substances inclusive, without limitation, sulphur, nitrogen, carbon dioxide, helium and geothermal steam in, on and under said land below the depth of two hundred feet of the surface of said land together with the non-exclusive right of entry on said property for the purpose of prospecting, exploring, taking, removing, disposing, mining (excepting that grantors herein shall not engage in open pit or surface mining of any nature), drilling and storing from such oil, gas, casinghead gasoline and other hydrocarbons and mineral substances including without limitation, sulphur, nitrogen, carbon dioxide, helium and geothermal steam, and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns, in the event damages are caused by the exercise of any of the rights above reserved.” (APN: 026-070-006)

Legal description Continued
Parcel One-J:

Portion of Project Government Sections 27 and 34, "Township 3 North, Range 3 East, and Section 3, Township 2 North, Range 3 East, Mount Diablo Base and Meridian, located on Webb Island, Contra Costa County, California, described as follows:

Commencing at the intersection of the center line of the main East-West drainage canal with the West line of that certain 677.30 acre parcel of land shown upon a record of survey, filed July 21, 1955, in Book 16 of Survey, at Page 50, Contra Costa County Records, said Point of Commencement also lying South 15° 23' East 10.0 feet from the Northwest corner of said 677.30 acre parcel; thence along the center line of the main East-West drainage canal North 87° 24' West, 4982.55 feet to the intersection of said main East-West drainage canal with the center line of a North-South drainage ditch, said intersection being the true point of beginning of the following described land; thence along the center line of said North-South drainage ditch, South 1° 12' West, 40.0 feet to an iron pipe; thence continuing along said center line South 1° 12' West, 2829.86 feet; thence leaving said center line South 8° 57' East, 2457.50 feet to an iron pipe on top of the levee; thence continuing South 8° 57' East, 35.75 feet to the mean high water line of false river; thence along said mean high water line of false river South 25° 04' West, 167.70 feet; South 25° 55' West, 227.78 feet; South 26° 17' West, 300.39 feet; South 27° 31' West, 436.45 feet; South 25° 30' West, 157.38 feet; South 16° 52' West, 496.15 feet; South 19° 56' West, 372.68 feet; South 18° 39' West, 548.94 feet; South 17° 09' West, 218.83 feet; South 21° 53' West 134.84 feet and continuing along the mean high water line of false river South 34° 02' West, 188.98 feet; thence North 1° 12' East, 34.67 feet to an iron pipe in the top of the levee; thence North 1° 12' East, 8284.01 feet to an iron pipe; thence continuing North 1° 12' East, 40.0 feet to the center line of the main East-West drainage canal; thence along the center line of said main East-West drainage canal, South 87° 24' East, 738.05 feet to the true point of beginning.

Excepting from Parcel One-J the following:

1. The interest in all oil, gas, casinghead gasoline and other hydrocarbon and mineral substances, in, on and under said land excepted and reserved in the following deeds:


2. Mineral rights as reserved in the Deed from F. D. Monekon aka Frank D. Monekon, recorded April 19, 1977, Book 8291 Page 799, Official Records, which recites as follows:

Reserving unto the Grantors herein 50% of all the remaining oil, gas and other hydrocarbon and mineral substances, interests, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns in the event damages are caused by the exercise of any of the rights herein reserved. (APN: 026-060-007)

Parcel One-K:

Portion of projected Government Sections 27, 28, 33 and 34, Township 3 North, Range 3 East, Mount Diablo Base and Meridian, commonly known as Webb Tract and Delta Farms Reclamation District No. 2026, described as follows:

Portion of Project Government Sections 27, 33 and 34, Township 3 North, Range 3 East, Mount Diablo Base and Meridian, and portion of Project Government Section 3, Township 2 North, Range 3 East, Mount Diablo Base and Meridian, commonly known as Webb Tract and Delta Farms Reclamation District No. 2026, described as follows;

Beginning at the Northwest corner of the Parcel of Land described in the Deed from Charles L. Floto, et al, to Warren C. T. Wong, et al, recorded November 9, 1960 in Book 3740 of Official Records, Page 192; thence from said Point of Beginning South 1° 12' West, along the West line of said Wong Parcel, Book 3740, Official Records, Page 192, 8,358.68 feet to the mean high water line of False River; thence along said mean high water line as follows: South 45° 30' West, 181.36 feet, South 59° 43' West, 311 feet; South 60° 27' West, 169.48 feet; South 74° 16' West, 172.21 feet; North 86° 55' West, 113.84 feet; North 80° 31' West, 69.24 feet; North 72° 57' West, 193.51 feet; North 68° 31' West, 132.04 feet; North 59° 08' West, 161.18 feet; North 53° 26' West,
164.95 feet; North 46° 11' West, 199.36 feet; North 38° 12' West, 121.09 feet; North 24° 05' West, 105.86 feet; North 11° 45' West, 163.90 feet; North 8° 28' West, 160.67 feet; North 29° 46' West, 101.23 feet; North 43° 22' West, 90.88 feet; North 66° 10' West, 98.31 feet; North 71° 44' West, 435.83 feet; North 75° 33' West, 356.68 feet; North 72° 55' West, 837.10 feet; North 67° 59' West, 471.92 feet; North 62° 38' West, 277.38 feet; North 62° 02' West, 139.47 feet; North 71° 48' West, 154.98 feet; and North 79° 07' West, 342.27 feet; thence North 0° 07' East, leaving said mean high water line, 2024.87 feet; thence South 87° 23' East, 969.60 feet; thence North 5° 43' East, 2004.54 feet; thence South 76° 56' East, 531.77 feet; thence North 21° 38' East, 1396.40 feet; thence North 13° 25' East, 1672.86 feet; thence South 87° 24' East, 2428.29 feet to the Point of Beginning.

Exempting from Parcel One-K the following:

1. An undivided ½ of all oil, gas, casinghead gasoline and other hydrocarbon and mineral substances in, on or under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbons and mineral substances and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to vessees, their heirs, successors or assigns, in the event damages are caused by the exercise of any of the rights above reserved, as excepted by Charles L. Floto, Irene M. Floto and Florence Floto Kirksey in the Deed dated May 19, 1961, recorded June 1961, in Book 3882, O. R. Page 194.

2. Mineral rights as reserved in the Deed from F. D. Monetkon aka Frank D. Monetkon, recorded April 19, 1977, Book 8291, Page 799, Official Records, which recites as follows:

Reserving unto the grantors herein 50% of all the remaining oil, gas and other hydrocarbon and mineral substance interest, provided, however, that adequate compensation for any and all damage to land crops, and improvements thereon will be paid to grantees, their heirs, successors or assigns in the event damages are caused by the exercise of any of the rights herein reserved. (APN: 026-060-008)

Parcel One-L:

A portion of Sections 25, 26, 36 and 36, Township 3 North, Range 4 East, Mount Diablo Base and Meridian, situated in Webb Tract, Contra Costa County, California, being a portion of Delta Farms Reclamation District No. 2026, as described in the Judgment and Decree Quite Title had the Superior Court of the State of California, in and for the County of Contra Costa, Case No. 17374, entitled Productive Properties, Ltd., VS. C. L. Dodge, et al, a certified copy of which was recorded October 8, 1931, Book 287, Official Records, Page 385.

Beginning at an iron pipe 24 inches long stamped L.S. 2273, set in concrete 18 inches below the surface of the levee on the South side of said Webb Tract, from which point the Eastern corner of Delta Farms Reclamation District No. 2026 Pumping Plant bears North 60° 30' West, 82.7 feet, and from which point the center of the Siphon of said Reclamation District bears South 51° 40' West, 51.8 feet; thence from said point of beginning North 26° 28' West, 202.88 feet to a 1 inch iron pipe set in concrete; thence North 84° 21' West, 324.39 feet to the center of drainage canal; thence North 15° 23' West, 4467.05 feet, parallel to and 45.0 feet Southwesterly at right angles from power line crossing Webb Tract in a Northwesterly direction for the center of Drainage Canal; thence along the center of drainage ditches; South 88° 05' East, 2784.00 feet; South 89° 57' East, 617.59 feet; North 2° 11' West, 844.21 feet; North 86° 45' East, 1483.70 feet; South 82° 01' East, 1230.36 feet; South 43° 47' East, 42.0 feet; and continuing along said drainage ditch, South 64° 20' East, 3141.47 feet to the Mean High Water Line of Old River; thence meandering downstream along the Mean High Water Line of Old River, South 78° 52' West, 448.15 feet; South 75° 51' West, 335.33 feet; South 70° 34' West, 258.63 feet South 62° 15', West, 239.74 feet; South 53° 16' West, 133.51 feet, South 40° 46' West, 140.15 feet; South 30° 21' West, 233.44 feet; South 22° 21' West, 238.0 feet; South 16° 24' West, 317.49 feet; South 8° 24' West, 476.51 feet; South 6° 56' West, 473.87 feet; South 1° 52' West, 249.46 feet; South 4° 59' West, 410.39 feet; South 16° 07' West, 286.83 feet; South 36° 18' West, 150.50 feet; and continuing along said Mean Water Line of Old River South 54° 47' West, 259.72 feet; thence meandering downstream along the Mean High Water Line of False River, North 87° 44' West, 230.75 feet; North 73° 34' West, 722.68 feet; North 82° 15' West, 1452.47 feet; North 84° 25' West, 773.32 feet; North 81° 32' West, 259.66 feet; North 84° 48' West, 188.74 feet; South 88° 12' West, 188.36 feet; South 78° 02' West, 145.0 feet; South 67° 38' West, 256.24 feet; South 48° 21' West, 176.50 feet; South 44° 17' West, 301.69 feet and continuing along said Mean High Water Line South 51° 40' West, 725.88 feet; thence leaving said False River, North 26° 28' West, 10.22 feet to the point of beginning.

A map thereon was filed for record July 21, 1955, Book 16, Page 50, Record of Surveys, Contra Costa County Records.

Exempting from Parcel One-L:

*Legal description Continued*
1. Rights reserved in the deed from Charles L. Floto, et al, recorded August 26, 1955, Book 2599, Page 219, Official Records, as follows:

"An undivided one-half (1/2) of all oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances in, on and under said land, or that may be produced, recovered or saved from said land with the right to enter on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas, and other hydrocarbon and mineral substances and all rights reasonable and incident to such purposes, provided, however, that adequate compensation for any and all damage to land and improved thereon will be paid to grantees, their, heirs, successors or assigns, in the event damages are caused by exploring for the minerals."

2. Mineral rights as reserved in the Deed from Frank D. Monekton, recorded September 1, 1977, Book 8489, Page 750, Official Records, which recites as follows:

Excepting and reserving unto the grantor herein, all remaining oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances in, on, and under said land, or that may be produced, recovered or saved from said land with the right to enter on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas, and other hydrocarbon and mineral substances, and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damages to land improvements thereon will be paid to grantees, their, heirs, successors or assigns, in the event damages are caused by exploring for the minerals. (APN: 026-080-004, 026-080-005)

Parcel One-M

Portion of projected Government Sections 23, 24, 25 and 26, Township 3 North, Range 3 East, Mount Diablo Base and Meridian, situated on Webb Tract, Contra Costa County, California, being a portion of Delta Farms Reclamation of District No. 2026, as described in the Judgment and Decree Quite Title had in the Superior Court of the State of California, in and for the County of Contra Costa, Case No. 17374, entitled "Productive Properties, Ltd., V.S. C.L. Dodge, et al," a certified copy of which was recovered October 8, 1931, in Book 287 of Official Records, Page 385, described as follows:

Beginning at the Northwest corner of that certain 677.30 acre parcel of land described in the deed to Benj C. Mickle, recorded August 26, 1955, Volume 2599, Official Records, Page 219, Contra Costa County Records; thence along the Northerly line of said 677.30 acre parcel South 88° 05' East, 2784.00 feet, South 89° 57' East, 617.59 feet, North 2° 11' West, 844.21 feet and continuing along said North line North 86° 45' East, 1141.50 feet; thence leaving said North line North 2° 04' West 6853.67 feet to the Mean High Water Line of the San Joaquin River; thence along said Mean High Water Line, North 34° 18' West, 403.39 feet, North 46° 42' West, 238.72 feet, North 58° 40' West, 147.55 feet, North 67° 19' West, 769.61 feet, North 65° 15' West, 355.73 feet, North 69° 58' West, 255.14 feet, North 66° 52' West 850.32 feet and continuing along said Mean High Water Line of San Joaquin River, North 85° 19' West 274.72 feet to the Northeast corner of that certain 200.0 acre parcel of land described in the deed to Daniel J. Pickrell, et al recorded November 9, 1960, Volume 3740, Official Records, Page 187, Contra Costa County Records, thence along the East line of said 200.0 acre parcel of land, said East line being the center line of a drainage ditch, South 1° 42' East, 3127.75 feet to an iron pipe, said iron pipe being the Southeast corner of said 200.0 acre parcel; thence along the South line of said 200.0 acre parcel South 3° 14' 30" West, 2330.85 feet to the West line of the 377.90 acre parcel of land described in the deed from Charles L. Floto, et al, to Rheem Manufacturing Company, recorded July 11, 1960, Book 3657, Official Records, Page 251, said line being in the center line of the main North-South drainage canal through Webb Island; thence along the center line of said North-South drainage canal, South 7° 37' East, 3666.97 feet and continuing along said drainage canal center line, South 7° 55' East, 2201.60 feet to the point of beginning.

Excepting therefrom Parcel One-M;


"Excepting An undivided one-half (1/2) of all oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances in, on and under said land, or that may be produced, recovered or saved from said land with the right to enter on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas, and other hydrocarbon and mineral substances and all rights reasonable and incident to such purposes, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their, heirs, successors or assigns, in the event damages are caused by the exercise of any of the rights above reserved."

2. Mineral rights as reserved in the deed from F.D. Monekton aka Frank D. Monekton, recorded April 19, 1977, Book 8291, Page 799, Official records, which recites as follows:

Legal description Continued
Reserving unto the grantors herein 50% of all the remaining oil, gas and other hydrocarbon and mineral substances interest, provided, however, that adequate compensation for any and all damages to land, crops, and improvements thereon will be paid to grantees, their heirs, successors or assigns in the event damages are caused by the exercise of any of the rights herein reserved. (APN: 026-080-08, 026-080-09)

Parcel One-N:

A portion of Projected Government Sections 13, 14, 23 and 24, Township 3 North, Range 3 East, Mount Diablo and Meridian, situated on Webb Tract, Contra Costa County, California, being a portion of Delta Farms Reclamation District No. 2026, as described in the Judgment and Decree Quite Title had in the Superior Court of the State of California, in and for the County of Contra Costa, Case No. 17374, entitled “Productive Properties, Ltd., VS. C. L. Dodge, et al”, a certified copy of which was recorded October 8, 1931, in Book 287 of Official Records, Page 385, described as follows:

Beginning on the East line of the parcel of land described in the deed from Charles L. Floto, et al, to Rheem Manufacturing Company, a Corporation, recorded July 11, 1960 in Book 3657 of Official Records, Page 257, distant thereon North 7° 37' West, 1503.05 feet from the Southeast corner thereof; thence from said point of beginning North 83° 14' 30" East, 2309.02 feet to an iron pipe; thence North 1° 42' West, 3127.75 feet to the Mean High Water Line, of the San Joaquin River; thence along said Mean High Water Line as follows: North 65° 19' West, 194.60 feet; North 66° 49' West, 513.09 feet; North 77° 31' West, 204.62 feet; North 84° 04' West, 536.66feet; South 80° 44' West, 231 feet; South 78° 30' West, 568.97feet; South 79° 19' West, 379.16 feet, and South 77° 36' West, 310.53 feet to the East line of said Rheem Manufacturing Company Parcel (3657 or 254); thence South 7° 37' East along said East line, 3515.70 feet to the point of beginning.

Excepting from Parcel One-N:

1. The mineral rights as reserved in the deed from Charles L. Floto, et al, recorded November 9, 1960, Book 3740, Page 187, Official Records, as follows:

"Excepting An undivided one-half (1/2) of all oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances in, on and under said land, or that may be produced, recovered or saved from said land with the right to entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas, and other hydrocarbon and mineral substances and all rights reasonable and incident to such purposes, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns, in the event damages are caused by the exercise of any of the rights above reserved."

2. The mineral rights excepted in the deed from Daniel J. Pickrell, et al, recorded January 15, 1989, Book 14125, Page 215, Official Records, as follows: “An undivided one-half (1/2) of all of grantor's rights, title and interest in an to oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances, in, on and under said land, or that may be produced, recovered, or saved from said land with the non-exclusive right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances and all rights reasonable and incident to such purposes, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors and assigns, in the event damages are caused by the exercise of any of the rights above reserved.” (APN: 026-080-006)

Parcel One-O:

A portion of Projected Government Sections 24 and 25, Township 3 North, Range 3 East and Sections 19 and 30, Township 3 North, Range 4 East, Mount Diablo Base and Meridian, situated on Webb Tract Contra Costa County, being a portion of Delta Farms Reclamation District No. 2026, as described in the Judgment and Decree Quite Title had in the Superior Court of the State of California, in and for the County of Contra Costa Case No. 17374, entitled “Productive Properties, Ltd., VS. C.L. Dodge, et al”, a certified copy of which was recorded October 8, 1931, in Book 287 of Official Records, Page 385, described as follows:

Commencing at the Northwest corner of that certain Tract of land containing 677.30 acres, more or less, described in the Deed from Charles L. Floto, et al, to Benj C. Mickle et al, recorded August 26, 1955, in Book 2599 of Official Records, Page 219; thence from said point of commencement, along the exterior lines of said Parcel (2599 or 219) as follows: South 88° 05' East, 2,784 feet; South 89° 57' East. 617.59 feet; North 2° 11' West 844.21 feet and North 86° 45' East, 1,141.50 feet to the true point of beginning of this description; thence from said true point of beginning, continuing along said exterior line (2599 or 219) as follows: North 86° 45' East., 342.20 feet; South 82° 01' East, 1, 230.36 feet; South 43° 47' East, 42 feet; and South 64° 20' East 3, 141.47 feet to the Mean High Water Line of Old River; thence along said line and along the Mean-High Water Line of San

Legal description Continued
Joaquin River as follows: North 76° 57' East, 267.89 feet; North 72° 10' East, 203.68 feet; North 66° 56' East, 166.75 feet; North 65° 52' East, 217.16 feet, North 40° 05' East, 170.03 feet; North 37° 25' West, 157.66 feet; North 37° 49' West, 736.31 feet; North 39° 34' West, 340.67 feet; North 36° 41' West, 321.61 feet; North 30° 40' West 251.78 feet; North 23° 03' West, 174.57 feet; North 14° 15' West, 1015.24 feet; North 3° 11' West 879.39 feet; North 2° 21' West, 627.18 feet; North 1° 18' West, 654.88 feet; North 3° 43' West, 849.85 feet; North 3° 36' West, 833.94 feet; North 13° 05' West 240.90 feet; North 27° 06' West, 147.41 feet; North 61° 14' West, 233.08 feet; North 66° 37' West, 1,180.50 feet; North 78° 06' West, 262.96 feet; North 85° 18' West, 422.08 feet; South 80° 37' West, 648.96 feet; South 80° 47' West, 537.57 feet; South 81° 55' West, 107.05 feet; North 71° 43' West, 98.31 feet; North 54° 24' West, 146.42 feet; North 42° 07' West, 166.97 feet; North 29° 13' West 290.47 feet; and North 34° 18' West, 308.55 feet to a point which bears North 2° 04' West, from the true point of beginning; thence South 2° 04' East, 6,853.57 feet to the true point of beginning.

Excepting therefrom:

1) Rights granted in the deed to Irene Floro, et al, recorded September 11, 1964, Book 4700, Official Records, Page 485, as follows:

"An undivided one-half (1/2) of all oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances in, on and under said land", "or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas, and other hydrocarbon and mineral substances and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, its heirs, successors or assigns, in the event damages are caused by the exercise of any of the rights."

2) Rights reserved in the deed from Frank D. Monckton, recorded October 21, 1980, Book 10057, Page 198, Official Records as follows:

"An undivided one-half (1/2) being all to the remaining interest of all oil, gas and other hydrocarbon substances in, on, and under the land herein described or that may be produced, recovered, or saved from said land, together with the right of entry for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon substances, and all rights reasonable and incident to such purpose." (APN: 026-080-007)

Parcel Two (Holland Tract):

Parcel Two-A:

Portion of Sections 25 and 36, in Township 2 North, Range 3 East and portion of Sections 30 and 31, in Township 2 North, Range 4 East, Mount Diablo Base and Meridian, being a portion of a Larger Tract of land commonly known as the "Holland Tract", described as follows:

Commencing at the quarter section corner common to Sections 34 and 35, in Township 2 North, Range 3 East, Mount Diablo Base and Meridian; Thence from said point of commencement due North, 225 feet to a point in line with the outer toe of the levee on the South side of the "Holland Tract"; thence Easterly along the outer toe of said levee, 5782 feet to a point in line with the center line of the main North and South canal; through the "Holland Tract", and the actual point of beginning of the herein described parcel of land; thence from said point beginning North 0° 40' West along the center line of said main North and South canal 3949 feet to a point on the center line of a canal running Easterly; thence North 89° 19' East along said last named center line, 5805 feet to a point on the outer toe of the levee forming the East side of said "Holland Tract"; thence along said outer toe, being also the West Bank of a dredger cut Southerly and Westerly to the point of beginning.

Excepting therefrom:

1. An undivided ½ interest "in all oil, gas, casinghead gasoline, and other hydrocarbon and mineral substances, in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substance and all rights reasonable and incident to such purposes" as reserved in the Deed from Frank J. Dutra, et ux recorded September 23, 1964, Book 4708, Page 418, Official Records.

Legal description Continued
2. An undivided ¼ interest "in and to all oil, gas, and other hydrocarbon and mineral substances (including rights and reversions thereto), in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining or operating for oil, gas and other hydrocarbon and mineral substances and all rights reasonable and incident to such purposes" as reserved in the deed from Albert J. Santucci, et al, recorded July 10, 1979, Book 9434, Page 365, Official Records.

3. An undivided ¼ interest in and to "all oil, gas, and other hydrocarbon and mineral substances (including rights or reversions thereto), in, on and under hereinafter described land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances and all rights reasonable and incident to such purpose", as granted in the deed to Texas Meat Brokerage, Inc., a California Corporation, recorded August 16, 1979, Book 9489, Page 172, Official Records.

Also excepting therefrom the following described Parcels:

4. Commencing on the North line of the parcel of land described as Parcel One in the deed from Joseph J. Baldocchi, et al, to Edwin S. Pillsbury, et ux, recorded August 12, 1960; in Book 3681 of Official Records Page 538, at the center line of the 50 feet in width Country Road described in Book 1621 of Official Records, Page 3; thence from said point of commencement South 5° 31’ West 100 feet to the true point of beginning; thence from said true point of beginning; South 5° 31’ West 1192.61 feet at Station A, a total distance of 1510.81 feet; thence Southerly along the arc of a tangent curve to the left having a radius of 500 feet, an arc distance of 203.04 feet; thence South 17° 45’ East 1125.25 feet; thence Southerly along the arc of a tangent curve to the right having a radius of 2000 feet, an arc distance of 491.60 feet; thence South 3° 40’ East 1010.70 feet; thence Southerly along the arc of a tangent curve to the right having a radius of 2000 feet, an arc distance of 299.61 feet; thence South 4° 55’ West, 648.25 feet; thence Southwesterly along the arc of a tangent curve to the right having a radius of 150 feet, an arc distance of 217.95 feet; thence South 88° 10’ West 2944.20 feet at Station B, a total distance of 3058.70 feet; thence Northwesterly along the arc of a tangent curve to the right having a radius of 175 feet, an arc distance of 244.30 feet; thence North 11° 15’ West 1011.43 feet; thence Northwesterly along the arc of a tangent curve to the left having a radius of 500 feet, an arc distance of 529.42 feet; thence North 72° 31’ West, 113.25 feet; Westerly along the arc of a tangent curve to the left having a radius of 2000 feet, an arc distance of 666.72 feet; thence South 88° 23’ West, 343.91 feet; thence North 1° 37’ West, 200 feet; thence North 88° 23’ East, 714.04 feet; thence South 72° 31’ East, 483.38 feet; thence South 61° 08’ East, 373.59 feet; thence South 23° 18’ 52” East, 373.59 feet; thence South 11° 51’ East, 990.46 feet; thence North 88° 10’ East, 2993.31 feet; thence North 4° 55’ East 738.81 feet; thence North 3° 40’ West, 1368.22 feet; thence North 17° 45’ West, 1491.69 feet; thence North 5° 31’ East, 1633.94 feet; thence North 89° 31’ 40” East, 201.10 feet to the true point of beginning.

5. All that portion thereof lying Easterly and Southerly from the East and South lines of the Parcel described in exception No. 4 above to the Waters Edge of Old River, and Rock Slough.

6. Beginning at the center line of that certain 50 foot wide Country Road described in Book 1621 Official Records, Page 3, at the Southwest corner of that certain Parcel of Land described as the second exception to Parcel One, in deed from Edwin S. Pillsbury, et ux, to Frank J. Dutra, et ux, recorded December 4, 1963, in Book 4504, Official Records, Page 626; thence from said point of beginning North 1° 37’ West, along the West line of said Parcel, 200 feet to the Northwest corner thereof; thence South 88° 23’ West 200 feet; thence South 1° 37’ East 200 feet to a point in the center line of said 50 foot wide Country Road, 1621 or 3; thence along said center line North 88° 23’ East, 200 feet to the point of beginning.

7. That Parcel of land lying between the Southern boundary of the above described exception No. 6 and the outer toe of the levee along the Northern line of Rock Slough, bounded on the East and West by the Southerly extension of the East and West boundaries of exception No. 6 described above.


Parcel Two-B:

An easement, not to be exclusive, as an appurtenance to Parcel Two-A above for Siphon Purposes over and under a strip of land 12 feet in width lying 9 feet North and 3 feet South of the following described line:

A. Beginning at a Station A referred to in exception No. 4 from Parcel Two-A above; thence from said point of beginning South 87° 36’ East, 273 feet to the West line of said Parcel so excepted.

Legal description Continued
B. Beginning at Station A referred to in exception No. 4 from Parcel Two-A above; thence from said point of beginning South 87° 36' East, 36.71 feet to the Waters Edge of Old River.

Parcel Two-C:

An easement, not to be exclusive, as an appurtenance to Parcel Two-A above for Siphon Purposes over and under a strip of land 12 feet in width lying 9 feet East and 3 feet West of the following described line:

A. Beginning at Station B referred to in exception No. 4 from Parcel Two-A above, thence from said point of beginning North 6° 24' 20" West 200.64 feet to a North line of said Parcel so excepted.

B. Beginning at Station B referred to in exception No. 4 from Parcel Two-A above; thence from said point of beginning South 6° 24' 20" East 35.36 feet to the Waters Edge of Old River, or Rock Slough.

Parcel Two-D:

Portion of Sections 13, 14, 23 and 24 in Township 2 North, Range 3 East, Mount Diablo Base and Meridian, according to the Official Plat thereof, being a portion of a larger tract of land commonly known as the "Holland Tract" described as follows:

Parcel One and a portion of Parcel Two as described in a deed from Leland S. Murphy, et ux, to Frank J. Dutra, et ex, recorded December 18, 1946, in Book 975, of Official Records, at Page 310, records of Contra Costa County, State of California; that portion of Parcel Two being as described as follows: beginning at the Northeast corner of said Parcel Two, 975 or 310; thence from said corner South 89° 07' West along the North boundary of said Parcel Two, 975 or 310, 5392 feet to the Northwest corner of said Parcel Two, 975 or 310; thence along the West boundary of said Parcel Two, 975 or 310, South 11° 35' West, 351 feet; thence South 14° 37' West, 540 feet; thence South 0° 12' West, 196.44 feet to a point in line with the center line of a ditch running Easterly; thence North 89° 16' 16" East along the centerline of the last mentioned ditch, 5611.74 feet to a point on the East boundary of said Parcel Two, 975 or 310; thence North 0° 40' West along said East boundary, 1074.67 feet to the point of beginning.

Excepting therefrom:

1. Portion of Parcel One and a portion of Parcel Two as described in a deed from Leland S. Murphy, et ux, to Frank J. Dutra, et ux, recorded December 18, 1946 in Book 975, Page 310, of Official Records, records of Contra Costa County, State of California, described as follows:

Beginning at the Northeast corner of said Parcel One, 975 or 310; thence Southwesterly along the boundary of said Parcel One, 975 or 310, as follows: South 53° 49' West, 2236.10 feet; and South 53° 51' West, 312.46 feet; thence South 0° 40' East 4903.51 feet; thence North 89° 16' 16" East, 2074.50 feet to a point on the East boundary of said Parcel Two, 975 or 310; thence along the East boundary of said Parcel Two and Parcel One, 975 or 310, North 0° 40' West 6381.67 feet to the point of beginning.

2. The Mineral rights reserved in the deed from Frank J. Dutra and Laura Mae Dutra, his wife to Carl Newbury, recorded December 4, 1963, in Book 4504 of Official Records, Page 615, as follows:

"Also reserving unto the grantees until January 23, 1988, 50% of all oil, gas and other hydrocarbons and minerals, not including sand, gravel, peat and similar material, now or hereafter found or discovered in or under the property at a depth of more than five hundred vertical feet below the surface. This Reservation shall not include any right of entry upon the surface or to a depth of five hundred feet, but shall include the right to drill into said lands from adjoining lands at a depth of five hundred feet or more and through such drilling or test for, develop, produce and remove oil, gas and other hydrocarbons and minerals and this reservation also includes the right to grant Leases for such purposes."

3. The mineral rights reserved in the Deed from Carl Newbury, et al, to Holland Shores, Inc, recorded October 30, 1964 in Book 4734, Page 368, of Official Records, as follows:

All oil, gas and other hydrocarbons and minerals, not including sand, gravel, peat and similar material; now or hereafter found or discovered in or under the property at a depth of more than 500 vertical feet below the surface. This Reservation shall not include any right of entry upon the surface or to a depth of five hundred feet, but shall include the right to drill into said lands from adjoining lands at a depth of 500 feet or more and through such drilling or test for, develop, produce and remove oil, gas and other hydrocarbons and minerals and this reservation also includes the right to grant Leases for such purposes."

APN: 023-070-011, 023-080-010

Legal description Continued
Parcel Two-E:

Portion of Sections 13, 14, 23 and 24 in Township 2 North, Range 3 East, Mount Diablo Base and Meridian, according to the Official Plat thereof being a portion of a larger Tract or land commonly known as the "Holland Tract". Described as follows:

A portion of Parcel One and a portion of Parcel Two as described in a deed from Leland S. Murphy, et ux, to Frank J. Dutra, et ux recorded December 18, 1946; in Book 975, at Page 310, of Official Records, records of Contra Costa County, State of California, described as follows:

Beginning at the Northeast corner of said parcel One, 975 or 310; thence Southwesterly along the Boundary of said Parcel One, 975 or 310, as follows: South 53° 49' West, 2236.10 feet; and South 53° 51' West, 312.46 feet; thence South 0° 40' East, 4903.51 feet; then North 89° 16' 16" East, 2074.50 feet to a point on the East boundary of said Parcel Two, 975 or 310, thence along the East boundary of said Parcel Two and Parcel One, 975 or 310, North 0° 40' West, 6381.67 feet to the point of beginning.

Excepting therefrom, the mineral rights reserved in the deed from Frank J. Dutra and Laura Mae Dutra, his wife, to Carl Newbury, recorded December 4, 1963 in Book 450, Page 615, of Official Records, as follows:

"Also unto the grantors until January 23, 1988, 50% of all oil, gas and other hydrocarbons and minerals, not including sand, gravel, peat and similar material, now or hereafter found or discovered in or under the property at a depth of more than five hundred vertical feet below the surface. This Reservation shall not include any right of entry upon the surface or to a depth of five hundred feet, but shall include the right to drill into said lands from adjoining lands at a depth of five hundred feet or more and through such drilling or test for, develop, produce and remove oil, gas and other hydrocarbons and minerals and this reservation also includes the right to grant Leases for such purposes." (APN: 023-080-11, 023-070-012)

Parcel Two-F:

A portion of the Tract of Land commonly known as "Holland Tract" and begin a portion of the property conveyed to Joseph R. Cecchini, et ux, et al, by Deed recorded September 8, 1959, in Book 3449 of Official Records, Page 621 and more particularly described as follows:

Beginning at the Northwest corner of the Parcel of land described as Parcel One in the deed from A. L. Galli to Joseph R. Cecchini, et al, recorded September 8, 1959 in Book 3449 of Official Records, Page 621; thence from said point of beginning South 0° 40' East along the West line of said Cecchini Parcel being along the centerline of the main North and South canal through the "Holland Tract" a distance of 3474.05 feet; thence leaving said Westerly line and said centerline North 89° 25' East, 2001.30 feet; thence North 0° 40' West 3269.15 feet to a point on the North of said Cecchini Parcel, 3449 or 621; Thence along the exterior line of said Parcel, 3449 or 621; as follows: South 89° 11' West, 1401.28 feet; thence North 46° 45' West, 280.94 feet; North 76° 09' West, 59.95 feet and South 89° 34' West, 339.59 feet to the point of beginning.

Excepting therefrom, for a period of twenty-five years from and after November 13, 1956, fifty percent of all oil, gas and other hydrocarbons and minerals now, or at any time hereafter found, or discovered in, under or upon Parcel One of said lands above described during said twenty-five years period as reserved in the Deed from A. L. Galli, et ux in the Deed recorded September 8, 1959 in Book 3449, Page 621, Official Records, Series No. 58626.

The reversionary rights to said 50 percent to all oil, gas and other hydrocarbons were reserved by Joseph R. Cecchini et al, in the Deed recorded January 23, 1970 in Book 6051, Page 206, Official Records, Series No. 4342.

Also excepting therefrom, an undivided 1/4th interest of all oil, gas and other hydrocarbons and minerals now or hereafter found or discovered in, under or upon the above described lands and the right to enter upon, drill, mine, explore for and develop, produce and remove the same and to grant leases for all of said purposes and all necessary rights of way and easements over and upon said lands and for all of said purposes, as reserved by Joseph R. Cecchini, et al, in the Deed recorded January 23, 1970, in Book 6051, Official Records, Page 206, Series No. 4342. (023-090-003)

Parcel Two-G:

The right of way created in reference to the premises in the deed from Leland S. Murphy, et ux, to A. L. Galli, et ux, recorded December 18, 1946, in Book 983 of Official Records, Page 283, as follows:

Legal description Continued
A right of way, not to be exclusive, as an appurtenance to the tract of land described as Parcel One above, for use as a roadway for vehicles of all kinds, pedestrians and animals, for water, gas, oil and sewer pipe lines, and for telephone, electric light and power lines, together with the necessary poles or conduits to carry said lines over the following described strip of land:

Beginning at a point on the center line of the above mentioned main North and South canal distant thereon North 0° 40' West 788 feet from the actual point of beginning of the 1148.68 acre parcel of land described as Parcel One above; thence from said point of beginning South 89° 28' West 5997.79 feet to a point on the outer toe of the levee forming the West side of said “Holland Tract” thence North 2° 01' West along said outer toe, 50.02 feet; thence North 89° 28' East 5998.96 feet to a point on the center line of the above mentioned main North and South canal; thence South 0° 40' East along said center line, 50.00 feet to the true point of beginning.

Parcel Two-H:

Portion of Sections 12 and 13, in Township 2 North, Range 3 East, and portion of Sections 7 and 18, in Township 2 North, Range 4 East, Mount Diablo Base and Meridian, according to the Official Plat thereof, being a portion larger tract of land commonly known as the “Holland Tract”, described as follows:

Commencing at the quarter section corner common to Sections 34 and 35 in Township 2 North, Range 3 East, Mount Diablo Base and Meridian; thence from said point of commencement due North 225 feet to a point in the line with the outer toe of levee on the South side of the “Holland Tract”; thence Easterly along the outer toe of said levee, 5782 feet to a point in the line with the center line of the main North and South Canal through the “Holland Tract”; thence North 0° 40' West along said center line, 14,534 feet to a point on the center line of canal running Easterly, and the actual point of beginning of the herein described Parcel of land; thence from said point of beginning, North 0° 40' West along the center line of said main North and South Canal, 811 feet to a point on the outer toe of said levee forming the Northernly and Easterly side of said “Holland Tract”; thence along said outer toe as follows: North 53° 04' East, 657 feet; North 37° 20' West, 2280 feet; North 58° 00' East, 3375 feet; North 73° 25' East, 167.60 feet; South 8° 50' East, 3918.07 feet; and South 8° 46' East, 908.30 feet to a point on the center line of the before mentioned canal running Easterly; thence South 89° 09' West along said center line, 5661.95 feet to the point of beginning.

Excepting therefrom:


2. That portion thereof described as follows:

Beginning at the Southeastern corner of the parcel of land described in the deed to Edwin Sprague Pillsbury, recorded August 10, 1965, in Book 4928, of Official Records Page 569; running thence along the East line thereof Northerly to the South line of the Parcel of land described in the Deed to Nicholas B. Taber, et ux, recorded January 19, 1922 in Book 403 of Official Records, Page 364; thence along the last named line South 89° 08' West 387 feet; thence South 8° 46' East 900 feet to the South line of said Pillsbury Parcel; thence along the last named line North 89° 08' East to the point of beginning.

3. The interest conveyed to the Contra Costa County by deed recorded August 23, 1950 in Book 1621 of Official Records, Page 3, in and to the strips of land described as Parcels three and Four therein.

4. The mineral rights reserved in the deed from Anthony J. Dal Porto, et ux, to Edwin Sprague Pillsbury, recorded August 10, 1965 in Book 4928 of Official Records, Page 569, as follows:

"Excepting therefrom, an undivided ½ interest in oil, gas and other hydrocarbons and minerals, in, upon or under said land; provided however, that such exception shall not apply to the portion of said lands lying within a distance of 250 feet measured inland at right angles from the Mean Low Tideland of Sand Mound Slough and The Old River, within 500 vertical feet below the surface, and the holder of said reserved interest shall have no right to drill upon, excavate, or otherwise use said portion of said lands to said depth of 500 feet" (APN: 023-100-001, 023-100-004, 023-100-008)

Parcel Two-I:

Portions of Sections 12 and 13, in Township 2 North, Range 3 East, and portion of Sections 7 and 18, in Township 2 North, Range 4 East, Mount Diablo Base and Meridian, according to the Official Plat thereof being a portion of a larger tract of land commonly known as the “Holland Tract”, described as follows:

Legal description Continued
Beginning at the Southeastern corner of the Parcel of land described in the deed to Edwin Sprague Pillsbury, recorded August 10, 1965 in Book 4928 of Official Records, Page 569; running thence along the East line thereof Northerly to the South line of the parcel of land described in the deed to Nicholas B. Tabor, et ux, recorded January 19, 1922 in Book 403 of Official Records, Page 364; thence along the last named line South 89° 08' West 387 feet; thence South 8° 46' East 900 feet to the South line of said Pillsbury Parcel; thence along the last named line North 89° 08' East to the point of beginning.

Excepting therefrom:

1. The interest conveyed to Contra Costa County by deed recorded August 23, 1950 in Book 1621 of Official Records, Page 3, in and to the strips of land described as Parcels Three and Four therein.

2. The mineral rights reserved in the deed from Anthony J. Dal Porto, et ux, to Edwin Sprague Pillsbury, recorded August 10, 1965 in Book 4928 of Official Records, Page 569, as follows:

"Excepting therefrom, an undivided ½ interest in oil, gas and other hydrocarbons and minerals, in, upon or under said land; provided however, that such exception shall not apply to the portion of said lands lying within a distance of 250 feet measured inland at right angles from the Mean Low Tideland of Sand Mound Slough and The Old River, within 500 vertical feet below the surface, and the holder of said reserved interest shall have no right to drill upon, excavate, or otherwise use said portion of said lands to said depth of 500 feet" (APN: 023-100-007)

Parcel Two-J:

The Parcel of land described in the deed from California Delta Farms, Inc, recorded January 19, 1922 in Book 403, Deeds, Page 364, as follows:

That part of the Holland Tract, in the County of Contra Costa, State of California, inside of the line which is hereby described as follow:

Commencing at the quarter section corner common to Sections 34 and 35, in Township 2 North, Range 3 East, Mount Diablo Base and Meridian., and running thence due North 225 feet thence along the outer toe of levee forming the South boundary of said Holland Tract Easterly 5782 feet, more or less, to an intersection with the center line produced of the main North and South drainage canal, thence along the center line of said main North and South drainage canal North 00° 40' West, 14, 534 feet more or less to an intersection with the center line of a drainage canal running Easterly; thence along the center line of said last named drainage canal North 89° 08' East, 2490 feet to a point; thence North 00° 57' West, 900 feet to a point, being point of beginning of the tract herein described.

Thence bounding said tract and running North 00° 57' West, 900 feet, to a point thence North 89° 08' East, 2926 feet, more or less, to the outer toe of levee forming the East boundary of said Holland Tract, thence along said outer toe of levee South 8° 50' East, 908.3 feet, to a point, thence South 89° 08' West, 3048 feet, more or less, to the point of beginning.

Excepting therefrom:

1. The interest conveyed to Contra Costa County by deed recorded June 16, 1954 in Book 2332, Official Records, Page 585 “for use as a public highway”.

2. Rights reserved in the deed from Ethel Taber, et al, recorded March 25, 1974 (File No. 23166), as follows:

"All oil, gas, casinghead gasoline and other hydrocarbon and mineral substances below a point 500 feet below the surface of said land, together with the right to take, remove, mine, pass through and dispose of all said oil, gas, casinghead gasoline and other hydrocarbon and mineral substances, but without any right whatsoever to enter upon the surface of said land. This reservation shall be for a period of 20 years and shall expire on March 25, 1994". (APN: 023-100-02)

Parcel Two-K:

Portion of Sections 24 and 25, in Township 2 North, Range 3 East, and portion of Sections 19 and 30, in Township 2 North, Range 4 East, Mount Diablo Base and Meridian, according to the Official Plat thereof, being a portion larger tract of land commonly known as the “Holland Tract”, described as follows:

**Legal description Continued**
Commencing at the quarter section corner common to Sections 34 and 35 in Township 2 North, Range 3 East, Mount Diablo Bas and Meridian; thence from said point of commencement due North 225 feet to a point in line with the outer toe of the levee of the South side of the "Holland Tract"; thence Easterly along the outer toe of said levee, 5782 feet to a point in line with the center line of the main North and South channel through the "Holland Tract" thence North 0° 40' West along said center line, 3949 feet to a point in the center line of a canal running Easterly being the actual point of beginning of the herein described parcel of land; thence from said point of beginning North 0° 40' West, along said first mentioned center line, 8292.33 feet to a point on the center line of a drainage ditch; thence along the center line, North 89° 34' East 339.59 feet; South 76° 09' East, 59.95 feet and South 46° 45' East, 280.94 feet; thence continuing along said center line and said center line produced North 89° 11' East, 5419.08 feet to a point on the outer toe of the levee forming the East side of said "Holland Tract" thence along said outer toe being also the West Bank of a Dredger Cut, as follows: South 8° 46' East, 1230.20 feet; South 2° 37' East 3335.40 feet, South 1° 46' East 1178.22 feet; South 13° 46' West, 1856 feet and South 5° 28' West, 570 feet to a point on the extension Easterly of the center line of the before mentioned canal running Easterly of the center line of the before mentioned canal running Easterly; thence South 89° 19' West along said extension and along said center line, 5805 feet to the point of beginning.

Exception from Parcel Two-K:


2. The mineral rights reserved in the deed from A. L. Galli, et ux, recorded September 8, 1959, Book 3449, Official Records, Page 621, as follows:

"Excepting therefrom, for a period of twenty-five years from and after November 13, 1956, Fifty percent of all oil, gas, and other hydrocarbons and minerals now, or at any time hereafter found, or discovered in, under or upon Parcel One of said lands above described during said twenty-five year period. The right to enter upon, drill, test, mine, explore for, develop, produce, and remove the same, and to grant leases for all or any of said purposes and all necessary rights of way and easements over and upon said land for all or any of said purposes; also fifty percent of all royalties, rents, including ground rents, or other sums, paid payable to the owner or owners of said lands, during said twenty-five year period under any existing oil, gas or other hydrocarbon or mineral leases, including the oil and gas lease of Amerada Petroleum Corporation of August 2, 1955, recorded August 2, 1955, in Book 2583, Official Records, Page 69, Recorder's Office of Contra Costa County, or such leases hereafter made of said lands or any part of portion thereof, including fifty percent of all such royalties, rents, including ground rents or other sums payable to the owners or owners of said land for such purpose under any community oil, gas, hydrocarbon or mineral leases embracing any or any portion of the lands herein described and any other lands in the vicinity thereof".


4. The mineral rights reserved in the deed from Texas Meat Brokerage, Inc., recorded on September 16, 1977 in Book 8506, Page 420 through 423, Contra Costa records, clarified by Agreement dated December 15, 1978 in Book 9146, Page 138, Official Records, as follows:

"Texas Meat Brokerage, Inc., grantor herein, reserves unto itself, its heirs successors, and assigns, all grantor's interest in all oil and gas and other hydrocarbon and mineral substances (including rights and reversions thereto) in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry of said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas, and other hydrocarbon and mineral substances and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successor or assigns, in the event damages are caused by the exercise of any of such rights and provided further that no open pit or surface mining of sand, gravel, clay, peat or similar material shall be allowed. "Surface" includes the upper 500 feet of the soil profile". (APN: 023-050-004, 023-050-002, 023-050-001)

Parcel Two-L:

The right of way granted in the Deed from Leland S. Murphy, et ux, to A. L. Galli, et ux, dated December 9, 1946, recorded December 18, 1946 in Book 983, Official Records, Page 283, as follows:

"A right of way, not to be exclusive as an appurtenant to the Tract of Land described as Parcel One above for use as a roadway for vehicles of all kinds, pedestrians and animals for water gas, oil and sewer pipe lines, and for telephone, electric light and power lines together with the necessary poles or conduits to carry said lines over the following described strip of land:

Legal description Continued
Beginning at a point on the center line of the above mentioned main North and South canal, distant thereon North 0° 40' West, 788 feet from the actual point of beginning of the 1148.68 acre Parcel of Land described as Parcel One above; thence from said Point of Beginning South 89° 28' West, 5997.79 feet to a point on the outer toe of the levee forming the West side of said "Holland Tract"; thence North 2° 01' West, along said Outer Toe, 50.02 feet; thence North 89° 28' East, 5998.96 feet to a point on the center line of the above mentioned main North and South Canal; thence South 0° 40' East, along said center line, 50.00 feet to the Point of Beginning.

Parcel Two-M:

Portion of Sections 13 and 24, in Township 2 North, Range 3 East, and portion of Sections 18 and 19, in Township 2 North, Range 4 East, Mount Diablo Base and Meridian, according to the Official Plat thereof, and being a portion of a Larger Tract of Land, commonly known as the "Holland Tract", described as follows:

Commencing at the quarter section corner common to Sections 34 and 35, in Township 2 North, Range 3 East, Mount Diablo Base and Meridian; thence from said point of commencement due North 225 feet to a point in line with the outer toe of the levee on the South side of "Holland Tract"; thence Easterly along the other toe of said levee, 5782 feet to a point in line with the center line of the main North and South canal through the "Holland Tract"; thence North 0° 40' West, along said center line, 12241.33 feet to a point on the center line of a drain ditch and the actual point of beginning of the herein described Parcel of Land; thence from said Point of Beginning North 0° 40' West along the center line of said main North and South Canal, 2292.67 feet to a point on the center line of a canal running Easterly; thence North 89° 08' East along said last named center line, 5661.95 feet to a point on the outer toe of the levee forming the East side of said "Holland Tract"; thence South 8° 46' East, along said outer toe, being also the West Bank of a Dredger Cut 2534.80 feet to a point on the center line produced of the before mentioned drain ditch; thence along said center line produced and along said center line South 89° 11' West, 5419.08 feet; North 46° 45' West, 280.94 feet, North 76° 09' West, 59.95 feet; and South 89° 34' West, 339.59 feet to the Point of Beginning.

Excepting therefrom:

1. The interest conveyed to the Contra Costa County By Deed recorded August 23, 1950 in Book 1621 of Official Records, Page 3.

2. The mineral rights as reserved in the Deed from Ann M. Arrighi, et al, recorded December 19, 1977, Book 8636 Page 210, Official Records, as follows:

"Reserving unto the Grantors herein their heirs, successors and assigns an undivided one-half (1/2) interest in all oil, gas, and other hydrocarbon and mineral substances, in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns, in the event damages are caused by exercise of any of the rights above reserved."

3. The mineral rights as reserved in the Deed from Texas Meat Brokerage recorded December 19, 1977, Book 8636 Page 213, Official Records, as follows:

"Reserving unto the grantors herein an undivided one-half (1/2) interest in all oil, gas, and other hydrocarbon and mineral substances, in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas and other hydrocarbon and mineral substances and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to grantees, their heirs, successors or assigns, in the event damages are caused by the exercise of any of the right above reserved."

Which reservation is clarified by Agreement recorded December 15, 1978, Book 9146, Page 132, Official Records, as follows:

"Texas Meat Brokerage, Inc., Grantor herein, reserves unto itself, its heirs, successors and assigns, all Grantor's interest in all oil, gas and other hydrocarbon and mineral substances (including rights and reversions thereto) in, on and under said land, or that may be produced, recovered or saved from said land with the right of entry on said property for the purpose of exploring, taking, removing, disposing, mining and operating for oil, gas, and other hydrocarbon and mineral substances and all rights reasonable and incident to such purpose, provided, however, that adequate compensation for any and all damage to land, crops and improvements thereon will be paid to Grantees, their heirs, successors or assigns, in the event damages are caused by the exercise of any of such rights and provided further that no open pit or surface mining of sand, gravel clay, peat or similar material shall be allowed.

Legal description Continued
"Surface" includes the upper 500 feet of the soil profile.
(APN: 023-090-001)

Parcel Two-N:

Rights of way appurtenant to the herein described land as granted by Deeds recorded December 18, 1946, in Book 985, Page 141, Official Records; December 18, 1946 in Book 983, Page 285, Official Records; December 18, 1946, in Book 983 Page 283, Official Records; and December 18, 1946 in Book 925 Page 421, Official Records, over, along and across all existing roads on the above described property in said "Holland Tract".
Schedule 1.1-2

Excluded Property

1. Any property of any lessee of any part of the Property or any Person claiming through any such lessee, including but not limited to (i) growing or harvested crops or plantings, and (ii) mobile homes, trailers, vehicles, vessels, equipment or furnishings of any kind.

2. Any property of any of the Districts or any Person claiming through any District, including but not limited to irrigation, drainage and flood protection improvements.

3. Any property that is not transferable by Seller to Buyer under any applicable Laws and Restrictions.

4. Any Related Personal Property or Identified Licenses/Permits (a) that, by contract, agreement or otherwise, is not transferable by Seller to Buyer, (b) with respect to which any fee, charge or expense not reimbursed by Buyer to Seller at or prior to the Closing would be required to be paid by Seller in order to transfer the same to Buyer, (c) with respect to which Seller will have any liability or responsibility of any kind after the Closing, other than any liability or expense that is assumed by Buyer under the Assignment and Assumption Agreement, or (d) that is related to the Project.

5. Rights retained by Seller under the Assignment and Assumption Agreement.
Schedule 3.2

Access Agreement

[Copy of executed agreement attached]
ACCESS AGREEMENT

This Access Agreement ("Agreement") is made this 24th day of February, 2016 by and between the Metropolitan Water District of Southern California ("MWD" or "Buyer") and Delta Wetlands Properties, an Illinois general partnership, ("Delta Wetlands" or "Seller"), which is the owner of property in the counties of Contra Costa, San Joaquin and Solano that Seller has proposed to sell to Buyer (the "Property").

In connection Seller’s proposal to sell the Property to MWD, MWD desires to evaluate the Property and perform, or have its agents, employees, consultants or other representatives (collectively, “Representatives”) perform, certain due diligence on the Property.

Subject to the terms and conditions of this Agreement, Seller has agreed to grant MWD and its Representatives access to the Property for the purpose of performing due diligence on the Property, including documentation of conditions and sampling as necessary prior to the sale.

I. GRANT OF ACCESS. Subject to the terms and conditions of this Agreement, Seller hereby grants to Buyer and its Representatives the right to enter the Property during normal business hours solely for the purpose of conducting due diligence investigations. This grant of access is not exclusive, and Seller, its agents, assigns and grantees shall have the right to use the Property for any and all purposes, so long as it does not unreasonably interfere with the access right granted hereunder. Buyer agrees not to perform any drilling or destructive or invasive testing of the Property without Seller’s prior written consent in Seller’s discretion. Buyer shall bear all costs for its due diligence, and shall promptly restore any damage to or alteration of the Property caused by its due diligence activities.

II. INDEMNIFICATION. Buyer agrees to indemnify, defend and hold harmless Seller from any and all actions, claims, demands, liabilities, losses, damages or expenses, including damage to property and attorneys fees, which may be imposed on or incurred by Seller as a result of acts or omissions of Buyer or its Representatives while on the Property or otherwise in connection with the due diligence investigations of Buyer and its Representatives, except to the extent that such actions, claims, demands, liabilities, losses, damages, or expenses result from acts or omission of Seller.

Prior to the first entry on the Property, Buyer shall provide to Seller written confirmation by its Risk Manager that Buyer maintains self-insurance against liability in the amount of Twenty-Five Million Dollars ($25,000,000).

Buyer shall not permit any mechanics’ or other liens to be filed or created against any portion of the Property as a result of the activities of Buyer or Buyer’s Representatives, and Buyer at its sole cost shall cause any liens so filed or created to be removed by bond or otherwise within five (5) days after the filing or creation thereof.

III. NOTICE. Subject to the terms and conditions of this Agreement, Buyer has the right to enter the Property to perform due diligence, and Seller, or Seller’s agent, may accompany Buyer and its Representatives during any site inspection or testing. Buyer
shall notify Seller with either written or oral notice one (1) day prior to accessing the Property. All tests, investigations, and studies on the Property shall be conducted during normal business hours and shall not unreasonably interfere with the use, occupancy or operation of the Property by Seller and Seller’s tenants and other Representatives.

IV. CONFIDENTIALITY. Buyer agrees that, except as required by applicable law, neither it nor its Representatives shall (a) disclose Confidential Information to any Person, other than Buyer’s Representatives having a need to know the same and who agree in writing to be bound by the provisions of this Section IV, or (b) use any Confidential Information for any purpose other than to evaluate Buyer’s possible purchase of the Property from Seller. Upon request by Seller, Buyer and its Representatives shall destroy all Confidential Information in the custody or control of any of them, and certify to Seller that this has been done. Buyer shall be liable for any breach of this Section IV by any of its Representatives.

As employed in this Agreement, the term "Confidential Information" means (a) any documents or other information of any kind provided by Seller or any of its Representatives to Buyer or any of its Representatives at any time, whether prior to, on or after the date of this Agreement and whether provided in writing or orally, visually, electronically or by other means, including all notes, analyses, compilations, agreements, formulae, equations, tax and asset schedules, permits, entitlements, applications, studies, interpretations or other documents, (b) the results of any studies or investigations that Buyer or its Representatives may conduct in connection with its due diligence investigations, and (c) all notes, copies or other documents containing or reflecting Confidential Information (including reports and other work product produced by, for, or on behalf or at the direction of Buyer or any of its Representatives); provided, Confidential Information shall not include in any of cases (a), (b) or (c) information that is: (i) publicly known at the time or disclosure or subsequently becomes publicly known through no fault of Buyer or its Representatives; (ii) learned by Buyer through legitimate means other than from Seller or its Representatives and as to which Buyer and its Representatives have no duty or obligation as to confidentiality; or (iii) disclosed by Buyer with the prior written approval of Seller.

Seller recognizes that Buyer is a public agency and is subject to legal requirements regarding disclosure. If Buyer is requested or required to disclose any confidential information and determines that the Confidential Information must be disclosed, Buyer will promptly notify Seller prior to providing any disclosures, where such notice is possible without violating any applicable compulsory public disclosure deadlines of any applicable law.

V. MISCELLANEOUS

a. Termination. This Agreement shall terminate: (i) as to the rights and obligations of the parties under Section I (other than the last sentence thereof) and Section III, upon the earlier of (A) the execution of a definitive agreement purchase and sale agreement for the Property between Seller and Buyer, after which the parties’ rights and obligations as to the matters covered by those provisions shall be governed by
the terms of the purchase and sale agreement, or (B) written notice by Seller to Buyer; and (ii) as to the rights and obligations of the parties and their Representatives under the first sentence of Section IV, upon the earlier of (A) the execution of a definitive agreement purchase and sale agreement for the Property between Seller and Buyer, after which the rights and obligations of the parties and their Representatives as to the matters covered by that provision shall be governed by the terms of the purchase and sale agreement, or (B) the second anniversary of the date of this Agreement. Except as provided in the preceding sentence, the rights and obligations of the parties under this Agreement shall not be subject to termination, and shall survive indefinitely. No termination of the obligations of a party or its Representatives under any Section of this Agreement shall relieve the party or its Representatives from liability for any breach of those obligations occurring prior to the date of such termination.

b. **Negation of Agency Relationship.** This Agreement shall not be construed to create, either expressly or otherwise, a relationship of agency or partnership between Buyer and Seller.

c. **Construction.** Whenever possible, each provision hereof will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision hereof is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or such invalidity, without invalidating the remainder of such provision or the remaining provisions hereof.

d. **Counterparts; Separate Signature Pages.** This Agreement may be executed in any number of counterparts, or using separate signature pages. Each such executed counterpart and each counterpart to which such signature pages are attached shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same instrument.

*Signatures appear on next page*
IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement effective as of the first date written above.

Buyer: METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: ______________________
Name: Fidencio Mares
Title: Interim Assistant General Manager/CAO

Seller: DELTA WETLANDS PROPERTIES,
an Illinois general partnership

By: KLMLP 2, LLC,
a Delaware limited liability company,
Managing General Partner of Delta Wetlands Properties

By: KLMLP, L.P.,
a Delaware limited partnership,
Managing Member of KLMLP 2, LLC

By: Zurich American Corporation (f/k/a Kemper Corporation),
a Delaware corporation,
Managing General Partner of KLMLP, L.P.

By: ______________________
Name: _____________________
Title: _____________________
IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement effective as of the first date written above.

Buyer:

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: ______________________________

Name: ______________________________

Title: ______________________________

Seller:

DELTA WETLANDS PROPERTIES,
an Illinois general partnership

By: KLMLP 2, LLC,
a Delaware limited liability company,
Managing General Partner of Delta Wetlands Properties

By: KLMLP, L.P.,
a Delaware limited partnership,
Managing Member of KLMLP 2, LLC

By: Zurich American Corporation (f/k/a Kemper Corporation),
a Delaware corporation,
Managing General Partner of KLMLP, L.P.

By: ______________________________

Name: Stan Evenson

Title: Vice President
Schedule 7.2(d)

Litigation and Claims and Environmental Matters


7. Any Hazardous Substances used, handled, generated, produced, manufactured, treated, stored, transported or Released on the Property as alleged in connection with any of the litigation listed on this Schedule or any of the facts or events alleged in connection with such litigation.

8. Items listed on Inspection/Compliance Checklist(s) issued to Bouldin Farming Co. by Contra Costa Health Services/Hazardous Materials Programs, based upon February 3, 2016 inspection on Webb Tract and Holland Tract.


10. Default of a tenant for failure to pay 2015 rent, any future default of such tenant for failure to pay 2016 rent and any other breach of lease by such tenant in 2016.


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\[1\] The Delta Blue Blueberries case was originally filed June 25, 2015, but neither Seller nor any Districts were parties to the action. The cross-complaint naming Seller as a cross-defendant was filed by Wilbur Ellis March 23, 2016 and received by counsel on April 5, 2016. There are other actions, of which Seller is aware but not presently a party to, related to the facts or events alleged in connection with the litigation listed in this Schedule. There may be additional claims or cross-claims naming Seller and/or the Districts, though Seller presently has no information as to other threatened or pending claims.
Agreement regarding opposition to the purchase of the Property by Buyer, Buyer’s compliance with CEQA in connection with its purchase of the Property or regarding the enforcement of the CDWA Agreement against Seller or Buyer. Public records requests received by Buyer. Petitions opposing the transaction contemplated by this Agreement.
Schedule 7.4(d)

Third Party Agreements; Other

A. List of Identified Third Party Agreements. The Identified Third Party Agreements shall include the following, if assignable:

1. Agricultural Lease dated April 1, 2009 between Delta Wetlands Properties and Bouldin Farming Company, as amended.


4. Communications Site Lease Agreement dated February 11, 2000 between Pacific Bell Wireless, LLC and Delta Wetlands Properties, as amended (assigned from Pacific Bell Wireless, LLC to T-Mobile USA, Inc. on January 5, 2005)

5. Oil and Gas Lease dated December 4, 2006 between Delta Wetlands Properties and Cinco Land & Exploration, Inc. (assigned from Cinco Land & Exploration, Inc. to Rosetta Resources Operating LP on January 15, 2007 and further assigned from Rosetta Resources Gathering LP to Vintage Petroleum, LLC effective January 1, 2011)

6. Oil and Gas Lease dated May 1, 2001 between Delta Wetlands Properties and Stream Resources Limited Partnership, as amended (assigned from Stream Resources Limited Partnership to Summit Energy, LLC on August 29, 2011)

7. Oil and Gas Lease dated November 2, 1998 between Delta Wetlands Properties and Tri-Valley Oil & Gas Company.

8. Oil and Gas Lease dated July 1, 1991 between Bedford Properties, Inc. and Russell H. Green, Jr. and Rio Delta Resources, Inc.


10. Agreement for Mosquito Control Services dated October 16, 2014 between Contra Costa Mosquito & Vector Control District and Delta Wetlands Properties.


12. License Agreement dated September 13, 2013 between Delta Wetlands Properties and O.C. Jones & Sons, Inc.

13. San Joaquin County and Delta Water Quality Coalition Annual Membership for July 1, 2015 to June 30, 2016 (third party administering compliance with the Waste Discharge Requirements General Order, Central Valley Regional Water Quality Control Board Order R5-2014-0029, also known as the Irrigated Lands Regulatory Program).

15. Property Use Agreement dated January 28, 2016 between Delta Wetlands Properties and The Regents of the University of California

16. Property Use/Access Agreement to be granted Delta Wetlands Properties to The Regents of the University of California/UC Davis.

17. Seller's on-going obligations related to the Conservation Program Contract (Contract #749104071IA) between Tenente Family Partnership and Natural Resource Conservation Service.


B. List of Disclosed Third Party Uses

1. Access to and from and use of the landing located at the north eastern corner of Holland Tract by land owners of Quimby Island and their invitees

2. Access to and from and use of the landing located Bacon Island by land owners of Little Mandeville Island and their invitees

3. Delta Ferry Authority’s trailer on Webb Tract and Delta Ferry Authority’s use of the ferry ramp and boat dock on Webb Tract in connection with Jersey-Bradford-Webb ferry service

4. Access across certain parcels on Holland Tract granted to Wildlands to access and maintain its property on Holland Tract
Schedule 9.1(d)

Certain Permitted Exceptions

1. Obligations to participate in and support the Department of Water Resource’s Project Funding Agreement for District Multi-Benefit Project on Bacon Island (BN-15.1.0), including borrow site access.

2. Discrepancy in southern boundary of Holland tract parcels APN 023-070-011 and 023-070-012

3. Access and encroachment in connection with water quality monitoring stations

4. Potential cultural resources on the Property
SCHEDULE 9.1(i)

ESTOPPEL CERTIFICATE

The undersigned (“Tenant”) hereby certifies to Delta Wetlands Properties (“Landlord”) and The Metropolitan Water District of Southern California (“Purchaser”) as follows:

1. Landlord and Tenant are party to the following lease (the “Lease”) covering the premises therein described (the “Premises”):
   [insert title and date of lease and amendments]

2. To the extent of Tenant’s knowledge, the Lease is in full force and effect, binding and enforceable in accordance with its terms and unmodified except as follows:
   [insert exceptions if any]

3. To the extent of Tenant’s knowledge, no default exists on the part of Landlord or Tenant under the Lease except as follows:
   [insert exceptions if any]

4. To the extent of Tenant’s knowledge, there are no events which with the passage of time, or the giving of notice, or both, would create a default under this Lease, except as follows:
   [insert exceptions if any]

5. To the extent of Tenant’s knowledge, the rent that has been paid to date is as follows:
   [insert description]

6. To the extent of Tenant’s knowledge, Tenant has not received any written notice of any sale, assignment, transfer, mortgage or pledge of the Lease or the rent due under the Lease, except as follows:
   [insert exceptions if any]

7. To the extent of Tenant’s knowledge, Tenant has no defense, setoff, recoupment or counterclaim against Landlord, except as follows:
   [insert exceptions if any]
Dated: ______________________, 2016.

“TENANT”

By: ____________________________

Print Name: _____________________

Its: ____________________________
Schedule 10.4(a)
Form of Grant Deeds

Recorded at the Request of and Mail to:

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA
Post Office Box 54153
Los Angeles, CA  90054
Attention: Geodetics and Mapping Team

DOCUMENTARY TRANSFER TAX $ None
(Exempt--Section 11922, California Revenue and Taxation Code)

RECORDING FEES $ None
(Exempt – Section 27383 of the Government Code)

GRANT DEED

MWD No.____
APN ______

DELTA WETLANDS PROPERTIES, an Illinois General Partnership ("Grantor"), hereby grants to THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, organized and existing under the Metropolitan Water District Act (West’s Water Code Appendix, Chapter 109) ("Grantee"), that certain real property in the County of ________, State of California ("County"), as legally described in Exhibit A [and depicted on Exhibit B] attached hereto and incorporated herein (the “Property”), provided the Property does not include any of the property identified in Exhibit C.

The Property is being conveyed to Grantee in AS-IS condition, as set forth in that certain Purchase and Sale Agreement and Joint Escrow instructions dated as of ________, 2016 (the “Purchase Agreement”), and Grantee, for itself and all successors-in-interest to Grantee, has released Grantor from claims and liabilities to the extent set forth in the Purchase Agreement.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date hereinafter written.

Dated: ____________________

GRANTOR:

DELTA WETLANDS PROPERTIES,

2 The bracketed language is to be included at Grantee’s option provided Grantee provides prior to Closing Exhibit B in a form that will be accepted for recording and that is reasonably satisfactory to Grantor. Otherwise, the bracketed language and Exhibit B shall be deleted.
an Illinois general partnership

By: KLMLP 2, LLC,
a Delaware limited liability company,
Managing General Partner of Delta Wetlands Properties

By: KLMLP, L.P.,
a Delaware limited partnership,
Managing Member of KLMLP 2, LLC

By: Zurich American Corporation (f/k/a Kemper Corporation),
a Delaware corporation,
Managing General Partner of KLMLP, L.P.

By: ________________________
Name: _____________________
Title: ______________________
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California                     
County of ______________________      

On _____________________, before me, ______________________ , (insert name of notary) 
Notary Public, personally appeared ______________________, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature______________________________ (Seal)
EXHIBIT “A” to Grant Deed

Legal Description of Property
[EXHIBIT “B” to Grant Deed

Site Map of Property]³

² See fn 2
1. Any property of any lessee of any part of the Property or of any individual, corporation, partnership, limited liability company, trust, association or other entity of any nature, or a governmental agency (each, a “Person”) claiming through any such lessee, including but not limited to (i) growing or harvested crops or plantings, and (ii) mobile homes, trailers, vehicles, vessels, equipment or furnishings of any kind.

2. Any property of any of the Reclamation District 756, Reclamation District 2025, Reclamation District 2026 and Reclamation District 2028 (each, a “District”) or any Person claiming through any District, including but not limited to irrigation, drainage and flood protection improvements.
Recorded at the Request of and Mail to:

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Post Office Box 54153
Los Angeles, CA  90054
Attention:  Geodetics and Mapping Team

DOCUMENTARY TRANSFER TAX $ None
(Exempt – Section 11922, California
Revenue and Taxation Code)

RECORDING FEE $ None
(Exempt – Section 27383 of the Government Code)

QUITCLAIM DEED

MWD Parcel No(s).: _____
APN: _____

DELTA WETLANDS PROPERTIES, an Illinois General Partnership (“Grantor”), does hereby
remise, release and forever quitclaim to THE METROPOLITAN WATER DISTRICT OF SOUTHERN
CALIFORNIA, organized and existing under the Metropolitan Water District Act (West’s Water
Code Appendix, Chapter 109) (“Grantee”), all of Grantor’s right, title and interest to and in that
certain real property in the County of _________, State of California (“County”), as legally
described in Exhibit A [and depicted on Exhibit B] attached hereto and incorporated herein (the
“Property”); provided, the Property does not include any of the property identified in Exhibit C.

The Property is being conveyed to Grantee in AS-IS condition, as set forth in that certain Purchase
and Sale Agreement and Joint Escrow instructions dated as of __________, 2016 (the “Purchase
Agreement”), and Grantee, for itself and all successors-in-interest to Grantee, has released Grantor
from claims and liabilities to the extent set forth in the Purchase Agreement.

IN WITNESS WHEREOF, Grantor has executed this Quitclaim Deed as of the date hereinafter
written.

________________________

4 The bracketed language is to be included at Grantee’s option provided Grantee provides prior to
Closing Exhibit B in a form that will be accepted for recording and that is reasonably satisfactory to
Grantor. Otherwise, the bracketed language and Exhibit B shall be deleted.
Dated: ____________________

GRANTOR:

DELTA WETLANDS PROPERTIES, an Illinois general partnership

By: KLMLP 2, LLC,
    a Delaware limited liability company,
    Managing General Partner of Delta Wetlands Properties

By: KLMLP, L.P.,
    a Delaware limited partnership,
    Managing Member of KLMLP 2, LLC

By: Zurich American Corporation (f/k/a Kemper Corporation),
    a Delaware corporation,
    Managing General Partner of KLMLP, L.P.

By: _______________________
Name: _____________________
Title: ______________________
State of California )
County of ____________________________ )

On ______________________, before me, __________________________, Notary Public, personally appeared __________________________, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature __________________________ (Seal)
EXHIBIT “A” to Quitclaim Deed

Legal Description of Property
[EXHIBIT “B” to Quitclaim Deed

Site Map of Property]⁵

⁵ See fn 4
EXHIBIT “C” to Quitclaim Deed

Excluded Property

1. Any property of any lessee of any part of the Property or of any individual, corporation, partnership, limited liability company, trust, association or other entity of any nature, or a governmental agency (each, a “Person”) claiming through any such lessee, including but not limited to (i) growing or harvested crops or plantings, and (ii) mobile homes, trailers, vehicles, vessels, equipment or furnishings of any kind.

2. Any property of any of the Reclamation District 756, Reclamation District 2025, Reclamation District 2026 and Reclamation District 2028 (each, a “District”) or any Person claiming through any District, including but not limited to irrigation, drainage and flood protection improvements.
Schedule 10.4(c)

Form of Assignment and Assumption Agreement

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this “Assignment”) is made and entered into as of __________, 2016 (the “Effective Date”), by and between DELTA WETLANDS PROPERTIES, an Illinois General Partnership (“Assignor”) and Metropolitan Water District of Southern California, organized and existing under the Metropolitan Water District Act (West’s Water Code Appendix, Chapter 109) (“Assignee”).

RECITALS

A. Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of April __, 2016, by and between Assignor, as Seller, and Assignee, as Buyer (the “Purchase Agreement”), Assignor is conveying to Assignee certain real property located in the San Joaquin County, Contra Costa County and Solano County (the “Property”). Capitalized terms used in this Assignment without definition have the meanings specified in the Purchase Agreement.

B. In connection with the transactions contemplated by the Purchase Agreement, Assignor has agreed to assign to Assignee, and Assignee has agreed to assume from Assignor, certain agreements, licenses, easements, contracts, and obligations related to the Property, more particularly described on the attached Exhibit A (together, the “Assumed Agreements”), on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for valuable consideration the receipt and sufficiency of which are acknowledges, the parties agree as follows:

1. **Assigned Rights.** As of the Effective Date, Assignor hereby assigns to Assignee, and Assignee hereby accepts the assignment of, all of Assignor’s rights howsoever arising under or in connection with any of the Assumed Agreements except to the extent those rights relate to duties or obligations in favor of Assignor that were first required to be performed prior to the Effective Date. The rights assigned to Assignee by Assignor pursuant to this Paragraph 1 are collectively referred to as the “Assigned Rights.”

2. **Delegated Obligations.** As of the Effective Date, Assignor hereby delegates and assigns to Assignee, and Assignee assumes and agrees to timely and fully perform, all duties and obligations of Assignor howsoever arising under or in connection with any of the Assumed Agreements that are first required to be performed after the Effective Date. The duties and obligations delegated by Assignor to Assignee, and assumed by Assignee, pursuant to this Paragraph 2 are collectively referred to as the “Delegated Obligations.”

3. **“As Is.”** Assignee acknowledges that, except to the extent of any express representations and warranties of Assignor set forth in Section 7.2 of the Purchase Agreement, neither Assignor nor any of Assignor’s contractors, consultants, agents, employees or invitees, or other Person acting at the request and for the benefit of any of Assignor (“Assignor Agents”) has made any representations or warranties, express or implied, regarding (i) any of the Assigned Rights or Delegated Obligations, or (ii) any matters affecting any of the things described in the preceding clause (i) (the things described in the preceding clauses (i) and (ii) being collectively referred to in this Assignment as the “Things Identified”), whether made by
Assignor, on Assignor’s behalf or otherwise. Assignee acknowledges: (a) it is a sophisticated investor with sufficient experience and expertise to evaluate the Things Identified, (b) it has received sufficient information and had adequate time to make such an evaluation, (c) it has relied upon its own investigation or that of third parties with respect to the Things Identified, (d) it has performed such investigations and inspections of the Things Identified as it deems to be necessary, and that it has reviewed thoroughly all reports as well as all materials and other information given or made available to it by Assignor, and (e) it is not relying upon any statements, representations or warranties of any kind, other than those of Assignor specifically set forth in Section 7.2 of the Purchase Agreement. Assignee further acknowledges that it has not received from or on behalf of Assignor any accounting, tax, legal, engineering or other advice with respect to this transaction, and is relying solely upon the advice of its own accounting, tax, legal, architectural, engineering, property management and other advisors.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS ASSIGNMENT, ASSIGNEE IS ACQUIRING, ASSUMING OR UNDERTAKING THE ASSIGNED RIGHTS AND DELEGATED OBLIGATIONS IN THEIR “AS IS” CONDITION AND “WITH ALL FAULTS.”

4. **Release.** Assignor shall not after the Effective Date be liable to Assignee or any successors-in-interest to Assignee for any loss or damage to persons or property, injury to Assignee’s business or any loss of income therefrom, arising or resulting from any cause, regardless of whether such damage or injury results from the condition of any of the Things Identified or any acts or omissions of Assignor as owner of or Assignees predecessor with respect to any of the Things Identified. Assignee, for itself and all successors-in-interest to Assignee (collectively, “Releasors”), unconditionally and absolutely hereby waives, releases, acquits, and forever discharges Assignor, its Affiliates (as defined in the Purchase Agreement), subsidiaries, directors, officers, employees, agents, successors and assigns (collectively, the “Released Parties”), of and from any and all claims, liens, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, all costs and expenses incurred in connection therewith (including, without limitation, reasonable attorneys’ fees, reasonable costs of defense, and reasonable costs and expenses of all experts and consultants), or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, accrued or unaccrued, liquidated or unliquidated, fixed or contingent, which any of Releasors ever had, now has or may have, or which may arise in the future on account of or in any way arising out of or connected to any of the Things Identified, or out of any law or regulations applicable thereto, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, as amended, and any similar California or local law, excluding only any Post-Closing Environmental Indemnity (as defined in the Purchase Agreement) (collectively, the “Released Matters”). With respect to the Released Matters only, Assignee understands and expressly waives any rights or benefits available to it under Section 1542 of the California Civil Code, which reads as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

Assignee hereby releases the Released Parties from any unknown claims and waives all rights it may have under Section 1542 of the Civil Code or under any other statute or common law principle of similar effect.

5. **Cooperation.** After the Effective Date, Assignor shall have the right to enforce
any rights in the Assumed Agreements retained by Assignor under Section 1 and Assignee shall cooperate, with Assignor’s reasonable request, in the enforcement of such rights, provided Assignor reimburses Assignee its reasonable out-of-pocket expenses incurred by Assignee in connection with such cooperation.

6. **Survival.** Assignee's agreements and covenants under this Assignment shall survive the termination of this Assignment.

7. **Severability.** Each part of this Assignment is intended to be severable. If any term, covenant, condition or provision hereof is unlawful, invalid, or unenforceable for any reason whatsoever, this Assignment shall be construed without such term, covenant, condition or provision and, to the greatest extent legally possible, effect shall be given to the intent manifested by the portion held invalid or unenforceable.

8. **Binding Effect.** This Assignment shall inure to the benefit of, and be binding upon, each of the parties hereto and their respective successors and assigns.

9. **Applicable Law.** This Assignment shall be governed by, and construed in accordance with, the laws of the State of California.

10. **No Third-Party Beneficiaries.** No person, firm or other entity, other than the parties hereto, shall have any rights or claims under this Assignment or otherwise be entitled to be a third party beneficiary hereof.

11. **Further Assurances.** Each party agrees to execute and deliver to the other party other or further assurances of the provisions of this Assignment as the other party may from time to time reasonably request.

12. **Counterparts.** This Assignment may be executed in any number of counterparts, or using separate signature pages. Each such executed counterpart and each counterpart to which such signature pages are attached shall be deemed an original instrument, but all such counterparts together shall constitute one and the same instrument.

[SIGNATURES ON THE FOLLOWING PAGE]
IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment and Assumption Agreement as of the Effective Date.

ASSIGNOR:

DELTA WETLANDS PROPERTIES, an Illinois general partnership

By: KLMLP 2, LLC,
a Delaware limited liability company,
Managing General Partner of Delta Wetlands Properties

By: KLMLP, L.P.,
a Delaware limited partnership,
Managing Member of KLMLP 2, LLC

By: Zurich American Corporation (f/k/a Kemper Corporation),
a Delaware corporation,
Managing General Partner of KLMLP, L.P.

By: _________________________
Name: _______________________
Title: _______________________

ASSIGNEE:

Metropolitan Water District of Southern California, organized and existing under the Metropolitan Water District Act

By ______________________________
Name ___________________________
Title ___________________________

By ______________________________
Name ___________________________
Title ___________________________

Approved as to form:

Marcia Scully
General Counsel

By ______________________________
Name ___________________________
Title ___________________________
EXHIBIT “A” to Assignment and Assumption Agreement

Assumed Agreements
Bill of Sale

Delta Wetlands Properties ("Seller"), for good and valuable consideration paid by The Metropolitan Water District of Southern California ("Buyer"), the receipt and sufficiency of which are hereby acknowledged, hereby sells, assigns and transfers to Buyer any and all “Related Personal Property” as defined in the Purchase and Sale Agreement, dated as of April [●], 2016, between Seller and Purchaser (the “Purchase Agreement”) that is included in the “Property” as defined in the Purchase Agreement (the “Bill of Sale Property”).

This Bill of Sale and the sale, assignment and transfer of the Bill of Sale Property pursuant hereto are made pursuant and subject to the Purchase Agreement, including but not limited to the provisions of Section 8 thereof. Unless otherwise defined in this Bill of Sale, all capitalized terms herein shall have the same meaning as in the Purchase Agreement.

IN WITNESS WHEREOF, Seller and Buyer have executed this Bill of Sale as of this [●] day of [●], 2016.

Buyer: METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: ____________________________

Name: ____________________________

Title: ____________________________

Approved as to form:

Marcia Scully
General Counsel

By: ____________________________

Bryan M. Otake
Sr. Deputy General Counsel
Seller: DELTA WETLANDS PROPERTIES, an Illinois general partnership

By: KLMLP 2, LLC, a Delaware limited liability company, Managing General Partner of Delta Wetlands Properties

By: KLMLP, L.P., a Delaware limited partnership, Managing Member of KLMLP 2, LLC

By: Zurich American Corporation (f/k/a Kemper Corporation), a Delaware corporation, Managing General Partner of KLMLP, L.P.

By: _________________________
Name: _______________________
Title: _______________________
Cover Letter

[date]

Via Personal Delivery

Barbara Evoy
Deputy Director for Water Rights
State Water Resources Control Board
Division of Water Rights
1001 I Street
Sacramento, CA  95814

Re:  Request for Cancellation of Water Right Applications 29062, 29066, 30268 and 30270

Dear Ms. Evoy:

Delta Wetlands Properties, an Illinois General Partnership, hereby requests the immediate cancellation of its pending water right applications 29062 (filed 1987), 29066 (filed 1987), 30268 (filed 1993) and 30270 (filed 1993). Applications 29062, 29066, 30268 and 30270 sought to divert and store water as part of the proposed Delta Wetlands Project. Delta Wetlands Properties has terminated and abandoned the Delta Wetlands Project. No construction and no diversion of water have occurred under the pending applications. Delta Wetlands Properties requests that the order of cancellation be final and with prejudice. Delta Wetlands Properties hereby waives its rights under Water Code sections 1122 and 1126 to seek reconsideration and legal review of the order of cancellation.

A request for cancellation on the Division’s form is also enclosed.

State Water Resources Control Board Resolution 2012-0029, Section 4.5.2.1 authorizes the Deputy Director to “Prepare and sign orders canceling or revoking an application . . . [w]hen requested by the applicant. . . .” The authority of the Deputy Director to issue an order cancelling an application may be redelegated to other Board staff. Delta Wetlands requests that you or your delegate promptly issue an order cancelling Applications 29062, 29066, 30268 and 30270.
Thank you for your assistance.

DELTA WETLANDS PROPERTIES
An Illinois general partnership

By KLMLP 2, LLC
A Delaware limited liability company,
Managing General Partner of Delta Wetlands Properties

By KLMLP, L.P.
A Delaware limited partnership,
Managing Member of KLMLP 2, LLC

By Zurich American Corporation (f/k/a Kemper Corporation)
A Delaware corporation,
Managing General Partner of KLMLP, L.P.

By: ______________________________
Name: ______________________________
Title: ______________________________

Encl.

cc: Mr. John O’Hagan, Assistant Director for Water Rights, State Water Resources Control Board
REQUEST FOR CANCELLATION OF WATER RIGHT APPLICATION

I hereby request that the State Water Resources Control Board, Division of Water Rights cancel the following water right application(s):

Application(s) 29062, 29066, 30268, 30270

I understand that by requesting cancellation, I waive my right to hearing and reconsideration as set forth in Water Code section 1350 and California Code of Regulations section 768 et seq.

I understand that this cancellation will not prejudice any future application that I may file.

I understand that I am responsible for removing or modifying diversion works and impoundments to ensure that water subject to this revocation request is no longer diverted. Unauthorized diversion and use of water is considered a trespass and subject to enforcement action under Water Code section 1052 and 1831. Before initiating any work in a stream channel, it is my responsibility to consult with the Department of Fish and Wildlife, the Regional Water Quality Control Board and, if a jurisdictional size dam will be removed or breached, the Department of Water Resources, Division of Safety of Dams to ensure that removal of project facilities does not adversely affect a fishery or result in unregulated sediment discharge to a waterway. These agencies may require a permit prior to any construction activity.

______________________________
Signature of Water Right Applicant or Authorized Agent

______________________________
Date:

David A. Forkel, Agent for Applicant Delta Wetlands Properties, authorized by:

Print Name of Water Right Applicant or Authorized Agent

DELTA WETLANDS PROPERTIES
An Illinois general partnership

By  KLMLP 2, LLC
A Delaware limited liability company,
Managing General Partner of Delta Wetlands Properties

By  KLMLP, L.P.
A Delaware limited partnership,
Managing Member of KLMLP 2, LLC

By  Zurich American Corporation (f/k/a Kemper Corporation)
A Delaware corporation,
Managing General Partner of KLMLP, L.P.

By: ____________________________
Name: ____________________________
Title: ____________________________
Schedule 10.6(a)-2

Form of Order

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

In the Matter of Water Right Applications 29062, 29066, 30268 and 30270

Delta Wetlands Properties

ORDER CANCELING WATER RIGHT APPLICATIONS

SOURCES: Connection Slough; False River; Fisherman’s Cut; Middle River; Old River; Rock Slough; San Joaquin River; Santa Fe Dredge Cut

COUNTIES: Contra Costa; San Joaquin

WHEREAS:

1. Delta Wetlands Properties (Applicant) filed water right application 29062 with the State Water Resources Control Board (State Water Board), Division of Water Rights (Division), on July 9, 1987, requesting the right to divert 106,900 acre-feet from False River and Fisherman’s Cut.

2. Applicant filed water right application 29066 with the Division on July 9, 1987, requesting the right to divert 110,570 acre-feet from Connection Slough, Middle River, Old River, Rock Slough, and Santa Fe Dredge Cut.

3. Applicant filed water right application 30268 with the Division on July 16, 1993, requesting the right to divert 417,000 acre-feet from False River, Old River, and San Joaquin River.

4. Applicant filed water right application 30270 with the Division on July 16, 1993, requesting the right to divert 405,000 acre-feet from Connection Slough, Middle River, Old River, and Santa Fe Dredge Cut.

5. On _______, 2016, the Division received notice from the Applicant requesting cancellation of Applications 29062, 29066, 30268 and 30270.
6. Applicant’s request for cancellation states that Applications 29062, 29066, 30268 and 30270 proposed diversion and storage of water for the Delta Wetlands Project, and that Applicant has terminated and abandoned the Delta Wetlands Project.

7. Applicant’s request for cancellation requests that the order of cancellation of Applications 29062, 29066, 30268 and 30270 be final and with prejudice, and Applicant has waived its rights to seek reconsideration and legal review of this order of cancellation.

8. Pursuant to Resolution No. 2012-0029, the State Water Board has delegated authority to the Deputy Director for Water Rights (Deputy Director) to cancel applications. (Resolution No. 2012-0029, section 4.5.2.) Resolution No. 2012-0029 authorizes the Deputy Director to redelegate this authority, and this authority has been so redelegated by memorandum dated July 6, 2012.

THEREFORE, IT IS ORDERED THAT APPLICATIONS 29062, 29066, 30268 AND 30270 ARE HEREBY CANCELED.

Applicant shall document any diversions made under claim of right independent of a permit, license, registration or certification issued by the State Water Board, such as diversions under riparian or pre-1914 rights. With limited exceptions, Water Code section 5101 requires that a Statement of Water Diversion and Use be filed for these diversions. Water Code section 5107 (c)(1) provides that the State Water Board may impose a civil liability of $1,000, plus $500 per day for each additional day on which the violation continues if the person fails to file a statement within 30 days after the board has called the violation to the attention of that person. These penalties are in addition to any penalties that may be imposed if the diverter does not hold a valid right or diverts in excess of what is authorized under that right.

STATE WATER RESOURCES CONTROL BOARD

Barbara Evoy, Deputy Director
Division of Water Rights

Dated: __________
Schedule 15-1

List of Identified Licenses/Permits

1. Land Use Permit, Application LP12-2046, approved September 24, 2012 by Contra Costa County Department of Conservation and Community Development Division to Delta Wetlands Properties.

2. Septic Permit, Permit Number 11A-008, approved and issued November 29, 2011 by Contra Costa Environmental Health Division to Delta Wetlands Properties.