

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 01-2009**

**A RESOLUTION REAPPOINTING MEMBERS TO THE CITIZENS
REDEVELOPMENT ADVISORY COMMISSION**

WHEREAS, the Economic Development Committee met on December 8, 2008, and recommended reappointment of TAMMY MAISETTI, MICHAEL PRATT, TOM SLATER and MICHAEL NAVARRO to the Citizens Redevelopment Advisory Commission,

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Redevelopment Agency of the City of Modesto as follows:

SECTION 1. TAMMY MAISETTI, MICHAEL PRATT, TOM SLATER and MICHAEL NAVARRO are hereby reappointed to the Citizens Redevelopment Advisory Commission with term expirations of January 1, 2013.

SECTION 2. The Agency Secretary is hereby directed to transmit a copy of this resolution to the reappointed members of the Citizens Redevelopment Advisory Commission, and the Secretary thereof.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 6th day of January, 2009, by Agency Member Hawn, who moved its adoption, which motion being duly seconded by Agency Member Lopez, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

(SEAL)

ATTEST:


STEPHANIE LOPEZ, Agency Secretary

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 02-2009**

**A RESOLUTION APPROVING THE AMENDMENT OF THE VARIOUS
FISCAL YEAR 2008-2009 REDEVELOPMENT AGENCY BUDGETS AND
APPROVING A SHORT TERM LOAN FROM THE LOW/MODERATE
INCOME HOUSING FUND**

WHEREAS, the Agency adopted the Fiscal Year 2008-2009 budget based on estimates of revenue and that were known at that time, and

WHEREAS, the current forecast for revenue and expenditures requires the reduction of existing appropriations in order to balance revenues and unanticipated expenditures, and

WHEREAS, the Agency has considered various alternatives for making budget reductions and obtaining the required balance between revenues and expenditures, and

WHEREAS, the Agency has identified the amount and nature of the budget adjustments that will balance revenues and expenditures as shown in **Exhibit A**, which is incorporated by reference herein,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the following is hereby approved:

(1) REVENUE AND EXPENDITURE BUDGET ADJUSTMENTS.

Adjustments to the Agency's funds as shown in **Exhibit A**, which is incorporated by reference herein.

(2) SHORT TERM LOAN IMPLEMENTED. Agency shall make a loan from the Low/Moderate Income Housing Fund in an amount not to exceed that shown in **Exhibit A** and that a repayment schedule shall be created to repay said Loan no later than five (5) years from the date of this resolution.

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is hereby authorized and directed to take the steps necessary to implement the approved budget adjustments as shown in **Exhibit A**.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 6th day of January, 2009, by Agency member Marsh, who moved its adoption, which motion is being duly seconded by Agency member Hawn, was upon roll call carried and the resolution adopted the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: 
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

Exhibit A

RECOMMENDED TOTAL FUNDING ADJUSTMENTS

Tax Increment Revenue Reduction (various funds)	(\$448,000)
Interest Revenue (Debt Service Fund)	(\$ 93,000)

Expenses

Low/Moderate Income Housing Fund

Archway Commons	(\$930,000)*#
Account No: 9060-140-1491-K743	
Loan to Debt Service Fund	\$840,400

Capital Project Fund

Reduce Project Area Revitalization Funds	(\$100,000)#
Account No: 9080-140-1493-0489	

Close Master Plan Project Account	(\$ 1,008)#
Account No: 9080-140-1493-K871	

Reduce Downtown Cameras Capital Account	(\$ 60,000)#
Account No: 9080-140-1493-K002	

Reduce Public Improvements Capital Account	(\$ 9,607)#
Account No: 9080-140-1493-K732	

Reduce Kansas Woodland Business Park Capital Acct	(\$ 61,603)#
Account No: 9080-140-1493-Q243	

Reduce Operating Expenses for professional svcs	(\$ 30,000)#
Account No: 9080-140-1493-0235	
Transfer out – Debt Service Fund	\$ 65,522
Transfer out – Admin Fund	\$ 26,591

Debt /Service Fund

Debt Service Transfer	\$ 97,000
ERAF Payment	\$ 414,522

RECOMMENDED TOTAL FUNDING DECREASE: (\$1,192,218)#

[* This reduction will allow a loan to be made to the Debt Service Fund which will be repaid in future years]

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 03-2009**

RESOLUTION AUTHORIZING THE NEGOTIATION OF AN AGREEMENT BETWEEN THE MODESTO REDEVELOPMENT AGENCY AND THE STATE OF CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL PURSUANT TO THE CALIFORNIA LAND REUSE AND REVITALIZATION ACT OF 2004 (AB 389) REGARDING THE PROJECT SITE LOCATED AT 1200 GRAPHICS DRIVE

WHEREAS, the Redevelopment Agency of the City of Modesto (the “Agency”) is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the “Project Area”), and

WHEREAS, beginning in 2002, the Agency considered the development of a site owned by the FMC Corporation (the “Owner”) which is located on three (3) parcels along the east side of Graphics Drive, east of State Route 99 and more specifically identified as Stanislaus County Assessors Parcel Numbers: 029-013013; 029-013012; 029-014010 with a total acreage of 45.04 Acres (the “Project Site”) located within the Project Area, and

WHEREAS, said Project Site is referred to as a “brownfield” which is a site where the soil and groundwater have been contaminated as a result of the previous industrial use by the Owner, and

WHEREAS, beginning in 2002, the Agency reviewed said Project Site and agreed to partner with the Owner to develop said Project Site into a business park use pursuant to approval from the California Department of Toxic Substances Control and the California Regional Water Quality Control Board, Central Valley Region (collectively, the “State Agencies”) for a variety of remediation actions, and

WHEREAS, following Agency direction, the Agency staff has worked closely

with the Owner and with the State Agencies to remediate said Project Site in order to bring the levels of identified contaminants down to the allowable levels for commercial and industrial uses as determined by the State, and

WHEREAS, the Owner has performed the requisite remediation activities on said Project Site pursuant to the State-approved Removal Action Workplan for soils and submitted a Remedial Action Plan for the ongoing remediation of groundwater, and

WHEREAS, in a separate action, the Agency has approved the execution of a Purchase and Sale Agreement for the acquisition of said Project Site for the purpose of developing a business park, which Project Site will be sold to the Agency with a marketable title, and

WHEREAS, pursuant to the California Land Reuse and Revitalization Act of 2004 (“AB 389”), the Department of Toxic Substances Control can enter into an agreement with the Agency to provide certain immunities to the Agency from further State remediation requirements (the “AB 389 Agreement”), and

WHEREAS, as conditions to the close of escrow, the State Agencies must have approved of the remediation actions taken by and to be taken by the FMC Corporation, as well as of the Agency and future owners, and of said AB 389 Agreement, which agreement will run with the land; and

WHEREAS, at its regularly scheduled meeting on October 1, 2008, the Citizens Redevelopment Advisory Commission considered a staff recommendation that the Agency negotiate a AB 389 Agreement for the Project site and recommended that such negotiations be approved by the Agency board;

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the

City of Modesto that the Executive Director or his/her designee be authorized to negotiate an AB 389 Agreement by and between the Redevelopment Agency of the City of Modesto, a public body, corporate and politic, and the California Department of Toxic Substances Control. The final form of the AB 389 Agreement and any other related documents shall be brought to the Agency board for its consideration and approval at a future date.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto held on the 27th day of January, 2009, by Agency member Marsh, who moved its adoption, which motion being duly seconded by Agency member Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency members: Hawn, Keating, Lopez, Marsh, Olsen,
Mayor Ridenour

NOES: Agency members: None

ABSENT: Agency members: O'Bryant

ATTEST: 
STEPHANIE LOPEZ, Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 04-2009**

RESOLUTION APPROVING THE PURCHASE AND SALE AGREEMENT AND THE RIGHT OF ENTRY AGREEMENT BETWEEN THE MODESTO REDEVELOPMENT AGENCY AND THE FMC CORPORATION REGARDING THE ACQUISITION OF THREE PROPERTIES LOCATED AT 1200 GRAPHICS DRIVE (APN: 029-013013; 029-013012; 029-014010), AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SAID AGREEMENTS AND ANY RELATED DOCUMENTS AND FINDING THE ACQUISITION IN CONFORMANCE WITH THE FINAL PROGRAM ENVIRONMENTAL IMPACT REPORT FOR THE MODESTO REDEVELOPMENT PROJECT AREA MASTER PLAN (SCH #2006071118)

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the "Project Area"), and

WHEREAS, beginning in 2002, the Agency considered the development of a site owned by the FMC Corporation ("FMC") which is located on three (3) parcels along the east side of Graphics Drive, east of State Route 99 and more specifically identified as Stanislaus County Assessors Parcel Numbers: 029-013013; 029-013012; 029-014010 with a total acreage of 45.04 Acres (the "Project Site") located within the Project Area, and

WHEREAS, said Project Site is referred to as a "brownfield" which is a site where the soil and groundwater have been contaminated as a result of the previous industrial use by the Owner, and

WHEREAS, in 2002, the Agency reviewed said Project Site and agreed to partner with FMC to develop said Project Site into a business park use pursuant to an Option Agreement approved on November 6, 2002 by and between the Agency and FMC (Resolution No. 13-2002), which Option Agreement was amended on September 13,

2005 (Resolution No.11-2005) and which was further amended on October 24, 2006 (Resolution No10-2006), and

WHEREAS, the Agency identified said Project Site as having a high potential for development and directed staff to begin work on the business park project (the "Business Park") in order to achieve multiple objectives, including: (1) Developing a vacant and blighted brownfield site within the Project Area, (2) Increasing the amount of annual tax increment from the Project Site, (3) Creating new jobs in a blighted area, and (4) Redeveloping a ½ mile frontage along adjacent State Route 99, and

WHEREAS, following Agency direction, the Agency staff has worked closely with FMC and with the California Department of Toxic Substances Control and the California Regional Water Quality Control Board, Central Valley Region (the "State Agencies") to remediate said Project Site in order to bring the levels of identified contaminants down to the allowable levels for commercial and industrial uses as determined by the State of California, and

WHEREAS, FMC has performed the requisite remediation activities on said Project Site pursuant to the State-approved Removal Action Workplan for soils and has submitted a Remedial Action Plan for the ongoing remediation for groundwater, and

WHEREAS, the Business Park improvements, including streets, sidewalks, buildings and parking lots, will provide cover for the soil on the site which engineering cover is an integral part of the required brownfield remediation, and

WHEREAS, the Agency and FMC have determined that it is in the best interest of both parties to pursue the development of said Business Park on said Project Site, and

WHEREAS, the Agency staff and FMC have successfully negotiated a Purchase

and Sale Agreement (the "Purchase and Sale Agreement") containing certain terms and conditions relating to the purchase of said Project Site by the Agency, including a purchase price of Seven Hundred, Fifty Thousand Dollars (\$750,000), which is **attached** hereto as "**Exhibit A**" and made a part hereof by this reference, and

WHEREAS, subsequent to the conveyance of the Project Site to the Agency, FMC must continue to perform all future State-mandated remediation groundwater requirements on said Project Site and FMC must have necessary access to the Project Site to perform said groundwater remediation until all remediation actions are completed; and

WHEREAS, the proposed Right of Entry Agreement with FMC will provide FMC with the necessary access to the Project Site to conduct its ongoing groundwater remediation activities, which Right of Entry Agreement is **attached** hereto as "**Exhibit B**" and made a part hereof by this reference, and

WHEREAS, since said Project Site is a remediated "brownfield" and the Agency will be in the chain of title, as a condition to the close of escrow, the Agency and the City proposes to purchase environmental Pollution Legal Liability insurance from Chubb Environmental Insurance Company in the total coverage amount of \$50,000,000, for a one-time premium cost of approximately \$500,000, and

WHEREAS, the acquisition of said Project Site is in furtherance and preparatory to the implementation of the Kansas-Woodland Business Park Project as described in the Final Program Environmental Report ("FEIR") for the Modesto Redevelopment Project Area Master Plan (SCH #2006071118) which FEIR was certified as complete and approved by the Agency on October 9, 2007, and

WHEREAS, pursuant to California Environmental Quality Act, Public Resources

Code Section 15162, it has been determined that the acquisition of said Site:

- a. Does not make any substantial changes to the proposed Business Park Project
- b. Does not require major revisions to said FEIR
- c. Does not involve any new significant environmental effects or changes in respect to the circumstances under which the Business Park Project was undertaken
- d. Does not propose a substantial increase in the severity of previously identified significant effects
- e. Does not propose significant effects not discussed in said FEIR
- f. Does not identify any new information of substantial importance, which was not known or could have been known at the time that said FEIR was certified as complete, and

WHEREAS, at its regularly scheduled meeting on October 1, 2008, the Citizens Redevelopment Advisory Commission considered the proposed Purchase and Sale Agreement and Right of Entry Agreement and recommended that they be approved by the Agency,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Purchase and Sales Agreement (**Exhibit A**) and the Right of Entry Agreement (**Exhibit B**) are hereby approved in substantially the forms **attached** hereto, and subject to any minor, technical or non-substantive changes approved by Agency Executive Director and Agency Counsel; and.

BE IT FURTHER RESOLVED that the Redevelopment Agency does hereby authorize and direct its Executive Director to execute on behalf of the Agency the Purchase and Sales Agreement and Right of Entry Agreement and any other related documents to complete the property transaction and to take such actions as necessary on

behalf of the Agency to satisfy the conditions in the Purchase and Sale Agreement for the conveyance of the Project Site to the Agency;

BE IT FURTHER RESOLVED that the Redevelopment Agency does hereby find and determine that said Business Park project is in conformance with the Final Program Environmental Report for the Modesto Redevelopment Project Area Master Plan (SCH #2006071118) which FEIR was certified as complete and approved by the Agency on October 9, 2007.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto held on the 27th day of January, 2009, by Agency member Marsh, who moved its adoption, which motion being duly seconded by Agency member Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency members: Hawn, Keating, Lopez, Marsh, Olsen,
Mayor Ridenour

NOES: Agency members: None

ABSENT: Agency members: O'Bryant

ATTEST: 
STEPHANIE LOPEZ, Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

PURCHASE AND SALE AGREEMENT

By and Between

**REDEVELOPMENT AGENCY OF
THE CITY OF MODESTO**

and

**FMC CORPORATION,
A Delaware corporation**

REDEVELOPMENT PROJECT:

KANSAS-WOODLAND BUSINESS PARK

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PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is entered into as of the _____ day of _____, 2009, (the "Effective Date") by and between the REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic (the "Agency"), and FMC CORPORATION, a Delaware corporation ("FMC"). The Agency and FMC agree as follows:

RECITALS

A. FMC is the owner of that certain real property located at 1200 Graphics Drive in the City of Modesto, Stanislaus County, California, and more particularly shown on the map attached hereto as Exhibit "A-1" and legally described on Exhibit "A-2" attached hereto and made a part hereof (the "Site").

B. As a result of former operations on the Site by FMC and its predecessors, groundwater beneath the Site has been contaminated by, among other materials, total dissolved solids, particularly sulfates. The Site is currently subject to Cleanup and Abatement Order No. 98-274 adopted on June 26, 1998 ("Order") by the California Regional Water Quality Control Board, Central Valley Region ("RWQCB"). The Order requires FMC to operate, and FMC currently operates, a groundwater remediation system on the Site including monitoring and

extraction wells and a treatment facility ("Remediation System"). The Remediation System extracts groundwater from extraction wells and conveys the groundwater to a treatment facility. The treated groundwater (the "Wastewater") is discharged from the Remediation System into the City of Modesto's publicly-owned wastewater treatment works ("POTW") under a Conditional and Revocable Groundwater Discharge Permit issued to FMC by the City of Modesto, Public Works Department, Environmental Compliance Section ("Permit"). The current Permit was effective January 1, 2007 and expires December 31, 2009.

C. In addition, as a result of the past storage of barite ore and the processing of this ore and management of processing residues, areas of surface soils on the Site were impacted with elevated concentrations of barium. Further, as a result of past manufacturing and other operations, surface soils may have been impacted by other contaminants. FMC and the California Environmental Protection Agency, Department of Toxic Substances Control ("DTSC") entered into a Voluntary Cleanup Agreement ("VCA") effective as of July 8, 2002 with respect to soil contamination at the Site. FMC prepared an Interim Soil Removal Action Work Plan dated April 2006 (the "IRAW") which was approved by DTSC on August 3, 2006 and an Addendum to the IRAW dated August 13, 2007 ("IRAW Addendum") which was approved by DTSC on August 14, 2007. FMC subsequently submitted a January 2008 Implementation Report ("Implementation Report") regarding the soil remediation activities undertaken under the IRAW and IRAW Addendum, which Implementation Report was approved by DTSC on February 22, 2008. FMC completed interim soil removal activities involving the excavation and removal of soils on the Site that exceeded the health-based Site-Specific Target Levels ("SSTL") as specified in the IRAW and IRAW Addendum.

D. The Agency desires to purchase the Site for subsequent conveyance to a developer for redevelopment of the Site as part of the Kansas-Woodland Business Park ("Business Park"). The Agency believes the development of the Business Park will assist the economy of Modesto and will stimulate job creation and economic growth in the Modesto area.

E. FMC has not been willing to sell the Site until the final remedial measures for groundwater remediation have been determined. FMC is concerned that additional requirements that could be imposed upon FMC by the RWQCB, DTSC or another Environmental Agency, or that pending or future state and federal regulations governing Total Maximum Daily Load ("TMDL") imposed on the City's POTW, could require (i) alterations or modifications to FMC's Remediation System, (ii) new or additional remediation measures, or (iii) the installation of new remediation equipment that would require the use of additional portions of the Site. Although FMC will continue to own and operate the Remediation System in accordance with the RAP and the Order and will be granted the Remediation Facilities Easement pursuant to the Right of Entry Agreement, once FMC sells the Site to the Agency, FMC may not have available land for any modifications or alterations that could be required to be made to the Remediation System or for the installation of new or supplemental remediation equipment that might be necessary to comply with such additional requirements or regulations. As a result, in order to comply with the RAP and the Order, FMC will become dependent on its ability to continually discharge the Wastewater from the Remediation System to the City's POTW without the ability to modify the Remediation System to comply with any such additional requirements or regulations. Under these circumstances, FMC has not been willing to sell the Site to the Agency unless FMC receives adequate contractual assurances from the City that it would continue to have the ability

to discharge Wastewater from the Remediation System to the POTW in order to comply with the RAP and the Order.

F. Agency and FMC have reached agreement on the terms and conditions on which FMC will sell the Site to the Agency. The sale of the Site shall be consummated through two agreements: (i) this Agreement will set forth the terms and conditions on which the Agency will purchase and FMC shall convey the Site to the Agency; and (ii) FMC and the City will enter into a separate Discharge Agreement as a condition to and effective upon FMC's conveyance of the Site to the Agency, which Discharge Agreement shall govern FMC's ability to discharge treated water from the Remediation System to the City's POTW. This Agreement and the Discharge Agreement are separate but integral portions of the same transaction.

NOW THEREFORE, for valuable consideration as more particularly described in this Agreement, FMC and the Agency hereby agree as follows:

ARTICLE I DEFINITIONS

AB 389 Agreement. "**AB 389 Agreement**" shall mean that agreement to be entered into between the Agency and the Department of Toxic Substances Control, as described in Section 306.1(c) hereof, pursuant to the California Land Reuse and Revitalization Act Program, as codified in Health and Safety Code section 25395.60 et seq.

Agency. "**Agency**" shall mean the Redevelopment Agency of the City of Modesto, a public body, corporate and politic formed under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.).

Agreement. "**Agreement**" shall mean this Purchase and Sale Agreement.

Business Park. "**Business Park**" shall mean the Kansas-Woodland Business Park.

City. "**City**" shall mean the City of Modesto, a municipal subdivision of the State of California.

CERCLA. "**CERCLA**" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., as amended.

Contamination. "**Contamination**" shall mean those certain chemicals in the soil and groundwater at the Site as more particularly described in the Environmental Reports listed on Exhibit C attached hereto.

Deposit. "**Deposit**" shall mean a deposit of cash or certified check in the amount of SEVENTY-FIVE THOUSAND DOLLARS (\$75,000.00), to be deposited by Agency into escrow in accordance with Section 302 hereof.

Discharge Agreement. "**Discharge Agreement**" shall mean the Discharge Agreement between the City and FMC described in Section 306.2(b) hereof and attached hereto as Exhibit "B" and incorporated herein by reference.

Due Diligence Documents. "**Due Diligence Documents**" shall mean those documents that have been or will be provided to Agency as set forth in Section 304 hereof.

DTSC. "**DTSC**" shall mean the State of California Environmental Protection Agency, Department of Toxic Substances Control.

Environmental Agency. "**Environmental Agency**" shall mean the RWQCB, the DTSC and/or any other federal, state or local governmental agency charged with enforcing Hazardous Materials Laws and having jurisdiction with respect to the Site.

Environmental Reports. "**Environmental Reports**" shall mean those reports listed on Exhibit C attached hereto.

Escrow Agent. "**Escrow Agent**" shall mean First American Title Company, whose address is 1506 H Street, Modesto, California.

Feasibility Study. "**Feasibility Study**" shall mean that "Final Feasibility Study for Soil and Groundwater", prepared by GeoTrans for FMC Corporation, dated February 2008 and approved by DTSC, with concurrence by the RWQCB, by letter dated April 29, 2008.

FMC. "**FMC**" shall mean FMC Corporation, a Delaware corporation.

Hazardous Materials "**Hazardous Materials**" shall mean any substance, material or waste which is (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of California law; (2) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317); (3) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903) or its implementing regulations; (4) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601); or (5) determined by DTSC, RWQCB or any other California, federal or local governmental authority (other than the City or the Agency) to be capable of posing a risk of injury to health, safety or property.

Hazardous Materials Laws. "**Hazardous Materials Laws**" shall mean CERCLA, RCRA, or any other federal, state, or local law governing (i) Hazardous Materials, (ii) any Remedial Work obligation imposed upon FMC by an Environmental Agency, or (iii) the release of Hazardous Materials into the soil or groundwater.

IRAW. "**IRAW**" shall mean the approved Revised Interim Removal Action Work Plan for soil remediation on the Site, dated April 2006, and approved by the DTSC on August 3, 2006, as amended by the Addendum to the Interim Removal Action Work Plan for Soil dated August 13, 2007 ("IRAW Addendum") and approved by the DTSC on August 14, 2007.

Land Use Covenant. "**Land Use Covenant**" shall mean that certain Covenant to Restrict Use Environmental Restriction which will be prepared by FMC in accordance with the procedure

set forth in Section 307 hereof and approved by the DTSC and RWQCB and recorded against the Site prior to the Close of Escrow in accordance with the RAP.

Operation and Maintenance Agreement. **"Operation and Maintenance Agreement"** or **"OMA"** shall mean that certain agreement entered into by and between the Agency, FMC, DTSC and RWQCB prior to the Close of Escrow relative to the operation and maintenance of the infrastructure for the final remedial action(s) approved under the RAP, both with respect to soil and groundwater conditions, and including monitoring, inspection and reporting obligations.

Operation and Maintenance Plans. **"Operation and Maintenance Plans"** or **"OMPs"** shall mean the separate plans for soil and groundwater that are developed by FMC pursuant to Section 307 hereof and approved by the DTSC and the RWQCB prior to the Close of Escrow for the long-term operation and maintenance of the final remedial action(s) approved under the RAP.

Order. **"Order"** shall mean that certain Cleanup and Abatement Order No. 98-724 adopted on June 26, 1998 by the RWQCB.

Party or Parties. **"Party, Parties, party or parties"** shall all mean the Agency and FMC, individually and collectively.

Permit. **"Permit"** shall mean that certain Conditional and Revocable Groundwater Discharge Permit effective January 1, 2007, issued to FMC by the City of Modesto, Public Works Department, Environmental Compliance Section.

POTW. **"POTW"** shall mean the publicly-owned wastewater treatment works operated by the City of Modesto.

Prior Orders. **"Prior Order"** shall mean those certain Cleanup and Abatement Orders Nos. 93-202 and 96-063 adopted by the RWQCB.

Project. **"Project"** shall mean the Kansas-Woodland Business Park, all predisposition activities, property acquisitions and dispositions, demolition and public or private improvements of any nature on any portion of the Site, and all other activities in furtherance of the development of the Site for the Kansas-Woodland Business Park pursuant to this Agreement.

Prospective Purchaser Agreement. **"Prospective Purchaser Agreement"** shall mean that agreement to be entered into between the Agency and the RWQCB with respect to groundwater contamination conditions at the Site, as described in Section 306.1(d) hereof, pursuant to the California Porter-Cologne Water Quality Act, California Water Code section 13304.

Purchase Price. **"Purchase Price"** shall mean the consideration given to FMC for the sale of the Site which shall include (i) a cash payment from the Agency in the amount of \$750,000 and (ii) the rights and benefits granted to FMC and the obligations undertaken by the City pursuant to the Discharge Agreement.

RAP. **"RAP"** shall mean the Remedial Action Plan to be prepared by FMC pursuant to the Order and the VCA and to be submitted to the DTSC and the RWQCB for approval in accordance with Section 307 hereof.

RCRA. " **RCRA**" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. section 6901 et seq., as amended.

Redevelopment Plan. "**Redevelopment Plan**" shall mean that Redevelopment Plan for the Modesto Redevelopment Project that was approved and adopted on July 12, 1983, by the City Council of the City of Modesto, by Ordinance No. 2203-C.S, as amended on June 19, 1984, by Ordinance No. 2269-C.S., as amended on November 19, 1991, by Ordinance No. 2793-C.S. and as further amended on October 2, 2007, by Ordinance No. 3454-C.S.

Regulatory Documents. "**Regulatory Documents**" shall mean the Land Use Covenant, the Operation and Maintenance Agreement, the Operation and Management Plans and the Soil Management Plan, which are referenced in the RAP and which will be developed and approved by the DTSC and/or the RWQCB in accordance with Section 307 hereof, prior to the Close of Escrow.

Remedial Work. "**Remedial Work**" shall mean any and all investigation, remediation, mitigation, monitoring, reporting, and other obligations required or which may be required of FMC by the DTSC pursuant to the VCA, the RAP, the OMA or the OMP for groundwater or by the RWQCB pursuant to the Order or the Prior Orders, as the VCA, the RAP, the OMA, the OMP for groundwater, the Order or the Prior Orders may be amended or supplemented from time to time, or pursuant to any other order of the DTSC, RWQCB or another Environmental Agency which imposes obligations on FMC with respect to soil or groundwater conditions relative to the Site or the Contamination consistent with the cleanup and use of the Site for commercial/industrial purposes. Remedial Work shall not include the Soil Management Requirements, including the obligations set forth in the OMP for soil which are part of the Soil Management Requirements, except when FMC is performing Remedial Work that involves the disturbance of the soil.

Remediation System. "**Remediation System**" shall mean the groundwater extraction and treatment system located on the Site as of the Effective Date, consisting of extraction wells, conveyance piping and a treatment facility, as well as monitoring wells, together with any additional groundwater remediation facilities hereafter required to be located on the Site, and electric, domestic water and storm drain lines from the utility supplier to such system. A description of the existing Remediation System is attached hereto as Exhibit H and incorporated herein by reference.

Remediation Facilities Easement. "**Remediation Facilities Easement**" shall mean that portion of the Site on which an easement shall be granted by Agency to FMC under the Right of Entry Agreement, as more particularly described in Section 309 hereof.

Right of Entry Agreement. "**Right of Entry Agreement**" shall mean the Right of Entry Agreement, Easement and Environmental Restriction between the Agency and FMC to be recorded against the Site at the Close of Escrow as described in Section 309 hereof, and attached hereto as Exhibit D and incorporated herein by reference.

RWQCB. "**RWQCB**" shall mean the State of California Regional Water Quality Control Board, Central Valley Region, or any successor agency thereto.

Site. "Site" shall have the meaning set forth in Section 204 of this Agreement.

Soil Management Plan. "Soil Management Plan" shall mean the Soil Management Plan prepared by FMC in cooperation with the Agency in accordance with Section 307 and to be approved by the DTSC and the RWQCB prior to the Close of Escrow, as provided in the RAP to set forth the decision framework and specific procedures for management of soils and any groundwater or other water that may be generated in the course of construction or operation and maintenance activities at the Site to which construction and future workers at the Site may otherwise be exposed in the course of work at the Site.

Title Company. "Title Company" shall mean First American Title Company.

TMDL. "TMDL" shall mean the Total Maximum Daily Load established by the RWQCB, in implementation of the federal Clean Water Act and the California Porter-Cologne Water Quality Control Act, to control pollutants and achieve certain water quality standards in the wastewater discharge from point sources as it relates to the operation of the POTW.

VCA. "VCA" shall mean the Voluntary Cleanup Agreement effective as of July 8, 2002, by and between FMC and DTSC, as amended or supplemented from time to time.

Water Wells. "Water Wells" shall mean Water Supply Wells Nos. 5 and 6, located on the Site.

Water Well Lease. "Water Well Lease" shall mean that Lease Agreement dated May 26, 1992 whereby the City of Modesto leases Water Supply Well No. 5 from FMC. The Water Well Lease shall be terminated at the Close of Escrow pursuant to the Well Lease Termination Agreement.

Well Lease Termination Agreement. "Well Lease Termination Agreement" shall mean that agreement between FMC and the City pursuant to which the Water Well Lease shall be terminated as of the Close of Escrow. The form of the Well Lease Termination Agreement is attached hereto as Exhibit E and incorporated herein by reference.

ARTICLE II [§200] SUBJECT OF AGREEMENT

A. [§201] Purpose of this Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan for the Modesto Redevelopment Project by providing for the acquisition of the Site for subsequent disposition to a developer and redevelopment of the Site. The Site is located within the boundaries of the Project Area.

The acquisition of the Site pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements. In particular, the Agency anticipates

that the acquisition of the Site for redevelopment into the Business Park will benefit the City of Modesto by providing significant economic benefit to the City in the form of new businesses, new jobs, increased tax revenue, redevelopment of unused property into productive use and increased economic activity for existing businesses in the City of Modesto.

B. [§202] The Redevelopment Plan

This Agreement is subject to the provisions of the Redevelopment Plan for the Modesto Redevelopment Project which was approved and adopted on July 12, 1983, by the City Council of the City of Modesto, by Ordinance No. 2203-C.S., as amended on June 19, 1984, by Ordinance No. 2269-C.S., as amended on November 19, 1991, by Ordinance No. 2793-C.S. and as further amended on October 2, 2007, by Ordinance No. 3454-C.S. The Redevelopment Plan, as it now exists and as it may be subsequently amended, is incorporated herein by reference and made a part hereof as though fully set forth herein.

C. [§203] The Project Area

The Project Area is located in the City of Modesto, California, and the exact boundaries thereof are specifically described in the Redevelopment Plan.

D. [§204] The Site

The Site is that portion of the Project Area shown on the Map of the Site (Exhibit "A-1"), and is more particularly described in the legal description of the Site (Exhibit "A-2"). The Site includes (i) all existing improvements thereon, (ii) any personal property and equipment owned by FMC and used exclusively in the operation of the Site, including the two Water Wells and all pumps, piping, equipment and machinery owned by FMC and used or intended for use in the operation of the Water Wells (collectively, the "Personal Property") and (iii) all of FMC's right, title and interest in any and all air rights, licenses, franchises, permits (other than the Permit), development rights, entitlements, general intangibles, authorizations and approvals owned by FMC and used exclusively in the operation and use of the Site (collectively, the "Intangible Property"). Notwithstanding the foregoing, the Site shall not include, and FMC shall retain ownership of, the Remediation System located on the Site as of the Close of Escrow or thereafter constructed or located on the Site by FMC pursuant to the RAP and/or the Order, or requirements otherwise imposed by DTSC, RWQCB or another Environmental Agency. In addition, FMC and the City shall enter into the Well Lease Termination Agreement pursuant to which the Water Well Lease shall be terminated at the Close of Escrow. FMC shall convey the real property comprising the Site to the Agency at the Close of Escrow pursuant to a Grant Deed in the form attached hereto as Exhibit "F" ("Deed"). FMC shall convey all of its right, title and interest in and to the Personal Property and Intangible Property to the Agency at the Close of Escrow pursuant to a Bill of Sale and Assignment in the form attached hereto as Exhibit "G" ("Bill of Sale and Assignment").

E. [§205] Parties to this Agreement

1. [§206] The Agency

The Agency is the Redevelopment Agency of the City of Modesto which is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.). The principal office of the Agency is located at 1010 Tenth Street, Suite 3300, Modesto, California 95354.

2. [§207] FMC

FMC is FMC Corporation, a Delaware corporation. The principal office of FMC is located at 1735 Market Street, Philadelphia, Pennsylvania 19103.

ARTICLE III
[§300] ACQUISITION OF THE SITE

A. [§301] Sale and Purchase

In accordance with and subject to all the terms, covenants and conditions of this Agreement, FMC agrees to sell, and the Agency agrees to purchase for development, the Site. As consideration for the sale of the Site, FMC shall receive the following: (i) a cash payment from the Agency in the amount of SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000.00) ("Cash Payment") and (ii) the rights and benefits granted to FMC and the obligations undertaken by the City pursuant to the Discharge Agreement (collectively, items (i) and (ii) are the "Consideration").

B. [§302] Deposit

Within two (2) business days after execution of this Agreement by the Parties, an escrow shall be opened with Escrow Agent for the consummation of this transaction. Within ten (10) business days after execution of this Agreement by the Parties, Agency shall deposit with Escrow Agent the amount of SEVENTY-FIVE THOUSAND DOLLARS (\$75,000) (the "Deposit"). The Deposit shall be placed in an interest-bearing account. The Deposit shall be applied towards the Cash Payment at Close of Escrow. If the Close of Escrow fails to occur as a result of a default by the Agency hereunder, FMC shall retain the Deposit as liquidated damages pursuant to Section 402 hereof.

C. [§303] Close of Escrow

The Close of Escrow for the Site shall occur, subject to the satisfaction of the Agency's Closing Conditions and FMC's Closing Conditions, on the date that is thirty (30) days after the RAP and the last of the Regulatory Documents are approved by the RWQCB and/or DTSC in accordance with the procedure set forth in Section 307 below. Notwithstanding the foregoing, if Agency's Closing Conditions and FMC's Closing Conditions are not satisfied or waived so that the Close of Escrow can occur by September 30, 2009, then this Agreement shall terminate on September 30, 2009 unless extended by mutual agreement of the parties. In the event of such termination, the Deposit shall be returned to the Agency, unless any of the conditions set forth in Sections 306.1(c) and 306.1(d) or Section 306.2(a) have not been satisfied as of September 30, 2009, in which case the Deposit shall be paid to FMC, and neither party shall

have any further obligations hereunder. For purposes of this Agreement, the "Close of Escrow" shall mean the date that the Grant Deed for the Site is recorded by Escrow Agent in the Official Records of Stanislaus County, California. Notwithstanding the foregoing, if the scheduled date for the Close of Escrow is a Saturday, Sunday or public holiday, the scheduled closing date shall be the next business day. The Agency and FMC agree to perform all acts reasonably necessary to enable the conveyance of title by FMC to the Agency at the Close of Escrow in accordance with the terms of this Agreement. The Executive Director of the Agency, at his/her discretion, is authorized to act on behalf of the Agency to approve any reasonable extensions of time for the performance of any obligations contained in this Agreement.

D. [§304] Due Diligence Documents

The Agency acknowledges that pursuant to the Due Diligence Agreement ("Due Diligence Agreement") attached to and incorporated into that certain Option Agreement between the Agency and FMC dated as of November 6, 2002 ("Option Agreement"), which Option Agreement has now expired, FMC prepared and delivered to the Agency a list of the following documents, to the extent any such documents existed and were in the possession of FMC or its consultants and not subject to attorney-client privilege (collectively, "Due Diligence Documents"):

- a. copies of surveys, studies, audits, investigations, test data, reports and other material, if any, relating to the physical condition of the Site (other than the environmental condition of the Site) in FMC's possession;
- b. copies of administrative orders and agreements, and other regulatory agency determinations, including approvals and correspondence to and from regulatory agencies with respect to the environmental condition of the Site or the current compliance of the Site with applicable laws, statutes, ordinances and regulations, if any, together with all final reports and work plans that FMC has submitted to the DTSC, RWQCB or other Environmental Agency with respect to the environmental condition of the Site, including submittals pursuant to administrative orders and agreements, and other Environmental Agency determinations;
- c. copies of governmental approvals and permits, tax bills and relevant correspondence, if any, pertaining to the use and operation of the Site (but excluding any appraisals or other information regarding the value of the Site);
- d. copies of plans and specifications for the existing improvements on the Site including the Remediation System; and
- e. copies of all environmental impact reports, environmental impact certifications and zoning, land use or development agreements relating to the Site.

The Agency had the opportunity to review the Due Diligence Documents pursuant to the Due Diligence Agreement. FMC prepared an updated list which included any additional Due Diligence Documents generated since November 6, 2002 and delivered such updated list to

the Agency on June 17, 2008 ("Updated List"). The Agency subsequently requested and FMC arranged for the Agency to receive copies of Due Diligence Documents designated by the Agency on the Updated List. Within thirty (30) days after the Effective Date, FMC shall provide the Agency with a list of any additional Due Diligence Documents in the possession of FMC and/or its consultants and not subject to attorney-client privilege which have been generated since the preparation of the Updated List (such documents are hereafter referred to as "Recent Due Diligence Documents"). If and to the extent the Agency gives FMC written notice that it does not have copies of any specific Recent Due Diligence Documents and desires to review any Recent Due Diligence Documents specifically designated by the Agency, FMC shall make copies of such documents and provide them to the Agency, at the Agency's expense. FMC makes no representation or warranty as to the truth or accuracy of any Recent Due Diligence Documents except that the same are true and correct copies of the Recent Due Diligence Documents in the possession of FMC and/or its consultants. To the extent that FMC comes into possession of additional Recent Due Diligence Documents after the Effective Date, FMC shall advise the Agency of such additional documents in accordance with the procedure set forth above.

The Agency acknowledges that it had the opportunity to review the physical and environmental condition of the Site under the Due Diligence Agreement incorporated into the Option Agreement. The Agency shall have no further right of physical inspection of the Site pursuant to this Agreement.

E. [§305] Title

1. Title Approval. Within ten (10) business days after the Effective Date, FMC shall cause the Title Company to prepare and issue to the Agency a preliminary title report, evidencing the current condition of title to the Site ("Title Report"), together with copies of all related underlying documents and a map plotting any easements encumbering the Site. In addition, the Agency shall have the right to obtain, at the Agency's sole cost and expense, an ALTA survey of the Site ("Survey"). Within thirty (30) days after the Agency's receipt of the Title Report, copies of all related underlying documents and a map plotting the easements encumbering the Site, the Agency shall give FMC written notice ("Title Objection Notice") of any title exceptions which are unacceptable to the Agency ("Disapproved Title Objections"). If the Agency fails to deliver the Title Objection Notice within said thirty (30) day period, the Agency shall be deemed to have conclusively approved all exceptions to title described in the Title Report. If the Agency gives the Title Objection Notice, FMC shall have ten (10) days after receipt of the Agency's Title Objection Notice to notify the Agency whether FMC (a) will cause or (b) elects not to cause any of the Disapproved Title Objections to be removed from title before the Close of Escrow ("FMC's Title Response"). If FMC fails to deliver FMC's Title Response within said ten (10) day period, then FMC shall be deemed to have elected not to remove any Disapproved Title Objections. If FMC elects to remove any Disapproved Title Objections in FMC's Title Response, then FMC shall cause removal of such Disapproved Title Objections on or before the Close of Escrow. If FMC elects not to remove any Disapproved Title Objections in FMC's Title Response, then at the Agency's sole election, to be made within ten (10) days of receipt of FMC's Title Response, the Agency may either (i) terminate this Agreement, in which case the Deposit shall be returned to the Agency and neither party shall have any further interest hereunder except for those obligations that survive the termination of this Agreement, or (ii)

waive such Disapproved Title Objections and proceed to the Close of Escrow without any reduction in the Cash Payment.

2. Deed. Title to the Site shall be conveyed from FMC to the Agency pursuant to the Deed, subject only to the "Permitted Exceptions." As used herein, the "Permitted Exceptions" shall mean the following: (i) non-delinquent real property taxes and assessments; (ii) the standard exceptions and exclusions contained in an ALTA standard coverage owner's policy of title insurance; (iii) all exceptions to title set forth in the Title Report except any Disapproved Title Objections FMC has elected to remove in FMC's Title Response; (iv) an easement for overhead wires in favor of the Modesto Irrigation District; (v) the Regulatory Documents, including the Land Use Covenant; (vi) the Right of Entry Agreement; (vii) all liens and encumbrances resulting from the acts of the Agency or the Agency's employees, agents, consultants or contractors on the Site; (viii) any encumbrances securing the Agency's financing on the Site; (ix) any entitlements the Agency obtains for the Site which FMC permits to encumber the Site prior to the Close of Escrow in accordance with Section 308 hereof; (x) all matters shown on the Survey, if any; and (xi) all other matters of record.

3. Title Policy. Concurrently with the recording of the Deed, the Title Company shall issue to the Agency an ALTA Extended Coverage Owner's Policy, with a policy limit of Seven Hundred Fifty Thousand Dollars (\$750,000), showing title to the Site vested of record in the Agency, subject only to the Permitted Exceptions (the "ALTA Policy"). Notwithstanding the foregoing, if the Agency does not provide the Title Company with an ALTA survey of the Site acceptable to the Title Company that will allow the Title Company to issue the ALTA Policy, the Title Company's issuance to the Agency upon the recording of the Deed of an ALTA Owner's Policy with Regional Exceptions, with a policy limit of Seven Hundred Fifty Thousand Dollars (\$750,000), showing title vested of record in the Agency subject only to the Permitted Exceptions ("Standard Title Policy"), shall satisfy this condition. The Agency may request that the Title Company issue such title endorsements as the Agency may request; provided, however, the Title Company's failure to issue such endorsements shall not affect the Agency's obligations under this Agreement. FMC shall pay the premium for the Standard Title Policy. The Agency shall pay for any additional premium for an ALTA Policy and the cost of any title endorsements requested by the Agency.

F. [§ 306] Conditions Precedent to Close of Escrow

1. The Agency's Closing Conditions. The obligation of the Agency to purchase the Site pursuant to this Agreement shall be subject to the satisfaction or written waiver by the Agency of each of the following conditions (collectively, "Agency's Closing Conditions"):

(a) FMC shall have performed and complied in all material respects with all of the terms of this Agreement to be performed and complied with by FMC prior to or at the Close of Escrow, including, without limitation, the deposit into the Escrow of all of the documents specified in Section 311.1 hereof together with any funds necessary to pay FMC's portion of any closing costs and prorations.

(b) In cooperation with the Agency pursuant to Section 307 hereof, FMC shall, at its sole cost and expense, have prepared, submitted and obtained such approvals

from the DTSC and/or the RWQCB as may be required for each of the Regulatory Documents in form satisfactory to Agency.

(c) The Agency shall have executed an AB 389 Agreement or other liability relief or immunity available to the Agency from the DTSC or the RWQCB for the benefit of the Agency and its successors in interest, in a form satisfactory to the Agency, in connection with soil contamination at the Site, at the Agency's sole cost and expense.

(d) The Agency shall have executed a Prospective Purchaser Agreement or other liability relief or immunity from the RWQCB for the Agency, in a form satisfactory to the Agency, in connection with the groundwater contamination at the Site, at the Agency's sole cost and expense. Notwithstanding the foregoing, however, the Agency may, in its sole discretion, waive this condition by delivering written notice of such waiver to FMC.

(e) The Title Company shall be prepared, subject to payment of its regularly scheduled premium, to issue the ALTA Policy to the Agency in accordance with Section 305.3 hereof, or if Agency has not provided an ALTA survey of the Site acceptable to the Title Company to permit the Title Company to issue the ALTA Policy, then the Title Company shall be prepared, subject to payment of its regularly scheduled premium, to issue the Standard Title Policy to the Agency.

(f) The Agency has been able to procure environmental site liability insurance coverage for a minimum period of ten (10) years after the Close of Escrow upon terms satisfactory to the Agency, including insurance coverage for liability associated with the presence of any Hazardous Materials on the Site that are not included within the definition of Contamination. Not later than seven (7) days after the date that FMC has given the Agency written notice that all of the Regulatory Documents have been approved by the DTSC and/or RWQCB, as applicable ("Insurance Condition Date"), Agency shall provide FMC with evidence that Agency has obtained a binder for such insurance and that this condition has been satisfied. If this condition has not been satisfied by the Insurance Condition Date, this Agreement shall terminate unless Agency delivers written notice of its waiver of this condition to FMC on or before the Insurance Condition Date.

(g) The Modesto City Council shall have approved and authorized the execution by the City of the Well Lease Termination Agreement in the form attached hereto as Exhibit E and FMC shall have executed and deposited into Escrow two fully executed originals of the Well Lease Termination Agreement on or before the Close of Escrow.

Except as expressly provided with respect to the condition set forth in subsection (f) above, if any of the Agency's Closing Conditions are not satisfied or waived in writing by the Agency by the day that is one (1) business day prior to the scheduled date for Close of Escrow, then Agency may terminate this Agreement by giving written notice of such termination to FMC and Escrow Agent on the business day prior to the scheduled date for Close of Escrow. Any such termination shall be effective as of the date of delivery of the termination notice. Agency's failure to deliver written notice of termination of this Agreement due to non-satisfaction of one or more of Agency's Closing Conditions on or before the day that is one (1) business day prior to the scheduled date for Close of Escrow shall be deemed Agency's waiver of the non-satisfied

Agency Closing Condition and election to proceed to the Close of Escrow. If the Agency terminates this Agreement due to non-satisfaction of an Agency Closing Condition, then neither party shall have any further obligations hereunder except for those obligations that expressly survive the termination of this Agreement. If the Agency's Closing Conditions set forth in Section 306.1(a), (b), (e), (f) or (g) above are not satisfied or waived on or before the Close of Escrow, or by the Insurance Condition Date with respect to the condition in subsection (f), then Agency shall be entitled to a return of the Deposit. If the Agency's Closing Conditions set forth in Sections 306.1 (c) or (d) above are not satisfied or waived on or before the Close of Escrow, then FMC shall be entitled to retain the Deposit as liquidated damages pursuant to Section 402 hereof. Agency acknowledges that the failure of the Agency's Closing Conditions in Section 306.1(c) and (d) prior to the day that is one (1) business day prior to the scheduled date for Close of Escrow shall not be grounds for the extension or delay of the Close of Escrow.

2. FMC's Closing Conditions. The obligation of FMC to sell the Site to the Agency hereunder shall be subject to the satisfaction or written waiver by FMC of each of the following conditions (collectively, "FMC's Closing Conditions"):

(a) The Agency shall have performed and complied in all material respects with all of the terms of this Agreement to be performed and complied with by the Agency prior to or at the Close of Escrow, including, without limitation, the deposit into the Escrow of all of the documents specified in Section 311.2 hereof together with cash in the amount of the Cash Payment, less the Deposit, and funds necessary to pay the Agency's portion of any closing costs and prorations.

(b) The Modesto City Council shall have approved and authorized the execution by the City of the Discharge Agreement between FMC and the City in the form attached hereto as Exhibit "B" and the City shall have executed and deposited into Escrow two fully executed originals of the Discharge Agreement on or before the Close of Escrow.

(c) In cooperation with the Agency pursuant to Section 307 hereof, FMC shall, at its sole cost and expense, have prepared, submitted and obtained such approvals from the DTSC and/or the RWQCB as may be required for each of the Regulatory Documents in a form satisfactory to FMC.

(d) The Modesto City Council shall have approved and authorized the execution by the City of the Well Lease Termination Agreement in the form attached hereto as Exhibit E and the City shall have executed and deposited into Escrow two fully executed originals of the Well Lease Termination Agreement on or before the Close of Escrow.

If any of FMC's Closing Conditions are not satisfied or waived in writing by FMC by the day that is one (1) business day prior to the scheduled Close of Escrow, then FMC may elect to terminate this Agreement by giving written notice of such termination to the Agency and to Escrow Agent on the business day prior to the scheduled date for Close of Escrow. Any such termination shall be effective as of the date of delivery of the termination notice. FMC's failure to deliver such written notice of termination of this Agreement due to non-satisfaction of one or more of FMC's Closing Conditions on or before the day that is one (1) business day prior to the scheduled date for Close of Escrow shall be deemed FMC's waiver of the non-satisfied FMC

Closing Condition and election to proceed to the Close of Escrow. If FMC terminates this Agreement due to non-satisfaction of any of FMC's Closing Conditions, then neither party shall have any further obligations hereunder except for those obligations that expressly survive the termination of this Agreement. If FMC's Closing Condition set forth in Section 306.2(a) above is not satisfied or waived on or before the Close of Escrow, then FMC shall be entitled to retain the Deposit as liquidated damages pursuant to Section 402 hereof. If FMC's Closing Conditions set forth in Sections 306.2(b), (c) or (d) are not satisfied or waived on or before the Close of Escrow through no fault of the Agency, then the Deposit shall be returned to the Agency.

G. [§307] Finalization of Regulatory Documents.

Prior to the date of this Agreement, FMC submitted a draft RAP to the DTSC and the RWQCB for approval. The RAP is based on the Final Feasibility Study dated February 2008, prepared by FMC and approved by the DTSC, with the concurrence of the RWQCB. The RAP incorporates the IRAW and IRAW Addendum and addresses continued operation of the existing Remediation System to mitigate historical impacts to groundwater and any remaining potential impacts from soils on the Site. Under the IRAW and IRAW Addendum, FMC completed interim soil removal activities on the Site which included the removal of soils in excess of health-based Site Specific Target Levels, as specified in the IRAW and the IRAW Addendum. The draft of the RAP submitted by FMC to the DTSC and the RWQCB provides for (i) approval of the interim soil measures performed by FMC under the IRAW and IRAW Addendum as a final remedial measure for soil, (ii) the continued remediation of groundwater through the existing Remediation System as the final remedy for groundwater and (iii) ongoing requirements for the management of soil on the Site as part of the final remedial measure for soil, including without limitation, requirements pertaining to soil cover, soil removal and disposition, landscaping, irrigation, and health and safety in connection with the demolition of existing structures, construction of infrastructure, grading, utility trenching, building pad preparation and construction of new improvements on the Site, and future activities, including routine use and maintenance at the Site.

Prior to the execution of this Agreement, FMC provided the Agency with a copy of the draft RAP. FMC shall keep the Agency informed of any and all actions taken by the DTSC and/or RWQCB regarding the draft RAP including, without limitation, providing copies of any written comments to the draft RAP and notice of any meetings requested or proposed by the DTSC and/or RWQCB and/or FMC to discuss the draft RAP. The Agency shall have the opportunity to send representatives to any such meeting with the DTSC and/or RWQCB and to participate in such meetings.

The draft RAP submitted by FMC references the following additional documents which shall implement the final remedies for soil and groundwater approved by the DTSC and RWQCB in the RAP:

1. **Land Use Covenant.** The Land Use Covenant will restrict the use of the Site to commercial/industrial purposes, impose certain notification requirements and restrictions with respect to activities that would result in exposure to soils, impose restrictions with respect to cover and irrigation, and impose restrictions on the use of groundwater and the disturbance of

covered areas of soil. The Land Use Covenant shall be executed by FMC as the owner of the Site and recorded in the Official Records of Stanislaus County prior to the Close of Escrow.

2. **Operation and Maintenance Agreement.** The Operation and Maintenance Agreement shall be an agreement to be entered into by and among FMC, the Agency, the DTSC and the RWQCB. The Operation and Maintenance Agreement will govern the operation and maintenance of the infrastructure for the final remedial actions approved under the RAP for soil and groundwater conditions, allocate responsibilities with respect to these remedial actions, and require financial assurances for such remedial actions.

3. **Operation and Maintenance Plans.** The Operation and Maintenance Plans will be the separate plans developed for soil and groundwater that will govern the long-term operation and maintenance of the final remedial actions for soil and groundwater. FMC shall be responsible for compliance with the Operation and Maintenance Plan for groundwater. The Agency and its successors in interest in the Site shall be responsible for compliance with the Operation and Maintenance Plan for soil.

4. **Soil Management Plan.** The Soil Management Plan will set forth the decision framework and specific procedures for management of soils and any groundwater or other water that may be generated in the course of construction or operation and maintenance activities at the Site to which construction and future workers at the Site may otherwise be exposed in the course of the work at the Site.

The Regulatory Documents will be finalized prior to the Close of Escrow. The Agency's acquisition of the Site and any subsequent conveyance of an interest in the Site to a third party shall be subject to all of the terms and conditions of the Regulatory Documents.

Promptly after the Effective Date, FMC shall prepare drafts of the Regulatory Documents (other than the RAP) and submit such drafts to the Agency for review and approval prior to submittal to the DTSC and/or RWQCB in accordance with the following process. FMC may prepare the Regulatory Documents in logical sequence commencing with those documents such as the Land Use Covenant and Operation and Maintenance Agreement, which establish obligations to be documented in later documents such as the Operation and Maintenance Plans and the Soil Management Plan. In addition to establishing ongoing requirements for groundwater remediation, the Regulatory Documents will variously establish ongoing requirements for the management of soil on the Site as part of the final remedial measure for soil on the Site under the RAP, including, without limitation, requirements pertaining to soil cover, soil removal and disposition, landscaping, irrigation and health and safety variously in connection with the demolition of existing structures, construction of infrastructure, grading, utility trenching, building pad preparation and construction of improvements on the Site, and future activities, including routine use and maintenance at the Site, including the requirements under the Operation and Maintenance Plan for soil (collectively, "Soil Management Requirements"). The Soil Management Requirements will be performed by the Agency and its successors in interest in the Site following the Close of Escrow.

Once FMC has submitted a draft Regulatory Document to the Agency, the Agency shall promptly review such draft and provide FMC with written comments to such draft. The Parties shall thereafter negotiate in good faith to agree on the form of Regulatory Document to submit to the DTSC and/or RWQCB. Such negotiations may take place by exchange of written drafts or comments, telephone conference calls or in-person meetings. Once FMC and the Agency have agreed upon a Regulatory Document draft, each party shall initial the same to signify its approval thereof. FMC shall thereafter promptly submit the Regulatory Document draft to the DTSC and/or RWQCB, as applicable, for review and approval.

Once a draft of a Regulatory Document is submitted to the DTSC and/or RWQCB, FMC shall keep the Agency informed of any response from the DTSC and/or RWQCB to such draft. FMC shall promptly provide the Agency copies of any written response received from the DTSC and/or RWQCB with respect to such draft. In addition, FMC shall promptly give the Agency notices of any meetings requested by FMC and/or the DTSC or RWQCB to discuss the Regulatory Document drafts. The Agency shall have the right to send representatives to such meetings and to participate in the same. In no event shall either the Agency or FMC have a meeting with the DTSC and/or RWQCB to discuss the Regulatory Document draft without notice to and the opportunity to participate by the other party. If and to the extent applicable, such notice shall include an agenda of the items to be discussed at such meeting. If the DTSC and/or RWQCB send a written response to a draft Regulatory Document, FMC and the Agency shall promptly convene discussions by telephone conference to develop a joint response to such comments in accordance with the procedures set forth above. Once the Parties have agreed on such joint response, FMC shall submit the same to the DTSC and/or RWQCB.

Notwithstanding the foregoing, if FMC and the Agency are not able to agree, after good faith negotiations, on the form of a draft Regulatory Document to be submitted to the DTSC and/or RWQCB within thirty (30) days after FMC has submitted the draft of such Regulatory Document to the Agency; or if FMC and the Agency cannot agree on a joint response to comments from the DTSC and/or RWQCB to a draft Regulatory Document previously approved and submitted to such agencies, within fifteen (15) days of receipt of such comments, then either FMC or the Agency can terminate this Agreement by giving written notice of such termination to the other party within ten (10) days after the expiration of such thirty (30) or fifteen (15) day period, as applicable. In the event either party gives notice of termination, the Agreement shall terminate, the Deposit shall be returned to the Agency and neither party shall have any further obligations hereunder. FMC shall thereafter be free to negotiate the terms of the Regulatory Documents without the Agency's participation. As part of the approval process for the Regulatory Documents, the parties shall use diligent efforts to negotiate a side letter or other agreement with the DTSC and RWQCB stating that, notwithstanding the execution of one or more of the Regulatory Documents by FMC and the Agency, and except for the Land Use Covenant that will be recorded prior to the Close of Escrow, the Regulatory Documents shall not be binding on either FMC or the Agency until the Close of Escrow.

H. [§308] Entitlement Processing

Subject to the terms and conditions of this Section 308, prior to the Close of Escrow, the Agency shall have the right to apply for and process, at the Agency's sole cost and expense, applications for land use entitlement approvals, including, without limitation, a specific

plan, zoning amendments, planned development permits, and tentative and final subdivision or parcel maps (collectively, "Entitlements"), affecting the Site, or portions thereof, in an effort to develop the Site for the Business Park. Specifically, the Agency may apply for and process a specific plan for the Site, environmental impact report ("EIR") and subdivision map for the Site. The Agency may only apply for Entitlements that allow commercial and industrial uses of the Site that are consistent with the RAP and the Regulatory Documents which the Parties anticipate will be approved and/or imposed on the Site by DTSC or RWQCB.

Prior to applying for any Entitlements, the Agency shall provide FMC with a completed application for such Entitlement together with plans, maps, drawings and other material supporting the proposed Entitlement. Within fifteen (15) days after receipt of the completed Entitlement application together with all supporting material applicable thereto, FMC shall either approve the Entitlement application by executing the same as owner of the Site or give the Agency written notice of its disapproval of the Entitlement application along with FMC's reasons for such disapproval in writing. If FMC gives written notice of disapproval, the parties shall promptly attempt in good faith to remove FMC's objections to the Entitlement application. If the parties are unable to reach agreement to resolve FMC's objections, then FMC's disapproval of the Entitlement application shall stand and the Agency may not proceed with the Entitlement application until after the Close of Escrow.

If FMC approves the Entitlement application, then the Agency shall keep FMC informed of the progress of the Entitlement application. The Agency shall provide FMC with reasonable prior written notice of any meetings or discussions among the Agency and its consultants with the City or any other governmental entity regarding the Entitlement application, and a representative of FMC shall have the right to attend and participate in such meetings or discussions. The Agency shall promptly provide FMC with copies of any correspondence received from or submitted to the City or other governmental entities with respect to the Entitlement application. In addition, FMC shall receive copies of all reports, plans and correspondence from third party consultants prepared in support of the Entitlement application. The Agency shall not seek any action or approval from the City or any other governmental agency with respect to any Entitlements, or agree to any conditions of approval, mitigation measures, or exactions in connection with any Entitlement application without first giving FMC written notice specifying the action or approval sought by the Agency together with copies of any correspondence or documents supporting the requested action or approval. Within fifteen (15) days after receipt of such notice and supporting material, FMC shall either approve or disapprove the proposed action in accordance with the time periods and the procedure set forth in the foregoing paragraph. FMC may withhold approval of the proposed action if FMC reasonably determines that the action is inconsistent with the Order, the RAP and/or the requirements of the Regulatory Documents either approved by the DTSC and/or RWQCB or that FMC anticipates that the DTSC and/or RWQCB will impose upon the Site.

Notwithstanding FMC's approval of an Entitlement application for a subdivision map for the Site, in no event shall the Agency seek City Council approval of a tentative subdivision map for the Site unless FMC has provided the Agency with written approval of the proposed tentative map and all conditions of approval, mitigation measures or exactions proposed for such map. In addition, in no event shall any Entitlement become final until the Close of Escrow has occurred with respect to the Site. Notwithstanding the foregoing, in the event of a breach by the Agency

of this Agreement and/or the rights granted in this Section 308, FMC may withdraw any Entitlement application affecting the Site. The Agency's rights under this Section 308 shall terminate upon any termination of this Agreement prior to the Close of Escrow.

I. [§309] Environmental Disclosures.

FMC and its predecessors in interest in the Site variously operated manufacturing facilities on the Site for the production of barium and strontium chemicals. These operations included the use from the early 1950's to the late 1970's of on-site evaporation ponds to manage residual solids from the ore processing units and air pollution control equipment which solids were slurried with water and discharged to the ponds. These ponds were closed by removal of residue material and backfilling during 1979-81. The operation of the ponds resulted in contamination of the groundwater with total dissolved solids, including sulfates. In addition, the soils under the former pond areas are impacted with sulfates and related compounds that continue to migrate into the upper groundwater aquifer. The Site is currently subject to the Order and the Prior Orders. Starting in the early 1960's, FMC installed a number of groundwater monitoring wells, both on and off the Site, and has routinely reported on the results of samples from these wells to the RWQCB under the terms of the Order and the Prior Orders. Under the Order and associated Monitoring and Reporting Program (No. 98-805, adopted by the RWQCB on June 26, 1998), FMC currently samples and reports sampling results for some 33 monitoring wells, located both on and off the Site. Since 1996, FMC has operated on the Site a groundwater remediation system including extraction wells and a treatment facility, which discharges wastewater to the City's POTW under the terms of the Permit issued by the City. FMC will be required to perform groundwater remediation and to maintain groundwater monitoring and remediation equipment and structures on the Site for an indefinite period of time.

As a result of the past storage and processing of barite ore and the management of processing residues, areas of surface soils on the Site are impacted with elevated concentrations of barium. In addition, as a result of past manufacturing and other operations, surface soils may be impacted by other contaminants. FMC and DTSC entered into the VCA with respect to soil contamination on the Site. Pursuant to the IRAW and IRAW Addendum, FMC completed interim soil removal activities on the Site which consisted of removal of soils in excess of health-based Site Specific Target Levels, as specified in the IRAW and IRAW Addendum. Following completion of such activities, FMC submitted a January 2008 Implementation Report regarding the soil activities undertaken pursuant to the IRAW and IRAW Addendum. FMC represents to the Agency that it received a letter from DTSC dated February 22, 2008 approving the Implementation Report. Prior to and as a condition precedent to the Close of Escrow, FMC will prepare the RAP and process the RAP to approval with the DTSC and the RWQCB as specified in Section 307 above. FMC anticipates that the final RAP will incorporate the approved IRAW and IRAW Addendum remedial work with respect to soil and will require continued operation of the existing Remediation System to mitigate historical impacts to groundwater and any remaining potential impacts from soils at the Site to groundwater. In addition to the RAP, prior to the Close of Escrow, FMC will prepare the Land Use Covenant in cooperation with the Agency pursuant to Section 307 and submit the Land Use Covenant to the DTSC and the RWQCB for approval. The Land Use Covenant will be recorded against the Site prior to the Close of Escrow. The Land Use Covenant will restrict the use of the Site to commercial and industrial purposes, impose notification requirements and restrictions with respect to activities that would result in exposure

to soils, impose restrictions with respect to cover and irrigation, and restrict the use of groundwater and the disturbance of certain covered areas of the Site. In addition, prior to the Close of Escrow, FMC will develop and prepare in cooperation with the Agency pursuant to Section 307 hereof and process to approval with the DTSC and/or RWQCB, the other Regulatory Documents. FMC, the Agency, the DTSC and the RWQCB will enter into the Operation and Maintenance Agreement, which shall become effective as to FMC and the Agency upon the Close of Escrow.

The Agency acknowledges the following: (i) the presence of the Contamination on the Site; (ii) as of the Effective Date and the Close of Escrow, the Site is and will be subject to the Order, the Prior Orders, the VCA, the IRAW, the IRAW Addendum and the RAP; (iii) as of the Close of Escrow, the Site will be subject to the Regulatory Documents, including the Land Use Covenant; (iv) following the Close of Escrow, the Agency and its successors in interest will be responsible for implementation and observance of the Soil Management Requirements set forth in the Regulatory Documents; (v) under the Due Diligence Agreement incorporated into the Option Agreement, during the term of the Option Agreement and the terms of this Agreement, as set forth in Section 304, and during the finalization of the Regulatory Documents pursuant to Section 307 hereof, the Agency has had and will have had the opportunity to review the Environmental Reports, the Soil Management Requirements, the VCA, the RAP, the IRAW, the IRAW Addendum, the Regulatory Documents, the Order and the Prior Orders, either through the Due Diligence Documents and/or Recent Due Diligence Documents made available by FMC for the Agency's review pursuant to Section 304, or pursuant to the finalization process for the Regulatory Documents pursuant to Section 307 hereof, or at the offices of the DTSC or the RWQCB; and (vi) Agency shall have the opportunity to review any additional reports or documents regarding the Site submitted by FMC to the RWQCB, DTSC and/or other applicable Environmental Agency after the Effective Date at the offices of the RWQCB, DTSC or other applicable Environmental Agency. In addition to the foregoing, the Agency acknowledges that during the approximately five year period prior to the Effective Date, the Agency (i) attended meetings with the DTSC and the RWQCB regarding implementation of the VCA, the Order, the Prior Orders, the final Feasibility Study, the IRAW and the IRAW Addendum; (ii) participated in the processing of IRAW and the IRAW Addendum; and (iii) received copies of reports from FMC that FMC submitted to the DTSC and/or the RWQCB regarding the environmental condition of the Site. Based on the foregoing, FMC has satisfied its obligation under California Health & Safety Code Section 25359.7 to notify the Agency of the soil and groundwater contamination on the Site.

In general, FMC has implemented a remediation program for the Site based on risk analysis consistent with future use for industrial and commercial purposes. The Agency hereby acknowledges the following: (i) additional Remedial Work obligations may be imposed on FMC and/or the Site pursuant to the VCA, the RAP and/or the Order or Prior Orders with respect to the Contamination, including, without limitation, soil removal, and the installation and operation of an additional Remediation System or alterations to the Remediation System; and (ii) the DTSC, the RWQCB or other Environmental Agency may impose conditions to or requirements in connection with such additional Remedial Work (including without limitation, with respect to monitoring the groundwater on the Site). The Agency hereby consents to the performance of all the foregoing conditions and requirements. The Agency shall at all times, and at its sole cost, fully cooperate with FMC in connection with any and all Remedial Work. In no event shall the

Agency inhibit or interfere with the performance of the Remedial Work by FMC. The Agency's cooperation shall include, without limitation, where the participation of the Agency is required, the prompt execution, acknowledgment, delivery and recordation, as applicable, of documents and agreements requested or required by the DTSC, the RWQCB or any other Environmental Agency, including, without limitation, any other covenants and restrictions required in connection with the Soil Management Requirements. The Agency acknowledges that the owner or occupant of the Site for any relevant portion of the Site will be required to comply with the Soil Management Requirements.

At the Close of Escrow, FMC and the Agency shall enter into a Right of Entry Agreement, Easement and Environmental Restriction in the form attached hereto as Exhibit "D" ("Right of Entry Agreement") under which the Agency shall grant to FMC (i) the right to enter onto the Site to perform Remedial Work pursuant to the VCA, the RAP, the Order or the requirements of any other Environmental Agency imposing Remedial Work obligations on FMC with respect to the Site; and (ii) the Remediation Facilities Easement.

J. [§310] As-Is Acquisition.

The Agency acknowledges and agrees that the Agency has satisfied itself, or prior to the Close of Escrow will satisfy itself, as to the physical, environmental, legal and economic condition of the Site and its suitability for the purposes intended by the Agency. Subject to FMC's ongoing groundwater remediation pursuant to the VCA, the RAP, the Order and Prior Orders and any additional Remedial Work obligation imposed on FMC with respect to the Site by the DTSC, the RWQCB or another Environmental Agency (which will be governed by the Right of Entry Agreement), the Agency shall be responsible, at the Agency's sole cost and expense, for any demolition of existing structures and any site preparation for redevelopment of the Site. The Agency acknowledges and agrees that the Agency is acquiring the Site subject to all existing laws, ordinances, rules and regulations, and that neither FMC nor any of FMC's officers, directors, employees, agents, representatives and attorneys (collectively, "FMC's Agents") have made any warranties, representations or statements regarding the availability of any approvals, or the laws, ordinances, rules or regulations of any governmental or quasi-governmental body, entity, district or agency having authority with respect to the ownership, possession, development, occupancy, condition and/or use of the Site. FMC disclaims the making of any representations or warranties, express or implied, regarding the Site or matters affecting the Site, including, without limitation, the physical condition of the Site, title to or boundaries of the Site, soil condition, the presence of hazardous waste, hazardous materials, toxic waste or other environmental matters, compliance with building, health, safety, land use and zoning laws, regulations and orders, structural or other engineering characteristics, traffic patterns and all other information pertaining to the Site. The Agency further acknowledges that FMC has made no representation or warranty regarding the accuracy or completeness of any reports or studies relating to the Site which may have been delivered to or made available to the Agency other than that the same are true and correct copies of the reports and studies available to or in the possession of FMC. The Agency moreover acknowledges that (i) the Agency is knowledgeable and experienced in the financial and business risks attendant to an investment in real property and capable of evaluating the merits and risks of entering into this Agreement and purchasing the Site; (ii) that the Agency has entered into this Agreement with the intention of making and relying upon its own or its experts' investigation of the physical, environmental,

economic and legal condition of the Site, including, without limitation, the compliance of the Site with laws and governmental regulations and the operation of the Site; and (iii) that the Agency is not relying on any representations and warranties made by FMC or anyone acting or claiming to act on FMC's behalf concerning the Site. The Agency further acknowledges that it has not received from FMC any accounting, tax, legal, architectural, engineering, property management or other advice with respect to this transaction and is relying upon the advice of its own accounting, tax, legal, architectural, engineering, property management and other advisors. Except for FMC's obligations under the Right of Entry Agreement, including FMC's ownership of the Remediation System, and any Remedial Work obligations imposed upon FMC after the Close of Escrow, the Agency shall purchase the Site in its "As Is" condition at the Close of Escrow and assumes the risk that adverse physical, environmental, economic or legal conditions may not have been revealed by its investigations. FMC shall have no liability to the Agency or any person or entity hereafter acquiring an interest in the Site for any subsequently discovered defects, whether latent or patent.

The Agency agrees that, from and after the Close of Escrow, the Agency, for itself and its agents, affiliates, successors and assigns and any person or entity hereafter acquiring an interest in the Site, hereby irrevocably and unconditionally releases and forever discharges FMC, its agents, affiliates, successors and assigns from, and waives any right to proceed against FMC for, any and all rights, claims and demands at law or in equity relating in any way to the Site, including, without limitation, the physical and environmental condition of the Site. The foregoing release shall not apply to claims arising from FMC's failure to perform its obligations under the Right of Entry Agreement.

Such release shall survive the Close of Escrow. The Agency has read and has been fully advised of the contents of Section 1542 of the Civil Code of the State of California, which reads as follows:

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

The Agency hereby expressly waives any and all rights and the benefits of said section or any similar section of the laws of any other applicable jurisdiction.

K. [§311] Deposits into Escrow

1. FMC's Deposits Into Escrow. FMC shall deposit or cause to be deposited into Escrow prior to the Close of Escrow the following documents, each duly executed and acknowledged, if applicable, by FMC:

(a) An executed and acknowledged Deed in the form attached hereto as Exhibit "F" ;

(b) Two counterpart originals of the Bill of Sale and Assignment in the form attached as Exhibit "G";

- (c) Two counterpart originals of the Right of Entry Agreement;
- (d) Two counterpart originals of the Discharge Agreement;
- (e) An executed Federal Non-Foreign Investor Affidavit in the form attached hereto as Exhibit "I" (the "FIRPTA Affidavit");
- (f) An executed Withholding Exemption Certificate (California Form 590) as required under the California Revenue and Taxation Code;
- (g) Two counterpart originals of the Well Lease Termination Agreement; and
- (h) Such other documents as may be reasonably required to consummate this transaction.

2. Agency's Deposits Into Escrow. The Agency shall deposit into Escrow prior to the Close of Escrow the following:

- (a) Funds in the amount of the Cash Payment, less the amount of the Deposit, and any additional amount required to pay the Agency's portion of any prorations and closing costs;
- (b) Two counterpart originals of the Bill of Sale, each duly executed by the Agency;
- (c) Two counterpart originals of the Right of Entry Agreement, each duly executed and acknowledged by the Agency;
- (d) Two counterpart originals of the Discharge Agreement, each duly executed by the City; and
- (e) Two counterpart originals of the Well Lease Termination Agreement, each duly executed by the City, together with a Termination of Lease duly executed and acknowledged by the City for purposes of removing from title the Memorandum of Lease recorded by the City against the Site in connection with the Water Well Lease; and
- (f) Such other documents as may be reasonably required to consummate this transaction.

3. Recording. At the Close of Escrow, the parties shall instruct the Escrow Agent to record the Termination of Lease, Deed and the Right of Entry Agreement in consecutive order, without intervening documents.

4. Closing Costs. The Agency shall pay in Escrow to the Escrow Agent the following closing costs promptly after the Escrow Agent has notified the Agency of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the Close of Escrow: (i) one-half of the escrow fee; (ii) one-half of the recording fees; (iii) the ALTA portion of the

premium if the Agency elects to obtain an ALTA Policy; and (iv) the cost of any title endorsements requested by the Agency. FMC shall pay in Escrow to the Escrow Agent the following closing costs promptly after the Escrow Agent has notified FMC of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the Close of Escrow: (i) one-half of the escrow fee; (ii) one-half of the recording fees; (iii) the premium for the Standard Title Policy; and (iv) the County documentary transfer tax, unless this transaction is exempt from County transfer tax. All other closing costs shall be allocated between FMC and the Agency in accordance with the custom in Stanislaus County, or in the absence of custom, equally between the parties. Each party shall bear their own respective attorneys' fees and accounting fees in connection with this transaction, subject to Section 505 below.

5. Prorations. All real property taxes and assessments shall be prorated between the Agency and FMC as of the Close of Escrow with appropriate debits and credits to the accounts of the Agency and FMC so that, as between the Agency and FMC, FMC shall pay all of the taxes and assessments to the extent allocable to the period ending on the date immediately prior to the Close of Escrow and the Agency shall pay all of the taxes and assessments to the extent duly allocable to the period commencing upon the Close of Escrow. If the amount of the current tax payment is not available, such proration shall be made on the basis of the most recent tax information available at the Close of Escrow and the parties shall make appropriate corrections promptly when accurate information becomes available. Any corrected adjustment or prorations shall be paid in cash to the party entitled thereto. The parties acknowledge that the Site shall become exempt from real property taxes and assessments upon the recordation of the Deed. The Agency shall cooperate with FMC's efforts to obtain a property tax refund for any portion of an installment of property tax paid by FMC allocable to the period of time after the Close of Escrow.

6. Delivery of Possession. FMC shall deliver possession of the Site to the Agency at the Close of Escrow.

ARTICLE IV **[\$400] DEFAULTS, REMEDIES AND TERMINATION**

A. [\$401] Agency's Default. The Agency shall be in default under this Agreement if the Agency fails, for a reason other than FMC's default hereunder or the failure of any of the Agency's Closing Conditions, to meet, comply with or perform any covenant, agreement or obligation on the Agency's part required within the time limits and in the manner required in this Agreement; provided, however, no such default shall be deemed to have occurred unless and until FMC has given the Agency written notice thereof, describing the nature of the default, and the Agency has failed to cure such default within five (5) days of the receipt of such notice (but in any event before the Close of Escrow).

B. [\$ 402] Liquidated Damages. If a default by the Agency occurs under this Agreement, FMC shall be entitled to retain the Deposit made by the Agency hereunder as liquidated damages as follows:

THE PARTIES HERETO AGREE THAT FMC'S ECONOMIC DETRIMENT RESULTING FROM THE REMOVAL OF THE SITE FROM THE REAL ESTATE MARKET FOR AN EXTENDED PERIOD OF TIME AND ANY CARRYING AND OTHER COSTS INCURRED AFTER THE REMOVAL OF THE SITE FROM THE REAL ESTATE MARKET ARE IMPRACTICABLE OR EXTREMELY DIFFICULT TO ASCERTAIN. THE PARTIES HERETO AGREE THAT THE AMOUNT OF THE DEPOSIT, INCLUDING ANY INTEREST ACCRUED THEREON, IS A REASONABLE ESTIMATE OF THE DAMAGES THAT WILL BE INCURRED BY FMC IN THE EVENT OF A DEFAULT OR BREACH OF THIS AGREEMENT BY THE AGENCY. THE AGENCY AGREES THAT IN THE EVENT OF A DEFAULT OR BREACH BY THE AGENCY UNDER THIS AGREEMENT, FMC, AS ITS SOLE REMEDY, SHALL BE ENTITLED TO RECEIVE AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE, AND SUCH RETENTION OF THE DEPOSIT SHALL NOT BE DEEMED TO CONSTITUTE A FORFEITURE OR PENALTY WITHIN THE MEANING OF SECTION 3275 OR SECTION 3369 OF THE CALIFORNIA CIVIL CODE, OR ANY SIMILAR PROVISION. FMC HEREBY WAIVES THE REMEDY OF SPECIFIC PERFORMANCE WITH RESPECT TO ANY DEFAULT BY THE AGENCY HEREUNDER, AND AGREES THAT THE LIQUIDATED DAMAGES SET FORTH HEREIN SHALL BE FMC'S SOLE REMEDY IN THE EVENT OF A DEFAULT OR BREACH BY THE AGENCY HEREUNDER. THIS LIQUIDATED DAMAGES PROVISION SHALL NOT BE APPLICABLE TO ANY DEFAULT OR BREACH BY THE AGENCY OF ANY INDEMNIFICATION, DEFENSE OR HOLD HARMLESS OBLIGATION OF THE AGENCY UNDER THIS AGREEMENT, OR ANY OTHER OBLIGATION OF THE AGENCY THAT EXPRESSLY SURVIVES THE TERMINATION OF THIS AGREEMENT. THIS LIQUIDATED DAMAGES PROVISION ALSO SHALL NOT SERVE AS A LIMITATION ON THE AMOUNT OF ATTORNEYS' FEES THAT FMC MAY PURSUE OR COLLECT FROM THE AGENCY IN THE EVENT FMC INCURS ATTORNEYS' FEES IN ATTEMPTING TO COLLECT OR RETAIN THE LIQUIDATED DAMAGES. BY INITIALING THIS SECTION 402 BELOW, FMC AND THE AGENCY AGREE TO THE TERMS OF THIS SECTION 402.

INITIALS: THE AGENCY _____ INITIALS: FMC _____

C. [\$403] FMC's Default.

1. Default. FMC shall be in default under this Agreement if FMC fails, for a reason other than the Agency's default hereunder or the failure of any of FMC's Closing Conditions, to meet, comply with, or perform any covenant, agreement or obligation on its part required within the time limits and in the manner required in the Agreement; provided, however, no such default shall be deemed to have occurred unless and until the Agency has given FMC written notice thereof, describing the nature of the default, and FMC has failed to cure such default within five (5) days of receipt of such notice, but in any event before the Close of Escrow.

2. Remedies. If FMC shall be deemed in default under Section 403.1 above at or before the Close of Escrow, and the Agency does not waive such default, the Agency may pursue one of the following remedies, each of which shall be the Agency's sole and exclusive remedy:

(i) Institute and prosecute an action to compel specific performance of this Agreement against FMC, in which case the Agency shall have no claim for damages or any other remedy against FMC; provided, however, if the Agency fails to file suit for specific performance against FMC in a court having jurisdiction on or before the date sixty (60) days following the date upon which the Close of Escrow hereunder was to have occurred, then the Agency shall be deemed to have elected to terminate this Agreement and receive back the return of its Deposit as provided in subsection (ii) below. The Agency shall only be entitled to bring a specific performance action against FMC if FMC breaches its obligation to convey the Site to the Agency; or

(ii) Terminate this Agreement by written notice delivered to FMC on or before the Close of Escrow and, in the event of such termination, the Agency shall be entitled, as the Agency's sole remedy, to the prompt return of the Deposit made by the Agency hereunder. In no event shall the Agency be entitled to seek to recover from FMC any monetary damages based on any breach or default by FMC at or before the Close of Escrow. Under no circumstances shall FMC be liable to the Agency for any consequential damages, including, without limitation, lost profits, loss of business, lost economic activity or lost income.

ARTICLE V
§500 GENERAL PROVISIONS

A. §501 Notices, Demands and Communications Between the Parties

Formal notices, demands and communications between the Agency and FMC shall be sufficiently given if personally delivered, if dispatched by registered or certified mail, postage prepaid, return receipt requested, or sent by nationally recognized overnight delivery service providing evidence of next business day delivery, to the following addresses:

If to FMC: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attn: Richard Papsin,
Director, Operational Services

With a copy to: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attn: David Landgraf, Esq.,
Senior Environmental Counsel

With a copy to: Berliner Cohen
10 Almaden Boulevard, Suite 1100
San Jose, CA 95113
Attn: Steven J. Casad

If to the Agency: Redevelopment Agency of the City of Modesto

1010 Tenth Street, Suite 3300
Modesto, CA 95354
Attn: Linda Boston
Program Manager

With a copy to: Redevelopment Agency of the City of Modesto
1010 Tenth Street, Suite 3300
Modesto, CA 95354
Attn: General Counsel

With a copy to: Iris P. Yang
McDonough, Holland & Allen
555 Capitol Mall, 9th Floor
Sacramento, CA 95814

B. [\$502] Conflicts of Interest

No member, official or employee of the Agency or City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which decision affects his/her personal interests or the interests of any corporation, partnership or association in which he/she is directly or indirectly interested.

The Agency warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

C. [\$503] Nonliability of Agency Officials and Employees

No member, official or employee of the Agency or City shall be personally liable to FMC in the event of any default or breach by the Agency or for any amount which may become due to FMC for any obligations under the terms of this Agreement.

D. [\$504] Approvals and Consents by the Parties

Except as otherwise provided for herein to the contrary, neither the Agency nor FMC shall unreasonably withhold or delay any approvals or consents required to be given or otherwise provided for herein.

E. [\$505] Attorneys' Fees

If either party hereto fails to perform any of its obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

F. [§506] Representations of the Parties.

The Agency and FMC each represents to the other that (i) it has the authority to enter into this Agreement, (ii) it has taken all necessary actions for the valid execution and delivery of this Agreement, and (iii) this Agreement is legally binding on the representative party.

G. [§507] Severability.

If any provision of this Agreement is, or hereafter is adjudged to be, for any reason void, unenforceable or invalid, it is the specific intent of the parties that the remainder hereof shall be and remain in full force and effect.

H. [§508] Entire Agreement.

This Agreement, together with the Exhibits hereto, contains all of the covenants made by the Agency and FMC and constitutes the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, letter of intent, memoranda or agreements are replaced in total by this Agreement together with the Exhibits hereto.

I. [§509] Time.

Time is of the essence in the performance of each of the parties' respective obligations contained herein.

J. [§510] Assignment.

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. The Agency shall not assign this Agreement without the prior consent of FMC, which FMC may withhold in FMC's sole discretion.

K. [§511] Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

L. [§512] Interpretation of Agreement.

The article, section and other headings of this Agreement are for convenience of reference only and shall not be construed to affect the meaning of any provision contained herein. Where the context so requires, the use of the singular shall include the plural and vice versa and the use of the masculine shall include the feminine and the neuter. The term "person" shall include any individual, partnership, joint venture, corporation, trust, unincorporated association, limited liability company, any other entity and any government or any department or agency thereof, whether acting in an individual, fiduciary or other capacity. The parties hereto acknowledge and agree that the doctrine or rule of law that ambiguities in a contract or written agreement are to be construed against the party that drafted such contract or agreement shall not

be employed in connection with this Agreement, and that this Agreement shall be construed in accordance with its fair meaning.

M. [\$513] Amendments.

This Agreement may be amended or modified only by a written instrument signed by the Agency and FMC.

N. [\$514] No Third Party Rights; Brokers Not Parties.

Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their respective successors and permitted assigns, any rights or remedies under or by reason of this Agreement. FMC and the Agency agree that it is their specific intent that no broker is a party to or a third party beneficiary of this Agreement or the escrow established pursuant to this Agreement; and further that consent of a broker is not necessary to any agreement, amendment or document with respect to the transaction contemplated by this Agreement.

O. [\$515] No Brokers.

Each party represents and warrants to the other party that it has not dealt with nor does such representing party have any knowledge of any persons, firms or entities which would be entitled to a broker's commission, finder's fee or the like in connection with the transactions contemplated by this Agreement. In the event any warranty or representation made by any party in this Section 515 proves to be false, such party shall indemnify, defend and hold the other party harmless with respect to any claims, losses, costs, liabilities and other expenses (including attorneys' fees) which the other party may incur as a result of such breach of misrepresentation. The foregoing obligation shall survive the Close of Escrow.

P. [\$516] Counterparts.

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

ARTICLE VI

[\$600] TIME FOR ACCEPTANCE OF AGREEMENT BY THE AGENCY

This Agreement, when executed by FMC and delivered to the Agency, must be authorized, executed and delivered by the Agency to the Title Company within thirty (30) days after the date of signature by FMC or this Agreement shall be void, except to the extent that FMC shall consent in writing to further extensions of time for the authorization, execution and delivery of this Agreement.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the Modesto Redevelopment Agency, a public body, corporate and politic, has authorized the execution of this Agreement in duplicate by its Executive Director and attestation by its Secretary under authority of Resolution No. _____, adopted by the Modesto Redevelopment Agency on the _____ day of _____, 2009, and all parties have caused this agreement to be duly executed on the day and year first above written.

"AGENCY"

"FMC"

REDEVELOPMENT AGENCY OF THE
CITY OF MODESTO

FMC CORPORATION,
a Delaware Corporation

By _____
James E. Niskanen
Interim Executive Director

By: _____

Title: _____

By: _____

Title: _____

ATTEST:

Stephanie Lopez, Acting Secretary

APPROVED AS TO FORM:

By: _____
Susana Alcala Wood, General Counsel

EXHIBIT "A-1"

MAP OF THE SITE

EXHIBIT "A-2"

LEGAL DESCRIPTION

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California, described as follows:

PARCEL NO. 1:

BEGINNING AT A POINT IN THE WEST LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM D-V-O PRODUCTS, INC. TO THE CENTRAL PACIFIC RAILWAY COMPANY DATED NOVEMBER 5, 1925 AND FILED FOR RECORD JULY 29, 1926 IN VOLUME 180 OF OFFICIAL RECORDS OF SAID COUNTY OF STANISLAUS AT PAGE 462, DISTANT SOUTH, 7.02 FEET THEREON FROM THE MOST NORTHERLY CORNER OF SAID PARCEL OF LAND; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 25° 44' 57" EAST ALONG A CURVE TO THE RIGHT OF A RADIUS OF 562.22 FEET, A DISTANCE OF 467.40 FEET; THENCE SOUTH 21° 53' WEST, 41.07 FEET TO THE SOUTHERLY END OF THAT PORTION OF THE EAST LINE OF THE LAND OF BARIUM PRODUCTS, LTD. THAT BEARS NORTH AND SOUTH; THENCE NORTH ALONG THE EAST LINE OF THE LANDS OF BARIUM PRODUCTS, LTD., 491.90 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE ABOVE DESCRIBED PARCEL NO. 1; THENCE SOUTH 21° 53' WEST, 93.98 FEET; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 21° 53' WEST ALONG A CURVE TO THE LEFT OF A RADIUS OF 583.14 FEET, A DISTANCE OF 222.72 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 484.27 FEET; THENCE SOUTH 8° 10' WEST, 98.55 FEET; THENCE WEST, 113.00 FEET TO THE EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG SAID EAST LINE, 800.00 FEET TO THE SOUTH LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE EAST, ALONG SAID SOUTH LINE, 151.70 FEET TO THE SOUTHEASTERLY LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE NORTH 31° 13' EAST THEREON, 101.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND OF D-V-O PRODUCTS, INC., A CORPORATION, AT A POINT IN THE EAST LINE OF MICHIGAN AVENUE, SAID POINT BEING DISTANT 20 FEET AT RIGHT ANGLES EAST FROM THE CENTER LINE OF SAID AVENUE AND 1840 FEET, MORE OR LESS, NORTHERLY FROM THE EAST AND WEST QUARTER SECTION LINE OF SAID SECTION 30; THENCE EAST 205.0 FEET ALONG THE SOUTH LINE OF SAID D-V-O PRODUCTS, INC., PROPERTY TO A POINT; THENCE SOUTH 215.82 FEET TO A POINT; THENCE SOUTH 31° 13' WEST 101.0 FEET TO A POINT; THENCE WEST 152.66 FEET TO A POINT IN THE SAID EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG THE SAID EAST LINE OF MICHIGAN AVENUE, A DISTANCE OF 302.2 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

BEGINNING A POINT BEARING EAST 14.69 CHAINS FROM A POINT IN THE NORTH AND SOUTH QUARTER SECTION LINE, WHICH POINT BEARS NORTH 27. 88 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 30; THENCE NORTH 524.70 FEET AND PART ALONG THE CENTER OF A ROAD TO THE WESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD; THENCE SOUTH 42°38' EAST 716.95 FEET AND ALONG SAID RIGHT OF WAY LINE; THENCE WEST 488.70 FEET TO THE POINT OF BEGINNING, AND LAST

MENTIONED COURSE IS ALSO AT RIGHT ANGLES FROM THE FIRST MENTIONED COURSE.

EXCEPTING THEREFROM THE WEST TWENTY (20) FEET.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

ALL THAT PORTION OF THE EAST HALF OF SECTION 30, IN TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY LINE OF THE CENTRAL PACIFIC RAILWAY COMPANY'S RIGHT OF WAY, SAID POINT BEING DISTANT 330.0 FEET, MEASURED SOUTH 42° 58' EAST ALONG SAID SOUTHWESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE CENTER LINE OF A ROAD AS LAID OUT ALONG THE WEST SIDE OF THE PROPERTY OF THE D-V-O PRODUCTS, INC.; THENCE SOUTH 42°58'EAST 386.90 FEET ALONG SAID BOUNDARY LINE; THENCE WEST 263.70 FEET; THENCE AT RIGHT ANGLES NORTH 283.10 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 5:

BEGINNING AT A POINT MARKING THE NORTHWEST CORNER OF THE 1.002 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 23, 1955 AND RECORDED SEPTEMBER 29, 1955 IN VOLUME 1318 OF OFFICIAL RECORDS, AT PAGE 461, AS INSTRUMENT NO. 29114, SAID CORNER LYING ON THE EAST LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE ALONG THE NORTH LINE OF SAID 1.002 ACRE PARCEL, SOUTH 89° 47' EAST 113.67 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING COURSES: SOUTH 0° 11' 40" EAST, 20.04 FEET; SOUTH 89° 47' EAST, 14.07 FEET; AND SOUTH 0° 11' 40" EAST, 231.60 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 49° 22' 30" WEST, 140.20 FEET; THENCE NORTH 37° 24' 39" WEST, 35.78 FEET TO THE WESTERLY LINE OF SAID 1.002 ACRE PARCEL (ALSO BEING THE EASTERLY LINE OF SAID BENNETT ROAD); THENCE ALONG SAID WESTERLY LINE NORTH 0° 11' 40" WEST, 132.41 FEET TO THE POINT OF BEGINNING.

RESERVING THEREFROM SUCH INTEREST IN THAT PORTION OF THE EAST 15.00 THEREOF, AS WAS RESERVED FOR RAILROAD PURPOSES IN THE DEED FROM CENTRAL PACIFIC RAILROAD COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING AND RESERVING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING THE SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, AS RESERVED IN THE DEED FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS. SAID RIGHTS SHALL NOT INCLUDE USE OF THE SURFACE OF SAID LAND.

PARCEL NO. 6:

LOTS 1 TO 9, INCLUSIVE, IN BLOCK 5072 OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED SEPTEMBER 14, 1940 IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA IN VOLUME 14 OF MAPS AT PAGE 5.

ALSO, LOTS 1 TO 8, IN INCLUSIVE, IN BLOCK 5043 OF THE GRANGE TRACT, ACCORDING TO THE MAP HEREINABOVE REFERRED TO.

PARCEL NO. 7:

ALL OF ABANDONED DULUTH AVENUE, BEING A 60 FOOT STRIP OF LAND RUNNING EAST AND WEST, LYING WITHIN AND AS SHOWN ON THE MAP OF THE GRANGE TRACT FILED SEPTEMBER 14, 1940 VOLUME 14 OF MAPS, PAGE 5, IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA.

PARCEL NO. 8:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE IN SAID SECTION 30, BEARING NORTH 29.32 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION; AND BEING THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO THE GRANGE COMPANY BY DEED RECORDED JUNE 26, 1923 IN VOLUME 23 OF OFFICIAL RECORDS, AT PAGE 331; RUN THENCE NORTH ALONG THE SAID QUARTER SECTION LINE 135 FEET; THENCE EAST 110 FEET; THENCE SOUTH 135 FEET TO SOUTH LINE OF LAND CONVEYED TO SAID GRANGE COMPANY; THENCE WEST ALONG SOUTH LINE OF SAID LAND SO CONVEYED TO THE GRANGE COMPANY 110 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 9:

COMMENCE AT THE INTERIOR QUARTER CORNER OF SAID SECTION 30; THENCE NORTH $0^{\circ} 33' 30''$ WEST ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 1604.26 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO D. D. CAMPIN IN VOLUME 797 OF OFFICIAL RECORDS, AT PAGE 390, RECORDS OF STANISLAUS COUNTY RECORDER'S OFFICE AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH $89^{\circ} 46' 30''$ EAST ALONG THE NORTH LINE OF SAID LAND SO CONVEYED TO D. D. CAMPIN AND PARALLEL TO THE EAST AND WEST QUARTER SECTION LINE THROUGH SAID SECTION 30, A DISTANCE OF 950.97 FEET TO THE NORTHEAST CORNER OF SAID CAMPIN PARCEL, SAID CORNER BEING ON THE WEST LINE OF 40 FOOT ROAD KNOWN AS BENNETT AVENUE; THENCE NORTH $0^{\circ} 42' 30''$ WEST ALONG THE WEST LINE OF SAID 40 FOOT ROAD, A DISTANCE OF 334.45 FEET TO THE SOUTHEAST CORNER OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY IN VOLUME 14 OF MAPS, AT PAGE 5; THENCE NORTH $89^{\circ} 55' 30''$ WEST, ALONG THE SOUTH LINE OF SAID GRANGE TRACT AND THE EXTENSION THEREOF, A DISTANCE OF 950.68 FEET TO THE SAID NORTH AND SOUTH ONE-QUARTER SECTION LINE; THENCE SOUTH $0^{\circ} 33' 30''$ EAST AND ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 332.16 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL NO. 10:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE AT A POINT BEARING NORTH 13.89 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 30; THENCE NORTH ON SAID QUARTER SECTION LINE 10.417 CHAINS; THENCE EAST 14.40 CHAINS; THENCE SOUTH 10.417 CHAINS; THENCE WEST 14.40 CHAINS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED IN THE DEED FROM BARIUM PRODUCTS, LTD., TO ELIZABETH B. RAVEN BAKER, RECORDED MAY 23, 1956 IN VOLUME 1365 OF OFFICIAL RECORDS, AT PAGE 658, AS INSTRUMENT NO. 14454, STANISLAUS COUNTY

RECORDS.

ALSO EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED FROM FRANK J. MITCHELL, ET UX, AND FRED SAMPSON, ET UX, TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, AS INSTRUMENT NO. 22893, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 6,7,8,9, AND 10, ALL THOSE PORTIONS OF LAND CONVEYED TO THE COUNTY OF STANISLAUS IN DEEDS RECORDED DECEMBER 4, 1951 IN BOOK 1059 OF OFFICIAL RECORDS, PAGE 480 AND RECORDED JANUARY 25, 1952 IN BOOK 1067 OF OFFICIAL RECORDS PAGE 598.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 9 AND 10, ALL THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINES OF LAND CONVEYED TO STATE OF CALIFORNIA IN DEED RECORDED DECEMBER 28, 1961 IN BOOK 1731 OF OFFICIAL RECORDS, PAGE 691.

PARCEL NO. 11:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 99.73 FEET ALONG SAID NORTHERLY LINE FROM THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 43° 07' 30" EAST, 27.93 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID PARCEL; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 47' EAST, 282.23 FEET TO THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE NORTH ALONG SAID WESTERLY LINE, 20.31 FEET; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL DESCRIBED IN SAID DEED DATED JUNE 25, 1958, NORTH 89° 47' WEST, 301.25 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 118.75 FEET ALONG SAID NORTH LINE FROM THE NORTHWEST CORNER OF SAID PARCEL NO. 1; THENCE ALONG SAID NORTH LINE, SOUTH 89° 47' EAST, 282.33 FEET TO A POINT IN THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE AND BEING 40 FEET IN WIDTH); THENCE SOUTH ALONG SAID WESTERLY LINE, 243.08 FEET; THENCE NORTH 89° 47' 15" WEST, 49.26 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 46° 42' 51" WEST, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1972 FEET, THROUGH AN ANGLE OF 3° 35' 21" A DISTANCE OF 123.53 FEET; THENCE NORTH 43° 07' 30" WEST, 214.42 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 13:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF CALDWELL AVENUE, FORMERLY WOODLAND AVENUE, WITH THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED DATED MARCH 7, 1873 FROM JOHN T. MAZE TO CENTRAL PACIFIC RAILROAD COMPANY, RECORDED MAY 5, 1873 IN BOOK 10 OF DEEDS, AT PAGE 342, STANISLAUS COUNTY RECORDS; THENCE SOUTH 42° 53' 30" EAST ALONG SAID SOUTHWESTERLY LINE OF SAID LAND, 392.96 FEET TO A POINT IN THE EASTERLY LINE OF

THE 2.09 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR. AND LOUISE DAGGS, HIS WIFE TO CENTRAL PACIFIC RAILWAY COMPANY, RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS AT PAGE 134, STANISLAUS COUNTY RECORDS; THENCE SOUTH ALONG SAID EASTERLY LINE, 1406.01 FEET TO A POINT; THENCE WEST, AT RIGHT ANGLES FROM SAID EASTERLY LINE, 40.00 FEET TO A POINT IN THE WESTERLY LINE OF SAID 2.09 ACRE PARCEL OF LAND; THENCE NORTH ALONG SAID WESTERLY LINE 1390.30 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY, 40.00 FEET, MEASURED AT RIGHT ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED DATED MARCH 7, 1873; THENCE NORTH 42° 53' 30" WEST ALONG SAID PARALLEL LINE, 415.45 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID CALDWELL AVENUE; THENCE SOUTH 89° 12' 30" EAST, ALONG THE SOUTHERLY LINE OF CALDWELL AVENUE, 55.31 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND BEING A PORTION OF BENNETT AVENUE (SOMETIMES KNOWN AS MICHIGAN AVENUE), ABANDONED BY THE STANISLAUS COUNTY BOARD OF SUPERVISORS BY SUPERVISOR'S ORDER RECORDED JULY 11, 1951 IN VOLUME 1039 OF OFFICIAL RECORDS, AT PAGE 97, STANISLAUS COUNTY RECORDS AS INSTRUMENT NO. 16289.

EXCEPTING AND RESERVING THEREFROM ALL MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE INDENTURE BY CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED NOVEMBER 8, 1951 AND RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, STANISLAUS COUNTY RECORDS.

PARCEL NO. 14:

BEGINNING AT THE NORTHWEST CORNER OF THE 5.55 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED APRIL 5, 1961 FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED MARCH 19, 1962 IN VOLUME 1750 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 10483, STANISLAUS COUNTY RECORDS; SAID NORTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF LAND DESCRIBED IN INDENTURE DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR., AND LOUISE DAGGS TO CENTRAL PACIFIC RAILWAY COMPANY AND RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS, AT PAGE 134, AND RE-RECORDED AUGUST 11, 1924 IN VOLUME 77 OF OFFICIAL RECORDS, AT PAGE 256, STANISLAUS COUNTY RECORDS; THENCE NORTH ALONG SAID WEST LINE 243.08 FEET TO A POINT IN THE MOST SOUTHERLY LINE OF THE 1.655 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 8, 1951 FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 26538; THENCE EAST, ALONG LAST SAID LINE, 40.0 FEET TO A POINT IN THE EAST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED JUNE 20, 1924; THENCE SOUTH, ALONG SAID EAST LINE, 243.08 FEET TO A POINT ON THE NORTHERLY LINE OF LAND DESCRIBED IN SAID INDENTURE DATED APRIL 5, 1961; THENCE NORTH 89° 35' 35" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING AND RESERVING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT

LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, DATED OCTOBER 21, 1965 AND RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, AS INSTRUMENT NO. 46197, STANISLAUS COUNTY RECORDS.

PARCEL NO. 15:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 5, 1925 FROM D-V-O PRODUCTS, INC. TO CENTRAL PACIFIC RAILWAY COMPANY (NOW SOUTHERN PACIFIC COMPANY), RECORDED JULY 29, 1926, IN VOLUME 180, AT PAGE 462, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH $42^{\circ} 53' 30''$ EAST, ALONG THE NORTHEASTERLY LINE OF LAND DESCRIBED IN SAID INDENTURE, PARALLEL WITH AND DISTANT 50.0 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE ORIGINAL LOCATED CENTER LINE OF SOUTHERN PACIFIC COMPANY'S MAIN TRACK (LATHROP TO FRESNO), 378.50 FEET; THENCE SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 372.25 FEET, THROUGH A CENTRAL ANGLE TO $22^{\circ} 29' 08''$ (CHORD OF SAID CURVE BEARS SOUTH $11^{\circ} 14' 34''$ EAST, 145.15 FEET), AN ARC DISTANCE OF 146.09 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 985.59 FEET TO THE NORTHEAST CORNER OF THE 107,836 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL 2 IN INDENTURE DATED AUGUST 21, 1947, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO MODESTO PRODUCE PACKING COMPANY, RECORDED OCTOBER 22, 1947, IN BOOK 910, AT PAGE 406, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 27554; THENCE WEST, ALONG THE NORTHERLY LINE OF SAID LAST MENTIONED LAND, 329.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH, ALONG THE WESTERLY LINE OF LAND DESCRIBED AS PARCEL 2, IN SAID INDENTURE DATED AUGUST 21, 1947, A DISTANCE OF 260.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF 0.116 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED APRIL 5, 1961, FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1961, IN VOLUME 1707, AT PAGE 496, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 28718; THENCE NORTH $49^{\circ} 10' 50''$ WEST ALONG LAST SAID NORTHEASTERLY LINE 44.93 FEET TO A POINT ON EASTERLY LINE OF THE 43,654 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED AUGUST 21, 1947; THENCE ALONG SAID EASTERLY LINE, THE FOLLOWING COURSES AND DISTANCES: NORTH 230.71 FEET; WEST, 14.00 FEET; AND NORTH, 20.00 FEET; THENCE ALONG THE EASTERLY LINE OF THE 2.404 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED MARCH 15, 1943, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED JULY 20, 1943, IN BOOK 776, AT PAGE 91, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 10746, THE FOLLOWING COURSES AND DISTANCES: NORTH $8^{\circ} 10'$ EAST, 98.55 FEET; NORTH 484.21 FEET; NORTHERLY, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 583.14 FEET, THROUGH A CENTRAL ANGLE OF $21^{\circ} 53'$ (CHORD OF LAST SAID CURVE BEARS NORTH $10^{\circ} 56' 30''$ EAST, 221.37 FEET), AN ARC DISTANCE OF 222.72 FEET; AND NORTH $21^{\circ} 53'$ EAST, TANGENT TO LAST SAID CURVE, 93.98 FEET TO THE NORTHEAST CORNER OF SAID 2.404 ACRE PARCEL OF LAND, LAST SAID NORTHEAST CORNER ALSO BEING THE MOST SOUTHERLY CORNER OF THE 0.422 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED MARCH 15, 1943; THENCE ALONG THE EASTERLY LINE OF SAID 0.422 ACRE PARCEL OF LAND, THE FOLLOWING COURSES AND DISTANCES: NORTH $21^{\circ} 53'$ EAST, 41.07 FEET; AND NORTHERLY, ON A CURVE TO THE LEFT HAVING A RADIUS OF 562.22 FEET,

THROUGH A CENTRAL ANGLE OF 47° 37' 57" (CHORD OF LAST SAID CURVE BEARS NORTH 1° 55' 59" WEST, 454.05 FEET), AN ARC DISTANCE OF 467.40 FEET TO A POINT IN THE WEST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED NOVEMBER 5, 1925; THENCE NORTH, ALONG LAST SAID LINE, 7.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS EXPECTED AND RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, STANISLAUS COUNTY RECORDS.

PARCEL NO. 16:

ALL THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 29, 1958 AND RECORDED OCTOBER 31, 1958 IN VOLUME 1511 OF OFFICIAL RECORDS, AT PAGE 12, AS INSTRUMENT NO. 27377, AND LOCATED IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID PARCEL OF LAND DESCRIBED IN SAID DEED, SAID POINT LYING NORTH 0° 11' 45" WEST, 135.20 FEET FROM THE SOUTHEAST CORNER OF SAID PARCEL OF LAND; THENCE NORTH 49° 22' 30" WEST, 436.91 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL; THENCE ALONG SAID WESTERLY BOUNDARY, NORTH 0° 11' 40" WEST, 260.77 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL, SOUTH 89° 47' EAST, 330.65 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE ALONG THE AFORESAID EASTERLY LINE, SOUTH 0° 11' 45" EAST, 544.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED THE GRANTOR, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AS EXPECTED AND RESERVED IN THE DEEDS FROM CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED SEPTEMBER 13, 1946 OF VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE EASTERLY 15 FEET THEREOF WHICH LIES SOUTH OF THE NORTH 327.77 FEET, AS EXPECTED AND RESERVED FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND OPERATION OF RAILROAD TRACKS AND APPURTENANCES THEREON, IN SAID DEED RECORDED SEPTEMBER 13, 1946 IN VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN THE WEST 15 FEET OF THE NORTH 327.77 FEET OF SAID PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, AND EXCEPTING THEREFROM SUCH INTEREST IN THE EAST 15 FEET OF THE NORTH 327.77 FEET OF SAID

PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, RESERVED FOR RAILROAD PURPOSES IN THE SAID DEED RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

APN: 029-13-12-690 and 029-13-13-660 and 029-14-10-340

EXHIBIT "B"
FORM OF DISCHARGE AGREEMENT

DISCHARGE AGREEMENT

This DISCHARGE AGREEMENT (the "Agreement") is dated for reference purposes only as of this ____ day of _____, 2009, by and between FMC CORPORATION, a Delaware corporation ("FMC") and THE CITY OF MODESTO, a public body, corporate and politic ("City").

RECITALS

A. Until the Effective Date, FMC was the owner of that certain real property located at 1200 Graphics Drive in the City of Modesto, Stanislaus County, California, and more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property").

B. As a result of former operations on the Property by FMC and its predecessors, groundwater beneath the Property has been contaminated by, among other materials, total dissolved solids, particularly sulfates. Certain chemicals are present in the groundwater of the Property as more particularly described in the Environmental Reports listed on Exhibit B attached hereto and made a part hereof. The Property is currently subject to Cleanup and Abatement Order No. 98-274 adopted on June 26, 1998 ("Order") by the California Regional Water Quality Control Board, Central Valley Region ("Water Board"). The Order requires FMC to operate, and FMC currently operates, a groundwater remediation system on the Property including monitoring and extraction wells and a treatment facility (the "Remediation System"). The Remediation System extracts groundwater from extraction wells and conveys the groundwater to a treatment facility which treats the groundwater. Following treatment, the treated groundwater ("Wastewater") is discharged into the City's publicly-owned wastewater treatment works ("POTW") under a Conditional and Revocable Permit, No. GW-96-2, issued to FMC by the City of Modesto, Public Works Department, Environmental Compliance Section ("Permit"). The current Permit was effective January 1, 2007 and expires December 31, 2009.

C. Since 2001, the Redevelopment Agency of the City of Modesto ("RDA") has been negotiating with FMC for the purchase of the Property. The RDA desires to purchase the Property to facilitate its redevelopment as the Kansas-Woodland Business Park ("Business Park"). The RDA believes the redevelopment of the Property will benefit the economy of Modesto and will stimulate job creation and economic growth in the Modesto area. The City concurs in this belief.

D. FMC has not been willing to sell the Property until the final remedial measures for groundwater remediation have been determined. FMC is concerned that additional requirements could be imposed upon FMC by the Water Board, the California Department of Toxic Substances Control or another Environmental Agency, or that pending or future state and federal Total Maximum Daily Load regulations imposed on the City's POTW, could require (i) alterations or modifications to FMC's Remediation System, (ii) new or additional remediation measures or (iii) the installation of new remediation equipment that would require the use of additional portions of the Property. Although FMC will continue to operate the Remediation System in accordance with the RAP and the Order (both as defined below) and will be granted the Remediation Facilities Easement, as described in the Purchase Agreement (defined below)

between the RDA and FMC, once FMC sells the Property to the RDA, FMC will not have available land for any modifications or alterations that could be required to be made to the Remediation System or for the installation of new or supplemental remediation equipment that might be necessary to comply with such additional requirements or regulations. As a result, in order to comply with the Order, FMC will become dependent on its ability to continually discharge the Wastewater from the Remediation System to the City's POTW without the ability to modify the Remediation System to comply with any such additional requirements or regulations. Under these circumstances, FMC has not been willing to sell the Property to the RDA unless FMC receives adequate assurances from the City that it would continue to have the ability to discharge Wastewater from the Remediation System to the POTW in order to comply with the RAP and the Order.

E. As of the Effective Date, the RDA is acquiring the Property from FMC pursuant to that certain Purchase and Sale Agreement dated _____, 2009 between FMC and the RDA ("Purchase Agreement"). FMC's agreement to sell the Property to the RDA pursuant to the Purchase Agreement is conditioned upon the City entering into this Agreement on the terms and conditions contained herein concurrently with FMC's conveyance of the Property to the RDA. City is willing to enter into this Agreement with FMC so that the RDA can acquire the Property from FMC for redevelopment into the Business Park.

F. FMC and the City desire to set forth in this Agreement the terms and conditions on which FMC may continue to discharge Wastewater from the Remediation System to the City's POTW and the rights, responsibilities and obligations of the parties with respect to any future regulations that adversely affect FMC's ability to discharge the Wastewater into the POTW during the term of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and other consideration, the receipt and sufficiency of which are hereby acknowledged, City and FMC hereby agree as follows:

1. Definitions. The following terms, as used herein, shall be defined as follows:

(a) "Business Park" shall mean the Kansas-Woodland Business Park to be constructed on the Property and adjacent property subsequent to the acquisition of the Property by the RDA.

(b) "CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. section 9601, et seq., as amended in effect as of the Effective Date.

(c) "DTSC" shall mean the State of California Environmental Protection Agency, Department of Toxic Substances Control, or any successor agency thereto.

(d) "Effective Date" shall mean the date on which the RDA acquires fee title to the Property pursuant to the Purchase Agreement, which shall also be the date that this Discharge Agreement becomes effective.

(e) "Environmental Agency" shall mean the Water Board, DTSC and/or any other federal, state, or local governmental agency charged with enforcing Hazardous Materials Laws and having jurisdiction with respect to the Property.

(f) "Environmental Reports" shall mean the documents describing the Groundwater Contamination listed on Exhibit "B" attached hereto.

(g) "Groundwater Contamination" shall mean those certain chemicals in the groundwater at the Property as of the Effective Date as more particularly described in the Environmental Reports.

(h) "Hazardous Materials" shall mean any substance, material or waste which is (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of California law; (2) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317); (3) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903) or its implementing regulations; (4) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601); or (5) determined by DTSC, RWQCB or any other California, federal or local governmental authority (other than the City or the RDA) to be capable of posing a risk of injury to health, safety or property.

(i) "Hazardous Materials Laws" shall mean CERCLA, RCRA, or any other federal, state, or local law governing (i) Hazardous Materials, (ii) any Remedial Work obligation imposed upon FMC by an Environmental Agency, or (iii) the release of Hazardous Materials into the soil or groundwater.

(j) "Land Use Covenant" shall mean that certain Covenant to Restrict Use Environmental Restriction approved by the DTSC and the Water Board and recorded against the Property prior to conveyance of the Property to the RDA, as required by the RAP.

(k) "New Regulations" shall mean any regulations, standards, requirements, amendments, laws, statutes or ordinances enacted, promulgated or imposed on or after, or becoming effective after, March 1, 2008, by any federal, state, regional or local governmental entity having jurisdiction with respect to the Property, including any Environmental Agency, and the City acting under its power to regulate health and safety, that establishes additional limits, terms or conditions based on or to implement TMDL requirements regarding the discharge to or from the POTW, including regulations, standards or requirements imposed by the City with respect to the wastewater discharged to the POTW to allow the City to meet TMDL requirements at the POTW.

(l) "Operation and Maintenance Agreement" or "OMA" shall mean that certain agreement entered into by and between the RDA, FMC, DTSC and the Water Board and which shall become effective on the Effective Date relative to the operation and maintenance of

the infrastructure for the final remedial action(s) approved under the RAP, both with respect to soil and groundwater conditions, and including monitoring, inspection and reporting obligations.

(m) "Operation and Maintenance Plans" or "OMPs" shall mean the separate plans for soil and groundwater that are developed by FMC in accordance with the Purchase Agreement and approved by the DTSC and the Water Board prior to the Effective Date for the long-term operation and maintenance of the final remedial action(s) approved under the RAP.

(n) "Order" shall mean that certain Cleanup and Abatement Order No. 98-724 adopted on June 26, 1998 by the Water Board.

(o) "Permit" shall mean that certain Conditional and Revocable Groundwater Discharge Permit No. GW-96-2 effective January 1, 2007, issued to FMC by the City of Modesto, Public Works Department, Environmental Compliance Section.

(p) "POTW" shall mean the publicly-owned wastewater treatment works operated by the City.

(q) "Prior Orders" shall mean those certain Cleanup and Abatement Orders Nos. 93-202 and 96-063 adopted by the Water Board.

(r) "RAP" shall mean the Remedial Action Plan submitted by FMC to the DTSC and the Water Board under the VCA and the Order and approved by the DTSC and the Water Board on _____, 2009.

(s) "RCRA" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., as amended, in effect as of the date of this Agreement.

(t) "RDA" shall mean the Redevelopment Agency of the City of Modesto, a public body, corporate and politic.

(u) "Regulatory Documents" shall mean the Land Use Covenant, the Operation and Maintenance Agreement, the Operation and Maintenance Plans and the Soil Management Plan, all of which are referenced in the RAP and which will be developed by FMC in accordance with the Purchase Agreement and approved by the DTSC and/or RWQCB prior to the Effective Date.

(v) "Remedial Work" shall mean any and all investigation, remediation, mitigation, monitoring, reporting, and other obligations required or which may be required of FMC by the DTSC pursuant to the VCA, the RAP, the Operation and Maintenance Agreement, the Operation and Maintenance Plan for groundwater or by the Water Board pursuant to the Order or the Prior Orders, as the VCA, the RAP, the Operation and Maintenance Agreement, the Operation and Maintenance Plan for groundwater, the Order or the Prior Orders may be amended or supplemented from time to time, or pursuant to any other order of the DTSC, Water Board or another Environmental Agency which imposes obligations on FMC with respect to groundwater conditions relative to the Property or the Groundwater Contamination consistent with the cleanup and use of the Property for commercial/industrial purposes.

(w) "Remediation System" shall mean the groundwater extraction and treatment system located on the Property as of the Effective Date, consisting of monitoring and extraction wells, conveyance piping and a treatment facility, together with any additional remediation facilities hereafter required to be located on the Property and electric, domestic water and storm drain utility lines from the utility supplier to such system. A description of the existing Remediation System is attached hereto as Exhibit C and incorporated herein by reference.

(x) "Remediation Facilities Easement" shall mean that portion of the Property on which an easement shall be granted by the RDA to FMC under the Right of Entry Agreement for the purposes specified in the Right of Entry Agreement.

(y) "Right of Entry Agreement" shall mean the Right of Entry Agreement, Easement and Environmental Restriction between the RDA and FMC to be recorded against the Property upon conveyance of the Property to the RDA, as set forth in the Purchase Agreement, pursuant to which Right of Entry Agreement the RDA shall grant FMC the Remediation Facilities Easement and a right of entry to perform Remedial Work.

(z) "TMDL" shall mean the Total Maximum Daily Load established by the Water Board in implementation of the federal Clean Water Act and the California Porter-Cologne Water Quality Control Act, to control pollutants and achieve certain water quality standards in the wastewater discharge from point sources as it relates to the operation of the POTW owned and operated by the City.

(aa) "VCA" shall mean the Voluntary Cleanup Agreement effective as of July 8, 2002, by and between FMC and DTSC, as amended or supplemented from time to time.

(bb) "Wastewater" shall mean the treated groundwater discharged to the POTW from the Remediation System.

(cc) "Water Board" shall mean the State of California Regional Water Quality Control Board, Central Valley Region, or any successor agency thereto.

All other defined terms used in this Agreement shall be defined where first appearing in this Agreement.

2. Consideration. The City acknowledges that the RDA desires to acquire the Property for redevelopment into the Business Park in order to benefit the economy of Modesto and to stimulate job creation and economic growth in the City of Modesto. FMC has not been willing to sell the Property to the RDA until the final remedial measures for the Groundwater Remediation have been determined because, upon FMC's conveyance of the Property, FMC will not be able to make any modifications or alterations to the Remediation System or to install new or supplemental remediation equipment that requires the use of additional land to comply with New Regulations. The City further acknowledges that FMC is not willing to sell the Property to the RDA unless FMC receives contractual assurances from the City that, after conveyance, FMC would continue to have the right to discharge the Wastewater into the POTW even if such discharge to the POTW does not comply with the New Regulations and that the City will assume the obligation to comply with any New Regulations on FMC's behalf. The Purchase Agreement

provides that FMC is to receive as consideration for the sale of the Property (i) a cash payment from the RDA which is significantly below the market value of the Property; and (ii) an agreement with the City to permit FMC to continue to discharge the Wastewater to the POTW, subject to the terms and conditions contained herein, and under which the City would assume the obligation to comply with any New Regulations on FMC's behalf with respect to FMC's discharge of the Wastewater to the POTW. City acknowledges that FMC is not obligated to sell the Property to the RDA unless the foregoing conditions are satisfied. City further acknowledges that FMC is relying upon the City's performance of the contractual obligations undertaken by the City pursuant to this Agreement in consummating the sale of the Property to the RDA and that FMC has not agreed to consummate such sale, and would not consummate such sale, without the City undertaking its contractual agreements under this Agreement.

City acknowledges and agrees that even though the City will not obtain title to the Property, the RDA's acquisition of the Property for redevelopment into the Business Park will benefit the City by providing economic benefits to the City in the form of new businesses, new jobs, increased tax revenue, redevelopment of unused property into productive use and increased economic activity for existing businesses in the City of Modesto. City further acknowledges that FMC is receiving the value of the Property through the rights and benefits granted to FMC and the obligations undertaken by the City pursuant to this Agreement, and that the City is providing the major portion of the consideration to FMC for the sale of the Property to the RDA. City further acknowledges that the above-described economic benefits made possible by FMC's conveyance of the Property to the RDA for redevelopment into the Business Park is fair and adequate consideration for the rights and benefits granted by the City to FMC under this Agreement.

3. Groundwater Condition. FMC and its predecessors in interest in the Property variously operated manufacturing facilities on the Property for the production of barium and strontium chemicals. These operations included the use from the early 1950's to the late 1970's of on-site evaporation ponds to manage residual solids from the ore processing units and air pollution control equipment which solids were slurried with water and discharged to the ponds. These ponds were closed by removal of residue material and backfilling during 1979-81. The operation of the ponds resulted in contamination of the groundwater, including in particular with total dissolved solids, including sulfates. In addition, the soils under the former pond areas are impacted with sulfates and related compounds that continue to migrate into the upper groundwater aquifer. The Property is currently subject to the Order and the Prior Orders. Starting in the early 1960's, FMC installed a number of groundwater monitoring wells, both on and off the Property, and has routinely reported on the results of samples from these wells to the Water Board under the terms of the Order and the Prior Orders. Under the Order and associated Monitoring and Reporting Program (No. 98-805, adopted by the Water Board on June 26, 1998), FMC currently samples and reports sampling results for some 33 monitoring wells, located both on and off the Property. Since 1996, FMC has operated the Remediation System on the Property, which Remediation System discharges to the City's POTW under the terms of discharge permits issued by the City. The current Permit was issued by the City on January 1, 2007 and is effective until December 31, 2009. Pursuant to the Order, the RAP, the Operation and Maintenance Agreement and the Operation and Maintenance Plan for groundwater, FMC will be required to perform groundwater remediation and to maintain and operate the

Remediation System on the Property for an indefinite period of time anticipated to run a number of years after December 31, 2009.

The Water Board and the DTSC have approved the RAP which, among other things, requires the continued operation of the Remediation System to address groundwater conditions at the Property. FMC acknowledges that, pursuant to the RAP, it has prepared the Operation and Maintenance Plan for groundwater and entered into the Operation and Maintenance Agreement with the RDA, DTSC and the Water Board, which describes, among other things, FMC's ongoing responsibilities for the operation and maintenance of the Remediation System. In addition, pursuant to the RAP, FMC recorded the Land Use Covenant against the Property that, among other things, restricts the use of the Property to commercial and industrial purposes, imposes notification requirements and restrictions with respect to activities that would result in exposure to soils and restricts the use of groundwater and the disturbance of certain covered areas of the Property.

4. Discharge Permit.

(a) Compliance with Discharge Permit. During the term of this Agreement, FMC shall continue to comply with all of the terms, conditions and requirements imposed upon FMC and in effect under the existing Permit as of March 1, 2008 with respect to the discharge of the Wastewater to the POTW, except as otherwise provided in this Agreement. To the extent that New Regulations are imposed on the discharge of Wastewater upon renewal of the Permit or prior thereto with respect to terms and conditions contained in the existing Permit, but made effective after March 1, 2008, then compliance with such New Regulations shall be subject to Section 7 below.

(b) Permit Renewal. So long as this Agreement is in effect, and FMC needs to discharge Wastewater to the POTW, FMC will make timely application to the City for the renewal of the Permit. FMC shall pay the customary permit fees imposed by the City upon users of the POTW for the same type of waste as FMC discharges in its Wastewater from the Remediation System, as such fees are established by City ordinance on a non-discriminatory basis.

5. Total Maximum Daily Load Regulations. During the term of this Agreement, FMC and the City anticipate that the Water Board will adopt, and from time to time modify, New Regulations that will limit or restrict the discharge of certain chemicals or constituents from the City's POTW. Specifically, as of the Effective Date, FMC and the City anticipate that the Water Board will impose New Regulations that will limit or restrict the quantity (either in terms of mass or concentration) of sulfates and other dissolved solids or salts that may be discharged from the POTW. In the future, additional New Regulations might limit or prohibit the quantity of other chemicals or constituents that can be discharged from the POTW. Further, FMC understands that to satisfy these New Regulations, the City may have to impose new and more stringent limits on the discharge of certain chemicals or constituents to the POTW. FMC is concerned that the amount of sulfates and other dissolved solids or salts in FMC's Wastewater discharged to the POTW might exceed the amount of sulfates and other dissolved solids or salts permitted by New Regulations to meet the TMDL governing salinity management (i.e., the Central Valley Salinity Alternatives for Long-Term Sustainability ("CV-SALTS")). In addition,

the quantity of other chemicals or constituents in the Wastewater might exceed limits imposed by New Regulations to meet other future TMDL requirements. Based on information available to FMC as of the Effective Date, FMC believes that in order to comply with the anticipated and/or future New Regulations relating to the TMDL imposed upon the City's POTW, FMC might need to either substantially alter the Remediation System or develop an alternative method of remediating the Groundwater Contamination. Either course of action would require FMC to make more extensive use of the Property for the location and/or installation of supplemental and/or new remediation facilities. Once FMC sells the Property to the RDA, FMC will not be able to use any additional land for alterations to the existing Remediation System or the development of an alternative remediation system, and therefore would not be able to comply with any New Regulations imposed by the Water Board or another Environmental Agency and/or the City to the requirements of the New Regulations. To the extent that FMC's inability to comply with the New Regulations would limit or prohibit the discharge of the Wastewater from the Remediation System to the POTW, FMC could be in violation of the orders or directives issued by the Environmental Agencies, including the Order, the RAP and the Operation and Maintenance Agreement and the Operation and Maintenance Plan for groundwater. Therefore, the City hereby agrees that, during the term of this Agreement, and except as provided below, the City will continue to accept the discharge of the Wastewater to the POTW based on the same terms and conditions of the Permit in effect as of March 1, 2008 (and including an increased volume of Wastewater as described in Section 6 below), notwithstanding that the quantity of chemicals or constituents contained in FMC's Wastewater discharged to the POTW may exceed the levels set forth in the New Regulations with respect to the discharge from the POTW. The City hereby assumes the responsibility to take such action as may be necessary to treat FMC's Wastewater at the POTW for sulfates and other dissolved solids or salts or other chemicals or constituents which are restricted or limited by New Regulations relative to the discharge from the City's POTW. Notwithstanding the foregoing, if the Water Board and/or the DTSC has issued a cease and desist order, cleanup and abatement order and/or order for corrective action based on a finding of imminent and substantial endangerment in connection with any Remedial Work obligation where such order impacts the Wastewater discharged to the POTW (such order is hereafter referred to as a "Violation Order"), then the City may temporarily suspend the acceptance of the Wastewater until such time as FMC has performed or commenced to perform and is diligently prosecuting to completion the Remedial Work obligation that is the subject of the Violation Order, but only if: (i) the enforcement of the Violation Order has not been stayed by the order of a reviewing administrative agency or a court of competent jurisdiction; (ii) FMC is not appealing the judgment of a court of competent jurisdiction sustaining the enforcement of the Violation Order; and (iii) the Water Board and/or the DTSC have not used the financial assurances provided by FMC pursuant to the Operation and Maintenance Agreement to perform the Remedial Work obligation that is the subject of the Violation Order on FMC's behalf. The City shall again accept FMC's discharge of Wastewater to the POTW upon receipt of written notice from FMC that it is performing the Remedial Work obligation that is the subject of the Violation Order, and shall continue to accept such Wastewater unless notified by FMC or the Environmental Agency that issued the Violation Order that FMC has ceased to perform this obligation prior to completion. In no event shall the City revoke the Permit due to the issuance of a Violation Order.

6. Increased Wastewater Volume. The City acknowledges that, during the term of this Agreement, additional Remedial Work obligations may be imposed on FMC or the Property

pursuant to the VCA, the RAP or the Order with respect to the Groundwater Contamination. Such obligations could include increased extraction and/or treatment of groundwater through the Remediation System which could result in a volume of Wastewater being discharged by FMC to the POTW in excess of the daily and monthly discharge limits set forth in the existing Permit. At least thirty (30) days prior to discharging any such increased volume to the POTW in excess of the daily and monthly discharge limits, FMC shall notify the City in writing that the Wastewater discharge shall exceed the volume limits set forth in the Permit and provide the City with a copy of the letter or other written directive from the Water Board, DTSC or another Environmental Agency setting forth the additional Remedial Work obligation requiring the additional volume discharge. City agrees that it shall accept into the POTW any increased volume of Wastewater resulting from FMC's compliance with such additional Remedial Work obligation, even if the increased volume of Wastewater exceeds the daily and monthly discharge limits set forth in the Permit. Any discharge of any increased volume of Wastewater shall be subject to the terms and conditions of the Permit in effect as of March 1, 2008, except for any daily or monthly discharge limits on volume. FMC shall not discharge a volume of Wastewater to the POTW in excess of the daily and monthly discharge limits set forth in the Permit unless such discharge is required for FMC to comply with an additional Remedial Work obligation imposed on FMC or the Property pursuant to the VCA, the RAP or the Order with respect to the Groundwater Contamination.

7. New Regulations. FMC and the City acknowledge that the imposition of New Regulations during the term of this Agreement could affect FMC's ability to discharge Wastewater from the Remediation System to the POTW in the manner permitted under the Permit as of March 1, 2008. By way of example only, the New Regulations could require (i) a reduction or limitation in the quantity of a constituent of the Wastewater, (ii) additional treatment to reduce or limit the quantity or concentration of one or more constituents in the Wastewater or (iii) a reduction in the volume of Wastewater FMC is permitted to discharge to the POTW. FMC shall give written notice to the City of any New Regulation that adversely affects FMC's ability to discharge Wastewater from the Remediation System to the POTW in the manner permitted under the Permit as of March 1, 2008 ("FMC Notice"). The FMC Notice shall specify how FMC's discharge of the Wastewater is affected by the New Regulation. Within thirty (30) days after receipt of the FMC Notice, or on such later date that the New Regulation becomes effective, the City shall take such actions as may be necessary at the POTW to comply with the New Regulations on behalf of FMC at the City's sole cost and expense. In such event, FMC may continue to discharge the Wastewater to the POTW in the manner permitted by the Permit as of March 1, 2008. Notwithstanding the foregoing, FMC shall be responsible, at FMC's sole cost and expense, for complying with any other regulations, orders, requirements, laws, statutes or ordinances adopted, enacted or imposed after March 1, 2008 by any federal, state, regional or local governmental entity, including any Environmental Agency and the City, acting under its power to regulate health and safety, and having jurisdiction with respect to the discharge of the Wastewater to the POTW that do not relate to TMDL; provided, however, that any such new regulations imposed by the City on discharge to the POTW shall be regulations of general application to all users similarly situated.

8. Inability to Discharge. If FMC cannot discharge Wastewater from the Remediation System to the POTW in the manner permitted under the Permit as of March 1, 2008 for any of the following reasons:

(a) FMC is unable to renew the Permit due to the imposition of New Regulations and the City fails or is unable to comply with the New Regulations on behalf of FMC pursuant to this Agreement in a manner that will allow for the renewal of the Permit;

(b) The Water Board, the DTSC or another Environmental Agency imposes an additional Remedial Work obligation upon FMC that requires an increase in the volume of Wastewater discharged by FMC to the POTW, as set forth in Section 6 hereof, and the City is unable or declines to accept such increased volume of Wastewater; or

(c) The City fails or is unable to accept FMC's Wastewater in the manner permitted under the Permit as of March 1, 2008 due to any New Regulations imposed on the City's discharge from the POTW and the City is unable or fails to comply on behalf of FMC with any New Regulations at the POTW that would allow the City to accept FMC's Wastewater;

and the Water Board, the DTSC or other applicable Environmental Agency requires FMC to provide an alternative method for remediation of the Groundwater Contamination in order to comply with the Order or applicable Remedial Work obligation imposed by such Environmental Agency, then the City shall indemnify and hold FMC harmless from any and all costs incurred by FMC for the development, construction, operation and maintenance of an alternative remediation system that will allow FMC to continue to remediate the Groundwater Contamination and comply with the Order.

Under any of the circumstances described in subsections (a) through (c) of this Section 8, FMC shall give the City copies of any written notice from the Water Board, the DTSC or another Environmental Agency requiring FMC to develop an alternative remediation system for the Groundwater Remediation. The City acknowledges that, as of the Effective Date, the feasibility, location and technology for an alternative remediation system are unknown. FMC contemplates that in order to develop an alternative remediation system, it could be necessary for FMC to acquire real property and/or other real property interests for the location of the alternative remediation system. In such event, City agrees it shall cooperate with FMC in acquiring such real property and/or other real property interests, including any real property interest owned or controlled by the City or the RDA. Such cooperation shall include paying deposits, the purchase price, acquisition costs and closing costs in any transaction in which FMC acquires real property or a real property interest for the location and operation of such alternative remediation system. In addition, FMC would need to perform engineering studies and tests including, as appropriate, modeling to determine the design, operation and effectiveness of the alternative remediation system. Further, FMC would need plans and specifications to be prepared for the alternative remediation system for submittal to the Water Board or other applicable Environmental Agency for approval. FMC may also need to obtain a building permit and other approvals from applicable governmental authorities. Prior to commencement of construction of such alternative remediation system, FMC shall cause to be prepared and submitted to the City, a detailed cost estimate for all costs associated with the development and construction of such alternative remediation system and provide periodic updates of the actual costs of development and construction incurred by FMC. Upon receipt of approval of plans and specifications from the Water Board or other applicable Environmental Agency, and upon receipt of a building permit and all other applicable approvals, FMC shall commence and thereafter diligently prosecute the construction of the alternative remediation system to completion. Upon completion of

construction of the alternative remediation system, FMC shall present the City with a detailed invoice showing all costs actually incurred and paid by FMC to third parties for the development and construction of the alternative remediation system. Such costs shall include all consultant, engineering and legal fees incurred for acquisition of real property or real property interests for the location and operation of the alternative remediation system, the costs of tests, studies and modeling, the cost of obtaining approval of the alternative remediation system by the Water Board or other applicable Environmental Agency, the costs of building permits or other governmental approvals, the costs of plans and specifications and any revisions or change orders thereto, construction costs and any increased costs of operation and maintenance of the alternative remediation system in excess of similar costs paid for the operation and maintenance of the Remediation System. FMC shall provide the City with copies of actual invoices, bills, receipts, statements, contract disbursement requests, bids, purchase orders and other written evidence showing all actual costs incurred by FMC and paid to third parties for the development and construction of the alternative remediation system. To the extent not previously paid, City shall pay all such costs shown on FMC's statement within thirty (30) days after FMC delivers such statement to the City. If City fails to pay the costs shown on FMC's statement within said thirty (30) day period, then FMC shall have all rights and remedies available at law or equity to enforce the City's payment of the amounts due to FMC.

9. City's Representations and Warranties. The City hereby makes the following representations and warranties to FMC, all of which are being relied upon by FMC as a material inducement to enter into this Agreement:

(a) The City has the full power and authority to enter into this Agreement and to perform the obligations of City hereunder.

(b) The execution and delivery of this Agreement has been duly approved by all requisite action of the City Council of the City.

(c) The execution and delivery of this Agreement by the City, and the performance of the obligations of the City hereunder, do not violate any applicable law, statute, ordinance, code or regulation of any federal, state or local governmental authority to which the City is subject, including the Municipal Code of the City of Modesto and any City ordinances.

(d) The performance of its obligations hereunder does not prohibit the City from exercising its constitutional powers to protect and regulate the health and safety of the citizens of the City, including the regulation of the POTW.

10. Assumption of Risk. City acknowledges that the extent of the obligations to be undertaken by the City pursuant to this Agreement and the costs that may be incurred to perform such obligations are unknown as of the Effective Date and the actual extent of such obligations and the costs incurred by the City in performing such obligations under this Agreement may be much greater than anticipated as of the Effective Date. Notwithstanding the foregoing, the City hereby freely enters into this Agreement and assumes the risk that the obligations it incurs under this Agreement may be greater than the benefits received by the City as a result of the sale of the Property and redevelopment of the Property into the Business Park.

11. Duration of Agreement. The rights and obligations of FMC and the City hereunder shall terminate upon the date that is sixty (60) days after the date that the last Environmental Agency requiring FMC to perform Remedial Work with respect to the Groundwater Contamination provides FMC with written notice that no further Remedial Work obligation shall be required with respect to the Groundwater Contamination. Each covenant, agreement and obligation contained in this Agreement shall remain effective until such date.

12. Attorneys' Fees. In the event of a judicial or administrative proceeding or action by one party against the other party with respect to the interpretation or enforcement of this Agreement, the prevailing party shall be entitled to recover reasonable costs and expenses, including attorneys fees and expenses, whether at the investigative, pretrial, trial or appellate level. The prevailing party shall be determined by the court based upon an assessment of which party's major arguments or position prevailed.

13. Notices. All notices, demands, requests and other communications required hereunder shall be in writing, shall be deemed to be duly given if mailed by United States registered or certified mail, with return receipt requested, postage prepaid, or by United States Express Mail, or if sent by a national courier service or if personally served, and the same is sent to a party at its address set forth below:

If to FMC: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attn: Real Estate Manager

With a copy to: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attention: General Counsel

FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attention: Director, Environment

To City: City of Modesto
1010 Tenth Street, Suite _____
Modesto, CA 95354
Attn: _____

With a copy to: City of Modesto
1010 Tenth Street, Suite _____
Modesto, CA 95354
Attn: City Attorney

Notices will be effectively served upon personal delivery, or if mailed or sent by courier, upon receipt or refusal to accept delivery. Any party may designate a change of address by written

notice to the others given at least ten (10) days before such change of address is to become effective.

14. Severability. The parties hereto intend and believe that each provision in this Agreement comports with all applicable federal, state and local laws and judicial decisions. If, however, any provision of this Agreement is found by a court of law to be in violation of any applicable federal, state or local law, ordinance, statute, administrative or judicial decision, or public policy, or if in any other respect such a court declares any such provision to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that, consistent with and with a view towards preserving the economic and legal arrangements among the parties hereto as expressed in this Agreement, such provision shall be given force and effect to the fullest possible extent, and that the remainder of this Agreement shall be construed as if such illegal, invalid, unlawful, void or unenforceable provision were not contained herein, and that the rights, obligations and interests of the parties under the remainder of this Agreement shall continue in full force and effect.

15. Modification. This Agreement may not be modified, amended or otherwise changed in any manner, except by a written amendment executed by both City and FMC.

16. Successors and Assigns. All provisions, covenants, conditions and obligations contained in this Agreement shall be binding upon and inure to the benefit of the parties hereto, and to their respective heirs, successors (by merger, consolidation, or otherwise) and assigns.

17. Controlling Laws. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

18. Effect on Third Parties. The rights, benefits and obligations conferred hereunder are for the benefit of the parties hereto and not for the benefit of any third party.

19. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the specific subject matter hereof, and all prior negotiations, agreements and understandings between FMC and City with respect to the specific subject matter hereof are merged into this Agreement.

20. Counterparts. This Agreement may be executed in counterparts, all of which together constitute one and the same agreement.

IN WITNESS WHEREOF, FMC and the City have executed this Discharge Agreement as of the date first above written.

“FMC”

FMC CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

“CITY”

CITY OF MODESTO, a public body, corporate and
politic

By: _____

Approved as to form:

City Attorney

ATTEST:

EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California, described as follows:

PARCEL NO. 1:

BEGINNING AT A POINT IN THE WEST LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM D-V-O PRODUCTS, INC. TO THE CENTRAL PACIFIC RAILWAY COMPANY DATED NOVEMBER 5, 1925 AND FILED FOR RECORD JULY 29, 1926 IN VOLUME 180 OF OFFICIAL RECORDS OF SAID COUNTY OF STANISLAUS AT PAGE 462, DISTANT SOUTH, 7.02 FEET THEREON FROM THE MOST NORTHERLY CORNER OF SAID PARCEL OF LAND; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 25° 44' 57" EAST ALONG A CURVE TO THE RIGHT OF A RADIUS OF 562.22 FEET, A DISTANCE OF 467.40 FEET; THENCE SOUTH 21° 53' WEST, 41.07 FEET TO THE SOUTHERLY END OF THAT PORTION OF THE EAST LINE OF THE LAND OF BARIUM PRODUCTS, LTD. THAT BEARS NORTH AND SOUTH; THENCE NORTH ALONG THE EAST LINE OF THE LANDS OF BARIUM PRODUCTS, LTD., 491.90 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE ABOVE DESCRIBED PARCEL NO. 1; THENCE SOUTH 21° 53' WEST, 93.98 FEET; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 21° 53' WEST ALONG A CURVE TO THE LEFT OF A RADIUS OF 583.14 FEET, A DISTANCE OF 222.72 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 484.27 FEET; THENCE SOUTH 8° 10' WEST, 98.55 FEET; THENCE WEST, 113.00 FEET TO THE EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG SAID EAST LINE, 800.00 FEET TO THE SOUTH LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE EAST, ALONG SAID SOUTH LINE, 151.70 FEET TO THE SOUTHEASTERLY LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE NORTH 31° 13' EAST THEREON, 101.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND OF D-V-O PRODUCTS, INS., A CORPORATION, AT A POINT IN THE EAST LINE OF MICHIGAN AVENUE, SAID POINT BEING DISTANT 20 FEET AT RIGHT ANGLES EAST FROM THE CENTER LINE OF SAID AVENUE AND 1840 FEET, MORE OR LESS, NORTHERLY FROM THE EAST AND WEST QUARTER SECTION LINE OF SAID SECTION 30; THENCE EAST 205.0 FEET ALONG THE SOUTH LINE OF SAID D-V-O PRODUCTS, INC., PROPERTY TO A POINT; THENCE SOUTH 215.82 FEET TO A POINT; THENCE SOUTH 31° 13' WEST 101.0 FEET TO A POINT; THENCE WEST 152.66 FEET TO A POINT IN THE SAID EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG THE SAID EAST LINE OF MICHIGAN AVENUE, A DISTANCE OF 302.2 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

BEGINNING A POINT BEARING EAST 14.69 CHAINS FROM A POINT IN THE NORTH AND SOUTH QUARTER SECTION LINE, WHICH POINT BEARS NORTH 27. 88 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 30; THENCE NORTH 524.70 FEET AND PART ALONG THE CENTER OF A ROAD TO THE WESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD; THENCE SOUTH 42°38' EAST 716.95 FEET AND ALONG SAID RIGHT OF WAY LINE; THENCE WEST 488.70 FEET TO THE POINT OF BEGINNING, AND LAST

MENTIONED COURSE IS ALSO AT RIGHT ANGLES FROM THE FIRST MENTIONED COURSE.

EXCEPTING THEREFROM THE WEST TWENTY (20) FEET.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

ALL THAT PORTION OF THE EAST HALF OF SECTION 30, IN TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY LINE OF THE CENTRAL PACIFIC RAILWAY COMPANY'S RIGHT OF WAY, SAID POINT BEING DISTANT 330.0 FEET, MEASURED SOUTH 42° 58' EAST ALONG SAID SOUTHWESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE CENTER LINE OF A ROAD AS LAID OUT ALONG THE WEST SIDE OF THE PROPERTY OF THE D-V-O PRODUCTS, INC.; THENCE SOUTH 42°58'EAST 386.90 FEET ALONG SAID BOUNDARY LINE; THENCE WEST 263.70 FEET; THENCE AT RIGHT ANGLES NORTH 283.10 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 5:

BEGINNING AT A POINT MARKING THE NORTHWEST CORNER OF THE 1.002 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 23, 1955 AND RECORDED SEPTEMBER 29, 1955 IN VOLUME 1318 OF OFFICIAL RECORDS, AT PAGE 461, AS INSTRUMENT NO. 29114, SAID CORNER LYING ON THE EAST LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE ALONG THE NORTH LINE OF SAID 1.002 ACRE PARCEL, SOUTH 89° 47' EAST 113.67 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING COURSES: SOUTH 0° 11' 40" EAST, 20.04 FEET; SOUTH 89° 47' EAST, 14.07 FEET; AND SOUTH 0° 11' 40" EAST, 231.60 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 49° 22' 30" WEST, 140.20 FEET; THENCE NORTH 37° 24' 39" WEST, 35.78 FEET TO THE WESTERLY LINE OF SAID 1.002 ACRE PARCEL (ALSO BEING THE EASTERLY LINE OF SAID BENNETT ROAD); THENCE ALONG SAID WESTERLY LINE NORTH 0° 11' 40" WEST, 132.41 FEET TO THE POINT OF BEGINNING.

RESERVING THEREFROM SUCH INTEREST IN THAT PORTION OF THE EAST 15.00 THEREOF, AS WAS RESERVED FOR RAILROAD PURPOSES IN THE DEED FROM CENTRAL PACIFIC RAILROAD COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING AND RESERVING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING THE SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, AS RESERVED IN THE DEED FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS. SAID RIGHTS SHALL NOT INCLUDE USE OF THE SURFACE OF SAID LAND.

PARCEL NO. 6:

LOTS 1 TO 9, INCLUSIVE, IN BLOCK 5072 OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED SEPTEMBER 14, 1940 IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA IN VOLUME 14 OF MAPS AT PAGE 5.

ALSO, LOTS 1 TO 8, IN INCLUSIVE, IN BLOCK 5043 OF THE GRANGE TRACT, ACCORDING TO THE MAP HEREINABOVE REFERRED TO.

PARCEL NO. 7:

ALL OF ABANDONED DULUTH AVENUE, BEING A 60 FOOT STRIP OF LAND RUNNING EAST AND WEST, LYING WITHIN AND AS SHOWN ON THE MAP OF THE GRANGE TRACT FILED SEPTEMBER 14, 1940 VOLUME 14 OF MAPS, PAGE 5, IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA.

PARCEL NO. 8:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE IN SAID SECTION 30, BEARING NORTH 29.32 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION; AND BEING THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO THE GRANGE COMPANY BY DEED RECORDED JUNE 26, 1923 IN VOLUME 23 OF OFFICIAL RECORDS, AT PAGE 331; RUN THENCE NORTH ALONG THE SAID QUARTER SECTION LINE 135 FEET; THENCE EAST 110 FEET; THENCE SOUTH 135 FEET TO SOUTH LINE OF LAND CONVEYED TO SAID GRANGE COMPANY; THENCE WEST ALONG SOUTH LINE OF SAID LAND SO CONVEYED TO THE GRANGE COMPANY 110 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 9:

COMMENCE AT THE INTERIOR QUARTER CORNER OF SAID SECTION 30; THENCE NORTH $0^{\circ} 33' 30''$ WEST ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 1604.26 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO D. D. CAMPIN IN VOLUME 797 OF OFFICIAL RECORDS, AT PAGE 390, RECORDS OF STANISLAUS COUNTY RECORDER'S OFFICE AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH $89^{\circ} 46' 30''$ EAST ALONG THE NORTH LINE OF SAID LAND SO CONVEYED TO D. D. CAMPIN AND PARALLEL TO THE EAST AND WEST QUARTER SECTION LINE THROUGH SAID SECTION 30, A DISTANCE OF 950.97 FEET TO THE NORTHEAST CORNER OF SAID CAMPIN PARCEL, SAID CORNER BEING ON THE WEST LINE OF 40 FOOT ROAD KNOWN AS BENNETT AVENUE; THENCE NORTH $0^{\circ} 42' 30''$ WEST ALONG THE WEST LINE OF SAID 40 FOOT ROAD, A DISTANCE OF 334.45 FEET TO THE SOUTHEAST CORNER OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY IN VOLUME 14 OF MAPS, AT PAGE 5; THENCE NORTH $89^{\circ} 55' 30''$ WEST, ALONG THE SOUTH LINE OF SAID GRANGE TRACT AND THE EXTENSION THEREOF, A DISTANCE OF 950.68 FEET TO THE SAID NORTH AND SOUTH ONE-QUARTER SECTION LINE; THENCE SOUTH $0^{\circ} 33' 30''$ EAST AND ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 332.16 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL NO. 10:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE AT A POINT BEARING NORTH 13.89 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 30; THENCE NORTH ON SAID QUARTER SECTION LINE 10.417 CHAINS; THENCE EAST 14.40 CHAINS; THENCE SOUTH 10.417 CHAINS; THENCE WEST 14.40 CHAINS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED IN THE DEED FROM BARIUM PRODUCTS, LTD., TO ELIZABETH B. RAVEN BAKER, RECORDED MAY 23, 1956 IN VOLUME 1365 OF OFFICIAL RECORDS, AT PAGE 658, AS INSTRUMENT NO. 14454, STANISLAUS COUNTY

RECORDS.

ALSO EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED FROM FRANK J. MITCHELL, ET UX, AND FRED SAMPSON, ET UX, TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, AS INSTRUMENT NO. 22893, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 6,7,8,9, AND 10, ALL THOSE PORTIONS OF LAND CONVEYED TO THE COUNTY OF STANISLAUS IN DEEDS RECORDED DECEMBER 4, 1951 IN BOOK 1059 OF OFFICIAL RECORDS, PAGE 480 AND RECORDED JANUARY 25, 1952 IN BOOK 1067 OF OFFICIAL RECORDS PAGE 598.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 9 AND 10, ALL THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINES OF LAND CONVEYED TO STATE OF CALIFORNIA IN DEED RECORDED DECEMBER 28, 1961 IN BOOK 1731 OF OFFICIAL RECORDS, PAGE 691.

PARCEL NO. 11:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 99.73 FEET ALONG SAID NORTHERLY LINE FROM THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 43° 07' 30" EAST, 27.93 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID PARCEL; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 47' EAST, 282.23 FEET TO THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE NORTH ALONG SAID WESTERLY LINE, 20.31 FEET; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL DESCRIBED IN SAID DEED DATED JUNE 25, 1958, NORTH 89° 47' WEST, 301.25 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 118.75 FEET ALONG SAID NORTH LINE FROM THE NORTHWEST CORNER OF SAID PARCEL NO. 1; THENCE ALONG SAID NORTH LINE, SOUTH 89° 47' EAST, 282.33 FEET TO A POINT IN THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE AND BEING 40 FEET IN WIDTH); THENCE SOUTH ALONG SAID WESTERLY LINE, 243.08 FEET; THENCE NORTH 89° 47' 15" WEST, 49.26 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 46° 42' 51" WEST, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1972 FEET, THROUGH AN ANGLE OF 3° 35' 21" A DISTANCE OF 123.53 FEET; THENCE NORTH 43° 07' 30" WEST, 214.42 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 13:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF CALDWELL AVENUE, FORMERLY WOODLAND AVENUE, WITH THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED DATED MARCH 7, 1873 FROM JOHN T. MAZE TO CENTRAL PACIFIC RAILROAD COMPANY, RECORDED MAY 5, 1873 IN BOOK 10 OF DEEDS, AT PAGE 342, STANISLAUS COUNTY RECORDS; THENCE SOUTH 42° 53' 30" EAST ALONG SAID SOUTHWESTERLY LINE OF SAID LAND, 392.96 FEET TO A POINT IN THE EASTERLY LINE OF

THE 2.09 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR. AND LOUISE DAGGS, HIS WIFE TO CENTRAL PACIFIC RAILWAY COMPANY, RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS AT PAGE 134, STANISLAUS COUNTY RECORDS; THENCE SOUTH ALONG SAID EASTERLY LINE, 1406.01 FEET TO A POINT; THENCE WEST, AT RIGHT ANGLES FROM SAID EASTERLY LINE, 40.00 FEET TO A POINT IN THE WESTERLY LINE OF SAID 2.09 ACRE PARCEL OF LAND; THENCE NORTH ALONG SAID WESTERLY LINE 1390.30 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY, 40.00 FEET, MEASURED AT RIGHT ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED DATED MARCH 7, 1873; THENCE NORTH 42° 53' 30" WEST ALONG SAID PARALLEL LINE, 415.45 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID CALDWELL AVENUE; THENCE SOUTH 89° 12' 30" EAST, ALONG THE SOUTHERLY LINE OF CALDWELL AVENUE, 55.31 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND BEING A PORTION OF BENNETT AVENUE (SOMETIMES KNOWN AS MICHIGAN AVENUE), ABANDONED BY THE STANISLAUS COUNTY BOARD OF SUPERVISORS BY SUPERVISOR'S ORDER RECORDED JULY 11, 1951 IN VOLUME 1039 OF OFFICIAL RECORDS, AT PAGE 97, STANISLAUS COUNTY RECORDS AS INSTRUMENT NO. 16289.

EXCEPTING AND RESERVING THEREFROM ALL MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE INDENTURE BY CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED NOVEMBER 8, 1951 AND RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, STANISLAUS COUNTY RECORDS.

PARCEL NO. 14:

BEGINNING AT THE NORTHWEST CORNER OF THE 5.55 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED APRIL 5, 1961 FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED MARCH 19, 1962 IN VOLUME 1750 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 10483, STANISLAUS COUNTY RECORDS; SAID NORTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF LAND DESCRIBED IN INDENTURE DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR., AND LOUISE DAGGS TO CENTRAL PACIFIC RAILWAY COMPANY AND RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS, AT PAGE 134, AND RE-RECORDED AUGUST 11, 1924 IN VOLUME 77 OF OFFICIAL RECORDS, AT PAGE 256, STANISLAUS COUNTY RECORDS; THENCE NORTH ALONG SAID WEST LINE 243.08 FEET TO A POINT IN THE MOST SOUTHERLY LINE OF THE 1.655 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 8, 1951 FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 26538; THENCE EAST, ALONG SAID LINE, 40.0 FEET TO A POINT IN THE EAST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED JUNE 20, 1924; THENCE SOUTH, ALONG SAID EAST LINE, 243.08 FEET TO A POINT ON THE NORTHERLY LINE OF LAND DESCRIBED IN SAID INDENTURE DATED APRIL 5, 1961; THENCE NORTH 89° 35' 35" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING AND RESERVING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT

LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, DATED OCTOBER 21, 1965 AND RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, AS INSTRUMENT NO. 46197, STANISLAUS COUNTY RECORDS.

PARCEL NO. 15:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 5, 1925 FROM D-V-O PRODUCTS, INC. TO CENTRAL PACIFIC RAILWAY COMPANY (NOW SOUTHERN PACIFIC COMPANY), RECORDED JULY 29, 1926, IN VOLUME 180, AT PAGE 462, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH $42^{\circ} 53' 30''$ EAST, ALONG THE NORTHEASTERLY LINE OF LAND DESCRIBED IN SAID INDENTURE, PARALLEL WITH AND DISTANT 50.0 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE ORIGINAL LOCATED CENTER LINE OF SOUTHERN PACIFIC COMPANY'S MAIN TRACK (LATHROP TO FRESNO), 378.50 FEET; THENCE SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 372.25 FEET, THROUGH A CENTRAL ANGLE TO $22^{\circ} 29' 08''$ (CHORD OF SAID CURVE BEARS SOUTH $11^{\circ} 14' 34''$ EAST, 145.15 FEET), AN ARC DISTANCE OF 146.09 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 985.59 FEET TO THE NORTHEAST CORNER OF THE 107,836 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL 2 IN INDENTURE DATED AUGUST 21, 1947, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO MODESTO PRODUCE PACKING COMPANY, RECORDED OCTOBER 22, 1947, IN BOOK 910, AT PAGE 406, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 27554; THENCE WEST, ALONG THE NORTHERLY LINE OF SAID LAST MENTIONED LAND, 329.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH, ALONG THE WESTERLY LINE OF LAND DESCRIBED AS PARCEL 2, IN SAID INDENTURE DATED AUGUST 21, 1947, A DISTANCE OF 260.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF 0.116 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED APRIL 5, 1961, FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1961, IN VOLUME 1707, AT PAGE 496, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 28718; THENCE NORTH $49^{\circ} 10' 50''$ WEST ALONG LAST SAID NORTHEASTERLY LINE 44.93 FEET TO A POINT ON EASTERLY LINE OF THE 43,654 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED AUGUST 21, 1947; THENCE ALONG SAID EASTERLY LINE, THE FOLLOWING COURSES AND DISTANCES: NORTH 230.71 FEET; WEST, 14.00 FEET; AND NORTH, 20.00 FEET; THENCE ALONG THE EASTERLY LINE OF THE 2.404 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED MARCH 15, 1943, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED JULY 20, 1943, IN BOOK 776, AT PAGE 91, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 10746, THE FOLLOWING COURSES AND DISTANCES: NORTH $8^{\circ} 10'$ EAST, 98.55 FEET; NORTH 484.21 FEET; NORTHERLY, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 583.14 FEET, THROUGH A CENTRAL ANGLE OF $21^{\circ} 53'$ (CHORD OF LAST SAID CURVE BEARS NORTH $10^{\circ} 56' 30''$ EAST, 221.37 FEET), AN ARC DISTANCE OF 222.72 FEET; AND NORTH $21^{\circ} 53'$ EAST, TANGENT TO LAST SAID CURVE, 93.98 FEET TO THE NORTHEAST CORNER OF SAID 2.404 ACRE PARCEL OF LAND, LAST SAID NORTHEAST CORNER ALSO BEING THE MOST SOUTHERLY CORNER OF THE 0.422 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED MARCH 15, 1943; THENCE ALONG THE EASTERLY LINE OF SAID 0.422 ACRE PARCEL OF LAND, THE FOLLOWING COURSES AND DISTANCES: NORTH $21^{\circ} 53'$ EAST, 41.07 FEET; AND NORTHERLY, ON A CURVE TO THE LEFT HAVING A RADIUS OF 562.22 FEET,

THROUGH A CENTRAL ANGLE OF 47° 37' 57" (CHORD OF LAST SAID CURVE BEARS NORTH 1° 55' 59" WEST, 454.05 FEET), AN ARC DISTANCE OF 467.40 FEET TO A POINT IN THE WEST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED NOVEMBER 5, 1925; THENCE NORTH, ALONG LAST SAID LINE, 7.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS EXPECTED AND RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, STANISLAUS COUNTY RECORDS.

PARCEL NO. 16:

ALL THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 29, 1958 AND RECORDED OCTOBER 31, 1958 IN VOLUME 1511 OF OFFICIAL RECORDS, AT PAGE 12, AS INSTRUMENT NO. 27377, AND LOCATED IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID PARCEL OF LAND DESCRIBED IN SAID DEED, SAID POINT LYING NORTH 0° 11' 45" WEST, 135.20 FEET FROM THE SOUTHEAST CORNER OF SAID PARCEL OF LAND; THENCE NORTH 49° 22' 30" WEST, 436.91 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL; THENCE ALONG SAID WESTERLY BOUNDARY, NORTH 0° 11' 40" WEST, 260.77 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL, SOUTH 89° 47' EAST, 330.65 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE ALONG THE AFORESAID EASTERLY LINE, SOUTH 0° 11' 45" EAST, 544.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED THE GRANTOR, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AS EXCEPTED AND RESERVED IN THE DEEDS FROM CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED SEPTEMBER 13, 1946 OF VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE EASTERLY 15 FEET THEREOF WHICH LIES SOUTH OF THE NORTH 327.77 FEET, AS EXCEPTED AND RESERVED FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND OPERATION OF RAILROAD TRACKS AND APPURTENANCES THEREON, IN SAID DEED RECORDED SEPTEMBER 13, 1946 IN VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN THE WEST 15 FEET OF THE NORTH 327.77 FEET OF SAID PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, AND EXCEPTING THEREFROM SUCH INTEREST IN THE EAST 15 FEET OF THE NORTH 327.77 FEET OF SAID

PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, RESERVED FOR RAILROAD PURPOSES IN THE SAID DEED RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

APN: 029-13-12-690 and 029-13-13-660 and 029-14-10-340

EXHIBIT "B"

LIST OF ENVIRONMENTAL REPORTS [GROUNDWATER]

EXHIBIT "C"

DESCRIPTION OF REMEDIATION SYSTEM

Modesto Groundwater Remediation System

The groundwater Remediation System is designed to monitor groundwater quality and groundwater flow, extract and treat groundwater at the Site, and discharge treated groundwater to the City of Modesto POTW in accordance with the City of Modesto Conditional and Revocable Groundwater Discharge Permit No. GW 96-2. The Remediation System includes the groundwater extraction and treatment system located on the Site as of the Effective Date, consisting of extraction wells, conveyance piping and a treatment facility, as well as monitoring wells, and electric, domestic water and storm drain lines from the utility supplier to such system.

The groundwater extraction and treatment component of the Remediation System includes three groundwater extraction wells (E-1, E-2, and E-3), each of which has a submersible pump connected to a pressure pipeline that conveys water from the well to the treatment facility. The extraction wells may require and be fitted with anti-scalent systems at their wellheads to prevent scale accumulation.

Upon entering the treatment system, groundwater from the three extraction wells is treated with hydrogen peroxide to convert sulfides into sulfates. Treated groundwater is subsequently discharged to the City of Modesto POTW. A gravity flow discharge pipeline begins at the treatment facility and extends to a sewer manhole. A line extends from the manhole to the sewer main on Graphics Drive.

EXHIBIT "C"
ENVIRONMENTAL REPORTS
[TO BE INSERTED]

EXHIBIT "D"

FORM OF RIGHT OF ENTRY AGREEMENT

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attn: David C. Landgraf, Esq.
Senior Environmental Counsel

RIGHT OF ENTRY AGREEMENT, EASEMENT AND ENVIRONMENTAL RESTRICTION

This RIGHT OF ENTRY AGREEMENT, EASEMENT AND ENVIRONMENTAL RESTRICTION (the "Agreement") is made as of this __ day of __, 2009 ("Effective Date"), by and between FMC CORPORATION, a Delaware corporation ("FMC"), and REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic ("Redevelopment Agency" or "Owner").

RECITALS

A. Redevelopment Agency is the owner of that certain real property located in the City of Modesto, Stanislaus County, California, more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property").

B. As of the Effective Date, Redevelopment Agency acquired the Property from FMC pursuant to that certain Purchase and Sale Agreement dated as of _____, 2009 by and between FMC and Redevelopment Agency ("Purchase Agreement").

C. Certain chemicals are present in the soil and groundwater on the Property as more particularly described in the Environmental Reports listed on Exhibit "B" attached hereto ("Environmental Reports").

D. FMC has entered into a Voluntary Cleanup Agreement effective as of July 8, 2002 with the State of California Environmental Protection Agency, Department of Toxic Substances Control with respect to the Property ("VCA"). Pursuant to the VCA, FMC has prepared a Soil Interim Removal Action Work Plan dated April 2006 ("IRAW") and an Addendum to the IRAW, which were approved by DTSC on August 3, 2006, and August 14, 2007, respectively, and submitted a January 2008 Implementation Report ("Implementation Report") documenting activities performed to remediate soil pursuant to the IRAW and IRAW Addendum, which Implementation Report was approved by DTSC on February 22, 2008. In addition, the Property is subject to Cleanup and Abatement Order No. 98-724 adopted on June 26, 1998 ("Order") by the California Regional Water Quality Control Board, Central Valley Region ("Board") and Cleanup and Abatement Orders Nos. 93-202 and 96-063 adopted by the Board (collectively, "Prior Orders"). FMC has submitted to DTSC and the Board a Final Feasibility Study for Soil and Groundwater, dated February 2008 ("Feasibility Study") that identifies, screens and evaluates remedial action alternatives for soil and groundwater, and recommends final remedial action(s). With the concurrence of the Board, DTSC approved the

identifies, screens and evaluates remedial action alternatives for soil and groundwater, and recommends final remedial action(s). With the concurrence of the Board, DTSC approved the Feasibility Study by letter dated April 29, 2008. On _____, 2009, the DTSC and Board approved a Remedial Action Plan ("RAP") that incorporates the implemented IRAW and IRAW Addendum and requires continued operation of the existing groundwater extraction and treatment system to mitigate historical impacts to groundwater and any remaining potential impacts from soils at the Property to groundwater. This RAP is based on proposed future land use of the Property as a commercial/industrial business park.

E. Redevelopment Agency has reviewed the VCA, the IRAW, the IRAW Addendum, the Implementation Report, the Feasibility Study, the RAP, the LUC, the OMPs, the OMA, the SMP, the Order, the Prior Orders and the Environmental Reports.

F. As a condition to FMC's agreement to sell the Property to Redevelopment Agency pursuant to the Purchase Agreement, FMC and Redevelopment Agency agreed to enter into this Agreement for Redevelopment Agency to grant FMC (i) the Remediation Facilities Easement (as defined below), (ii) the right to enter onto the Property to perform any of the obligations imposed on FMC under the VCA, the RAP, the OMA, the OMP for groundwater, the Order, and the Prior Orders or hereafter imposed on FMC by the DTSC, Board or any other Environmental Agency with respect to the Contamination (as defined below), and (iii) to establish the terms and conditions on which FMC will perform any of the obligations imposed upon FMC under the VCA, the RAP, the OMA, the OMP for groundwater, the Order, and the Prior Orders by the DTSC, Board or any other Environmental Agency with respect to the Contamination. FMC and Owner intend that the rights and obligations of the parties hereunder shall run with the land and shall bind Redevelopment Agency and each person or entity subsequently acquiring an interest in the Property.

NOW, THEREFORE, in consideration of the foregoing recitals and other consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and FMC hereby agree as follows:

1. Definitions. The following terms, as used herein, shall be defined as follows:

(a) "Board" shall mean the State of California Regional Water Quality Control Board, Central Valley Region, or any successor agency thereto.

(b) "CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., as amended, in effect as of the date hereof.

(c) "Contamination" shall mean those certain chemicals in the soil and groundwater at the Property as more particularly described in the Environmental Reports.

(d) "DTSC" shall mean the State of California Environmental Protection Agency, Department of Toxic Substances Control, or any successor agency thereto.

(e) "Environmental Agency" shall mean the Board, DTSC and/or any other federal, state, or local governmental agency charged with enforcing Hazardous Materials Laws and having jurisdiction with respect to the Property.

(f) "Hazardous Materials" shall mean any substance, material, or waste which is (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of California law; (2) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317); (3) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903) or its implementing regulations; (4) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601); or (5) determined by DTSC, the Board or any other California, federal or local governmental authority (other than the City of Modesto or Redevelopment Agency) to be capable of posing a risk of injury to health, safety or property.

(g) "Hazardous Materials Laws" shall mean CERCLA, RCRA, or any other federal, state, or local law governing (i) Hazardous Materials, (ii) any Remedial Work obligation imposed upon FMC by an Environmental Agency, or (iii) the release of Hazardous Materials into the soil or groundwater.

(h) "IRAW" shall mean the Interim Action Soil Removal Action Work Plan for Soil dated April 2006, approved by the DTSC on August 3, 2006.

(i) "IRAW Addendum" shall mean the Addendum to the Interim Removal Action Work Plan for Soil dated August 13, 2007, approved by DTSC on August 14, 2007.

(j) "LUC" shall mean that certain Covenant to Restrict Use of Property-Environmental Restriction which was recorded against the Property on _____, 2009 as Document No. _____ in the Official Records of Stanislaus County, California in accordance with the RAP.

(k) "Operation and Maintenance Agreement" or "OMA" shall mean an agreement among DTSC, the Board, FMC and Redevelopment Agency relative to operation and maintenance of the infrastructure of the final remedial action(s) approved under the RAP, both with respect to soil and groundwater conditions, and including monitoring, inspection and reporting obligations.

(l) "Operation and Maintenance Plans" or "OMPs" shall mean the separate plans for soil and groundwater that are developed in accordance with the Purchase Agreement and approved by DTSC and the Board prior to the Effective Date for long-term operation and maintenance of the final remedial action(s) approved under the RAP.

(m) "Order" shall mean that certain Cleanup and Abatement Order No. 98-724 adopted on June 26, 1998 by the Board.

(n) "Owner" shall mean Redevelopment Agency and any person or entity who hereafter acquires a fee interest in all or a portion of the Property.

(o) "Prior Orders" shall mean those certain Cleanup and Abatement Orders Nos. 93-202 and 96-063 adopted by the Board.

(p) "RAP" shall mean the Remedial Action Plan submitted to the DTSC and Board under the VCA and Order and approved by the DTSC and the Board on _____, 2009.

(q) "RCRA" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., as amended, in effect as of the date of this Agreement.

(r) "Remedial Work" shall mean any and all investigation, remediation, mitigation, monitoring, reporting, and other obligations required or which may be required of FMC by the DTSC pursuant to the VCA, the RAP, the OMA or the OMP for groundwater or by the Board pursuant to the Order or the Prior Orders, as the VCA, the RAP, the OMA, the OMP for groundwater, the Order or the Prior Orders may be amended or supplemented from time to time, or pursuant to any other order of the DTSC, Board or another Environmental Agency which imposes obligations on FMC with respect to soil or groundwater conditions relative to the Property or the Contamination consistent with the cleanup and use of the Property for commercial/industrial purposes. Remedial Work shall not include the Soil Management Requirements, including the obligations set forth in the OMP for soil which are part of the Soil Management Requirements, except when FMC is performing Remedial Work that involves the disturbance of the soil.

(s) "Remediation System" shall mean the groundwater extraction and treatment system located on the Property as of the Effective Date, consisting of monitoring and extraction wells, conveyance piping and a treatment facility, together with any additional remediation facilities hereafter required to be located on the Property and electric, domestic water and storm drain utility lines from the utility supplier to such system. A description of the Remediation System in place as of the Effective Date is attached hereto as Exhibit D and incorporated herein by reference.

(t) "Soil Management Plan" or "SMP" shall mean the Soil Management Plan prepared by FMC in cooperation with the Redevelopment Agency in accordance with the Purchase Agreement and approved by the DTSC and Board, which is referenced in the LUC and provided under the RAP, to set forth the decision framework and specific procedures for management of soils and any groundwater or other water that may be generated in the course of construction or operation and maintenance activities at the Property to which construction and future workers at the Property may otherwise be exposed in the course of work at the Property.

(u) "Soil Management Requirements" shall mean the ongoing requirements for management of the soil on the Property as set forth in the LUC, the SMP, the OMA and the OMP for soil and required as part of the final remedial measure for soil under the RAP, which shall be performed by the Redevelopment Agency and the Owner(s) of the Property, as applicable, including, without limitation, requirements pertaining to soil cover, soil removal and disposition, landscaping, irrigation, health and safety (including under the SMP), or requirements

under the LUC, in connection with the demolition of existing structures, construction of infrastructure, grading, utility trenching, building pad preparation and construction of improvements on the Property and future activities, including routine use and maintenance at the Property.

(v) "VCA" shall mean the Voluntary Cleanup Agreement effective as of July 8, 2002, by and between FMC and DTSC, as amended or supplemented from time to time.

(w) All other defined terms used in this Agreement shall be defined where first appearing in this Agreement.

2. Owner's Acknowledgments. FMC and its predecessors in interest in the Property variously operated manufacturing facilities on the Property for the production of barium and strontium chemicals. These operations included the use from the early 1950's to the late 1970's of on-site evaporation ponds to manage residual solids from the ore processing units and air pollution control equipment which solids were slurried with water and discharged to the ponds. These ponds were closed by removal of residue material and backfilling during 1979-81. The operation of the ponds resulted in contamination of the groundwater with total dissolved solids, including sulfates. In addition, the soils under the former pond areas are impacted with sulfates and related compounds that continue to migrate into the upper groundwater aquifer. The Property is currently subject to the Order and the Prior Orders. Starting in the early 1960's, FMC installed a number of groundwater monitoring wells, both on and off the Property, and has routinely reported on the results of samples from these wells to the Board under the terms of the Order and the Prior Orders. Under the Order and associated Monitoring and Reporting Program (No. 98-805, adopted by the Board on June 26, 1998) FMC currently samples and reports sampling results for some 33 monitoring wells, located both on and off the Property. Since 1996, FMC has operated on the Property a groundwater remediation system including extraction wells and a treatment system, which discharges to the City of Modesto's publicly owned treatment works under the terms of a permit issued by the City. FMC will be required to perform groundwater remediation and to maintain groundwater monitoring and remediation equipment and structures on the Property for an indefinite period of time.

As a result of the past storage and processing of barite ore and the management of processing residues, areas of surface soils on the Property are impacted with elevated concentrations of barium. In addition, as a result of past manufacturing and other operations, surface soils may be impacted by other contaminants. FMC and DTSC entered into the VCA with respect to soil contamination on the Property. Pursuant to the IRAW and IRAW Addendum, FMC completed interim soil removal activities on the Property which consisted of removal of soils in excess of health-based Site Specific Target Levels as specified in the IRAW and IRAW Addendum. The DTSC and Board have approved the RAP that incorporates the approved IRAW and IRAW Addendum and requires continued operation of the existing groundwater extraction and treatment system to mitigate historical impacts to groundwater and any remaining potential impacts from soils at the Property to groundwater. Pursuant to the RAP, FMC recorded the LUC against the Property, which LUC restricts the use of the Property to commercial and industrial purposes, imposes notification requirements and restrictions with respect to activities that would result in exposure to soils, imposes restrictions with respect to cover and irrigation, and restricts the use of groundwater and the disturbance of certain covered

areas of the Property. In addition, pursuant to the RAP, FMC developed and DTSC and the Board approved the SMP and OMPs and DTSC, the Board, FMC and Redevelopment Agency entered into the OMA.

By accepting an interest in the Property, each Owner acknowledges the following: (i) the Property is subject to the VCA, the RAP, the IRAW and IRAW Addendum, the LUC, the OMA, the OMPs, the SMP, the Order and the Prior Orders; (ii) the Property is subject to the Soil Management Requirements and Owner shall be responsible for implementation and management of the Soil Management Requirements, which include the obligations under the Operation and Maintenance Plan for soil; (iii) the presence of the Contamination on the Property; (iv) Owner has had the opportunity to review the Environmental Reports, the Soil Management Requirements, the VCA, the RAP, the IRAW, the IRAW Addendum, the Implementation Report, the OMA, the OMPs, the LUC, the SMP, the Order and the Prior Orders and any additional reports or documents submitted by FMC to the Board, DTSC and/or other applicable Environmental Agency after the date of this Agreement. Based on the foregoing, FMC has satisfied its obligation under California Health & Safety Code Section 25359.7 to notify Owner of the soil and groundwater contamination on the Property. In addition to the foregoing, Redevelopment Agency acknowledges that during the approximately five year period prior to the Effective Date, Redevelopment Agency (i) attended meetings with the DTSC and Board regarding implementation of the VCA and the Order and Prior Orders and development and approval of the final Feasibility Study, the IRAW, the IRAW Addendum, the LUC, the OMPs, the OMA and the SMP; (ii) participated in the processing of IRAW and the IRAW Addendum, the LUC, the OMPs, the OMA and the SMP; and (iii) received copies of reports submitted by FMC to the DTSC and/or Board regarding the environmental condition of the Property.

In general, FMC has implemented a remediation program for the Property based on risk analysis consistent with future use for industrial and commercial purposes. Owner hereby acknowledges the following: (i) additional Remedial Work obligations may be imposed on FMC and/or the Property pursuant to the VCA, the RAP and/or the Order or Prior Orders with respect to the Contamination, including, without limitation, soil removal, and the installation and operation of additional groundwater monitoring wells, groundwater extraction wells, and related piping and a system or systems for groundwater treatment on the Property; and (ii) the DTSC, Board or other Environmental Agency may impose conditions to or requirements in connection with such additional Remedial Work (including without limitation, with respect to monitoring the groundwater on the Property). Owner hereby consents to the performance of all the foregoing conditions and requirements. Subject to Section 3(b) hereof regarding the location of additional Remediation Facilities, Owner shall at all times, and at its sole cost, fully cooperate with FMC in connection with any and all Remedial Work. In no event shall Owner inhibit or interfere with the performance of the Remedial Work by FMC. Owner's cooperation shall include, without limitation, where the participation of Owner is required, the prompt execution, acknowledgment, delivery and recordation, as applicable, of documents and agreements requested or required by the DTSC, Board or any other Environmental Agency, including, without limitation, any other covenants and restrictions similar to the LUC regarding the use of groundwater, construction of improvements on, paving or landscaping of exposed soil, construction of improvements or other work on the Property involving excavation of soil, or paving, landscaping or other cover of exposed soil required by the Board, DTSC and/or any other Environmental Agency. Owner acknowledges the obligations of the owner of the Property

to comply with the Soil Management Requirements, including under the OMA, the OMP for soil and the SMP, and hereby covenants to FMC to perform all of such obligations on a timely basis.

3. Grant of Easements.

(a) Grant. Owner hereby grants to FMC an easement over those portions of the Property more particularly described on Exhibit C attached hereto for the following purposes: (i) installing, operating, maintaining, sampling, repairing, replacing, closing and removing monitoring and extraction wells and related piping and equipment, a treatment system or systems and remediation equipment and structures including the Remediation System and such additional remediation facilities that may hereafter be required to be located on the Property (collectively, "Remediation Facilities"); (ii) the construction, maintenance, alteration, demolition and removal of one or more buildings or structures as may be necessary to house and/or secure the above-ground Remediation Facilities on that portion of the Property shown on the Site Plan attached hereto as Exhibit E as the "Treatment Facility Area;" (iii)(A) vehicular ingress and egress over that portion of the Property shown on the Site Plan attached hereto as Exhibit E as the "Access Easement" to and from the nearest public street to the Treatment Facility Area and to other portions of the Remediation Facilities on the Property located outside of the Treatment Facility Area without obstruction by fences, barriers, landscaping, overhead wires or other improvements, for access and turnaround by vehicles, including without limitation, tractor-trailers, cranes and heavy equipment, together with parking for such vehicles and equipment required for the purposes specified in this easement in the Treatment Facility Area and adjacent to any Remediation Facilities located on the Property outside the Treatment Facility Area to the extent required for the performance of Remedial Work; and (B) with respect to monitoring wells located on the Property, vehicular ingress and egress over the Property, including driveways and parking areas, from the nearest public street to each such monitoring well without obstruction by fences, barriers, landscaping, overhead wires or other improvements; and (iv) utility lines and conduits to provide separate electrical, domestic water and storm drain service to the Remediation Facilities located on the Property (collectively, the "Remediation Facilities Easement"). In addition, Owner hereby covenants with and for the benefit of FMC, for so long as the Remediation Facilities Easement shall remain in effect, not to construct any buildings or other similar improvements within the portion of the Property that is fifty feet wide surrounding the Treatment Facility Area, as more particularly shown as the "No-Build Area" on the Site Plan attached as Exhibit E ("No-Build Covenant"). The No-Build Covenant shall not prohibit Owner from constructing any surface improvements such as roadways, driveways, parking areas, curbs, sidewalks, landscaping and screening walls within the No-Build Area provided that the construction of such improvements does not impose any setback requirements that would prohibit FMC from constructing buildings or improvements for the Remediation Facilities within the Treatment Facility Area. FMC shall have the exclusive use of the surface of the Treatment Facility Area for the purposes specified in the Remediation Facilities Easement. Upon written request by the Owner(s), FMC will cooperate with the Owner(s) to relocate the Access Easement portion of the Remediation Facilities Easement to the extent required for redevelopment of the Property provided: (x) any such relocated Access Easement shall provide vehicular ingress and egress from the nearest public street to the Treatment Facility Area and to other portions of the Remediation System on the Property located outside of the Treatment Facility Area on all of the same terms and conditions as set forth in clause (iii) above; (y) the relocation shall be pursuant to a written amendment to this Agreement or a separate easement agreement that grants the

relocated Access Easement on the same terms as contained in this Agreement; and (z) each Owner whose portion of the Property will be subject to the relocated Access Easement shall join in the grant of the relocated Access Easement and each person or entity holding a lien or encumbrance upon such Owner's portion of the Property shall consent to and subordinate its lien or encumbrance to the relocated Access Easement. Redevelopment Agency also grants to FMC the right to enter onto the Property to perform any Remedial Work ("Right of Entry"). The Remediation Facilities Easement and the Right of Entry granted hereunder shall be subject to the terms and conditions set forth herein.

(b) Additional Remediation Facilities. To the extent that the DTSC, Board or other Environmental Agency requires FMC to install additional Remediation Facilities or modify existing Remediation Facilities outside of the portion of the Property subject to the Remediation Facilities Easement, and FMC requires an easement to use the new or modified Remediation Facilities, FMC shall notify the Owner(s) of such requirement and provide such Owner(s) with a report from FMC's environmental engineer or consultant stating that placement of the new or modified Remediation Facilities in the location on such Owner's portion of the Property as specified in FMC's notice is required in order to effectively and efficiently implement and perform the Remedial Work obligation imposed upon FMC by the DTSC, Board or other Environmental Agency. Thereafter, the Owner(s) of the portion of the Property affected and FMC shall either amend this Agreement or enter into a new easement agreement on the same terms as this Agreement, to grant FMC easements over such additional portions of the Property as may be necessary for the same purposes as specified in the Remediation Facilities Easement. Such amendment or new agreement shall include a site plan showing the location of the additional Remediation Facilities. FMC shall consult and cooperate with the Owner(s) of the portion of the Property subject to such additional easement to install any additional or modified Remediation Facilities in a location on the Property that does not unreasonably interfere with such Owner's use of the Property while at the same time satisfying the requirements of the governmental agency requiring the installation of such additional or modified Remediation Facilities and allowing FMC to install and operate the additional or modified Remediation Facilities in a cost-efficient manner. FMC will comply with applicable provisions of the SMP pertaining to the installation of the new or modified Remediation Facilities and the performance of any Remedial Work. Any new wells located in driveways or parking areas outside of the Treatment Facility Area shall be installed in traffic-resistant structures, located below grade and covered with a traffic-resistant cover with a locked cap flush to the surface of the pavement. Promptly following completion of the installation of any additional or modified Remediation Facilities, FMC shall remove all debris generated by such installation and restore the Property, to the maximum extent possible, to the condition that existed prior to such installation.

(c) Notice of Entry. FMC shall give Owner at least seven (7) business days written notice in accordance with Section 10 hereof prior to entry onto the Property for the installation, replacement, closure and removal of Remediation Facilities or major repairs thereto that will involve disturbance of the surface of the Property. With respect to routine sampling of wells and maintenance and repair of the Remediation Facilities that will not disturb the surface of the Property, or in the event of an emergency situation, no prior notice of entry shall be required. With respect to any work performed by or on behalf of FMC that will involve the disturbance of the surface of the Property, FMC covenants that it shall comply with the Soil Management Requirements.

4. Remedial Work.

(a) Exclusive Right to Negotiate. As between FMC and Owner, FMC shall have and retain the exclusive right to negotiate with and to fulfill any requirement or claim made by the DTSC, Board or any Environmental Agency with respect to any Remedial Work obligation required under or in connection with the VCA, the RAP, the Order and the Prior Orders. FMC shall have the exclusive right to challenge, appeal or seek amendment, modification, repeal or termination of the VCA, the RAP, the Order, the Prior Orders, any amendment or supplement to any of the foregoing, or any other Remedial Work obligation imposed by the DTSC, Board or any other Environmental Agency in connection with the Contamination, including a suspension or stay of such Remedial Work obligation while such action is pending. Notwithstanding the foregoing, to the extent any Remedial Work obligation arising after the Effective Date would affect the operation and use of any portion of the Property located outside of the Remediation Facilities Easement, then FMC shall give written notice of such Remedial Work obligation to the Owner or Owners of such portion(s) of the Property. If such Remedial Work obligation requires any additional Remediation Facilities to be located on such portion of the Property outside of the Remediation Facilities Easement, then FMC shall deliver with its notice a copy of a report from FMC's environmental engineer or consultant stating that placement of the new or modified Remediation Facilities in the location on such Owner's portion of the Property as specified in FMC's notice is required in order to effectively and efficiently implement and perform the Remedial Work obligation. Prior to negotiation of such Remedial Work obligation, FMC shall consult with the Owner(s) of the portion of the Property outside of the Remediation Facilities Easement affected by such Remedial Work obligation on methods to satisfy the obligation in a manner that does not unreasonably interfere with such Owner's use of the Property while at the same time satisfying the requirements of the Environmental Agency imposing such Remedial Work obligation and allowing FMC to satisfy the obligation in a cost-efficient manner. If the Remedial Work obligation pertains to Soil Management Requirements that must be implemented or managed by the Owner under this Agreement, then FMC shall not take any action or make any commitment with respect to such Remedial Work obligation without the concurrence of the Owner(s) of the portion of the Property affected by such obligation.

(b) Remedial Work. FMC shall perform all Remedial Work required by the DTSC, Board or any other Environmental Agency with respect to the Contamination. Pursuant to the Right of Entry granted by Owner under Section 3(a) above, and subject to FMC's compliance with Section 3(b) hereof with respect to the location of any new or modified Remediation Facilities on portions of the Property outside of the Remediation Facilities Easement, FMC and its employees, agents, authorized representatives, contractors, materialmen and laborers shall have the right to enter onto the Property with such tools and equipment as may be reasonably necessary for the performance of the Remedial Work. FMC shall use diligent efforts to perform all Remedial Work within the time periods required by the VCA, the RAP, the Order, the Prior Orders or otherwise by the Environmental Agency imposing such requirements. FMC shall be responsible at its sole cost and expense for the operation, maintenance, repair, removal and closure of any and all portions of the Remediation Facilities reasonably necessary to perform any Remedial Work, except to the extent such portions of the Remediation Facilities are damaged by Owner or its employees, agents and contractors. All Remedial Work shall be performed in a good, safe and professional manner in compliance with all applicable laws, ordinances and

regulations. All portions of the Remediation Facilities installed on the Property by FMC shall remain the property of FMC until removal or proper abandonment thereof in accordance with Section 4(c) hereof. FMC shall be listed as the generator of any hazardous waste generated as a result of performance of the Remedial Work, including the removal of groundwater from the Property in connection with the Remedial Work, in accordance with RCRA, the California Hazardous Waste Control Law, any other Hazardous Materials Laws and any regulations promulgated pursuant to such laws.

(c) Completion of Remedial Work. Subject to the terms of this subsection (c), FMC shall use diligent efforts to obtain in a timely manner an "Acknowledgment of Termination," "Certificate of Completion", "no further action letter" or similar written determination that no further Remedial Work is required from the DTSC, Board or other Environmental Agency imposing a Remedial Work obligation in connection with the Contamination. Owner acknowledges that any such letters or determinations with respect to soil are subject to completion by Owner of certain of the Soil Management Requirements on the Property. In addition, Owner acknowledges that the issuance of such letters or determinations may occur at different times with respect to groundwater and soil or as to specific areas of the Property, and not necessarily at one time with respect to all Remedial Work on the Property. FMC shall give Owner written notice when the Environmental Agency requiring Remedial Work, and any other governmental agency having jurisdiction, permits the termination of Remedial Work or a portion thereof on the Property and removal and/or closure of some or all of the Remediation Facilities and/or closure of all or some extraction and monitoring wells. Permission shall be evidenced by a written instrument from the Environmental Agency. Within one hundred twenty (120) days after FMC's receipt of such written instrument, FMC shall seal the extraction and monitoring wells on the Property subject to such closure by filling the same with appropriate material in accordance with all applicable laws, statutes, ordinances and regulations. FMC shall also remove, within said one hundred twenty (120) day period, the above-ground portions of the Remediation Facilities subject to such closure from the Property, including any structures or other improvements housing such above-ground portions of the Remediation Facilities, and either remove or properly abandon in place all associated applicable underground piping in accordance with all applicable laws, statutes, ordinances or regulations. All damage to the Property caused by the closure of the wells and removal of the Remediation Facilities or portions thereof shall be repaired by FMC to the condition existing prior to such damage, including repaving of any paved surfaces that are disturbed by such removal or well closure to a smooth and even condition.

(d) Conduct of Remedial Work. FMC shall use reasonable efforts to conduct all Remedial Work obligations and any activities required on areas of the Property outside of the Treatment Facility Area in a manner that does not unreasonably interfere with the use of the Property by Owner, and with respect to the location of new or modified Remediation Facilities outside of the Remediation Facilities Easement, in accordance with Section 3(b) hereof.

5. Compliance With Obligations. In any action under this Agreement where the rights of FMC and Owner are at issue, and those rights are dependent on whether or not FMC has complied with the terms of the VCA, the IRAW, the IRAW Addendum, the RAP, the LUC, the OMP for groundwater, the OMA, the SMP, the Order, the Prior Orders or other requirements imposed by the DTSC, Board or other Environmental Agency, written determinations by the

DTSC, Board or the Environmental Agency, as appropriate, shall be considered conclusive proof with respect to the compliance status of FMC, with respect to matters and timeframes which are the subject of such determination.

6. Covenants Regarding New Discovery. Owner shall immediately notify FMC of its discovery after the date hereof of any Hazardous Materials on the Property not previously disclosed or in a location on the Property not described in the Environmental Reports.

7. Release.

(a) No Liability. FMC shall not be liable to Owner or any party claiming by or through Owner for any claim, loss, cost, damage or expense, including consequential damages, incurred by Owner or such party as a result of interference with Owner's use of the Property or construction delays caused by (i) the performance of any Remedial Work required to comply with the VCA, the RAP, the OMPs, the OMA, the Order, the Prior Orders or any other Remedial Work obligation imposed on FMC by an Environmental Agency, or (ii) the obligations imposed upon Owner to perform the Soil Management Requirements.

(b) Release. Except for the obligations of FMC set forth in this Agreement, Owner and each party or entity acquiring an interest in the Property through Owner, and their respective successors and assigns (collectively, "Releasing Parties"), by their acceptance of an interest in the Property, shall be deemed to have waived any and all claims any such Releasing Party may have against FMC, including claims for consequential damages, with respect to the existence of the Contamination, the VCA, the RAP, the IRAW, the IRAW Addendum, the LUC, the OMA, the OMPs, the SMP, the Order, the Prior Orders, the obligation to perform the Soil Management Requirements, the requirement for ongoing Remedial Work, any other Remedial Work obligation imposed on FMC, Owner, any person or entity acquiring an interest in the Property through Owner, or the Property with respect to the Contamination by any Environmental Agency, and any claims arising out of any adverse physical or environmental condition of the Property now or hereafter discovered by a Releasing Party, including, without limitation, any and all claims under CERCLA, RCRA, any other Hazardous Materials Laws, or any other federal, state, or local law, ordinance, or regulation pursuant to which such Releasing Party may have a claim or cause of action against FMC due to the presence of the Contamination, the existence of the VCA, the RAP, the IRAW, the IRAW Addendum, the LUC, the OMPs, the OMA, the SMP, the Order, the Prior Orders, the requirement for ongoing Remedial Work in connection with the Contamination and the obligation to perform the Soil Management Requirements. Each Releasing Party expressly waives the benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

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

The foregoing release expressly excludes any claims a Releasing Party may have against FMC for breach by FMC of its obligations under this Agreement. The foregoing release shall survive the termination of this Agreement.

8. Duration of Obligations. The obligations of the parties hereunder, including the Remediation Facilities Easement granted in Section 3 above and the No-Build Covenant, shall terminate upon the date that is the later of (i) five (5) years after the date that the last Environmental Agency requiring Remedial Work permits the discontinuance thereof or (ii) the date FMC has completed removal or proper abandonment of the Remediation Facilities in accordance with Section 4(c) above. Each covenant, agreement and obligation contained in this Agreement shall remain effective until such date. Permission to discontinue Remedial Work shall be evidenced by an "Acknowledgment of Termination", "Certificate of Completion", "no further action letter", "acceptance letter" or other written communication from the applicable Environmental Agency advising that Remedial Work has been satisfactorily completed and no further Remedial Work obligations exist. Prior to the termination of this Agreement, FMC shall execute and deliver a quitclaim deed to each Owner of any portion of the Property quitclaiming to such Owner all rights of FMC under this Agreement with respect to the Right of Entry, No-Build Covenant, Remediation Facilities Easement or any additional easement for Remediation Facilities with respect to such Owner's portion of the Property except for the release in Section 7 hereof.

9. Attorneys' Fees. If FMC or Owner brings an action or proceeding against the other to enforce or interpret any term or condition hereof, the party prevailing in such action or proceeding shall be entitled to receive from the party not prevailing its reasonable attorneys' fees, costs and expenses of suit as determined by the court.

10. Notices. All notices, demands, requests and other communications required hereunder shall be in writing, shall be deemed to be duly given if (i) mailed by United States registered or certified mail, with return receipt requested, postage prepaid, (ii) mailed by United States Express Mail, (iii) sent by a reputable national overnight delivery service with next business day delivery guaranteed, (iv) sent by facsimile transmission with proof of delivery with a copy of such facsimile transmission delivered pursuant to one of the methods provided in clauses (i) through (iii) above, or (v) personally served, and the same is sent to a party at its address set forth below:

If to FMC: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attn: Real Estate Manager
Fax No.: (215) 299-5822

With a Copy to: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attention: General Counsel
Fax No.: (215) 299-6728

To Owner: Redevelopment Agency of the City of Modesto
1010 Tenth Street, Suite 6300
Modesto, CA 95354
Attn: Executive Director

Fax No.: (209) ___ - ____

With a copy to:

Redevelopment Agency of the City of Modesto
1010 Tenth Street, Suite 6100
Modesto, CA 95354
Attn: General Counsel
Fax No.: (209) ___ - ____

Notices will be effectively served upon personal delivery, upon receipt if sent by facsimile transmission (with proof of delivery), or if mailed or sent by overnight delivery service, upon receipt or refusal to accept delivery. Any party may designate a change of address by written notice to the others given at least ten (10) days before such change of address is to become effective. Concurrently with any transfer of its fee interest in the Property, the transferring Owner shall give FMC written notice of such transfer setting forth the identity of the transferee and such transferee's address for delivery of notices pursuant to this Section 10.

11. Severability. If any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision shall be held for naught as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

12. Modification. This Agreement may not be modified, amended or otherwise changed in any manner, except by a written amendment executed by both Owner and FMC.

13. Environmental Covenant. FMC and Owner shall record this Agreement in the Official Records of Stanislaus County, California immediately upon mutual execution and delivery thereof. FMC and Owner intend that this Agreement constitute an environmental covenant that burdens the Property and is binding on Owner and any person or entity hereafter acquiring an interest in the Property for the benefit of FMC in accordance with California Civil Code Section 1471. All provisions, covenants, conditions and obligations contained in this Agreement shall inure to the benefit of FMC and shall be binding upon Owner and each person or entity hereafter acquiring an interest in the Property for the benefit of FMC. Each covenant of Owner hereunder to do or to refrain from doing an act pursuant to this Agreement relates to the use of the Property and is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence of Hazardous Materials on the Property. In addition, FMC and Owner also intend that all of the provisions of this Agreement shall be covenants running with the land pursuant to applicable law, including but not limited to California Civil Code Section 1468. All provisions, covenants, conditions and obligations contained in this Agreement shall be binding upon and inure to the benefit of each person acquiring the Property or the interest of FMC in the Remediation Facilities Easement granted pursuant to Section 3 above, and to their respective heirs, successors (by merger, consolidation, or otherwise) and assigns and all persons or entities acquiring any portion of the Property or the Remediation Facilities Easement or any interest therein, whether by operation of law or any manner whatsoever. Each covenant to do or refrain from doing some act on the Property encumbered by this Agreement (i) is a burden on the Property and a benefit to the Remediation Facilities Easement, (ii) runs with the land with respect to the Property and the Remediation Facilities Easement, and (iii) shall benefit and be binding upon each successive owner during its

ownership of the Property or the Remediation Facilities Easement, as applicable, and each person or entity having an interest therein derived in any manner through any owner of the Property or the Remediation Facilities Easement or any portion thereof.

14. Controlling Laws. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

15. Effect on Third Parties. The rights, benefits and obligations conferred hereunder are for the benefit of the parties hereto and not for the benefit of any third party.

16. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the specific subject matter hereof, and all prior negotiations, agreements and understandings between FMC and Owner with respect to the specific subject matter hereof are merged into this Agreement.

17. Counterparts. This Agreement may be executed in counterparts, all of which together constitute one and the same agreement.

[signatures are on following page]

IN WITNESS WHEREOF, FMC and Owner have executed this Right of Entry Agreement, Easement and Environmental Restriction as of the date first above written.

“FMC”

FMC CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

“OWNER”

REDEVELOPMENT AGENCY OF THE CITY OF
MODESTO, a public body, corporate and politic

By: _____
Executive Director

Approved as to form:

General Counsel

ATTEST:

Secretary

EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California, described as follows:

PARCEL NO. 1:

BEGINNING AT A POINT IN THE WEST LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM D-V-O PRODUCTS, INC. TO THE CENTRAL PACIFIC RAILWAY COMPANY DATED NOVEMBER 5, 1925 AND FILED FOR RECORD JULY 29, 1926 IN VOLUME 180 OF OFFICIAL RECORDS OF SAID COUNTY OF STANISLAUS AT PAGE 462, DISTANT SOUTH, 7.02 FEET THEREON FROM THE MOST NORTHERLY CORNER OF SAID PARCEL OF LAND; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 25° 44' 57" EAST ALONG A CURVE TO THE RIGHT OF A RADIUS OF 562.22 FEET, A DISTANCE OF 467.40 FEET; THENCE SOUTH 21° 53' WEST, 41.07 FEET TO THE SOUTHERLY END OF THAT PORTION OF THE EAST LINE OF THE LAND OF BARIUM PRODUCTS, LTD. THAT BEARS NORTH AND SOUTH; THENCE NORTH ALONG THE EAST LINE OF THE LANDS OF BARIUM PRODUCTS, LTD., 491.90 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE ABOVE DESCRIBED PARCEL NO. 1; THENCE SOUTH 21° 53' WEST, 93.98 FEET; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 21° 53' WEST ALONG A CURVE TO THE LEFT OF A RADIUS OF 583.14 FEET, A DISTANCE OF 222.72 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 484.27 FEET; THENCE SOUTH 8° 10' WEST, 98.55 FEET; THENCE WEST, 113.00 FEET TO THE EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG SAID EAST LINE, 800.00 FEET TO THE SOUTH LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE EAST, ALONG SAID SOUTH LINE, 151.70 FEET TO THE SOUTHEASTERLY LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE NORTH 31° 13' EAST THEREON, 101.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND OF D-V-O PRODUCTS, INC., A CORPORATION, AT A POINT IN THE EAST LINE OF MICHIGAN AVENUE, SAID POINT BEING DISTANT 20 FEET AT RIGHT ANGLES EAST FROM THE CENTER LINE OF SAID AVENUE AND 1840 FEET, MORE OR LESS, NORTHERLY FROM THE EAST AND WEST QUARTER SECTION LINE OF SAID SECTION 30; THENCE EAST 205.0 FEET ALONG THE SOUTH LINE OF SAID D-V-O PRODUCTS, INC., PROPERTY TO A POINT; THENCE SOUTH 215.82 FEET TO A POINT; THENCE SOUTH 31° 13' WEST 101.0 FEET TO A POINT; THENCE WEST 152.66 FEET TO A POINT IN THE SAID EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG THE SAID EAST LINE OF MICHIGAN AVENUE, A DISTANCE OF 302.2 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

BEGINNING A POINT BEARING EAST 14.69 CHAINS FROM A POINT IN THE NORTH AND SOUTH QUARTER SECTION LINE, WHICH POINT BEARS NORTH 27. 88 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 30; THENCE NORTH 524.70 FEET AND PART ALONG THE CENTER OF A ROAD TO THE WESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD; THENCE SOUTH 42°38' EAST 716.95 FEET AND ALONG SAID RIGHT OF WAY LINE; THENCE WEST 488.70 FEET TO THE POINT OF BEGINNING, AND LAST

MENTIONED COURSE IS ALSO AT RIGHT ANGLES FROM THE FIRST MENTIONED COURSE.

EXCEPTING THEREFROM THE WEST TWENTY (20) FEET.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

ALL THAT PORTION OF THE EAST HALF OF SECTION 30, IN TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY LINE OF THE CENTRAL PACIFIC RAILWAY COMPANY'S RIGHT OF WAY, SAID POINT BEING DISTANT 330.0 FEET, MEASURED SOUTH 42° 58' EAST ALONG SAID SOUTHWESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE CENTER LINE OF A ROAD AS LAID OUT ALONG THE WEST SIDE OF THE PROPERTY OF THE D-V-O PRODUCTS, INC.; THENCE SOUTH 42°58'EAST 386.90 FEET ALONG SAID BOUNDARY LINE; THENCE WEST 263.70 FEET; THENCE AT RIGHT ANGLES NORTH 283.10 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 5:

BEGINNING AT A POINT MARKING THE NORTHWEST CORNER OF THE 1.002 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 23, 1955 AND RECORDED SEPTEMBER 29, 1955 IN VOLUME 1318 OF OFFICIAL RECORDS, AT PAGE 461, AS INSTRUMENT NO. 29114, SAID CORNER LYING ON THE EAST LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE ALONG THE NORTH LINE OF SAID 1.002 ACRE PARCEL, SOUTH 89° 47' EAST 113.67 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING COURSES: SOUTH 0° 11' 40" EAST, 20.04 FEET; SOUTH 89° 47' EAST, 14.07 FEET; AND SOUTH 0° 11' 40" EAST, 231.60 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 49° 22' 30" WEST, 140.20 FEET; THENCE NORTH 37° 24' 39" WEST, 35.78 FEET TO THE WESTERLY LINE OF SAID 1.002 ACRE PARCEL (ALSO BEING THE EASTERLY LINE OF SAID BENNETT ROAD); THENCE ALONG SAID WESTERLY LINE NORTH 0° 11' 40" WEST, 132.41 FEET TO THE POINT OF BEGINNING.

RESERVING THEREFROM SUCH INTEREST IN THAT PORTION OF THE EAST 15.00 THEREOF, AS WAS RESERVED FOR RAILROAD PURPOSES IN THE DEED FROM CENTRAL PACIFIC RAILROAD COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING AND RESERVING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING THE SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, AS RESERVED IN THE DEED FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS. SAID RIGHTS SHALL NOT INCLUDE USE OF THE SURFACE OF SAID LAND.

PARCEL NO. 6:

LOTS 1 TO 9, INCLUSIVE, IN BLOCK 5072 OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED SEPTEMBER 14, 1940 IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA IN VOLUME 14 OF MAPS AT PAGE 5.

ALSO, LOTS 1 TO 8, IN INCLUSIVE, IN BLOCK 5043 OF THE GRANGE TRACT, ACCORDING TO THE MAP HEREINABOVE REFERRED TO.

PARCEL NO. 7:

ALL OF ABANDONED DULUTH AVENUE, BEING A 60 FOOT STRIP OF LAND RUNNING EAST AND WEST, LYING WITHIN AND AS SHOWN ON THE MAP OF THE GRANGE TRACT FILED SEPTEMBER 14, 1940 VOLUME 14 OF MAPS, PAGE 5, IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA.

PARCEL NO. 8:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE IN SAID SECTION 30, BEARING NORTH 29.32 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION; AND BEING THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO THE GRANGE COMPANY BY DEED RECORDED JUNE 26, 1923 IN VOLUME 23 OF OFFICIAL RECORDS, AT PAGE 331; RUN THENCE NORTH ALONG THE SAID QUARTER SECTION LINE 135 FEET; THENCE EAST 110 FEET; THENCE SOUTH 135 FEET TO SOUTH LINE OF LAND CONVEYED TO SAID GRANGE COMPANY; THENCE WEST ALONG SOUTH LINE OF SAID LAND SO CONVEYED TO THE GRANGE COMPANY 110 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 9:

COMMENCE AT THE INTERIOR QUARTER CORNER OF SAID SECTION 30; THENCE NORTH $0^{\circ} 33' 30''$ WEST ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 1604.26 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO D. D. CAMPIN IN VOLUME 797 OF OFFICIAL RECORDS, AT PAGE 390, RECORDS OF STANISLAUS COUNTY RECORDER'S OFFICE AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH $89^{\circ} 46' 30''$ EAST ALONG THE NORTH LINE OF SAID LAND SO CONVEYED TO D. D. CAMPIN AND PARALLEL TO THE EAST AND WEST QUARTER SECTION LINE THROUGH SAID SECTION 30, A DISTANCE OF 950.97 FEET TO THE NORTHEAST CORNER OF SAID CAMPIN PARCEL, SAID CORNER BEING ON THE WEST LINE OF 40 FOOT ROAD KNOWN AS BENNETT AVENUE; THENCE NORTH $0^{\circ} 42' 30''$ WEST ALONG THE WEST LINE OF SAID 40 FOOT ROAD, A DISTANCE OF 334.45 FEET TO THE SOUTHEAST CORNER OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY IN VOLUME 14 OF MAPS, AT PAGE 5; THENCE NORTH $89^{\circ} 55' 30''$ WEST, ALONG THE SOUTH LINE OF SAID GRANGE TRACT AND THE EXTENSION THEREOF, A DISTANCE OF 950.68 FEET TO THE SAID NORTH AND SOUTH ONE-QUARTER SECTION LINE; THENCE SOUTH $0^{\circ} 33' 30''$ EAST AND ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 332.16 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL NO. 10:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE AT A POINT BEARING NORTH 13.89 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 30; THENCE NORTH ON SAID QUARTER SECTION LINE 10.417 CHAINS; THENCE EAST 14.40 CHAINS; THENCE SOUTH 10.417 CHAINS; THENCE WEST 14.40 CHAINS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED IN THE DEED FROM BARIUM PRODUCTS, LTD., TO ELIZABETH B. RAVEN BAKER, RECORDED MAY 23, 1956 IN VOLUME 1365 OF OFFICIAL RECORDS, AT PAGE 658, AS INSTRUMENT NO. 14454, STANISLAUS COUNTY

RECORDS.

ALSO EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED FROM FRANK J. MITCHELL, ET UX, AND FRED SAMPSON, ET UX, TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, AS INSTRUMENT NO. 22893, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 6,7,8,9, AND 10, ALL THOSE PORTIONS OF LAND CONVEYED TO THE COUNTY OF STANISLAUS IN DEEDS RECORDED DECEMBER 4, 1951 IN BOOK 1059 OF OFFICIAL RECORDS, PAGE 480 AND RECORDED JANUARY 25, 1952 IN BOOK 1067 OF OFFICIAL RECORDS PAGE 598.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 9 AND 10, ALL THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINES OF LAND CONVEYED TO STATE OF CALIFORNIA IN DEED RECORDED DECEMBER 28, 1961 IN BOOK 1731 OF OFFICIAL RECORDS, PAGE 691.

PARCEL NO. 11:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 99.73 FEET ALONG SAID NORTHERLY LINE FROM THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 43° 07' 30" EAST, 27.93 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID PARCEL; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 47' EAST, 282.23 FEET TO THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE NORTH ALONG SAID WESTERLY LINE, 20.31 FEET; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL DESCRIBED IN SAID DEED DATED JUNE 25, 1958, NORTH 89° 47' WEST, 301.25 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 118.75 FEET ALONG SAID NORTH LINE FROM THE NORTHWEST CORNER OF SAID PARCEL NO. 1; THENCE ALONG SAID NORTH LINE, SOUTH 89° 47' EAST, 282.33 FEET TO A POINT IN THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE AND BEING 40 FEET IN WIDTH); THENCE SOUTH ALONG SAID WESTERLY LINE, 243.08 FEET; THENCE NORTH 89° 47' 15" WEST, 49.26 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 46° 42' 51" WEST, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1972 FEET, THROUGH AN ANGLE OF 3° 35' 21" A DISTANCE OF 123.53 FEET; THENCE NORTH 43° 07' 30" WEST, 214.42 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 13:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF CALDWELL AVENUE, FORMERLY WOODLAND AVENUE, WITH THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED DATED MARCH 7, 1873 FROM JOHN T. MAZE TO CENTRAL PACIFIC RAILROAD COMPANY, RECORDED MAY 5, 1873 IN BOOK 10 OF DEEDS, AT PAGE 342, STANISLAUS COUNTY RECORDS; THENCE SOUTH 42° 53' 30" EAST ALONG SAID SOUTHWESTERLY LINE OF SAID LAND, 392.96 FEET TO A POINT IN THE EASTERLY LINE OF

THE 2.09 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR. AND LOUISE DAGGS, HIS WIFE TO CENTRAL PACIFIC RAILWAY COMPANY, RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS AT PAGE 134, STANISLAUS COUNTY RECORDS; THENCE SOUTH ALONG SAID EASTERLY LINE, 1406.01 FEET TO A POINT; THENCE WEST, AT RIGHT ANGLES FROM SAID EASTERLY LINE, 40.00 FEET TO A POINT IN THE WESTERLY LINE OF SAID 2.09 ACRE PARCEL OF LAND; THENCE NORTH ALONG SAID WESTERLY LINE 1390.30 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY, 40.00 FEET, MEASURED AT RIGHT ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED DATED MARCH 7, 1873; THENCE NORTH 42° 53' 30" WEST ALONG SAID PARALLEL LINE, 415.45 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID CALDWELL AVENUE; THENCE SOUTH 89° 12' 30" EAST, ALONG THE SOUTHERLY LINE OF CALDWELL AVENUE, 55.31 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND BEING A PORTION OF BENNETT AVENUE (SOMETIMES KNOWN AS MICHIGAN AVENUE), ABANDONED BY THE STANISLAUS COUNTY BOARD OF SUPERVISORS BY SUPERVISOR'S ORDER RECORDED JULY 11, 1951 IN VOLUME 1039 OF OFFICIAL RECORDS, AT PAGE 97, STANISLAUS COUNTY RECORDS AS INSTRUMENT NO. 16289.

EXCEPTING AND RESERVING THEREFROM ALL MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE INDENTURE BY CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED NOVEMBER 8, 1951 AND RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, STANISLAUS COUNTY RECORDS.

PARCEL NO. 14:

BEGINNING AT THE NORTHWEST CORNER OF THE 5.55 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED APRIL 5, 1961 FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED MARCH 19, 1962 IN VOLUME 1750 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 10483, STANISLAUS COUNTY RECORDS; SAID NORTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF LAND DESCRIBED IN INDENTURE DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR., AND LOUISE DAGGS TO CENTRAL PACIFIC RAILWAY COMPANY AND RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS, AT PAGE 134, AND RE-RECORDED AUGUST 11, 1924 IN VOLUME 77 OF OFFICIAL RECORDS, AT PAGE 256, STANISLAUS COUNTY RECORDS; THENCE NORTH ALONG SAID WEST LINE 243.08 FEET TO A POINT IN THE MOST SOUTHERLY LINE OF THE 1.655 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 8, 1951 FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 26538; THENCE EAST, ALONG LAST SAID LINE, 40.0 FEET TO A POINT IN THE EAST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED JUNE 20, 1924; THENCE SOUTH, ALONG SAID EAST LINE, 243.08 FEET TO A POINT ON THE NORTHERLY LINE OF LAND DESCRIBED IN SAID INDENTURE DATED APRIL 5, 1961; THENCE NORTH 89° 35' 35" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING AND RESERVING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT

LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, DATED OCTOBER 21, 1965 AND RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, AS INSTRUMENT NO. 46197, STANISLAUS COUNTY RECORDS.

PARCEL NO. 15:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 5, 1925 FROM D-V-O PRODUCTS, INC. TO CENTRAL PACIFIC RAILWAY COMPANY (NOW SOUTHERN PACIFIC COMPANY), RECORDED JULY 29, 1926, IN VOLUME 180, AT PAGE 462, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH $42^{\circ} 53' 30''$ EAST, ALONG THE NORTHEASTERLY LINE OF LAND DESCRIBED IN SAID INDENTURE, PARALLEL WITH AND DISTANT 50.0 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE ORIGINAL LOCATED CENTER LINE OF SOUTHERN PACIFIC COMPANY'S MAIN TRACK (LATHROP TO FRESNO), 378.50 FEET; THENCE SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 372.25 FEET, THROUGH A CENTRAL ANGLE TO $22^{\circ} 29' 08''$ (CHORD OF SAID CURVE BEARS SOUTH $11^{\circ} 14' 34''$ EAST, 145.15 FEET), AN ARC DISTANCE OF 146.09 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 985.59 FEET TO THE NORTHEAST CORNER OF THE 107,836 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL 2 IN INDENTURE DATED AUGUST 21, 1947, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO MODESTO PRODUCE PACKING COMPANY, RECORDED OCTOBER 22, 1947, IN BOOK 910, AT PAGE 406, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 27554; THENCE WEST, ALONG THE NORTHERLY LINE OF SAID LAST MENTIONED LAND, 329.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH, ALONG THE WESTERLY LINE OF LAND DESCRIBED AS PARCEL 2, IN SAID INDENTURE DATED AUGUST 21, 1947, A DISTANCE OF 260.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF 0.116 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED APRIL 5, 1961, FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1961, IN VOLUME 1707, AT PAGE 496, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 28718; THENCE NORTH $49^{\circ} 10' 50''$ WEST ALONG LAST SAID NORTHEASTERLY LINE 44.93 FEET TO A POINT ON EASTERLY LINE OF THE 43,654 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED AUGUST 21, 1947; THENCE ALONG SAID EASTERLY LINE, THE FOLLOWING COURSES AND DISTANCES: NORTH 230.71 FEET; WEST, 14.00 FEET; AND NORTH, 20.00 FEET; THENCE ALONG THE EASTERLY LINE OF THE 2.404 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED MARCH 15, 1943, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED JULY 20, 1943, IN BOOK 776, AT PAGE 91, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 10746, THE FOLLOWING COURSES AND DISTANCES: NORTH $8^{\circ} 10'$ EAST, 98.55 FEET; NORTH 484.21 FEET; NORTHERLY, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 583.14 FEET, THROUGH A CENTRAL ANGLE OF $21^{\circ} 53'$ (CHORD OF LAST SAID CURVE BEARS NORTH $10^{\circ} 56' 30''$ EAST, 221.37 FEET), AN ARC DISTANCE OF 222.72 FEET; AND NORTH $21^{\circ} 53'$ EAST, TANGENT TO LAST SAID CURVE, 93.98 FEET TO THE NORTHEAST CORNER OF SAID 2.404 ACRE PARCEL OF LAND, LAST SAID NORTHEAST CORNER ALSO BEING THE MOST SOUTHERLY CORNER OF THE 0.422 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED MARCH 15, 1943; THENCE ALONG THE EASTERLY LINE OF SAID 0.422 ACRE PARCEL OF LAND, THE FOLLOWING COURSES AND DISTANCES: NORTH $21^{\circ} 53'$ EAST, 41.07 FEET; AND NORTHERLY, ON A CURVE TO THE LEFT HAVING A RADIUS OF 562.22 FEET,

THROUGH A CENTRAL ANGLE OF 47° 37' 57" (CHORD OF LAST SAID CURVE BEARS NORTH 1° 55' 59" WEST, 454.05 FEET), AN ARC DISTANCE OF 467.40 FEET TO A POINT IN THE WEST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED NOVEMBER 5, 1925; THENCE NORTH, ALONG LAST SAID LINE, 7.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS EXPECTED AND RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, STANISLAUS COUNTY RECORDS.

PARCEL NO. 16:

ALL THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 29, 1958 AND RECORDED OCTOBER 31, 1958 IN VOLUME 1511 OF OFFICIAL RECORDS, AT PAGE 12, AS INSTRUMENT NO. 27377, AND LOCATED IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID PARCEL OF LAND DESCRIBED IN SAID DEED, SAID POINT LYING NORTH 0° 11' 45" WEST, 135.20 FEET FROM THE SOUTHEAST CORNER OF SAID PARCEL OF LAND; THENCE NORTH 49° 22' 30" WEST, 436.91 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL; THENCE ALONG SAID WESTERLY BOUNDARY, NORTH 0° 11' 40" WEST, 260.77 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL, SOUTH 89° 47' EAST, 330.65 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE ALONG THE AFORESAID EASTERLY LINE, SOUTH 0° 11' 45" EAST, 544.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED THE GRANTOR, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AS EXPECTED AND RESERVED IN THE DEEDS FROM CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED SEPTEMBER 13, 1946 OF VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE EASTERLY 15 FEET THEREOF WHICH LIES SOUTH OF THE NORTH 327.77 FEET, AS EXPECTED AND RESERVED FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND OPERATION OF RAILROAD TRACKS AND APPURTENANCES THEREON, IN SAID DEED RECORDED SEPTEMBER 13, 1946 IN VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN THE WEST 15 FEET OF THE NORTH 327.77 FEET OF SAID PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, AND EXCEPTING THEREFROM SUCH INTEREST IN THE EAST 15 FEET OF THE NORTH 327.77 FEET OF SAID

PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, RESERVED FOR RAILROAD PURPOSES IN THE SAID DEED RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

APN: 029-13-12-690 and 029-13-13-660 and 029-14-10-340

EXHIBIT "B"
ENVIRONMENTAL REPORTS

EXHIBIT "C"

LEGAL DESCRIPTION OF REMEDIATION FACILITIES EASEMENT

[Metes and bounds description to be inserted prior to Close of Escrow]

EXHIBIT "D"

DESCRIPTION OF REMEDIATION SYSTEM

Modesto Groundwater Remediation System

The groundwater Remediation System is designed to monitor groundwater quality and groundwater flow, extract and treat groundwater at the Site, and discharge treated groundwater to the City of Modesto POTW in accordance with the City of Modesto Conditional and Revocable Groundwater Discharge Permit No. GW 96-2. The Remediation System includes the groundwater extraction and treatment system located on the Site as of the Effective Date, consisting of extraction wells, conveyance piping and a treatment facility, as well as monitoring wells, and electric, domestic water and storm drain lines from the utility supplier to such system.

The groundwater extraction and treatment component of the Remediation System includes three groundwater extraction wells (E-1, E-2, and E-3), each of which has a submersible pump connected to a pressure pipeline that conveys water from the well to the treatment facility. The extraction wells may require and be fitted with anti-scalent systems at their wellheads to prevent scale accumulation.

Upon entering the treatment system, groundwater from the three extraction wells is treated with hydrogen peroxide to convert sulfides into sulfates. Treated groundwater is subsequently discharged to the City of Modesto POTW. A gravity flow discharge pipeline begins at the treatment facility and extends to a sewer manhole. A line extends from the manhole to the sewer main on Graphics Drive.

EXHIBIT "E"

SITE PLAN SHOWING TREATMENT FACILITY AREA AND ACCESS EASEMENT

EXHIBIT "E"

FORM OF WELL LEASE TERMINATION AGREEMENT

LEASE TRANSFER AND TERMINATION AGREEMENT

This LEASE TRANSFER AND TERMINATION AGREEMENT ("Agreement") is dated as of _____, 2009 ("Effective Date") and is entered into by and between FMC CORPORATION, a Delaware corporation ("FMC"), and the CITY OF MODESTO, a public body, corporate and politic ("City").

RECITALS

A. FMC is the owner of certain real property located at 1200 Graphics Drive in Modesto, California ("Property"). Two water wells, known as FMC Water Well No. 5 and FMC Water Well No. 6, together with pumps, piping, equipment and machinery owned by FMC and located on the Property and used or formerly used by FMC in the operation and maintenance of such water wells (collectively, the "Water Wells"), currently exist on the Property. FMC and the City entered into that certain Lease Agreement dated May 26, 1992 ("Lease") for the lease by the City of a portion of the Property consisting of a well site containing approximately 1,765 square feet and referred to in the Lease as "FMC Production Well No. 5." In connection with the Lease, the City recorded a Memorandum of Lease on _____, 1992 as Document No. _____ in the Official Records of Stanislaus County, California ("Memorandum").

B. Concurrently with the execution of this Agreement, FMC is conveying the Property to the Redevelopment Development Agency of the City of Modesto ("Agency"). In connection with FMC's conveyance of the Property to the Agency, FMC and the City desire to terminate the Lease and FMC desires to convey the Water Wells to the City, subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing recitals, the terms and mutual covenants contained herein, and for other consideration, the sufficiency of which is hereby acknowledged, FMC and the City hereby agree as follows:

AGREEMENT

1. Termination of Lease. FMC and the City hereby agree that the Lease shall terminate as of the Effective Date set forth above. As of the Effective Date, FMC and the City each hereby waive any and all of their respective rights and obligations under the Lease, whether such rights and obligations have accrued prior to or arise after the termination of the Lease, and further agree that all such rights and obligations shall cease and be of no further force and effect from and after the Effective Date.

2. Termination of Memorandum. Concurrently with the execution of this Agreement, FMC and the City shall execute, acknowledge and cause to be recorded in the Official Records of Stanislaus County, California, a Termination of Memorandum of Lease in the form attached as Exhibit A hereto to remove the Memorandum from title to the Property.

3. Conveyance of Wells. FMC hereby sells, transfers and conveys the Water Wells to the City.

4. As-Is Conveyance. THE CITY ACKNOWLEDGES THAT THE CITY HAS MADE ITS OWN INSPECTION OF THE WATER WELLS. THE CITY FURTHER ACKNOWLEDGES THAT FMC IS SELLING AND THE CITY IS PURCHASING THE WATER WELLS ON AN "AS IS WITH ALL FAULTS" BASIS, THAT THE CITY IS RELYING ON ITS OWN INSPECTION OF THE WATER WELLS AND THAT THE CITY IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM FMC, ITS AGENTS, OR BROKERS AS TO ANY MATTERS CONCERNING THE WATER WELLS, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

5. Closure of Water Wells. The City covenants to FMC to promptly undertake, upon the permanent cessation of use of the Water Wells, all actions that may be necessary for the proper closure of the Water Wells in accordance with all applicable federal, state and local laws, statutes, ordinances and regulations, including the sealing and filling of the Water Wells with appropriate material. The City shall indemnify, defend and hold FMC harmless from any and all loss, cost, damage, liability, judgments or expenses, including consultants' and attorneys' fees, arising out of or in any way connected with (i) the use and operation of the Water Wells after the Effective Date, and (ii) the closure of such Water Wells upon permanent cessation of use thereof in accordance with all then-applicable laws, statutes, ordinances and regulations. The foregoing covenant and indemnity obligation of the City shall survive the conveyance of the Water Wells.

6. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of California. This Agreement will be binding upon and inure to the benefit of FMC and the City and their respective successors and assigns. This Agreement constitutes the entire agreement of the parties hereto with respect to the specific subject matter hereof, and supersedes and replaces any and all prior negotiations and agreements between the parties, whether written or oral, as well as any contemporaneous oral negotiations and agreements. This Agreement may only be amended by a written agreement executed by both parties. Any waiver of any portion of this Agreement must be in writing executed by the waiving party. This Agreement may be executed in counterpart originals, each of which, and all of which together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, FMC and City have executed this Agreement on the date first written above.

“FMC”

FMC CORPORATION,
a Delaware corporation

By: _____

Name: _____

Title: _____

“CITY”

CITY OF MODESTO, a public body, corporate and
politic

By: _____

Approved as to form:

City Attorney

ATTEST:

EXHIBIT A

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO

City of Modesto
1010 Tenth Street, Suite ____
Modesto, CA 95354
Attn: _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS DOCUMENT IS RECORDED FOR THE BENEFIT OF THE CITY OF MODESTO AND IS ENTITLED TO BE RECORDED FREE OF CHARGE IN ACCORDANCE WITH SECTION 6103 AND 27383 OF THE GOVERNMENT CODE

APN 29-13-13

TERMINATION OF MEMORANDUM OF LEASE

1. This Termination of Memorandum of Lease (Memorandum") is entered into by the City of Modesto, a public body, corporate and politic ("City") and FMC Corporation, a Delaware corporation ("FMC") as of this ____ day of _____, 2009.

2. On _____, 1992, City and FMC caused to be recorded as document number _____ in the Official Records of Stanislaus County, California, a Memorandum of Lease (the "Original Memorandum") in connection with the City's lease from FMC of certain real property located in Modesto, California and more particularly described on Exhibit "A" attached hereto. The Lease Agreement in the Original Memorandum has been terminated by the City and FMC pursuant to that certain Lease Termination Agreement dated as of _____ (the "Termination Agreement"), the terms and conditions of which are made a part of this Memorandum by this reference.

3. This Memorandum is prepared for the purpose of recordation, and it in no way modifies the provisions of the Termination Agreement referenced in Section 2 of this Memorandum above.

Executed on the date set forth below.

Dated: _____

“FMC”

FMC CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

“CITY”

CITY OF MODESTO, a public body, corporate and
politic

By: _____

Approved as to form:

City Attorney

ATTEST:

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California, described as follows:

PARCEL NO. 1:

BEGINNING AT A POINT IN THE WEST LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM D-V-O PRODUCTS, INC. TO THE CENTRAL PACIFIC RAILWAY COMPANY DATED NOVEMBER 5, 1925 AND FILED FOR RECORD JULY 29, 1926 IN VOLUME 180 OF OFFICIAL RECORDS OF SAID COUNTY OF STANISLAUS AT PAGE 462, DISTANT SOUTH, 7.02 FEET THEREON FROM THE MOST NORTHERLY CORNER OF SAID PARCEL OF LAND; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 25° 44' 57" EAST ALONG A CURVE TO THE RIGHT OF A RADIUS OF 562.22 FEET, A DISTANCE OF 467.40 FEET; THENCE SOUTH 21° 53' WEST, 41.07 FEET TO THE SOUTHERLY END OF THAT PORTION OF THE EAST LINE OF THE LAND OF BARIUM PRODUCTS, LTD. THAT BEARS NORTH AND SOUTH; THENCE NORTH ALONG THE EAST LINE OF THE LANDS OF BARIUM PRODUCTS, LTD., 491.90 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE ABOVE DESCRIBED PARCEL NO. 1; THENCE SOUTH 21° 53' WEST, 93.98 FEET; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 21° 53' WEST ALONG A CURVE TO THE LEFT OF A RADIUS OF 583.14 FEET, A DISTANCE OF 222.72 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 484.27 FEET; THENCE SOUTH 8° 10' WEST, 98.55 FEET; THENCE WEST, 113.00 FEET TO THE EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG SAID EAST LINE, 800.00 FEET TO THE SOUTH LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE EAST, ALONG SAID SOUTH LINE, 151.70 FEET TO THE SOUTHEASTERLY LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE NORTH 31° 13' EAST THEREON, 101.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND OF D-V-O PRODUCTS, INC., A CORPORATION, AT A POINT IN THE EAST LINE OF MICHIGAN AVENUE, SAID POINT BEING DISTANT 20 FEET AT RIGHT ANGLES EAST FROM THE CENTER LINE OF SAID AVENUE AND 1840 FEET, MORE OR LESS, NORTHERLY FROM THE EAST AND WEST QUARTER SECTION LINE OF SAID SECTION 30; THENCE EAST 205.0 FEET ALONG THE SOUTH LINE OF SAID D-V-O PRODUCTS, INC., PROPERTY TO A POINT; THENCE SOUTH 215.82 FEET TO A POINT; THENCE SOUTH 31° 13' WEST 101.0 FEET TO A POINT; THENCE WEST 152.66 FEET TO A POINT IN THE SAID EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG THE SAID EAST LINE OF MICHIGAN AVENUE, A DISTANCE OF 302.2 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

BEGINNING A POINT BEARING EAST 14.69 CHAINS FROM A POINT IN THE NORTH AND SOUTH QUARTER SECTION LINE, WHICH POINT BEARS NORTH 27.88 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 30; THENCE NORTH 524.70 FEET AND PART ALONG THE CENTER OF A ROAD TO THE WESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD; THENCE SOUTH 42°38' EAST 716.95 FEET AND ALONG SAID RIGHT OF WAY LINE; THENCE WEST 488.70 FEET TO THE POINT OF BEGINNING, AND LAST

MENTIONED COURSE IS ALSO AT RIGHT ANGLES FROM THE FIRST MENTIONED COURSE.

EXCEPTING THEREFROM THE WEST TWENTY (20) FEET.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

ALL THAT PORTION OF THE EAST HALF OF SECTION 30, IN TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY LINE OF THE CENTRAL PACIFIC RAILWAY COMPANY'S RIGHT OF WAY, SAID POINT BEING DISTANT 330.0 FEET, MEASURED SOUTH 42° 58' EAST ALONG SAID SOUTHWESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE CENTER LINE OF A ROAD AS LAID OUT ALONG THE WEST SIDE OF THE PROPERTY OF THE D-V-O PRODUCTS, INC.; THENCE SOUTH 42°58'EAST 386.90 FEET ALONG SAID BOUNDARY LINE; THENCE WEST 263.70 FEET; THENCE AT RIGHT ANGLES NORTH 283.10 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 5:

BEGINNING AT A POINT MARKING THE NORTHWEST CORNER OF THE 1.002 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 23, 1955 AND RECORDED SEPTEMBER 29, 1955 IN VOLUME 1318 OF OFFICIAL RECORDS, AT PAGE 461, AS INSTRUMENT NO. 29114, SAID CORNER LYING ON THE EAST LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE ALONG THE NORTH LINE OF SAID 1.002 ACRE PARCEL, SOUTH 89° 47' EAST 113.67 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING COURSES: SOUTH 0° 11' 40" EAST, 20.04 FEET; SOUTH 89° 47' EAST, 14.07 FEET; AND SOUTH 0° 11' 40" EAST, 231.60 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 49° 22' 30" WEST, 140.20 FEET; THENCE NORTH 37° 24' 39" WEST, 35.78 FEET TO THE WESTERLY LINE OF SAID 1.002 ACRE PARCEL (ALSO BEING THE EASTERLY LINE OF SAID BENNETT ROAD); THENCE ALONG SAID WESTERLY LINE NORTH 0° 11' 40" WEST, 132.41 FEET TO THE POINT OF BEGINNING.

RESERVING THEREFROM SUCH INTEREST IN THAT PORTION OF THE EAST 15.00 THEREOF, AS WAS RESERVED FOR RAILROAD PURPOSES IN THE DEED FROM CENTRAL PACIFIC RAILROAD COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING AND RESERVING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING THE SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, AS RESERVED IN THE DEED FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS. SAID RIGHTS SHALL NOT INCLUDE USE OF THE SURFACE OF SAID LAND.

PARCEL NO. 6:

LOTS 1 TO 9, INCLUSIVE, IN BLOCK 5072 OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED SEPTEMBER 14, 1940 IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA IN VOLUME 14 OF MAPS AT PAGE 5.

RECORDS.

ALSO EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED FROM FRANK J. MITCHELL, ET UX, AND FRED SAMPSON, ET UX, TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, AS INSTRUMENT NO. 22893, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 6,7,8,9, AND 10, ALL THOSE PORTIONS OF LAND CONVEYED TO THE COUNTY OF STANISLAUS IN DEEDS RECORDED DECEMBER 4, 1951 IN BOOK 1059 OF OFFICIAL RECORDS, PAGE 480 AND RECORDED JANUARY 25, 1952 IN BOOK 1067 OF OFFICIAL RECORDS PAGE 598.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 9 AND 10, ALL THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINES OF LAND CONVEYED TO STATE OF CALIFORNIA IN DEED RECORDED DECEMBER 28, 1961 IN BOOK 1731 OF OFFICIAL RECORDS, PAGE 691.

PARCEL NO. 11:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 99.73 FEET ALONG SAID NORTHERLY LINE FROM THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 43° 07' 30" EAST, 27.93 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID PARCEL; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 47' EAST, 282.23 FEET TO THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE NORTH ALONG SAID WESTERLY LINE, 20.31 FEET; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL DESCRIBED IN SAID DEED DATED JUNE 25, 1958, NORTH 89° 47' WEST, 301.25 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 118.75 FEET ALONG SAID NORTH LINE FROM THE NORTHWEST CORNER OF SAID PARCEL NO. 1; THENCE ALONG SAID NORTH LINE, SOUTH 89° 47' EAST, 282.33 FEET TO A POINT IN THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE AND BEING 40 FEET IN WIDTH); THENCE SOUTH ALONG SAID WESTERLY LINE, 243.08 FEET; THENCE NORTH 89° 47' 15" WEST, 49.26 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 46° 42' 51" WEST, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1972 FEET, THROUGH AN ANGLE OF 3° 35' 21" A DISTANCE OF 123.53 FEET; THENCE NORTH 43° 07' 30" WEST, 214.42 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 13:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF CALDWELL AVENUE, FORMERLY WOODLAND AVENUE, WITH THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED DATED MARCH 7, 1873 FROM JOHN T. MAZE TO CENTRAL PACIFIC RAILROAD COMPANY, RECORDED MAY 5, 1873 IN BOOK 10 OF DEEDS, AT PAGE 342, STANISLAUS COUNTY RECORDS; THENCE SOUTH 42° 53' 30" EAST ALONG SAID SOUTHWESTERLY LINE OF SAID LAND, 392.96 FEET TO A POINT IN THE EASTERLY LINE OF

THE 2.09 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR. AND LOUISE DAGGS, HIS WIFE TO CENTRAL PACIFIC RAILWAY COMPANY, RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS AT PAGE 134, STANISLAUS COUNTY RECORDS; THENCE SOUTH ALONG SAID EASTERLY LINE, 1406.01 FEET TO A POINT; THENCE WEST, AT RIGHT ANGLES FROM SAID EASTERLY LINE, 40.00 FEET TO A POINT IN THE WESTERLY LINE OF SAID 2.09 ACRE PARCEL OF LAND; THENCE NORTH ALONG SAID WESTERLY LINE 1390.30 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY, 40.00 FEET, MEASURED AT RIGHT ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED DATED MARCH 7, 1873; THENCE NORTH 42° 53' 30" WEST ALONG SAID PARALLEL LINE, 415.45 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID CALDWELL AVENUE; THENCE SOUTH 89° 12' 30" EAST, ALONG THE SOUTHERLY LINE OF CALDWELL AVENUE, 55.31 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND BEING A PORTION OF BENNETT AVENUE (SOMETIMES KNOWN AS MICHIGAN AVENUE), ABANDONED BY THE STANISLAUS COUNTY BOARD OF SUPERVISORS BY SUPERVISOR'S ORDER RECORDED JULY 11, 1951 IN VOLUME 1039 OF OFFICIAL RECORDS, AT PAGE 97, STANISLAUS COUNTY RECORDS AS INSTRUMENT NO. 16289.

EXCEPTING AND RESERVING THEREFROM ALL MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE INDENTURE BY CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED NOVEMBER 8, 1951 AND RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, STANISLAUS COUNTY RECORDS.

PARCEL NO. 14:

BEGINNING AT THE NORTHWEST CORNER OF THE 5.55 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED APRIL 5, 1961 FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED MARCH 19, 1962 IN VOLUME 1750 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 10483, STANISLAUS COUNTY RECORDS; SAID NORTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF LAND DESCRIBED IN INDENTURE DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR., AND LOUISE DAGGS TO CENTRAL PACIFIC RAILWAY COMPANY AND RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS, AT PAGE 134, AND RE-RECORDED AUGUST 11, 1924 IN VOLUME 77 OF OFFICIAL RECORDS, AT PAGE 256, STANISLAUS COUNTY RECORDS; THENCE NORTH ALONG SAID WEST LINE 243.08 FEET TO A POINT IN THE MOST SOUTHERLY LINE OF THE 1.655 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 8, 1951 FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 26538; THENCE EAST, ALONG LAST SAID LINE, 40.0 FEET TO A POINT IN THE EAST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED JUNE 20, 1924; THENCE SOUTH, ALONG SAID EAST LINE, 243.08 FEET TO A POINT ON THE NORTHERLY LINE OF LAND DESCRIBED IN SAID INDENTURE DATED APRIL 5, 1961; THENCE NORTH 89° 35' 35" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING AND RESERVING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT

LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, DATED OCTOBER 21, 1965 AND RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, AS INSTRUMENT NO. 46197, STANISLAUS COUNTY RECORDS.

PARCEL NO. 15:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 5, 1925 FROM D-V-O PRODUCTS, INC. TO CENTRAL PACIFIC RAILWAY COMPANY (NOW SOUTHERN PACIFIC COMPANY), RECORDED JULY 29, 1926, IN VOLUME 180, AT PAGE 462, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH $42^{\circ} 53' 30''$ EAST, ALONG THE NORTHEASTERLY LINE OF LAND DESCRIBED IN SAID INDENTURE, PARALLEL WITH AND DISTANT 50.0 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE ORIGINAL LOCATED CENTER LINE OF SOUTHERN PACIFIC COMPANY'S MAIN TRACK (LATHROP TO FRESNO), 378.50 FEET; THENCE SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 372.25 FEET, THROUGH A CENTRAL ANGLE TO $22^{\circ} 29' 08''$ (CHORD OF SAID CURVE BEARS SOUTH $11^{\circ} 14' 34''$ EAST, 145.15 FEET), AN ARC DISTANCE OF 146.09 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 985.59 FEET TO THE NORTHEAST CORNER OF THE 107,836 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL 2 IN INDENTURE DATED AUGUST 21, 1947, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO MODESTO PRODUCE PACKING COMPANY, RECORDED OCTOBER 22, 1947, IN BOOK 910, AT PAGE 406, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 27554; THENCE WEST, ALONG THE NORTHERLY LINE OF SAID LAST MENTIONED LAND, 329.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH, ALONG THE WESTERLY LINE OF LAND DESCRIBED AS PARCEL 2, IN SAID INDENTURE DATED AUGUST 21, 1947, A DISTANCE OF 260.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF 0.116 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED APRIL 5, 1961, FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1961, IN VOLUME 1707, AT PAGE 496, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 28718; THENCE NORTH $49^{\circ} 10' 50''$ WEST ALONG LAST SAID NORTHEASTERLY LINE 44.93 FEET TO A POINT ON EASTERLY LINE OF THE 43,654 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED AUGUST 21, 1947; THENCE ALONG SAID EASTERLY LINE, THE FOLLOWING COURSES AND DISTANCES: NORTH 230.71 FEET; WEST, 14.00 FEET; AND NORTH, 20.00 FEET; THENCE ALONG THE EASTERLY LINE OF THE 2.404 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED MARCH 15, 1943, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED JULY 20, 1943, IN BOOK 776, AT PAGE 91, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 10746, THE FOLLOWING COURSES AND DISTANCES: NORTH $8^{\circ} 10'$ EAST, 98.55 FEET; NORTH 484.21 FEET; NORTHERLY, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 583.14 FEET, THROUGH A CENTRAL ANGLE OF $21^{\circ} 53'$ (CHORD OF LAST SAID CURVE BEARS NORTH $10^{\circ} 56' 30''$ EAST, 221.37 FEET), AN ARC DISTANCE OF 222.72 FEET; AND NORTH $21^{\circ} 53'$ EAST, TANGENT TO LAST SAID CURVE, 93.98 FEET TO THE NORTHEAST CORNER OF SAID 2.404 ACRE PARCEL OF LAND, LAST SAID NORTHEAST CORNER ALSO BEING THE MOST SOUTHERLY CORNER OF THE 0.422 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED MARCH 15, 1943; THENCE ALONG THE EASTERLY LINE OF SAID 0.422 ACRE PARCEL OF LAND, THE FOLLOWING COURSES AND DISTANCES: NORTH $21^{\circ} 53'$ EAST, 41.07 FEET; AND NORTHERLY, ON A CURVE TO THE LEFT HAVING A RADIUS OF 562.22 FEET,

THROUGH A CENTRAL ANGLE OF 47° 37' 57" (CHORD OF LAST SAID CURVE BEARS NORTH 1° 55' 59" WEST, 454.05 FEET), AN ARC DISTANCE OF 467.40 FEET TO A POINT IN THE WEST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED NOVEMBER 5, 1925; THENCE NORTH, ALONG LAST SAID LINE, 7.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS EXPECTED AND RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, STANISLAUS COUNTY RECORDS.

PARCEL NO. 16:

ALL THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 29, 1958 AND RECORDED OCTOBER 31, 1958 IN VOLUME 1511 OF OFFICIAL RECORDS, AT PAGE 12, AS INSTRUMENT NO. 27377, AND LOCATED IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID PARCEL OF LAND DESCRIBED IN SAID DEED, SAID POINT LYING NORTH 0° 11' 45" WEST, 135.20 FEET FROM THE SOUTHEAST CORNER OF SAID PARCEL OF LAND; THENCE NORTH 49° 22' 30" WEST, 436.91 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL; THENCE ALONG SAID WESTERLY BOUNDARY, NORTH 0° 11' 40" WEST, 260.77 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL, SOUTH 89° 47' EAST, 330.65 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE ALONG THE AFORESAID EASTERLY LINE, SOUTH 0° 11' 45" EAST, 544.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED THE GRANTOR, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AS EXCEPTED AND RESERVED IN THE DEEDS FROM CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED SEPTEMBER 13, 1946 OF VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE EASTERLY 15 FEET THEREOF WHICH LIES SOUTH OF THE NORTH 327.77 FEET, AS EXCEPTED AND RESERVED FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND OPERATION OF RAILROAD TRACKS AND APPURTENANCES THEREON, IN SAID DEED RECORDED SEPTEMBER 13, 1946 IN VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN THE WEST 15 FEET OF THE NORTH 327.77 FEET OF SAID PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, AND EXCEPTING THEREFROM SUCH INTEREST IN THE EAST 15 FEET OF THE NORTH 327.77 FEET OF SAID

PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, RESERVED FOR RAILROAD PURPOSES IN THE SAID DEED RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

APN: 029-13-12-690 and 029-13-13-660 and 029-14-10-340

EXHIBIT "F"

FORM OF DEED

Order No. _____
Escrow or Loan No. _____

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

**REDEVELOPMENT AGENCY OF THE CITY OF
MODESTO
1010 Tenth Street, Suite 3300
Modesto, CA 95354
Attn: Susan Alcala Wood, General Counsel**

SPACE ABOVE THIS LINE FOR RECORDERS' USE

Mail Tax Statements to:
Same as above

The undersigned grantor declares:
Documentary Transfer Tax is shown on a separate sheet attached to this
deed and is not a part of the public record.
A.P.N. _____

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

FMC CORPORATION, a Delaware corporation ("Grantor")

hereby GRANT(S) to REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public
body, corporate and politic ("Grantee")

that certain real property in the City of Modesto, County of Stanislaus, State of California, more
particularly described in Exhibit A attached hereto and incorporated herein by this reference
("Property").

This Grant is made subject to all covenants, conditions, restrictions, exceptions, easements,
rights-of-way, rights of access, agreements, reservations, encumbrances, liens and other matters
whether or not of record.

Grantee and all successors, assigns and subsequent parties (hereafter "Grantee Parties") by their
acceptance of an interest in the Property each agree that such Grantee Party has relied solely upon
its own investigation, inspection and analysis in connection with their acquisition of such interest
in the Property, including the physical, environmental, legal and economic condition of the
Property, and is not relying in any way upon any representations, statements, agreements,
warranties, studies, reports or other information relating to the physical, environmental, legal or
economic condition of the Property, or any other matter or material furnished by Grantor or
Grantor's officers, directors, employees, agents, representatives and attorneys (collectively,
"Grantor's Parties"), whether oral or written, express or implied and the conveyance of such
interest in the Property is in its "As-Is", "Where-Is" condition, without representation or
warranty, express or implied, by the Grantor Parties as to any matter, including the physical,

environmental, legal or economic condition of the Property. Each Grantee Party has not relied and will not rely on, and the Grantor Parties are not liable for or bound by, any express or implied warranties, guaranties, statements, representations or information pertaining to the Property or relating thereto or made for furnished by the Grantor Parties. The foregoing provisions shall not affect the rights and obligations of Grantor and Grantee and any Grantee Party subsequently acquiring an interest in the Property set forth in that certain Right of Entry Agreement, Easement and Environmental Restriction between Grantor and Grantee recorded concurrently herewith in the Official Records of Stanislaus County, California.

This Deed is subject to the terms and conditions of that certain Right of Entry Agreement, Easement and Environmental Restriction between Grantee and Grantor recorded concurrently herewith in the Official Records of Stanislaus County, California.

FMC CORPORATION,
a Delaware corporation

Dated: _____

By: _____

Its: _____

DO NOT RECORD

FILOR REQUESTS
DO NOT RECORD STAMP VALUE

NOTE: This Declaration is not a public record

Document # _____

DECLARATION OF TAX DUE: SEPARATE PAPER:
(Revenue and Taxation Code 11932-11933)

DOCUMENTARY TRANSFER TAX IS \$ _____

() Computed on full value

() Computed on full value less liens or encumbrances remaining at the time
of conveyance

APN: _____

Property located in:

() Unincorporated

() City of Modesto

CITY CONVEYANCE TAX IS \$ _____

Signature of party determining tax

Name (Typed or Printed)

EXHIBIT "G"
FORM OF BILL OF SALE AND ASSIGNMENT

BILL OF SALE AND ASSIGNMENT

This BILL OF SALE AND ASSIGNMENT ("Bill of Sale") is entered into as of this ____ day of _____, 2009 ("Effective Date") by and between FMC CORPORATION, a Delaware corporation ("FMC") and the REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic ("Agency").

RECITALS

A. As of the Effective Date, FMC is conveying to the Agency that certain real property located in the City of Modesto, County of Stanislaus, State of California more particularly described on Exhibit A attached hereto and incorporated herein by reference ("Property").

B. Concurrently with conveyance of the Property, FMC desires to sell and assign to the Agency all of FMC's right, title and interest in the personal property and equipment and certain intangible property owned by FMC and used exclusively in the operation of the Property.

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, FMC and the City hereby agree as follows:

1. Personal Property. FMC hereby sells, transfers, and conveys to the Agency any and all personal property and equipment owned by FMC and located on the Property and used or formerly used by FMC in the operation and maintenance of the Property, including without limitation, FMC Water Well No. 5 and FMC Water Well No. 6 (collectively, the "Water Wells") and all pumps, piping, equipment and machinery owned by FMC and located on the Property and used or intended for use in connection with said Water Wells (all of the foregoing personal property, equipment and the Water Wells are hereafter collectively referred to as the "Personal Property"). The Personal Property shall not include the groundwater extraction and treatment system installed by FMC and located on the Property as of the Effective Date, consisting of monitoring wells, extraction wells, conveyance piping and a treatment facility.

2. Intangible Property. FMC hereby assigns to the Agency all of FMC's right, title and interest in and to any and all air rights, licenses, franchises, permits, development rights, entitlements, general intangibles, authorizations and approvals owned by FMC and used exclusively in the operation and use of the Property; provided, however, the foregoing assignment shall not include FMC's rights and obligations under that certain Conditional and Revocable Groundwater Discharge Permit effective January 1, 2007, issued to FMC by the City of Modesto, Public Works Department, Environmental Compliance Section.

3. As-Is Conveyance. THE AGENCY ACKNOWLEDGES THAT THE AGENCY HAS MADE ITS OWN INSPECTION OF THE PERSONAL PROPERTY. THE AGENCY FURTHER ACKNOWLEDGES THAT FMC IS SELLING AND THE AGENCY IS PURCHASING SUCH PERSONAL PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS, THAT THE AGENCY IS RELYING ON ITS OWN INSPECTION OF THE PERSONAL PROPERTY AND THAT THE AGENCY IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM FMC, ITS AGENTS, OR BROKERS AS TO ANY MATTERS

CONCERNING SUCH PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

4. Closure of Water Wells. The Agency covenants to FMC to promptly undertake, upon the permanent cessation of use of the Water Wells, all actions that may be necessary for the proper closure of the Water Wells in accordance with all applicable federal, state and local laws, statutes, ordinances and regulations, including the sealing and filling of the Water Wells with appropriate material. The Agency shall indemnify, defend and hold FMC harmless from any and all loss, cost, damage, liability, judgments or expenses, including consultants' and attorneys' fees, arising out of or in any way connected with (i) the use and operation of the Water Wells after the Effective Date, and (ii) the closure of such Water Wells upon permanent cessation of use thereof in accordance with all then-applicable laws, statutes, ordinances and regulations. The foregoing covenant and indemnity obligation of the Agency shall hereafter be referred to as the "Covenant and Indemnity." The Covenant and Indemnity shall survive the conveyance of the Personal Property.

5. Transfer of Covenant and Indemnity. The Agency shall have the right to transfer the Covenant and the Indemnity to the City of Modesto ("City") in connection with any transfer of the Water Wells to the City. Any such transfer shall be evidenced by an assignment and assumption agreement whereby the Agency will assign the Covenant and Indemnity to the City and the City will assume the Agency's obligations with respect to the Covenant and Indemnity, including any indemnity obligations of the Agency arising from and after the Effective Date. If such assignment and assumption agreement meets the foregoing requirements, FMC will execute and deliver a written instrument to the Agency releasing the Agency from the Covenant and Indemnity.

6. Governing Law. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of California.

7. Counterparts. This Bill of Sale may be executed in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

[signatures appear on next page]

IN WITNESS WHEREOF, FMC and the Agency have executed this Bill of Sale as of the Effective Date set forth above.

“FMC”

FMC CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

“AGENCY”

REDEVELOPMENT AGENCY OF THE
CITY OF MODESTO, a public body,
corporate and politic

By: _____

Executive Director

EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California, described as follows:

PARCEL NO. 1:

BEGINNING AT A POINT IN THE WEST LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM D-V-O PRODUCTS, INC. TO THE CENTRAL PACIFIC RAILWAY COMPANY DATED NOVEMBER 5, 1925 AND FILED FOR RECORD JULY 29, 1926 IN VOLUME 180 OF OFFICIAL RECORDS OF SAID COUNTY OF STANISLAUS AT PAGE 462, DISTANT SOUTH, 7.02 FEET THEREON FROM THE MOST NORTHERLY CORNER OF SAID PARCEL OF LAND; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 25° 44' 57" EAST ALONG A CURVE TO THE RIGHT OF A RADIUS OF 562.22 FEET, A DISTANCE OF 467.40 FEET; THENCE SOUTH 21° 53' WEST, 41.07 FEET TO THE SOUTHERLY END OF THAT PORTION OF THE EAST LINE OF THE LAND OF BARIUM PRODUCTS, LTD. THAT BEARS NORTH AND SOUTH; THENCE NORTH ALONG THE EAST LINE OF THE LANDS OF BARIUM PRODUCTS, LTD., 491.90 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE ABOVE DESCRIBED PARCEL NO. 1; THENCE SOUTH 21° 53' WEST, 93.98 FEET; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 21° 53' WEST ALONG A CURVE TO THE LEFT OF A RADIUS OF 583.14 FEET, A DISTANCE OF 222.72 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 484.27 FEET; THENCE SOUTH 8° 10' WEST, 98.55 FEET; THENCE WEST, 113.00 FEET TO THE EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG SAID EAST LINE, 800.00 FEET TO THE SOUTH LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE EAST, ALONG SAID SOUTH LINE, 151.70 FEET TO THE SOUTHEASTERLY LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE NORTH 31° 13' EAST THEREON, 101.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND OF D-V-O PRODUCTS, INC., A CORPORATION, AT A POINT IN THE EAST LINE OF MICHIGAN AVENUE, SAID POINT BEING DISTANT 20 FEET AT RIGHT ANGLES EAST FROM THE CENTER LINE OF SAID AVENUE AND 1840 FEET, MORE OR LESS, NORTHERLY FROM THE EAST AND WEST QUARTER SECTION LINE OF SAID SECTION 30; THENCE EAST 205.0 FEET ALONG THE SOUTH LINE OF SAID D-V-O PRODUCTS, INC., PROPERTY TO A POINT; THENCE SOUTH 215.82 FEET TO A POINT; THENCE SOUTH 31° 13' WEST 101.0 FEET TO A POINT; THENCE WEST 152.66 FEET TO A POINT IN THE SAID EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG THE SAID EAST LINE OF MICHIGAN AVENUE, A DISTANCE OF 302.2 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

BEGINNING A POINT BEARING EAST 14.69 CHAINS FROM A POINT IN THE NORTH AND SOUTH QUARTER SECTION LINE, WHICH POINT BEARS NORTH 27. 88 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 30; THENCE NORTH 524.70 FEET AND PART ALONG THE CENTER OF A ROAD TO THE WESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD; THENCE SOUTH 42°38' EAST 716.95 FEET AND ALONG SAID RIGHT OF WAY LINE; THENCE WEST 488.70 FEET TO THE POINT OF BEGINNING, AND LAST

MENTIONED COURSE IS ALSO AT RIGHT ANGLES FROM THE FIRST MENTIONED COURSE.

EXCEPTING THEREFROM THE WEST TWENTY (20) FEET.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

ALL THAT PORTION OF THE EAST HALF OF SECTION 30, IN TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY LINE OF THE CENTRAL PACIFIC RAILWAY COMPANY'S RIGHT OF WAY, SAID POINT BEING DISTANT 330.0 FEET, MEASURED SOUTH 42° 58' EAST ALONG SAID SOUTHWESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE CENTER LINE OF A ROAD AS LAID OUT ALONG THE WEST SIDE OF THE PROPERTY OF THE D-V-O PRODUCTS, INC.; THENCE SOUTH 42°58'EAST 386.90 FEET ALONG SAID BOUNDARY LINE; THENCE WEST 263.70 FEET; THENCE AT RIGHT ANGLES NORTH 283.10 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 5:

BEGINNING AT A POINT MARKING THE NORTHWEST CORNER OF THE 1.002 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 23, 1955 AND RECORDED SEPTEMBER 29, 1955 IN VOLUME 1318 OF OFFICIAL RECORDS, AT PAGE 461, AS INSTRUMENT NO. 29114, SAID CORNER LYING ON THE EAST LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE ALONG THE NORTH LINE OF SAID 1.002 ACRE PARCEL, SOUTH 89° 47' EAST 113.67 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING COURSES: SOUTH 0° 11' 40" EAST, 20.04 FEET; SOUTH 89° 47' EAST, 14.07 FEET; AND SOUTH 0° 11' 40" EAST, 231.60 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 49° 22' 30" WEST, 140.20 FEET; THENCE NORTH 37° 24' 39" WEST, 35.78 FEET TO THE WESTERLY LINE OF SAID 1.002 ACRE PARCEL (ALSO BEING THE EASTERLY LINE OF SAID BENNETT ROAD); THENCE ALONG SAID WESTERLY LINE NORTH 0° 11' 40" WEST, 132.41 FEET TO THE POINT OF BEGINNING.

RESERVING THEREFROM SUCH INTEREST IN THAT PORTION OF THE EAST 15.00 THEREOF, AS WAS RESERVED FOR RAILROAD PURPOSES IN THE DEED FROM CENTRAL PACIFIC RAILROAD COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING AND RESERVING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING THE SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, AS RESERVED IN THE DEED FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS. SAID RIGHTS SHALL NOT INCLUDE USE OF THE SURFACE OF SAID LAND.

PARCEL NO. 6:

LOTS 1 TO 9, INCLUSIVE, IN BLOCK 5072 OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED SEPTEMBER 14, 1940 IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA IN VOLUME 14 OF MAPS AT PAGE 5.

ALSO, LOTS 1 TO 8, IN INCLUSIVE, IN BLOCK 5043 OF THE GRANGE TRACT, ACCORDING TO THE MAP HEREINABOVE REFERRED TO.

PARCEL NO. 7:

ALL OF ABANDONED DULUTH AVENUE, BEING A 60 FOOT STRIP OF LAND RUNNING EAST AND WEST, LYING WITHIN AND AS SHOWN ON THE MAP OF THE GRANGE TRACT FILED SEPTEMBER 14, 1940 VOLUME 14 OF MAPS, PAGE 5, IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA.

PARCEL NO. 8:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE IN SAID SECTION 30, BEARING NORTH 29.32 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION; AND BEING THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO THE GRANGE COMPANY BY DEED RECORDED JUNE 26, 1923 IN VOLUME 23 OF OFFICIAL RECORDS, AT PAGE 331; RUN THENCE NORTH ALONG THE SAID QUARTER SECTION LINE 135 FEET; THENCE EAST 110 FEET; THENCE SOUTH 135 FEET TO SOUTH LINE OF LAND CONVEYED TO SAID GRANGE COMPANY; THENCE WEST ALONG SOUTH LINE OF SAID LAND SO CONVEYED TO THE GRANGE COMPANY 110 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 9:

COMMENCE AT THE INTERIOR QUARTER CORNER OF SAID SECTION 30; THENCE NORTH $0^{\circ} 33' 30''$ WEST ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 1604.26 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO D. D. CAMPIN IN VOLUME 797 OF OFFICIAL RECORDS, AT PAGE 390, RECORDS OF STANISLAUS COUNTY RECORDER'S OFFICE AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH $89^{\circ} 46' 30''$ EAST ALONG THE NORTH LINE OF SAID LAND SO CONVEYED TO D. D. CAMPIN AND PARALLEL TO THE EAST AND WEST QUARTER SECTION LINE THROUGH SAID SECTION 30, A DISTANCE OF 950.97 FEET TO THE NORTHEAST CORNER OF SAID CAMPIN PARCEL, SAID CORNER BEING ON THE WEST LINE OF 40 FOOT ROAD KNOWN AS BENNETT AVENUE; THENCE NORTH $0^{\circ} 42' 30''$ WEST ALONG THE WEST LINE OF SAID 40 FOOT ROAD, A DISTANCE OF 334.45 FEET TO THE SOUTHEAST CORNER OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY IN VOLUME 14 OF MAPS, AT PAGE 5; THENCE NORTH $89^{\circ} 55' 30''$ WEST, ALONG THE SOUTH LINE OF SAID GRANGE TRACT AND THE EXTENSION THEREOF, A DISTANCE OF 950.68 FEET TO THE SAID NORTH AND SOUTH ONE-QUARTER SECTION LINE; THENCE SOUTH $0^{\circ} 33' 30''$ EAST AND ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 332.16 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL NO. 10:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE AT A POINT BEARING NORTH 13.89 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 30; THENCE NORTH ON SAID QUARTER SECTION LINE 10.417 CHAINS; THENCE EAST 14.40 CHAINS; THENCE SOUTH 10.417 CHAINS; THENCE WEST 14.40 CHAINS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED IN THE DEED FROM BARIUM PRODUCTS, LTD., TO ELIZABETH B. RAVEN BAKER, RECORDED MAY 23, 1956 IN VOLUME 1365 OF OFFICIAL RECORDS, AT PAGE 658, AS INSTRUMENT NO. 14454, STANISLAUS COUNTY

RECORDS.

ALSO EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED FROM FRANK J. MITCHELL, ET UX, AND FRED SAMPSON, ET UX, TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, AS INSTRUMENT NO. 22893, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 6,7,8,9, AND 10, ALL THOSE PORTIONS OF LAND CONVEYED TO THE COUNTY OF STANISLAUS IN DEEDS RECORDED DECEMBER 4, 1951 IN BOOK 1059 OF OFFICIAL RECORDS, PAGE 480 AND RECORDED JANUARY 25, 1952 IN BOOK 1067 OF OFFICIAL RECORDS PAGE 598.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 9 AND 10, ALL THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINES OF LAND CONVEYED TO STATE OF CALIFORNIA IN DEED RECORDED DECEMBER 28, 1961 IN BOOK 1731 OF OFFICIAL RECORDS, PAGE 691.

PARCEL NO. 11:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 99.73 FEET ALONG SAID NORTHERLY LINE FROM THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 43° 07' 30" EAST, 27.93 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID PARCEL; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 47' EAST, 282.23 FEET TO THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE NORTH ALONG SAID WESTERLY LINE, 20.31 FEET; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL DESCRIBED IN SAID DEED DATED JUNE 25, 1958, NORTH 89° 47' WEST, 301.25 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 118.75 FEET ALONG SAID NORTH LINE FROM THE NORTHWEST CORNER OF SAID PARCEL NO. 1; THENCE ALONG SAID NORTH LINE, SOUTH 89° 47' EAST, 282.33 FEET TO A POINT IN THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE AND BEING 40 FEET IN WIDTH); THENCE SOUTH ALONG SAID WESTERLY LINE, 243.08 FEET; THENCE NORTH 89° 47' 15" WEST, 49.26 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 46° 42' 51" WEST, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1972 FEET, THROUGH AN ANGLE OF 3° 35' 21" A DISTANCE OF 123.53 FEET; THENCE NORTH 43° 07' 30" WEST, 214.42 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 13:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF CALDWELL AVENUE, FORMERLY WOODLAND AVENUE, WITH THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED DATED MARCH 7, 1873 FROM JOHN T. MAZE TO CENTRAL PACIFIC RAILROAD COMPANY, RECORDED MAY 5, 1873 IN BOOK 10 OF DEEDS, AT PAGE 342, STANISLAUS COUNTY RECORDS; THENCE SOUTH 42° 53' 30" EAST ALONG SAID SOUTHWESTERLY LINE OF SAID LAND, 392.96 FEET TO A POINT IN THE EASTERLY LINE OF

THE 2.09 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR. AND LOUISE DAGGS, HIS WIFE TO CENTRAL PACIFIC RAILWAY COMPANY, RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS AT PAGE 134, STANISLAUS COUNTY RECORDS; THENCE SOUTH ALONG SAID EASTERLY LINE, 1406.01 FEET TO A POINT; THENCE WEST, AT RIGHT ANGLES FROM SAID EASTERLY LINE, 40.00 FEET TO A POINT IN THE WESTERLY LINE OF SAID 2.09 ACRE PARCEL OF LAND; THENCE NORTH ALONG SAID WESTERLY LINE 1390.30 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY, 40.00 FEET, MEASURED AT RIGHT ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED DATED MARCH 7, 1873; THENCE NORTH 42° 53' 30" WEST ALONG SAID PARALLEL LINE, 415.45 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID CALDWELL AVENUE; THENCE SOUTH 89° 12' 30" EAST, ALONG THE SOUTHERLY LINE OF CALDWELL AVENUE, 55.31 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND BEING A PORTION OF BENNETT AVENUE (SOMETIMES KNOWN AS MICHIGAN AVENUE), ABANDONED BY THE STANISLAUS COUNTY BOARD OF SUPERVISORS BY SUPERVISOR'S ORDER RECORDED JULY 11, 1951 IN VOLUME 1039 OF OFFICIAL RECORDS, AT PAGE 97, STANISLAUS COUNTY RECORDS AS INSTRUMENT NO. 16289.

EXCEPTING AND RESERVING THEREFROM ALL MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE INDENTURE BY CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED NOVEMBER 8, 1951 AND RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, STANISLAUS COUNTY RECORDS.

PARCEL NO. 14:

BEGINNING AT THE NORTHWEST CORNER OF THE 5.55 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED APRIL 5, 1961 FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED MARCH 19, 1962 IN VOLUME 1750 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 10483, STANISLAUS COUNTY RECORDS; SAID NORTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF LAND DESCRIBED IN INDENTURE DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR., AND LOUISE DAGGS TO CENTRAL PACIFIC RAILWAY COMPANY AND RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS, AT PAGE 134, AND RE-RECORDED AUGUST 11, 1924 IN VOLUME 77 OF OFFICIAL RECORDS, AT PAGE 256, STANISLAUS COUNTY RECORDS; THENCE NORTH ALONG SAID WEST LINE 243.08 FEET TO A POINT IN THE MOST SOUTHERLY LINE OF THE 1.655 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 8, 1951 FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 26538; THENCE EAST, ALONG LAST SAID LINE, 40.0 FEET TO A POINT IN THE EAST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED JUNE 20, 1924; THENCE SOUTH, ALONG SAID EAST LINE, 243.08 FEET TO A POINT ON THE NORTHERLY LINE OF LAND DESCRIBED IN SAID INDENTURE DATED APRIL 5, 1961; THENCE NORTH 89° 35' 35" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING AND RESERVING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT

LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, DATED OCTOBER 21, 1965 AND RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, AS INSTRUMENT NO. 46197, STANISLAUS COUNTY RECORDS.

PARCEL NO. 15:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 5, 1925 FROM D-V-O PRODUCTS, INC. TO CENTRAL PACIFIC RAILWAY COMPANY (NOW SOUTHERN PACIFIC COMPANY), RECORDED JULY 29, 1926, IN VOLUME 180, AT PAGE 462, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 42° 53' 30" EAST, ALONG THE NORTHEASTERLY LINE OF LAND DESCRIBED IN SAID INDENTURE, PARALLEL WITH AND DISTANT 50.0 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE ORIGINAL LOCATED CENTER LINE OF SOUTHERN PACIFIC COMPANY'S MAIN TRACK (LATHROP TO FRESNO), 378.50 FEET; THENCE SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 372.25 FEET, THROUGH A CENTRAL ANGLE TO 22° 29' 08" (CHORD OF SAID CURVE BEARS SOUTH 11° 14' 34" EAST, 145.15 FEET), AN ARC DISTANCE OF 146.09 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 985.59 FEET TO THE NORTHEAST CORNER OF THE 107,836 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL 2 IN INDENTURE DATED AUGUST 21, 1947, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO MODESTO PRODUCE PACKING COMPANY, RECORDED OCTOBER 22, 1947, IN BOOK 910, AT PAGE 406, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 27554; THENCE WEST, ALONG THE NORTHERLY LINE OF SAID LAST MENTIONED LAND, 329.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH, ALONG THE WESTERLY LINE OF LAND DESCRIBED AS PARCEL 2, IN SAID INDENTURE DATED AUGUST 21, 1947, A DISTANCE OF 260.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF 0.116 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED APRIL 5, 1961, FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1961, IN VOLUME 1707, AT PAGE 496, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 28718; THENCE NORTH 49° 10' 50" WEST ALONG LAST SAID NORTHEASTERLY LINE 44.93 FEET TO A POINT ON EASTERLY LINE OF THE 43,654 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED AUGUST 21, 1947; THENCE ALONG SAID EASTERLY LINE, THE FOLLOWING COURSES AND DISTANCES: NORTH 230.71 FEET; WEST, 14.00 FEET; AND NORTH, 20.00 FEET; THENCE ALONG THE EASTERLY LINE OF THE 2.404 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED MARCH 15, 1943, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED JULY 20, 1943, IN BOOK 776, AT PAGE 91, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 10746, THE FOLLOWING COURSES AND DISTANCES: NORTH 8° 10' EAST, 98.55 FEET; NORTH 484.21 FEET; NORTHERLY, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 583.14 FEET, THROUGH A CENTRAL ANGLE OF 21° 53' (CHORD OF LAST SAID CURVE BEARS NORTH 10° 56' 30" EAST, 221.37 FEET), AN ARC DISTANCE OF 222.72 FEET; AND NORTH 21° 53' EAST, TANGENT TO LAST SAID CURVE, 93.98 FEET TO THE NORTHEAST CORNER OF SAID 2.404 ACRE PARCEL OF LAND, LAST SAID NORTHEAST CORNER ALSO BEING THE MOST SOUTHERLY CORNER OF THE 0.422 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED MARCH 15, 1943; THENCE ALONG THE EASTERLY LINE OF SAID 0.422 ACRE PARCEL OF LAND, THE FOLLOWING COURSES AND DISTANCES: NORTH 21° 53' EAST, 41.07 FEET; AND NORTHERLY, ON A CURVE TO THE LEFT HAVING A RADIUS OF 562.22 FEET,

THROUGH A CENTRAL ANGLE OF 47° 37' 57" (CHORD OF LAST SAID CURVE BEARS NORTH 1° 55' 59" WEST, 454.05 FEET), AN ARC DISTANCE OF 467.40 FEET TO A POINT IN THE WEST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED NOVEMBER 5, 1925; THENCE NORTH, ALONG LAST SAID LINE, 7.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS EXPECTED AND RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, STANISLAUS COUNTY RECORDS.

PARCEL NO. 16:

ALL THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 29, 1958 AND RECORDED OCTOBER 31, 1958 IN VOLUME 1511 OF OFFICIAL RECORDS, AT PAGE 12, AS INSTRUMENT NO. 27377, AND LOCATED IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID PARCEL OF LAND DESCRIBED IN SAID DEED, SAID POINT LYING NORTH 0° 11' 45" WEST, 135.20 FEET FROM THE SOUTHEAST CORNER OF SAID PARCEL OF LAND; THENCE NORTH 49° 22' 30" WEST, 436.91 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL; THENCE ALONG SAID WESTERLY BOUNDARY, NORTH 0° 11' 40" WEST, 260.77 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL, SOUTH 89° 47' EAST, 330.65 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE ALONG THE AFORESAID EASTERLY LINE, SOUTH 0° 11' 45" EAST, 544.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED THE GRANTOR, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AS EXPECTED AND RESERVED IN THE DEEDS FROM CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED SEPTEMBER 13, 1946 OF VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE EASTERLY 15 FEET THEREOF WHICH LIES SOUTH OF THE NORTH 327.77 FEET, AS EXPECTED AND RESERVED FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND OPERATION OF RAILROAD TRACKS AND APPURTENANCES THEREON, IN SAID DEED RECORDED SEPTEMBER 13, 1946 IN VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN THE WEST 15 FEET OF THE NORTH 327.77 FEET OF SAID PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, AND EXCEPTING THEREFROM SUCH INTEREST IN THE EAST 15 FEET OF THE NORTH 327.77 FEET OF SAID

PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, RESERVED FOR RAILROAD PURPOSES IN THE SAID DEED RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

APN: 029-13-12-690 and 029-13-13-660 and 029-14-10-340

EXHIBIT "H"

DESCRIPTION OF REMEDIATION SYSTEM

Modesto Groundwater Remediation System

The groundwater Remediation System is designed to monitor groundwater quality and groundwater flow, extract and treat groundwater at the Site, and discharge treated groundwater to the City of Modesto POTW in accordance with the City of Modesto Conditional and Revocable Groundwater Discharge Permit No. GW 96-2. The Remediation System includes the groundwater extraction and treatment system located on the Site as of the Effective Date, consisting of extraction wells, conveyance piping and a treatment facility, as well as monitoring wells, and electric, domestic water and storm drain lines from the utility supplier to such system.

The groundwater extraction and treatment component of the Remediation System includes three groundwater extraction wells (E-1, E-2, and E-3), each of which has a submersible pump connected to a pressure pipeline that conveys water from the well to the treatment facility. The extraction wells may require and be fitted with anti-scalent systems at their wellheads to prevent scale accumulation.

Upon entering the treatment system, groundwater from the three extraction wells is treated with hydrogen peroxide to convert sulfides into sulfates. Treated groundwater is subsequently discharged to the City of Modesto POTW. A gravity flow discharge pipeline begins at the treatment facility and extends to a sewer manhole. A line extends from the manhole to the sewer main on Graphics Drive.

EXHIBIT "T"

**CERTIFICATION OF NON-FOREIGN STATUS
(Entity Transferor)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by FMC CORPORATION, the undersigned hereby certifies the following on behalf of FMC CORPORATION:

1. FMC CORPORATION is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. FMC CORPORATION's U.S. employer identification number is _____;
and
3. FMC CORPORATION's office address is FMC Corporation, 1735 Market Street, Philadelphia, PA 19103.

FMC CORPORATION understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

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

Date: _____

Title: _____

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attn: David C. Landgraf, Esq.
Senior Environmental Counsel

RIGHT OF ENTRY AGREEMENT, EASEMENT AND ENVIRONMENTAL RESTRICTION

This RIGHT OF ENTRY AGREEMENT, EASEMENT AND ENVIRONMENTAL RESTRICTION (the "Agreement") is made as of this __ day of __, 2009 ("Effective Date"), by and between FMC CORPORATION, a Delaware corporation ("FMC"), and REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic ("Redevelopment Agency" or "Owner").

RECITALS

A. Redevelopment Agency is the owner of that certain real property located in the City of Modesto, Stanislaus County, California, more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property").

B. As of the Effective Date, Redevelopment Agency acquired the Property from FMC pursuant to that certain Purchase and Sale Agreement dated as of _____, 2009 by and between FMC and Redevelopment Agency ("Purchase Agreement").

C. Certain chemicals are present in the soil and groundwater on the Property as more particularly described in the Environmental Reports listed on Exhibit "B" attached hereto ("Environmental Reports").

D. FMC has entered into a Voluntary Cleanup Agreement effective as of July 8, 2002 with the State of California Environmental Protection Agency, Department of Toxic Substances Control with respect to the Property ("VCA"). Pursuant to the VCA, FMC has prepared a Soil Interim Removal Action Work Plan dated April 2006 ("IRAW") and an Addendum to the IRAW, which were approved by DTSC on August 3, 2006, and August 14, 2007, respectively, and submitted a January 2008 Implementation Report ("Implementation Report") documenting activities performed to remediate soil pursuant to the IRAW and IRAW Addendum, which Implementation Report was approved by DTSC on February 22, 2008. In addition, the Property is subject to Cleanup and Abatement Order No. 98-724 adopted on June 26, 1998 ("Order") by the California Regional Water Quality Control Board, Central Valley Region ("Board") and Cleanup and Abatement Orders Nos. 93-202 and 96-063 adopted by the Board (collectively, "Prior Orders"). FMC has submitted to DTSC and the Board a Final Feasibility Study for Soil and Groundwater, dated February 2008 ("Feasibility Study") that identifies, screens and evaluates remedial action alternatives for soil and groundwater, and recommends final remedial action(s). With the concurrence of the Board, DTSC approved the

Feasibility Study by letter dated April 29, 2008. On _____, 2009, the DTSC and Board approved a Remedial Action Plan (“RAP”) that incorporates the implemented IRAW and IRAW Addendum and requires continued operation of the existing groundwater extraction and treatment system to mitigate historical impacts to groundwater and any remaining potential impacts from soils at the Property to groundwater. This RAP is based on proposed future land use of the Property as a commercial/industrial business park.

E. Redevelopment Agency has reviewed the VCA, the IRAW, the IRAW Addendum, the Implementation Report, the Feasibility Study, the RAP, the LUC, the OMPs, the OMA, the SMP, the Order, the Prior Orders and the Environmental Reports.

F. As a condition to FMC’s agreement to sell the Property to Redevelopment Agency pursuant to the Purchase Agreement, FMC and Redevelopment Agency agreed to enter into this Agreement for Redevelopment Agency to grant FMC (i) the Remediation Facilities Easement (as defined below), (ii) the right to enter onto the Property to perform any of the obligations imposed on FMC under the VCA, the RAP, the OMA, the OMP for groundwater, the Order, and the Prior Orders or hereafter imposed on FMC by the DTSC, Board or any other Environmental Agency with respect to the Contamination (as defined below), and (iii) to establish the terms and conditions on which FMC will perform any of the obligations imposed upon FMC under the VCA, the RAP, the OMA, the OMP for groundwater, the Order, and the Prior Orders by the DTSC, Board or any other Environmental Agency with respect to the Contamination. FMC and Owner intend that the rights and obligations of the parties hereunder shall run with the land and shall bind Redevelopment Agency and each person or entity subsequently acquiring an interest in the Property.

NOW, THEREFORE, in consideration of the foregoing recitals and other consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and FMC hereby agree as follows:

1. Definitions. The following terms, as used herein, shall be defined as follows:

(a) “Board” shall mean the State of California Regional Water Quality Control Board, Central Valley Region, or any successor agency thereto.

(b) “CERCLA” shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., as amended, in effect as of the date hereof.

(c) “Contamination” shall mean those certain chemicals in the soil and groundwater at the Property as more particularly described in the Environmental Reports.

(d) “DTSC” shall mean the State of California Environmental Protection Agency, Department of Toxic Substances Control, or any successor agency thereto.

(e) “Environmental Agency” shall mean the Board, DTSC and/or any other federal, state, or local governmental agency charged with enforcing Hazardous Materials Laws and having jurisdiction with respect to the Property.

(f) "Hazardous Materials" shall mean any substance, material, or waste which is (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of California law; (2) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317); (3) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903) or its implementing regulations; (4) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601); or (5) determined by DTSC, the Board or any other California, federal or local governmental authority (other than the City of Modesto or Redevelopment Agency) to be capable of posing a risk of injury to health, safety or property.

(g) "Hazardous Materials Laws" shall mean CERCLA, RCRA, or any other federal, state, or local law governing (i) Hazardous Materials, (ii) any Remedial Work obligation imposed upon FMC by an Environmental Agency, or (iii) the release of Hazardous Materials into the soil or groundwater.

(h) "IRAW" shall mean the Interim Action Soil Removal Action Work Plan for Soil dated April 2006, approved by the DTSC on August 3, 2006.

(i) "IRAW Addendum" shall mean the Addendum to the Interim Removal Action Work Plan for Soil dated August 13, 2007, approved by DTSC on August 14, 2007.

(j) "LUC" shall mean that certain Covenant to Restrict Use of Property-Environmental Restriction which was recorded against the Property on _____, 2009 as Document No. _____ in the Official Records of Stanislaus County, California in accordance with the RAP.

(k) "Operation and Maintenance Agreement" or "OMA" shall mean an agreement among DTSC, the Board, FMC and Redevelopment Agency relative to operation and maintenance of the infrastructure of the final remedial action(s) approved under the RAP, both with respect to soil and groundwater conditions, and including monitoring, inspection and reporting obligations.

(l) "Operation and Maintenance Plans" or "OMPs" shall mean the separate plans for soil and groundwater that are developed in accordance with the Purchase Agreement and approved by DTSC and the Board prior to the Effective Date for long-term operation and maintenance of the final remedial action(s) approved under the RAP.

(m) "Order" shall mean that certain Cleanup and Abatement Order No. 98-724 adopted on June 26, 1998 by the Board.

(n) "Owner" shall mean Redevelopment Agency and any person or entity who hereafter acquires a fee interest in all or a portion of the Property.

(o) "Prior Orders" shall mean those certain Cleanup and Abatement Orders Nos. 93-202 and 96-063 adopted by the Board.

(p) "RAP" shall mean the Remedial Action Plan submitted to the DTSC and Board under the VCA and Order and approved by the DTSC and the Board on _____, 2009.

(q) "RCRA" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., as amended, in effect as of the date of this Agreement.

(r) "Remedial Work" shall mean any and all investigation, remediation, mitigation, monitoring, reporting, and other obligations required or which may be required of FMC by the DTSC pursuant to the VCA, the RAP, the OMA or the OMP for groundwater or by the Board pursuant to the Order or the Prior Orders, as the VCA, the RAP, the OMA, the OMP for groundwater, the Order or the Prior Orders may be amended or supplemented from time to time, or pursuant to any other order of the DTSC, Board or another Environmental Agency which imposes obligations on FMC with respect to soil or groundwater conditions relative to the Property or the Contamination consistent with the cleanup and use of the Property for commercial/industrial purposes. Remedial Work shall not include the Soil Management Requirements, including the obligations set forth in the OMP for soil which are part of the Soil Management Requirements, except when FMC is performing Remedial Work that involves the disturbance of the soil.

(s) "Remediation System" shall mean the groundwater extraction and treatment system located on the Property as of the Effective Date, consisting of monitoring and extraction wells, conveyance piping and a treatment facility, together with any additional remediation facilities hereafter required to be located on the Property and electric, domestic water and storm drain utility lines from the utility supplier to such system. A description of the Remediation System in place as of the Effective Date is attached hereto as Exhibit D and incorporated herein by reference.

(t) "Soil Management Plan" or "SMP" shall mean the Soil Management Plan prepared by FMC in cooperation with the Redevelopment Agency in accordance with the Purchase Agreement and approved by the DTSC and Board, which is referenced in the LUC and provided under the RAP, to set forth the decision framework and specific procedures for management of soils and any groundwater or other water that may be generated in the course of construction or operation and maintenance activities at the Property to which construction and future workers at the Property may otherwise be exposed in the course of work at the Property.

(u) "Soil Management Requirements" shall mean the ongoing requirements for management of the soil on the Property as set forth in the LUC, the SMP, the OMA and the OMP for soil and required as part of the final remedial measure for soil under the RAP, which shall be performed by the Redevelopment Agency and the Owner(s) of the Property, as applicable, including, without limitation, requirements pertaining to soil cover, soil removal and disposition, landscaping, irrigation, health and safety (including under the SMP), or requirements under the LUC, in connection with the demolition of existing structures, construction of infrastructure, grading, utility trenching, building pad preparation and construction of improvements on the Property and future activities, including routine use and maintenance at the Property.

(v) "VCA" shall mean the Voluntary Cleanup Agreement effective as of July 8, 2002, by and between FMC and DTSC, as amended or supplemented from time to time.

(w) All other defined terms used in this Agreement shall be defined where first appearing in this Agreement.

2. Owner's Acknowledgments. FMC and its predecessors in interest in the Property variously operated manufacturing facilities on the Property for the production of barium and strontium chemicals. These operations included the use from the early 1950's to the late 1970's of on-site evaporation ponds to manage residual solids from the ore processing units and air pollution control equipment which solids were slurried with water and discharged to the ponds. These ponds were closed by removal of residue material and backfilling during 1979-81. The operation of the ponds resulted in contamination of the groundwater with total dissolved solids, including sulfates. In addition, the soils under the former pond areas are impacted with sulfates and related compounds that continue to migrate into the upper groundwater aquifer. The Property is currently subject to the Order and the Prior Orders. Starting in the early 1960's, FMC installed a number of groundwater monitoring wells, both on and off the Property, and has routinely reported on the results of samples from these wells to the Board under the terms of the Order and the Prior Orders. Under the Order and associated Monitoring and Reporting Program (No. 98-805, adopted by the Board on June 26, 1998) FMC currently samples and reports sampling results for some 33 monitoring wells, located both on and off the Property. Since 1996, FMC has operated on the Property a groundwater remediation system including extraction wells and a treatment system, which discharges to the City of Modesto's publicly owned treatment works under the terms of a permit issued by the City. FMC will be required to perform groundwater remediation and to maintain groundwater monitoring and remediation equipment and structures on the Property for an indefinite period of time.

As a result of the past storage and processing of barite ore and the management of processing residues, areas of surface soils on the Property are impacted with elevated concentrations of barium. In addition, as a result of past manufacturing and other operations, surface soils may be impacted by other contaminants. FMC and DTSC entered into the VCA with respect to soil contamination on the Property. Pursuant to the IRAW and IRAW Addendum, FMC completed interim soil removal activities on the Property which consisted of removal of soils in excess of health-based Site Specific Target Levels as specified in the IRAW and IRAW Addendum. The DTSC and Board have approved the RAP that incorporates the approved IRAW and IRAW Addendum and requires continued operation of the existing groundwater extraction and treatment system to mitigate historical impacts to groundwater and any remaining potential impacts from soils at the Property to groundwater. Pursuant to the RAP, FMC recorded the LUC against the Property, which LUC restricts the use of the Property to commercial and industrial purposes, imposes notification requirements and restrictions with respect to activities that would result in exposure to soils, imposes restrictions with respect to cover and irrigation, and restricts the use of groundwater and the disturbance of certain covered areas of the Property. In addition, pursuant to the RAP, FMC developed and DTSC and the Board approved the SMP and OMPs and DTSC, the Board, FMC and Redevelopment Agency entered into the OMA.

By accepting an interest in the Property, each Owner acknowledges the following: (i) the Property is subject to the VCA, the RAP, the IRAW and IRAW Addendum, the LUC, the OMA, the OMPs, the SMP, the Order and the Prior Orders; (ii) the Property is subject to the Soil Management Requirements and Owner shall be responsible for implementation and management of the Soil Management Requirements, which include the obligations under the Operation and Maintenance Plan for soil; (iii) the presence of the Contamination on the Property; (iv) Owner has had the opportunity to review the Environmental Reports, the Soil Management Requirements, the VCA, the RAP, the IRAW, the IRAW Addendum, the Implementation Report, the OMA, the OMPs, the LUC, the SMP, the Order and the Prior Orders and any additional reports or documents submitted by FMC to the Board, DTSC and/or other applicable Environmental Agency after the date of this Agreement. Based on the foregoing, FMC has satisfied its obligation under California Health & Safety Code Section 25359.7 to notify Owner of the soil and groundwater contamination on the Property. In addition to the foregoing, Redevelopment Agency acknowledges that during the approximately five year period prior to the Effective Date, Redevelopment Agency (i) attended meetings with the DTSC and Board regarding implementation of the VCA and the Order and Prior Orders and development and approval of the final Feasibility Study, the IRAW, the IRAW Addendum, the LUC, the OMPs, the OMA and the SMP; (ii) participated in the processing of IRAW and the IRAW Addendum, the LUC, the OMPs, the OMA and the SMP; and (iii) received copies of reports submitted by FMC to the DTSC and/or Board regarding the environmental condition of the Property.

In general, FMC has implemented a remediation program for the Property based on risk analysis consistent with future use for industrial and commercial purposes. Owner hereby acknowledges the following: (i) additional Remedial Work obligations may be imposed on FMC and/or the Property pursuant to the VCA, the RAP and/or the Order or Prior Orders with respect to the Contamination, including, without limitation, soil removal, and the installation and operation of additional groundwater monitoring wells, groundwater extraction wells, and related piping and a system or systems for groundwater treatment on the Property; and (ii) the DTSC, Board or other Environmental Agency may impose conditions to or requirements in connection with such additional Remedial Work (including without limitation, with respect to monitoring the groundwater on the Property). Owner hereby consents to the performance of all the foregoing conditions and requirements. Subject to Section 3(b) hereof regarding the location of additional Remediation Facilities, Owner shall at all times, and at its sole cost, fully cooperate with FMC in connection with any and all Remedial Work. In no event shall Owner inhibit or interfere with the performance of the Remedial Work by FMC. Owner's cooperation shall include, without limitation, where the participation of Owner is required, the prompt execution, acknowledgment, delivery and recordation, as applicable, of documents and agreements requested or required by the DTSC, Board or any other Environmental Agency, including, without limitation, any other covenants and restrictions similar to the LUC regarding the use of groundwater, construction of improvements on, paving or landscaping of exposed soil, construction of improvements or other work on the Property involving excavation of soil, or paving, landscaping or other cover of exposed soil required by the Board, DTSC and/or any other Environmental Agency. Owner acknowledges the obligations of the owner of the Property to comply with the Soil Management Requirements, including under the OMA, the OMP for soil and the SMP, and hereby covenants to FMC to perform all of such obligations on a timely basis.

3. Grant of Easements.

(a) Grant. Owner hereby grants to FMC an easement over those portions of the Property more particularly described on Exhibit C attached hereto for the following purposes: (i) installing, operating, maintaining, sampling, repairing, replacing, closing and removing monitoring and extraction wells and related piping and equipment, a treatment system or systems and remediation equipment and structures including the Remediation System and such additional remediation facilities that may hereafter be required to be located on the Property (collectively, "Remediation Facilities"); (ii) the construction, maintenance, alteration, demolition and removal of one or more buildings or structures as may be necessary to house and/or secure the above-ground Remediation Facilities on that portion of the Property shown on the Site Plan attached hereto as Exhibit E as the "Treatment Facility Area;" (iii)(A) vehicular ingress and egress over that portion of the Property shown on the Site Plan attached hereto as Exhibit E as the "Access Easement" to and from the nearest public street to the Treatment Facility Area and to other portions of the Remediation Facilities on the Property located outside of the Treatment Facility Area without obstruction by fences, barriers, landscaping, overhead wires or other improvements, for access and turnaround by vehicles, including without limitation, tractor-trailers, cranes and heavy equipment, together with parking for such vehicles and equipment required for the purposes specified in this easement in the Treatment Facility Area and adjacent to any Remediation Facilities located on the Property outside the Treatment Facility Area to the extent required for the performance of Remedial Work; and (B) with respect to monitoring wells located on the Property, vehicular ingress and egress over the Property, including driveways and parking areas, from the nearest public street to each such monitoring well without obstruction by fences, barriers, landscaping, overhead wires or other improvements; and (iv) utility lines and conduits to provide separate electrical, domestic water and storm drain service to the Remediation Facilities located on the Property (collectively, the "Remediation Facilities Easement"). In addition, Owner hereby covenants with and for the benefit of FMC, for so long as the Remediation Facilities Easement shall remain in effect, not to construct any buildings or other similar improvements within the portion of the Property that is fifty feet wide surrounding the Treatment Facility Area, as more particularly shown as the "No-Build Area" on the Site Plan attached as Exhibit E ("No-Build Covenant"). The No-Build Covenant shall not prohibit Owner from constructing any surface improvements such as roadways, driveways, parking areas, curbs, sidewalks, landscaping and screening walls within the No-Build Area provided that the construction of such improvements does not impose any setback requirements that would prohibit FMC from constructing buildings or improvements for the Remediation Facilities within the Treatment Facility Area. FMC shall have the exclusive use of the surface of the Treatment Facility Area for the purposes specified in the Remediation Facilities Easement. Upon written request by the Owner(s), FMC will cooperate with the Owner(s) to relocate the Access Easement portion of the Remediation Facilities Easement to the extent required for redevelopment of the Property provided: (x) any such relocated Access Easement shall provide vehicular ingress and egress from the nearest public street to the Treatment Facility Area and to other portions of the Remediation System on the Property located outside of the Treatment Facility Area on all of the same terms and conditions as set forth in clause (iii) above; (y) the relocation shall be pursuant to a written amendment to this Agreement or a separate easement agreement that grants the relocated Access Easement on the same terms as contained in this Agreement; and (z) each Owner whose portion of the Property will be subject to the relocated Access Easement shall join in the grant of the relocated Access Easement and each person or entity holding a lien or

encumbrance upon such Owner's portion of the Property shall consent to and subordinate its lien or encumbrance to the relocated Access Easement. Redevelopment Agency also grants to FMC the right to enter onto the Property to perform any Remedial Work ("Right of Entry"). The Remediation Facilities Easement and the Right of Entry granted hereunder shall be subject to the terms and conditions set forth herein.

(b) Additional Remediation Facilities. To the extent that the DTSC, Board or other Environmental Agency requires FMC to install additional Remediation Facilities or modify existing Remediation Facilities outside of the portion of the Property subject to the Remediation Facilities Easement, and FMC requires an easement to use the new or modified Remediation Facilities, FMC shall notify the Owner(s) of such requirement and provide such Owner(s) with a report from FMC's environmental engineer or consultant stating that placement of the new or modified Remediation Facilities in the location on such Owner's portion of the Property as specified in FMC's notice is required in order to effectively and efficiently implement and perform the Remedial Work obligation imposed upon FMC by the DTSC, Board or other Environmental Agency. Thereafter, the Owner(s) of the portion of the Property affected and FMC shall either amend this Agreement or enter into a new easement agreement on the same terms as this Agreement, to grant FMC easements over such additional portions of the Property as may be necessary for the same purposes as specified in the Remediation Facilities Easement. Such amendment or new agreement shall include a site plan showing the location of the additional Remediation Facilities. FMC shall consult and cooperate with the Owner(s) of the portion of the Property subject to such additional easement to install any additional or modified Remediation Facilities in a location on the Property that does not unreasonably interfere with such Owner's use of the Property while at the same time satisfying the requirements of the governmental agency requiring the installation of such additional or modified Remediation Facilities and allowing FMC to install and operate the additional or modified Remediation Facilities in a cost-efficient manner. FMC will comply with applicable provisions of the SMP pertaining to the installation of the new or modified Remediation Facilities and the performance of any Remedial Work. Any new wells located in driveways or parking areas outside of the Treatment Facility Area shall be installed in traffic-resistant structures, located below grade and covered with a traffic-resistant cover with a locked cap flush to the surface of the pavement. Promptly following completion of the installation of any additional or modified Remediation Facilities, FMC shall remove all debris generated by such installation and restore the Property, to the maximum extent possible, to the condition that existed prior to such installation.

(c) Notice of Entry. FMC shall give Owner at least seven (7) business days written notice in accordance with Section 10 hereof prior to entry onto the Property for the installation, replacement, closure and removal of Remediation Facilities or major repairs thereto that will involve disturbance of the surface of the Property. With respect to routine sampling of wells and maintenance and repair of the Remediation Facilities that will not disturb the surface of the Property, or in the event of an emergency situation, no prior notice of entry shall be required. With respect to any work performed by or on behalf of FMC that will involve the disturbance of the surface of the Property, FMC covenants that it shall comply with the Soil Management Requirements.

4. Remedial Work.

(a) Exclusive Right to Negotiate. As between FMC and Owner, FMC shall have and retain the exclusive right to negotiate with and to fulfill any requirement or claim made by the DTSC, Board or any Environmental Agency with respect to any Remedial Work obligation required under or in connection with the VCA, the RAP, the Order and the Prior Orders. FMC shall have the exclusive right to challenge, appeal or seek amendment, modification, repeal or termination of the VCA, the RAP, the Order, the Prior Orders, any amendment or supplement to any of the foregoing, or any other Remedial Work obligation imposed by the DTSC, Board or any other Environmental Agency in connection with the Contamination, including a suspension or stay of such Remedial Work obligation while such action is pending. Notwithstanding the foregoing, to the extent any Remedial Work obligation arising after the Effective Date would affect the operation and use of any portion of the Property located outside of the Remediation Facilities Easement, then FMC shall give written notice of such Remedial Work obligation to the Owner or Owners of such portion(s) of the Property. If such Remedial Work obligation requires any additional Remediation Facilities to be located on such portion of the Property outside of the Remediation Facilities Easement, then FMC shall deliver with its notice a copy of a report from FMC's environmental engineer or consultant stating that placement of the new or modified Remediation Facilities in the location on such Owner's portion of the Property as specified in FMC's notice is required in order to effectively and efficiently implement and perform the Remedial Work obligation. Prior to negotiation of such Remedial Work obligation, FMC shall consult with the Owner(s) of the portion of the Property outside of the Remediation Facilities Easement affected by such Remedial Work obligation on methods to satisfy the obligation in a manner that does not unreasonably interfere with such Owner's use of the Property while at the same time satisfying the requirements of the Environmental Agency imposing such Remedial Work obligation and allowing FMC to satisfy the obligation in a cost-efficient manner. If the Remedial Work obligation pertains to Soil Management Requirements that must be implemented or managed by the Owner under this Agreement, then FMC shall not take any action or make any commitment with respect to such Remedial Work obligation without the concurrence of the Owner(s) of the portion of the Property affected by such obligation.

(b) Remedial Work. FMC shall perform all Remedial Work required by the DTSC, Board or any other Environmental Agency with respect to the Contamination. Pursuant to the Right of Entry granted by Owner under Section 3(a) above, and subject to FMC's compliance with Section 3(b) hereof with respect to the location of any new or modified Remediation Facilities on portions of the Property outside of the Remediation Facilities Easement, FMC and its employees, agents, authorized representatives, contractors, materialmen and laborers shall have the right to enter onto the Property with such tools and equipment as may be reasonably necessary for the performance of the Remedial Work. FMC shall use diligent efforts to perform all Remedial Work within the time periods required by the VCA, the RAP, the Order, the Prior Orders or otherwise by the Environmental Agency imposing such requirements. FMC shall be responsible at its sole cost and expense for the operation, maintenance, repair, removal and closure of any and all portions of the Remediation Facilities reasonably necessary to perform any Remedial Work, except to the extent such portions of the Remediation Facilities are damaged by Owner or its employees, agents and contractors. All Remedial Work shall be performed in a good, safe and professional manner in compliance with all applicable laws, ordinances and

regulations. All portions of the Remediation Facilities installed on the Property by FMC shall remain the property of FMC until removal or proper abandonment thereof in accordance with Section 4(c) hereof. FMC shall be listed as the generator of any hazardous waste generated as a result of performance of the Remedial Work, including the removal of groundwater from the Property in connection with the Remedial Work, in accordance with RCRA, the California Hazardous Waste Control Law, any other Hazardous Materials Laws and any regulations promulgated pursuant to such laws.

(c) Completion of Remedial Work. Subject to the terms of this subsection (c), FMC shall use diligent efforts to obtain in a timely manner an “Acknowledgment of Termination,” “Certificate of Completion”, “no further action letter” or similar written determination that no further Remedial Work is required from the DTSC, Board or other Environmental Agency imposing a Remedial Work obligation in connection with the Contamination. Owner acknowledges that any such letters or determinations with respect to soil are subject to completion by Owner of certain of the Soil Management Requirements on the Property. In addition, Owner acknowledges that the issuance of such letters or determinations may occur at different times with respect to groundwater and soil or as to specific areas of the Property, and not necessarily at one time with respect to all Remedial Work on the Property. FMC shall give Owner written notice when the Environmental Agency requiring Remedial Work, and any other governmental agency having jurisdiction, permits the termination of Remedial Work or a portion thereof on the Property and removal and/or closure of some or all of the Remediation Facilities and/or closure of all or some extraction and monitoring wells. Permission shall be evidenced by a written instrument from the Environmental Agency. Within one hundred twenty (120) days after FMC’s receipt of such written instrument, FMC shall seal the extraction and monitoring wells on the Property subject to such closure by filling the same with appropriate material in accordance with all applicable laws, statutes, ordinances and regulations. FMC shall also remove, within said one hundred twenty (120) day period, the above-ground portions of the Remediation Facilities subject to such closure from the Property, including any structures or other improvements housing such above-ground portions of the Remediation Facilities, and either remove or properly abandon in place all associated applicable underground piping in accordance with all applicable laws, statutes, ordinances or regulations. All damage to the Property caused by the closure of the wells and removal of the Remediation Facilities or portions thereof shall be repaired by FMC to the condition existing prior to such damage, including repaving of any paved surfaces that are disturbed by such removal or well closure to a smooth and even condition.

(d) Conduct of Remedial Work. FMC shall use reasonable efforts to conduct all Remedial Work obligations and any activities required on areas of the Property outside of the Treatment Facility Area in a manner that does not unreasonably interfere with the use of the Property by Owner, and with respect to the location of new or modified Remediation Facilities outside of the Remediation Facilities Easement, in accordance with Section 3(b) hereof.

5. Compliance With Obligations. In any action under this Agreement where the rights of FMC and Owner are at issue, and those rights are dependent on whether or not FMC has complied with the terms of the VCA, the IRAW, the IRAW Addendum, the RAP, the LUC, the OMP for groundwater, the OMA, the SMP, the Order, the Prior Orders or other requirements imposed by the DTSC, Board or other Environmental Agency, written determinations by the

DTSC, Board or the Environmental Agency, as appropriate, shall be considered conclusive proof with respect to the compliance status of FMC, with respect to matters and timeframes which are the subject of such determination.

6. Covenants Regarding New Discovery. Owner shall immediately notify FMC of its discovery after the date hereof of any Hazardous Materials on the Property not previously disclosed or in a location on the Property not described in the Environmental Reports.

7. Release.

(a) No Liability. FMC shall not be liable to Owner or any party claiming by or through Owner for any claim, loss, cost, damage or expense, including consequential damages, incurred by Owner or such party as a result of interference with Owner's use of the Property or construction delays caused by (i) the performance of any Remedial Work required to comply with the VCA, the RAP, the OMPs, the OMA, the Order, the Prior Orders or any other Remedial Work obligation imposed on FMC by an Environmental Agency, or (ii) the obligations imposed upon Owner to perform the Soil Management Requirements.

(b) Release. Except for the obligations of FMC set forth in this Agreement, Owner and each party or entity acquiring an interest in the Property through Owner, and their respective successors and assigns (collectively, "Releasing Parties"), by their acceptance of an interest in the Property, shall be deemed to have waived any and all claims any such Releasing Party may have against FMC, including claims for consequential damages, with respect to the existence of the Contamination, the VCA, the RAP, the IRAW, the IRAW Addendum, the LUC, the OMA, the OMPs, the SMP, the Order, the Prior Orders, the obligation to perform the Soil Management Requirements, the requirement for ongoing Remedial Work, any other Remedial Work obligation imposed on FMC, Owner, any person or entity acquiring an interest in the Property through Owner, or the Property with respect to the Contamination by any Environmental Agency, and any claims arising out of any adverse physical or environmental condition of the Property now or hereafter discovered by a Releasing Party, including, without limitation, any and all claims under CERCLA, RCRA, any other Hazardous Materials Laws, or any other federal, state, or local law, ordinance, or regulation pursuant to which such Releasing Party may have a claim or cause of action against FMC due to the presence of the Contamination, the existence of the VCA, the RAP, the IRAW, the IRAW Addendum, the LUC, the OMPs, the OMA, the SMP, the Order, the Prior Orders, the requirement for ongoing Remedial Work in connection with the Contamination and the obligation to perform the Soil Management Requirements. Each Releasing Party expressly waives the benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

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

The foregoing release expressly excludes any claims a Releasing Party may have against FMC for breach by FMC of its obligations under this Agreement. The foregoing release shall survive the termination of this Agreement.

8. Duration of Obligations. The obligations of the parties hereunder, including the Remediation Facilities Easement granted in Section 3 above and the No-Build Covenant, shall terminate upon the date that is the later of (i) five (5) years after the date that the last Environmental Agency requiring Remedial Work permits the discontinuance thereof or (ii) the date FMC has completed removal or proper abandonment of the Remediation Facilities in accordance with Section 4(c) above. Each covenant, agreement and obligation contained in this Agreement shall remain effective until such date. Permission to discontinue Remedial Work shall be evidenced by an "Acknowledgment of Termination", "Certificate of Completion", "no further action letter", "acceptance letter" or other written communication from the applicable Environmental Agency advising that Remedial Work has been satisfactorily completed and no further Remedial Work obligations exist. Prior to the termination of this Agreement, FMC shall execute and deliver a quitclaim deed to each Owner of any portion of the Property quitclaiming to such Owner all rights of FMC under this Agreement with respect to the Right of Entry, No-Build Covenant, Remediation Facilities Easement or any additional easement for Remediation Facilities with respect to such Owner's portion of the Property except for the release in Section 7 hereof.

9. Attorneys' Fees. If FMC or Owner brings an action or proceeding against the other to enforce or interpret any term or condition hereof, the party prevailing in such action or proceeding shall be entitled to receive from the party not prevailing its reasonable attorneys' fees, costs and expenses of suit as determined by the court.

10. Notices. All notices, demands, requests and other communications required hereunder shall be in writing, shall be deemed to be duly given if (i) mailed by United States registered or certified mail, with return receipt requested, postage prepaid, (ii) mailed by United States Express Mail, (iii) sent by a reputable national overnight delivery service with next business day delivery guaranteed, (iv) sent by facsimile transmission with proof of delivery with a copy of such facsimile transmission delivered pursuant to one of the methods provided in clauses (i) through (iii) above, or (v) personally served, and the same is sent to a party at its address set forth below:

If to FMC: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attn: Real Estate Manager
Fax No.: (215) 299-5822

With a Copy to: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attention: General Counsel
Fax No.: (215) 299-6728

To Owner: Redevelopment Agency of the City of Modesto
1010 Tenth Street, Suite 6300
Modesto, CA 95354
Attn: Executive Director

Fax No.: (209) ___ - ___

With a copy to:

Redevelopment Agency of the City of Modesto
1010 Tenth Street, Suite 6100
Modesto, CA 95354
Attn: General Counsel
Fax No.: (209) ___ - ___

Notices will be effectively served upon personal delivery, upon receipt if sent by facsimile transmission (with proof of delivery), or if mailed or sent by overnight delivery service, upon receipt or refusal to accept delivery. Any party may designate a change of address by written notice to the others given at least ten (10) days before such change of address is to become effective. Concurrently with any transfer of its fee interest in the Property, the transferring Owner shall give FMC written notice of such transfer setting forth the identity of the transferee and such transferee's address for delivery of notices pursuant to this Section 10.

11. Severability. If any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision shall be held for naught as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

12. Modification. This Agreement may not be modified, amended or otherwise changed in any manner, except by a written amendment executed by both Owner and FMC.

13. Environmental Covenant. FMC and Owner shall record this Agreement in the Official Records of Stanislaus County, California immediately upon mutual execution and delivery thereof. FMC and Owner intend that this Agreement constitute an environmental covenant that burdens the Property and is binding on Owner and any person or entity hereafter acquiring an interest in the Property for the benefit of FMC in accordance with California Civil Code Section 1471. All provisions, covenants, conditions and obligations contained in this Agreement shall inure to the benefit of FMC and shall be binding upon Owner and each person or entity hereafter acquiring an interest in the Property for the benefit of FMC. Each covenant of Owner hereunder to do or to refrain from doing an act pursuant to this Agreement relates to the use of the Property and is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence of Hazardous Materials on the Property. In addition, FMC and Owner also intend that all of the provisions of this Agreement shall be covenants running with the land pursuant to applicable law, including but not limited to California Civil Code Section 1468. All provisions, covenants, conditions and obligations contained in this Agreement shall be binding upon and inure to the benefit of each person acquiring the Property or the interest of FMC in the Remediation Facilities Easement granted pursuant to Section 3 above, and to their respective heirs, successors (by merger, consolidation, or otherwise) and assigns and all persons or entities acquiring any portion of the Property or the Remediation Facilities Easement or any interest therein, whether by operation of law or any manner whatsoever. Each covenant to do or refrain from doing some act on the Property encumbered by this Agreement (i) is a burden on the Property and a benefit to the Remediation Facilities Easement, (ii) runs with the land with respect to the Property and the Remediation Facilities Easement, and (iii) shall benefit and be binding upon each successive owner during its

ownership of the Property or the Remediation Facilities Easement, as applicable, and each person or entity having an interest therein derived in any manner through any owner of the Property or the Remediation Facilities Easement or any portion thereof.

14. Controlling Laws. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

15. Effect on Third Parties. The rights, benefits and obligations conferred hereunder are for the benefit of the parties hereto and not for the benefit of any third party.

16. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the specific subject matter hereof, and all prior negotiations, agreements and understandings between FMC and Owner with respect to the specific subject matter hereof are merged into this Agreement.

17. Counterparts. This Agreement may be executed in counterparts, all of which together constitute one and the same agreement.

[signatures are on following page]

IN WITNESS WHEREOF, FMC and Owner have executed this Right of Entry Agreement, Easement and Environmental Restriction as of the date first above written.

“FMC”

FMC CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

“OWNER”

REDEVELOPMENT AGENCY OF THE CITY OF
MODESTO, a public body, corporate and politic

By: _____
Executive Director

Approved as to form:

General Counsel

ATTEST:

Secretary

EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California, described as follows:

PARCEL NO. 1:

BEGINNING AT A POINT IN THE WEST LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM D-V-O PRODUCTS, INC. TO THE CENTRAL PACIFIC RAILWAY COMPANY DATED NOVEMBER 5, 1925 AND FILED FOR RECORD JULY 29, 1926 IN VOLUME 180 OF OFFICIAL RECORDS OF SAID COUNTY OF STANISLAUS AT PAGE 462, DISTANT SOUTH, 7.02 FEET THEREON FROM THE MOST NORTHERLY CORNER OF SAID PARCEL OF LAND; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 25° 44' 57" EAST ALONG A CURVE TO THE RIGHT OF A RADIUS OF 562.22 FEET, A DISTANCE OF 467.40 FEET; THENCE SOUTH 21° 53' WEST, 41.07 FEET TO THE SOUTHERLY END OF THAT PORTION OF THE EAST LINE OF THE LAND OF BARIUM PRODUCTS, LTD. THAT BEARS NORTH AND SOUTH; THENCE NORTH ALONG THE EAST LINE OF THE LANDS OF BARIUM PRODUCTS, LTD., 491.90 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE ABOVE DESCRIBED PARCEL NO. 1; THENCE SOUTH 21° 53' WEST, 93.98 FEET; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 21° 53' WEST ALONG A CURVE TO THE LEFT OF A RADIUS OF 583.14 FEET, A DISTANCE OF 222.72 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 484.27 FEET; THENCE SOUTH 8° 10' WEST, 98.55 FEET; THENCE WEST, 113.00 FEET TO THE EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG SAID EAST LINE, 800.00 FEET TO THE SOUTH LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE EAST, ALONG SAID SOUTH LINE, 151.70 FEET TO THE SOUTHEASTERLY LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE NORTH 31° 13' EAST THEREON, 101.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND OF D-V-O PRODUCTS, INC., A CORPORATION, AT A POINT IN THE EAST LINE OF MICHIGAN AVENUE, SAID POINT BEING DISTANT 20 FEET AT RIGHT ANGLES EAST FROM THE CENTER LINE OF SAID AVENUE AND 1840 FEET, MORE OR LESS, NORTHERLY FROM THE EAST AND WEST QUARTER SECTION LINE OF SAID SECTION 30; THENCE EAST 205.0 FEET ALONG THE SOUTH LINE OF SAID D-V-O PRODUCTS, INC., PROPERTY TO A POINT; THENCE SOUTH 215.82 FEET TO A POINT; THENCE SOUTH 31° 13' WEST 101.0 FEET TO A POINT; THENCE WEST 152.66 FEET TO A POINT IN THE SAID EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG THE SAID EAST LINE OF MICHIGAN AVENUE, A DISTANCE OF 302.2 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

BEGINNING A POINT BEARING EAST 14.69 CHAINS FROM A POINT IN THE NORTH AND SOUTH QUARTER SECTION LINE, WHICH POINT BEARS NORTH 27. 88 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 30; THENCE NORTH 524.70 FEET AND PART ALONG THE CENTER OF A ROAD TO THE WESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD; THENCE SOUTH 42°38' EAST 716.95 FEET AND ALONG SAID RIGHT OF WAY LINE; THENCE WEST 488.70 FEET TO THE POINT OF BEGINNING, AND LAST

MENTIONED COURSE IS ALSO AT RIGHT ANGLES FROM THE FIRST MENTIONED COURSE.

EXCEPTING THEREFROM THE WEST TWENTY (20) FEET.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

ALL THAT PORTION OF THE EAST HALF OF SECTION 30, IN TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY LINE OF THE CENTRAL PACIFIC RAILWAY COMPANY'S RIGHT OF WAY, SAID POINT BEING DISTANT 330.0 FEET, MEASURED SOUTH 42° 58' EAST ALONG SAID SOUTHWESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE CENTER LINE OF A ROAD AS LAID OUT ALONG THE WEST SIDE OF THE PROPERTY OF THE D-V-O PRODUCTS, INC.; THENCE SOUTH 42°58'EAST 386.90 FEET ALONG SAID BOUNDARY LINE; THENCE WEST 263.70 FEET; THENCE AT RIGHT ANGLES NORTH 283.10 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 5:

BEGINNING AT A POINT MARKING THE NORTHWEST CORNER OF THE 1.002 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 23, 1955 AND RECORDED SEPTEMBER 29, 1955 IN VOLUME 1318 OF OFFICIAL RECORDS, AT PAGE 461, AS INSTRUMENT NO. 29114, SAID CORNER LYING ON THE EAST LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE ALONG THE NORTH LINE OF SAID 1.002 ACRE PARCEL, SOUTH 89° 47' EAST 113.67 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING COURSES: SOUTH 0° 11' 40" EAST, 20.04 FEET; SOUTH 89° 47' EAST, 14.07 FEET; AND SOUTH 0° 11' 40" EAST, 231.60 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 49° 22' 30" WEST, 140.20 FEET; THENCE NORTH 37° 24' 39" WEST, 35.78 FEET TO THE WESTERLY LINE OF SAID 1.002 ACRE PARCEL (ALSO BEING THE EASTERLY LINE OF SAID BENNETT ROAD); THENCE ALONG SAID WESTERLY LINE NORTH 0° 11' 40" WEST, 132.41 FEET TO THE POINT OF BEGINNING.

RESERVING THEREFROM SUCH INTEREST IN THAT PORTION OF THE EAST 15.00 THEREOF, AS WAS RESERVED FOR RAILROAD PURPOSES IN THE DEED FROM CENTRAL PACIFIC RAILROAD COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING AND RESERVING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING THE SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, AS RESERVED IN THE DEED FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS. SAID RIGHTS SHALL NOT INCLUDE USE OF THE SURFACE OF SAID LAND.

PARCEL NO. 6:

LOTS 1 TO 9, INCLUSIVE, IN BLOCK 5072 OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED SEPTEMBER 14, 1940 IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA IN VOLUME 14 OF MAPS AT PAGE 5.

ALSO, LOTS 1 TO 8, IN INCLUSIVE, IN BLOCK 5043 OF THE GRANGE TRACT, ACCORDING TO THE MAP HEREINABOVE REFERRED TO.

PARCEL NO. 7:

ALL OF ABANDONED DULUTH AVENUE, BEING A 60 FOOT STRIP OF LAND RUNNING EAST AND WEST, LYING WITHIN AND AS SHOWN ON THE MAP OF THE GRANGE TRACT FILED SEPTEMBER 14, 1940 VOLUME 14 OF MAPS, PAGE 5, IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA.

PARCEL NO. 8:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE IN SAID SECTION 30, BEARING NORTH 29.32 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION; AND BEING THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO THE GRANGE COMPANY BY DEED RECORDED JUNE 26, 1923 IN VOLUME 23 OF OFFICIAL RECORDS, AT PAGE 331; RUN THENCE NORTH ALONG THE SAID QUARTER SECTION LINE 135 FEET; THENCE EAST 110 FEET; THENCE SOUTH 135 FEET TO SOUTH LINE OF LAND CONVEYED TO SAID GRANGE COMPANY; THENCE WEST ALONG SOUTH LINE OF SAID LAND SO CONVEYED TO THE GRANGE COMPANY 110 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 9:

COMMENCE AT THE INTERIOR QUARTER CORNER OF SAID SECTION 30; THENCE NORTH $0^{\circ} 33' 30''$ WEST ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 1604.26 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO D. D. CAMPIN IN VOLUME 797 OF OFFICIAL RECORDS, AT PAGE 390, RECORDS OF STANISLAUS COUNTY RECORDER'S OFFICE AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH $89^{\circ} 46' 30''$ EAST ALONG THE NORTH LINE OF SAID LAND SO CONVEYED TO D. D. CAMPIN AND PARALLEL TO THE EAST AND WEST QUARTER SECTION LINE THROUGH SAID SECTION 30, A DISTANCE OF 950.97 FEET TO THE NORTHEAST CORNER OF SAID CAMPIN PARCEL, SAID CORNER BEING ON THE WEST LINE OF 40 FOOT ROAD KNOWN AS BENNETT AVENUE; THENCE NORTH $0^{\circ} 42' 30''$ WEST ALONG THE WEST LINE OF SAID 40 FOOT ROAD, A DISTANCE OF 334.45 FEET TO THE SOUTHEAST CORNER OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY IN VOLUME 14 OF MAPS, AT PAGE 5; THENCE NORTH $89^{\circ} 55' 30''$ WEST, ALONG THE SOUTH LINE OF SAID GRANGE TRACT AND THE EXTENSION THEREOF, A DISTANCE OF 950.68 FEET TO THE SAID NORTH AND SOUTH ONE-QUARTER SECTION LINE; THENCE SOUTH $0^{\circ} 33' 30''$ EAST AND ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 332.16 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL NO. 10:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE AT A POINT BEARING NORTH 13.89 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 30; THENCE NORTH ON SAID QUARTER SECTION LINE 10.417 CHAINS; THENCE EAST 14.40 CHAINS; THENCE SOUTH 10.417 CHAINS; THENCE WEST 14.40 CHAINS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED IN THE DEED FROM BARIUM PRODUCTS, LTD., TO ELIZABETH B. RAVEN BAKER, RECORDED MAY 23, 1956 IN VOLUME 1365 OF OFFICIAL RECORDS, AT PAGE 658, AS INSTRUMENT NO. 14454, STANISLAUS COUNTY

RECORDS.

ALSO EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED FROM FRANK J. MITCHELL, ET UX, AND FRED SAMPSON, ET UX, TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, AS INSTRUMENT NO. 22893, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 6,7,8,9, AND 10, ALL THOSE PORTIONS OF LAND CONVEYED TO THE COUNTY OF STANISLAUS IN DEEDS RECORDED DECEMBER 4, 1951 IN BOOK 1059 OF OFFICIAL RECORDS, PAGE 480 AND RECORDED JANUARY 25, 1952 IN BOOK 1067 OF OFFICIAL RECORDS PAGE 598.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 9 AND 10, ALL THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINES OF LAND CONVEYED TO STATE OF CALIFORNIA IN DEED RECORDED DECEMBER 28, 1961 IN BOOK 1731 OF OFFICIAL RECORDS, PAGE 691.

PARCEL NO. 11:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 99.73 FEET ALONG SAID NORTHERLY LINE FROM THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 43° 07' 30" EAST, 27.93 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID PARCEL; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 47' EAST, 282.23 FEET TO THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE NORTH ALONG SAID WESTERLY LINE, 20.31 FEET; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL DESCRIBED IN SAID DEED DATED JUNE 25, 1958, NORTH 89° 47' WEST, 301.25 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 118.75 FEET ALONG SAID NORTH LINE FROM THE NORTHWEST CORNER OF SAID PARCEL NO. 1; THENCE ALONG SAID NORTH LINE, SOUTH 89° 47' EAST, 282.33 FEET TO A POINT IN THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE AND BEING 40 FEET IN WIDTH); THENCE SOUTH ALONG SAID WESTERLY LINE, 243.08 FEET; THENCE NORTH 89° 47' 15" WEST, 49.26 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 46° 42' 51" WEST, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1972 FEET, THROUGH AN ANGLE OF 3° 35' 21" A DISTANCE OF 123.53 FEET; THENCE NORTH 43° 07' 30" WEST, 214.42 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 13:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF CALDWELL AVENUE, FORMERLY WOODLAND AVENUE, WITH THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED DATED MARCH 7, 1873 FROM JOHN T. MAZE TO CENTRAL PACIFIC RAILROAD COMPANY, RECORDED MAY 5, 1873 IN BOOK 10 OF DEEDS, AT PAGE 342, STANISLAUS COUNTY RECORDS; THENCE SOUTH 42° 53' 30" EAST ALONG SAID SOUTHWESTERLY LINE OF SAID LAND, 392.96 FEET TO A POINT IN THE EASTERLY LINE OF

THE 2.09 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR. AND LOUISE DAGGS, HIS WIFE TO CENTRAL PACIFIC RAILWAY COMPANY, RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS AT PAGE 134, STANISLAUS COUNTY RECORDS; THENCE SOUTH ALONG SAID EASTERLY LINE, 1406.01 FEET TO A POINT; THENCE WEST, AT RIGHT ANGLES FROM SAID EASTERLY LINE, 40.00 FEET TO A POINT IN THE WESTERLY LINE OF SAID 2.09 ACRE PARCEL OF LAND; THENCE NORTH ALONG SAID WESTERLY LINE 1390.30 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY, 40.00 FEET, MEASURED AT RIGHT ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED DATED MARCH 7, 1873; THENCE NORTH 42° 53' 30" WEST ALONG SAID PARALLEL LINE, 415.45 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID CALDWELL AVENUE; THENCE SOUTH 89° 12' 30" EAST, ALONG THE SOUTHERLY LINE OF CALDWELL AVENUE, 55.31 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND BEING A PORTION OF BENNETT AVENUE (SOMETIMES KNOWN AS MICHIGAN AVENUE), ABANDONED BY THE STANISLAUS COUNTY BOARD OF SUPERVISORS BY SUPERVISOR'S ORDER RECORDED JULY 11, 1951 IN VOLUME 1039 OF OFFICIAL RECORDS, AT PAGE 97, STANISLAUS COUNTY RECORDS AS INSTRUMENT NO. 16289.

EXCEPTING AND RESERVING THEREFROM ALL MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE INDENTURE BY CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED NOVEMBER 8, 1951 AND RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, STANISLAUS COUNTY RECORDS.

PARCEL NO. 14:

BEGINNING AT THE NORTHWEST CORNER OF THE 5.55 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED APRIL 5, 1961 FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED MARCH 19, 1962 IN VOLUME 1750 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 10483, STANISLAUS COUNTY RECORDS; SAID NORTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF LAND DESCRIBED IN INDENTURE DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR., AND LOUISE DAGGS TO CENTRAL PACIFIC RAILWAY COMPANY AND RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS, AT PAGE 134, AND RE-RECORDED AUGUST 11, 1924 IN VOLUME 77 OF OFFICIAL RECORDS, AT PAGE 256, STANISLAUS COUNTY RECORDS; THENCE NORTH ALONG SAID WEST LINE 243.08 FEET TO A POINT IN THE MOST SOUTHERLY LINE OF THE 1.655 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 8, 1951 FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 26538; THENCE EAST, ALONG LAST SAID LINE, 40.0 FEET TO A POINT IN THE EAST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED JUNE 20, 1924; THENCE SOUTH, ALONG SAID EAST LINE, 243.08 FEET TO A POINT ON THE NORTHERLY LINE OF LAND DESCRIBED IN SAID INDENTURE DATED APRIL 5, 1961; THENCE NORTH 89° 35' 35" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING AND RESERVING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT

LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, DATED OCTOBER 21, 1965 AND RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, AS INSTRUMENT NO. 46197, STANISLAUS COUNTY RECORDS.

PARCEL NO. 15:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 5, 1925 FROM D-V-O PRODUCTS, INC. TO CENTRAL PACIFIC RAILWAY COMPANY (NOW SOUTHERN PACIFIC COMPANY), RECORDED JULY 29, 1926, IN VOLUME 180, AT PAGE 462, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 42° 53' 30" EAST, ALONG THE NORTHEASTERLY LINE OF LAND DESCRIBED IN SAID INDENTURE, PARALLEL WITH AND DISTANT 50.0 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE ORIGINAL LOCATED CENTER LINE OF SOUTHERN PACIFIC COMPANY'S MAIN TRACK (LATHROP TO FRESNO), 378.50 FEET; THENCE SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 372.25 FEET, THROUGH A CENTRAL ANGLE TO 22° 29' 08" (CHORD OF SAID CURVE BEARS SOUTH 11° 14' 34" EAST, 145.15 FEET), AN ARC DISTANCE OF 146.09 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 985.59 FEET TO THE NORTHEAST CORNER OF THE 107,836 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL 2 IN INDENTURE DATED AUGUST 21, 1947, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO MODESTO PRODUCE PACKING COMPANY, RECORDED OCTOBER 22, 1947, IN BOOK 910, AT PAGE 406, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 27554; THENCE WEST, ALONG THE NORTHERLY LINE OF SAID LAST MENTIONED LAND, 329.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH, ALONG THE WESTERLY LINE OF LAND DESCRIBED AS PARCEL 2, IN SAID INDENTURE DATED AUGUST 21, 1947, A DISTANCE OF 260.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF 0.116 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED APRIL 5, 1961, FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1961, IN VOLUME 1707, AT PAGE 496, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 28718; THENCE NORTH 49° 10' 50" WEST ALONG LAST SAID NORTHEASTERLY LINE 44.93 FEET TO A POINT ON EASTERLY LINE OF THE 43,654 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED AUGUST 21, 1947; THENCE ALONG SAID EASTERLY LINE, THE FOLLOWING COURSES AND DISTANCES: NORTH 230.71 FEET; WEST, 14.00 FEET; AND NORTH, 20.00 FEET; THENCE ALONG THE EASTERLY LINE OF THE 2.404 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED MARCH 15, 1943, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED JULY 20, 1943, IN BOOK 776, AT PAGE 91, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 10746, THE FOLLOWING COURSES AND DISTANCES: NORTH 8° 10' EAST, 98.55 FEET; NORTH 484.21 FEET; NORTHERLY, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 583.14 FEET, THROUGH A CENTRAL ANGLE OF 21° 53' (CHORD OF LAST SAID CURVE BEARS NORTH 10° 56' 30" EAST, 221.37 FEET), AN ARC DISTANCE OF 222.72 FEET; AND NORTH 21° 53' EAST, TANGENT TO LAST SAID CURVE, 93.98 FEET TO THE NORTHEAST CORNER OF SAID 2.404 ACRE PARCEL OF LAND, LAST SAID NORTHEAST CORNER ALSO BEING THE MOST SOUTHERLY CORNER OF THE 0.422 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED MARCH 15, 1943; THENCE ALONG THE EASTERLY LINE OF SAID 0.422 ACRE PARCEL OF LAND, THE FOLLOWING COURSES AND DISTANCES: NORTH 21° 53' EAST, 41.07 FEET; AND NORTHERLY, ON A CURVE TO THE LEFT HAVING A RADIUS OF 562.22 FEET,

THROUGH A CENTRAL ANGLE OF 47° 37' 57" (CHORD OF LAST SAID CURVE BEARS NORTH 1° 55' 59" WEST, 454.05 FEET), AN ARC DISTANCE OF 467.40 FEET TO A POINT IN THE WEST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED NOVEMBER 5, 1925; THENCE NORTH, ALONG LAST SAID LINE, 7.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS EXPECTED AND RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, STANISLAUS COUNTY RECORDS.

PARCEL NO. 16:

ALL THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 29, 1958 AND RECORDED OCTOBER 31, 1958 IN VOLUME 1511 OF OFFICIAL RECORDS, AT PAGE 12, AS INSTRUMENT NO. 27377, AND LOCATED IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID PARCEL OF LAND DESCRIBED IN SAID DEED, SAID POINT LYING NORTH 0° 11' 45" WEST, 135.20 FEET FROM THE SOUTHEAST CORNER OF SAID PARCEL OF LAND; THENCE NORTH 49° 22' 30" WEST, 436.91 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL; THENCE ALONG SAID WESTERLY BOUNDARY, NORTH 0° 11' 40" WEST, 260.77 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL, SOUTH 89° 47' EAST, 330.65 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE ALONG THE AFORESAID EASTERLY LINE, SOUTH 0° 11' 45" EAST, 544.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED THE GRANTOR, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AS EXCEPTED AND RESERVED IN THE DEEDS FROM CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED SEPTEMBER 13, 1946 OF VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE EASTERLY 15 FEET THEREOF WHICH LIES SOUTH OF THE NORTH 327.77 FEET, AS EXCEPTED AND RESERVED FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND OPERATION OF RAILROAD TRACKS AND APPURTENANCES THEREON, IN SAID DEED RECORDED SEPTEMBER 13, 1946 IN VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN THE WEST 15 FEET OF THE NORTH 327.77 FEET OF SAID PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, AND EXCEPTING THEREFROM SUCH INTEREST IN THE EAST 15 FEET OF THE NORTH 327.77 FEET OF SAID

PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, RESERVED FOR RAILROAD PURPOSES IN THE SAID DEED RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

APN: 029-13-12-690 and 029-13-13-660 and 029-14-10-340

EXHIBIT "B"
ENVIRONMENTAL REPORTS

EXHIBIT "C"

LEGAL DESCRIPTION OF REMEDIATION FACILITIES EASEMENT

[Metes and bounds description to be inserted prior to Close of Escrow]

EXHIBIT "D"

DESCRIPTION OF REMEDIATION SYSTEM

Modesto Groundwater Remediation System

The groundwater Remediation System is designed to monitor groundwater quality and groundwater flow, extract and treat groundwater at the Site, and discharge treated groundwater to the City of Modesto POTW in accordance with the City of Modesto Conditional and Revocable Groundwater Discharge Permit No. GW 96-2. The Remediation System includes the groundwater extraction and treatment system located on the Site as of the Effective Date, consisting of extraction wells, conveyance piping and a treatment facility, as well as monitoring wells, and electric, domestic water and storm drain lines from the utility supplier to such system.

The groundwater extraction and treatment component of the Remediation System includes three groundwater extraction wells (E-1, E-2, and E-3), each of which has a submersible pump connected to a pressure pipeline that conveys water from the well to the treatment facility. The extraction wells may require and be fitted with anti-scalent systems at their wellheads to prevent scale accumulation.

Upon entering the treatment system, groundwater from the three extraction wells is treated with hydrogen peroxide to convert sulfides into sulfates. Treated groundwater is subsequently discharged to the City of Modesto POTW. A gravity flow discharge pipeline begins at the treatment facility and extends to a sewer manhole. A line extends from the manhole to the sewer main on Graphics Drive.

EXHIBIT "E"

SITE PLAN SHOWING TREATMENT FACILITY AREA AND ACCESS EASEMENT

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 05-2009**

**RESOLUTION AMENDING THE FY 2008-2009 REDEVELOPMENT AGENCY
CAPITAL IMPROVEMENT PROGRAM BUDGET FOR THE PURPOSE OF
COMPLETING THE ACQUISITION OF THREE (3) PARCELS LOCATED AT
1200 GRAPHICS DRIVE TO BE ACQUIRED FROM THE FMC
CORPORATION (APN: 029-013012; 029-013013; 029-014010)**

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the "Project Area"), and

WHEREAS, beginning in 2002, the Agency considered the development of a site owned by the FMC Corporation ("FMC") which is located on three (3) parcels along the east side of Graphics Drive, east of State Route 99 and more specifically identified as Stanislaus County Assessors Parcel Numbers: 029-013013; 029-013012; 029-014010 with a total acreage of 45.04 Acres (the "Project Site") located within the Project Area, and

WHEREAS, the Agency and FMC have determined that it is in the best interest of both parties to pursue the development of said Business Park on said Project Site, and

WHEREAS, the Agency and FMC have successfully negotiated a Purchase and Sale Agreement containing certain terms and conditions relating to the acquisition of said Project Site by the Agency, including a purchase price of Seven Hundred, Fifty Thousand Dollars (\$750,000), which Agreement is **attached** hereto as "**Exhibit A**" and made a part hereof by this reference, and

WHEREAS, since said Project Site is a remediated "brownfield" and the Agency will be in the chain of title, the Agency and the City will purchase environmental

Pollution Legal Liability insurance from Chubb Environmental Insurance Company in the total coverage amount of \$50,000,000, for a one-time premium cost of \$500,000, and

WHEREAS, the total funding needed for this transaction is \$1,273,000, staff recommends adjustments to the Agency's Fiscal Year 2008-2009 Capital Improvement Program budget as follows:

- Reduce Public Improvements CIP Account: # 9080-140-K732-6052 by \$40,000 and re-appropriate the funds into the CIP Account: # 9080-140-Q243-6030

WHEREAS, additional funds in the estimated amount of \$61,600 must be identified by the Agency in order to fully fund the purchase price before close of escrow, and

WHEREAS, at its regularly scheduled meeting on October 1, 2008, the Citizens Redevelopment Advisory Commission considered the proposed Purchase & Sale Agreement and the related amendments to the Agency budget and recommended the budget amendments to the Agency for approval,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Agency's Capital Improvement Program budget for Fiscal Year 2008-2009 is hereby amended to appropriate funding for the acquisition of said Project Site as follows:

- Reduce Public Improvements CIP Account: 9080-140-K732-6052 by \$40,000 and re-appropriate the funds into the Kansas Woodland Business Park Land Account #9080-140-Q243-6030
- Open the escrow account established with First American Title Company by placing a Deposit in the amount of \$75,000 from Kansas Avenue Business Park Land CIP Account: #9080-140-Q243-6030 into the escrow account for the acquisition property from FMC

- Prior to close of escrow, transfer, deposit, appropriate or pay any related funding required to complete said property transaction and close escrow,

BE IT FURTHER RESOLVED that the Redevelopment Agency does hereby authorize and direct its Executive Director, or his/her designee, to execute on behalf of the Agency any and all appropriations, transfers, payments, deposits or any other related actions required to complete the acquisition of said Project Site by the Agency.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto held on the 27th day of January, 2009, by Agency member Marsh, who moved its adoption, which motion being duly seconded by Agency member Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency members: Hawn, Keating, Lopez, Marsh, Olsen,
Mayor Ridenour

NOES: Agency members: None

ABSENT: Agency members: O'Bryant

ATTEST: Stephanie Lopez
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: Susana Alcala Wood
SUSANA ALCALA WOOD, General Counsel

PURCHASE AND SALE AGREEMENT

By and Between

**REDEVELOPMENT AGENCY OF
THE CITY OF MODESTO**

and

**FMC CORPORATION,
A Delaware corporation**

REDEVELOPMENT PROJECT:

KANSAS-WOODLAND BUSINESS PARK

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Exhibits

Exhibit A-1	Map of the Site
Exhibit A-2	Legal Description of the Site
Exhibit B	Form of Discharge Agreement
Exhibit C	Environmental Reports
Exhibit D	Form of Right of Entry Agreement
Exhibit E	Form of Well Lease Termination Agreement
Exhibit F	Form of Deed
Exhibit G	Form of Bill of Sale and Assignment
Exhibit H	Description of Remediation System
Exhibit I	Form of FIRPTA Affidavit

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is entered into as of the _____ day of _____, 2009, (the "Effective Date") by and between the REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic (the "Agency"), and FMC CORPORATION, a Delaware corporation ("FMC"). The Agency and FMC agree as follows:

RECITALS

A. FMC is the owner of that certain real property located at 1200 Graphics Drive in the City of Modesto, Stanislaus County, California, and more particularly shown on the map attached hereto as Exhibit "A-1" and legally described on Exhibit "A-2" attached hereto and made a part hereof (the "Site").

B. As a result of former operations on the Site by FMC and its predecessors, groundwater beneath the Site has been contaminated by, among other materials, total dissolved solids, particularly sulfates. The Site is currently subject to Cleanup and Abatement Order No. 98-274 adopted on June 26, 1998 ("Order") by the California Regional Water Quality Control Board, Central Valley Region ("RWQCB"). The Order requires FMC to operate, and FMC currently operates, a groundwater remediation system on the Site including monitoring and

extraction wells and a treatment facility ("Remediation System"). The Remediation System extracts groundwater from extraction wells and conveys the groundwater to a treatment facility. The treated groundwater (the "Wastewater") is discharged from the Remediation System into the City of Modesto's publicly-owned wastewater treatment works ("POTW") under a Conditional and Revocable Groundwater Discharge Permit issued to FMC by the City of Modesto, Public Works Department, Environmental Compliance Section ("Permit"). The current Permit was effective January 1, 2007 and expires December 31, 2009.

C. In addition, as a result of the past storage of barite ore and the processing of this ore and management of processing residues, areas of surface soils on the Site were impacted with elevated concentrations of barium. Further, as a result of past manufacturing and other operations, surface soils may have been impacted by other contaminants. FMC and the California Environmental Protection Agency, Department of Toxic Substances Control ("DTSC") entered into a Voluntary Cleanup Agreement ("VCA") effective as of July 8, 2002 with respect to soil contamination at the Site. FMC prepared an Interim Soil Removal Action Work Plan dated April 2006 (the "IRAW") which was approved by DTSC on August 3, 2006 and an Addendum to the IRAW dated August 13, 2007 ("IRAW Addendum") which was approved by DTSC on August 14, 2007. FMC subsequently submitted a January 2008 Implementation Report ("Implementation Report") regarding the soil remediation activities undertaken under the IRAW and IRAW Addendum, which Implementation Report was approved by DTSC on February 22, 2008. FMC completed interim soil removal activities involving the excavation and removal of soils on the Site that exceeded the health-based Site-Specific Target Levels ("SSTL") as specified in the IRAW and IRAW Addendum.

D. The Agency desires to purchase the Site for subsequent conveyance to a developer for redevelopment of the Site as part of the Kansas-Woodland Business Park ("Business Park"). The Agency believes the development of the Business Park will assist the economy of Modesto and will stimulate job creation and economic growth in the Modesto area.

E. FMC has not been willing to sell the Site until the final remedial measures for groundwater remediation have been determined. FMC is concerned that additional requirements that could be imposed upon FMC by the RWQCB, DTSC or another Environmental Agency, or that pending or future state and federal regulations governing Total Maximum Daily Load ("TMDL") imposed on the City's POTW, could require (i) alterations or modifications to FMC's Remediation System, (ii) new or additional remediation measures, or (iii) the installation of new remediation equipment that would require the use of additional portions of the Site. Although FMC will continue to own and operate the Remediation System in accordance with the RAP and the Order and will be granted the Remediation Facilities Easement pursuant to the Right of Entry Agreement, once FMC sells the Site to the Agency, FMC may not have available land for any modifications or alterations that could be required to be made to the Remediation System or for the installation of new or supplemental remediation equipment that might be necessary to comply with such additional requirements or regulations. As a result, in order to comply with the RAP and the Order, FMC will become dependent on its ability to continually discharge the Wastewater from the Remediation System to the City's POTW without the ability to modify the Remediation System to comply with any such additional requirements or regulations. Under these circumstances, FMC has not been willing to sell the Site to the Agency unless FMC receives adequate contractual assurances from the City that it would continue to have the ability

to discharge Wastewater from the Remediation System to the POTW in order to comply with the RAP and the Order.

F. Agency and FMC have reached agreement on the terms and conditions on which FMC will sell the Site to the Agency. The sale of the Site shall be consummated through two agreements: (i) this Agreement will set forth the terms and conditions on which the Agency will purchase and FMC shall convey the Site to the Agency; and (ii) FMC and the City will enter into a separate Discharge Agreement as a condition to and effective upon FMC's conveyance of the Site to the Agency, which Discharge Agreement shall govern FMC's ability to discharge treated water from the Remediation System to the City's POTW. This Agreement and the Discharge Agreement are separate but integral portions of the same transaction.

NOW THEREFORE, for valuable consideration as more particularly described in this Agreement, FMC and the Agency hereby agree as follows:

ARTICLE I DEFINITIONS

AB 389 Agreement. "**AB 389 Agreement**" shall mean that agreement to be entered into between the Agency and the Department of Toxic Substances Control, as described in Section 306.1(c) hereof, pursuant to the California Land Reuse and Revitalization Act Program, as codified in Health and Safety Code section 25395.60 et seq.

Agency. "**Agency**" shall mean the Redevelopment Agency of the City of Modesto, a public body, corporate and politic formed under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.).

Agreement. "**Agreement**" shall mean this Purchase and Sale Agreement.

Business Park. "**Business Park**" shall mean the Kansas-Woodland Business Park.

City. "**City**" shall mean the City of Modesto, a municipal subdivision of the State of California.

CERCLA. "**CERCLA**" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., as amended.

Contamination. "**Contamination**" shall mean those certain chemicals in the soil and groundwater at the Site as more particularly described in the Environmental Reports listed on Exhibit C attached hereto.

Deposit. "**Deposit**" shall mean a deposit of cash or certified check in the amount of SEVENTY-FIVE THOUSAND DOLLARS (\$75,000.00), to be deposited by Agency into escrow in accordance with Section 302 hereof.

Discharge Agreement. "**Discharge Agreement**" shall mean the Discharge Agreement between the City and FMC described in Section 306.2(b) hereof and attached hereto as Exhibit "B" and incorporated herein by reference.

Due Diligence Documents. "**Due Diligence Documents**" shall mean those documents that have been or will be provided to Agency as set forth in Section 304 hereof.

DTSC. "**DTSC**" shall mean the State of California Environmental Protection Agency, Department of Toxic Substances Control.

Environmental Agency. "**Environmental Agency**" shall mean the RWQCB, the DTSC and/or any other federal, state or local governmental agency charged with enforcing Hazardous Materials Laws and having jurisdiction with respect to the Site.

Environmental Reports. "**Environmental Reports**" shall mean those reports listed on Exhibit C attached hereto.

Escrow Agent. "**Escrow Agent**" shall mean First American Title Company, whose address is 1506 H Street, Modesto, California.

Feasibility Study. "**Feasibility Study**" shall mean that "Final Feasibility Study for Soil and Groundwater", prepared by GeoTrans for FMC Corporation, dated February 2008 and approved by DTSC, with concurrence by the RWQCB, by letter dated April 29, 2008.

FMC. "**FMC**" shall mean FMC Corporation, a Delaware corporation.

Hazardous Materials "**Hazardous Materials**" shall mean any substance, material or waste which is (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of California law; (2) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317); (3) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903) or its implementing regulations; (4) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601); or (5) determined by DTSC, RWQCB or any other California, federal or local governmental authority (other than the City or the Agency) to be capable of posing a risk of injury to health, safety or property.

Hazardous Materials Laws. "**Hazardous Materials Laws**" shall mean CERCLA, RCRA, or any other federal, state, or local law governing (i) Hazardous Materials, (ii) any Remedial Work obligation imposed upon FMC by an Environmental Agency, or (iii) the release of Hazardous Materials into the soil or groundwater.

IRAW. "**IRAW**" shall mean the approved Revised Interim Removal Action Work Plan for soil remediation on the Site, dated April 2006, and approved by the DTSC on August 3, 2006, as amended by the Addendum to the Interim Removal Action Work Plan for Soil dated August 13, 2007 ("IRAW Addendum") and approved by the DTSC on August 14, 2007.

Land Use Covenant. "**Land Use Covenant**" shall mean that certain Covenant to Restrict Use Environmental Restriction which will be prepared by FMC in accordance with the procedure

set forth in Section 307 hereof and approved by the DTSC and RWQCB and recorded against the Site prior to the Close of Escrow in accordance with the RAP.

Operation and Maintenance Agreement. "**Operation and Maintenance Agreement**" or "**OMA**" shall mean that certain agreement entered into by and between the Agency, FMC, DTSC and RWQCB prior to the Close of Escrow relative to the operation and maintenance of the infrastructure for the final remedial action(s) approved under the RAP, both with respect to soil and groundwater conditions, and including monitoring, inspection and reporting obligations.

Operation and Maintenance Plans. "**Operation and Maintenance Plans**" or "**OMPs**" shall mean the separate plans for soil and groundwater that are developed by FMC pursuant to Section 307 hereof and approved by the DTSC and the RWQCB prior to the Close of Escrow for the long-term operation and maintenance of the final remedial action(s) approved under the RAP.

Order. "**Order**" shall mean that certain Cleanup and Abatement Order No. 98-724 adopted on June 26, 1998 by the RWQCB.

Party or Parties. "**Party, Parties, party or parties**" shall all mean the Agency and FMC, individually and collectively.

Permit. "**Permit**" shall mean that certain Conditional and Revocable Groundwater Discharge Permit effective January 1, 2007, issued to FMC by the City of Modesto, Public Works Department, Environmental Compliance Section.

POTW. "**POTW**" shall mean the publicly-owned wastewater treatment works operated by the City of Modesto.

Prior Orders. "**Prior Order**" shall mean those certain Cleanup and Abatement Orders Nos. 93-202 and 96-063 adopted by the RWQCB.

Project. "**Project**" shall mean the Kansas-Woodland Business Park, all predisposition activities, property acquisitions and dispositions, demolition and public or private improvements of any nature on any portion of the Site, and all other activities in furtherance of the development of the Site for the Kansas-Woodland Business Park pursuant to this Agreement.

Prospective Purchaser Agreement. "**Prospective Purchaser Agreement**" shall mean that agreement to be entered into between the Agency and the RWQCB with respect to groundwater contamination conditions at the Site, as described in Section 306.1(d) hereof, pursuant to the California Porter-Cologne Water Quality Act, California Water Code section 13304.

Purchase Price. "**Purchase Price**" shall mean the consideration given to FMC for the sale of the Site which shall include (i) a cash payment from the Agency in the amount of \$750,000 and (ii) the rights and benefits granted to FMC and the obligations undertaken by the City pursuant to the Discharge Agreement.

RAP. "**RAP**" shall mean the Remedial Action Plan to be prepared by FMC pursuant to the Order and the VCA and to be submitted to the DTSC and the RWQCB for approval in accordance with Section 307 hereof.

RCRA. " **RCRA**" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. section 6901 et seq., as amended.

Redevelopment Plan. "**Redevelopment Plan**" shall mean that Redevelopment Plan for the Modesto Redevelopment Project that was approved and adopted on July 12, 1983, by the City Council of the City of Modesto, by Ordinance No. 2203-C.S, as amended on June 19, 1984, by Ordinance No. 2269-C.S., as amended on November 19, 1991, by Ordinance No. 2793-C.S. and as further amended on October 2, 2007, by Ordinance No. 3454-C.S.

Regulatory Documents. "**Regulatory Documents**" shall mean the Land Use Covenant, the Operation and Maintenance Agreement, the Operation and Management Plans and the Soil Management Plan, which are referenced in the RAP and which will be developed and approved by the DTSC and/or the RWQCB in accordance with Section 307 hereof, prior to the Close of Escrow.

Remedial Work. "**Remedial Work**" shall mean any and all investigation, remediation, mitigation, monitoring, reporting, and other obligations required or which may be required of FMC by the DTSC pursuant to the VCA, the RAP, the OMA or the OMP for groundwater or by the RWQCB pursuant to the Order or the Prior Orders, as the VCA, the RAP, the OMA, the OMP for groundwater, the Order or the Prior Orders may be amended or supplemented from time to time, or pursuant to any other order of the DTSC, RWQCB or another Environmental Agency which imposes obligations on FMC with respect to soil or groundwater conditions relative to the Site or the Contamination consistent with the cleanup and use of the Site for commercial/industrial purposes. Remedial Work shall not include the Soil Management Requirements, including the obligations set forth in the OMP for soil which are part of the Soil Management Requirements, except when FMC is performing Remedial Work that involves the disturbance of the soil.

Remediation System. "**Remediation System**" shall mean the groundwater extraction and treatment system located on the Site as of the Effective Date, consisting of extraction wells, conveyance piping and a treatment facility, as well as monitoring wells, together with any additional groundwater remediation facilities hereafter required to be located on the Site, and electric, domestic water and storm drain lines from the utility supplier to such system. A description of the existing Remediation System is attached hereto as Exhibit H and incorporated herein by reference.

Remediation Facilities Easement. "**Remediation Facilities Easement**" shall mean that portion of the Site on which an easement shall be granted by Agency to FMC under the Right of Entry Agreement, as more particularly described in Section 309 hereof.

Right of Entry Agreement. "**Right of Entry Agreement**" shall mean the Right of Entry Agreement, Easement and Environmental Restriction between the Agency and FMC to be recorded against the Site at the Close of Escrow as described in Section 309 hereof, and attached hereto as Exhibit D and incorporated herein by reference.

RWQCB. "**RWQCB**" shall mean the State of California Regional Water Quality Control Board, Central Valley Region, or any successor agency thereto.

Site. "Site" shall have the meaning set forth in Section 204 of this Agreement.

Soil Management Plan. "Soil Management Plan" shall mean the Soil Management Plan prepared by FMC in cooperation with the Agency in accordance with Section 307 and to be approved by the DTSC and the RWQCB prior to the Close of Escrow, as provided in the RAP to set forth the decision framework and specific procedures for management of soils and any groundwater or other water that may be generated in the course of construction or operation and maintenance activities at the Site to which construction and future workers at the Site may otherwise be exposed in the course of work at the Site.

Title Company. "Title Company" shall mean First American Title Company.

TMDL. "TMDL" shall mean the Total Maximum Daily Load established by the RWQCB, in implementation of the federal Clean Water Act and the California Porter-Cologne Water Quality Control Act, to control pollutants and achieve certain water quality standards in the wastewater discharge from point sources as it relates to the operation of the POTW.

VCA. "VCA" shall mean the Voluntary Cleanup Agreement effective as of July 8, 2002, by and between FMC and DTSC, as amended or supplemented from time to time.

Water Wells. "Water Wells" shall mean Water Supply Wells Nos. 5 and 6, located on the Site.

Water Well Lease. "Water Well Lease" shall mean that Lease Agreement dated May 26, 1992 whereby the City of Modesto leases Water Supply Well No. 5 from FMC. The Water Well Lease shall be terminated at the Close of Escrow pursuant to the Well Lease Termination Agreement.

Well Lease Termination Agreement. "Well Lease Termination Agreement" shall mean that agreement between FMC and the City pursuant to which the Water Well Lease shall be terminated as of the Close of Escrow. The form of the Well Lease Termination Agreement is attached hereto as Exhibit E and incorporated herein by reference.

ARTICLE II [\$200] SUBJECT OF AGREEMENT

A. [\$201] Purpose of this Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan for the Modesto Redevelopment Project by providing for the acquisition of the Site for subsequent disposition to a developer and redevelopment of the Site. The Site is located within the boundaries of the Project Area.

The acquisition of the Site pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements. In particular, the Agency anticipates

that the acquisition of the Site for redevelopment into the Business Park will benefit the City of Modesto by providing significant economic benefit to the City in the form of new businesses, new jobs, increased tax revenue, redevelopment of unused property into productive use and increased economic activity for existing businesses in the City of Modesto.

B. [§202] The Redevelopment Plan

This Agreement is subject to the provisions of the Redevelopment Plan for the Modesto Redevelopment Project which was approved and adopted on July 12, 1983, by the City Council of the City of Modesto, by Ordinance No. 2203-C.S., as amended on June 19, 1984, by Ordinance No. 2269-C.S., as amended on November 19, 1991, by Ordinance No. 2793-C.S. and as further amended on October 2, 2007, by Ordinance No. 3454-C.S. The Redevelopment Plan, as it now exists and as it may be subsequently amended, is incorporated herein by reference and made a part hereof as though fully set forth herein.

C. [§203] The Project Area

The Project Area is located in the City of Modesto, California, and the exact boundaries thereof are specifically described in the Redevelopment Plan.

D. [§204] The Site

The Site is that portion of the Project Area shown on the Map of the Site (Exhibit "A-1"), and is more particularly described in the legal description of the Site (Exhibit "A-2"). The Site includes (i) all existing improvements thereon, (ii) any personal property and equipment owned by FMC and used exclusively in the operation of the Site, including the two Water Wells and all pumps, piping, equipment and machinery owned by FMC and used or intended for use in the operation of the Water Wells (collectively, the "Personal Property") and (iii) all of FMC's right, title and interest in any and all air rights, licenses, franchises, permits (other than the Permit), development rights, entitlements, general intangibles, authorizations and approvals owned by FMC and used exclusively in the operation and use of the Site (collectively, the "Intangible Property"). Notwithstanding the foregoing, the Site shall not include, and FMC shall retain ownership of, the Remediation System located on the Site as of the Close of Escrow or thereafter constructed or located on the Site by FMC pursuant to the RAP and/or the Order, or requirements otherwise imposed by DTSC, RWQCB or another Environmental Agency. In addition, FMC and the City shall enter into the Well Lease Termination Agreement pursuant to which the Water Well Lease shall be terminated at the Close of Escrow. FMC shall convey the real property comprising the Site to the Agency at the Close of Escrow pursuant to a Grant Deed in the form attached hereto as Exhibit "F" ("Deed"). FMC shall convey all of its right, title and interest in and to the Personal Property and Intangible Property to the Agency at the Close of Escrow pursuant to a Bill of Sale and Assignment in the form attached hereto as Exhibit "G" ("Bill of Sale and Assignment").

E. [§205] Parties to this Agreement

1. [§206] The Agency

The Agency is the Redevelopment Agency of the City of Modesto which is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.). The principal office of the Agency is located at 1010 Tenth Street, Suite 3300, Modesto, California 95354.

2. [\$207] FMC

FMC is FMC Corporation, a Delaware corporation. The principal office of FMC is located at 1735 Market Street, Philadelphia, Pennsylvania 19103.

ARTICLE III
[\$300] ACQUISITION OF THE SITE

A. [\$301] Sale and Purchase

In accordance with and subject to all the terms, covenants and conditions of this Agreement, FMC agrees to sell, and the Agency agrees to purchase for development, the Site. As consideration for the sale of the Site, FMC shall receive the following: (i) a cash payment from the Agency in the amount of SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000.00) ("Cash Payment") and (ii) the rights and benefits granted to FMC and the obligations undertaken by the City pursuant to the Discharge Agreement (collectively, items (i) and (ii) are the "Consideration").

B. [\$302] Deposit

Within two (2) business days after execution of this Agreement by the Parties, an escrow shall be opened with Escrow Agent for the consummation of this transaction. Within ten (10) business days after execution of this Agreement by the Parties, Agency shall deposit with Escrow Agent the amount of SEVENTY-FIVE THOUSAND DOLLARS (\$75,000) (the "Deposit"). The Deposit shall be placed in an interest-bearing account. The Deposit shall be applied towards the Cash Payment at Close of Escrow. If the Close of Escrow fails to occur as a result of a default by the Agency hereunder, FMC shall retain the Deposit as liquidated damages pursuant to Section 402 hereof.

C. [\$303] Close of Escrow

The Close of Escrow for the Site shall occur, subject to the satisfaction of the Agency's Closing Conditions and FMC's Closing Conditions, on the date that is thirty (30) days after the RAP and the last of the Regulatory Documents are approved by the RWQCB and/or DTSC in accordance with the procedure set forth in Section 307 below. Notwithstanding the foregoing, if Agency's Closing Conditions and FMC's Closing Conditions are not satisfied or waived so that the Close of Escrow can occur by September 30, 2009, then this Agreement shall terminate on September 30, 2009 unless extended by mutual agreement of the parties. In the event of such termination, the Deposit shall be returned to the Agency, unless any of the conditions set forth in Sections 306.1(c) and 306.1(d) or Section 306.2(a) have not been satisfied as of September 30, 2009, in which case the Deposit shall be paid to FMC, and neither party shall

have any further obligations hereunder. For purposes of this Agreement, the "Close of Escrow" shall mean the date that the Grant Deed for the Site is recorded by Escrow Agent in the Official Records of Stanislaus County, California. Notwithstanding the foregoing, if the scheduled date for the Close of Escrow is a Saturday, Sunday or public holiday, the scheduled closing date shall be the next business day. The Agency and FMC agree to perform all acts reasonably necessary to enable the conveyance of title by FMC to the Agency at the Close of Escrow in accordance with the terms of this Agreement. The Executive Director of the Agency, at his/her discretion, is authorized to act on behalf of the Agency to approve any reasonable extensions of time for the performance of any obligations contained in this Agreement.

D. [§304] Due Diligence Documents

The Agency acknowledges that pursuant to the Due Diligence Agreement ("Due Diligence Agreement") attached to and incorporated into that certain Option Agreement between the Agency and FMC dated as of November 6, 2002 ("Option Agreement"), which Option Agreement has now expired, FMC prepared and delivered to the Agency a list of the following documents, to the extent any such documents existed and were in the possession of FMC or its consultants and not subject to attorney-client privilege (collectively, "Due Diligence Documents"):

- a. copies of surveys, studies, audits, investigations, test data, reports and other material, if any, relating to the physical condition of the Site (other than the environmental condition of the Site) in FMC's possession;
- b. copies of administrative orders and agreements, and other regulatory agency determinations, including approvals and correspondence to and from regulatory agencies with respect to the environmental condition of the Site or the current compliance of the Site with applicable laws, statutes, ordinances and regulations, if any, together with all final reports and work plans that FMC has submitted to the DTSC, RWQCB or other Environmental Agency with respect to the environmental condition of the Site, including submittals pursuant to administrative orders and agreements, and other Environmental Agency determinations;
- c. copies of governmental approvals and permits, tax bills and relevant correspondence, if any, pertaining to the use and operation of the Site (but excluding any appraisals or other information regarding the value of the Site);
- d. copies of plans and specifications for the existing improvements on the Site including the Remediation System; and
- e. copies of all environmental impact reports, environmental impact certifications and zoning, land use or development agreements relating to the Site.

The Agency had the opportunity to review the Due Diligence Documents pursuant to the Due Diligence Agreement. FMC prepared an updated list which included any additional Due Diligence Documents generated since November 6, 2002 and delivered such updated list to

the Agency on June 17, 2008 ("Updated List"). The Agency subsequently requested and FMC arranged for the Agency to receive copies of Due Diligence Documents designated by the Agency on the Updated List. Within thirty (30) days after the Effective Date, FMC shall provide the Agency with a list of any additional Due Diligence Documents in the possession of FMC and/or its consultants and not subject to attorney-client privilege which have been generated since the preparation of the Updated List (such documents are hereafter referred to as "Recent Due Diligence Documents"). If and to the extent the Agency gives FMC written notice that it does not have copies of any specific Recent Due Diligence Documents and desires to review any Recent Due Diligence Documents specifically designated by the Agency, FMC shall make copies of such documents and provide them to the Agency, at the Agency's expense. FMC makes no representation or warranty as to the truth or accuracy of any Recent Due Diligence Documents except that the same are true and correct copies of the Recent Due Diligence Documents in the possession of FMC and/or its consultants. To the extent that FMC comes into possession of additional Recent Due Diligence Documents after the Effective Date, FMC shall advise the Agency of such additional documents in accordance with the procedure set forth above.

The Agency acknowledges that it had the opportunity to review the physical and environmental condition of the Site under the Due Diligence Agreement incorporated into the Option Agreement. The Agency shall have no further right of physical inspection of the Site pursuant to this Agreement.

E. [§305] Title

1. Title Approval. Within ten (10) business days after the Effective Date, FMC shall cause the Title Company to prepare and issue to the Agency a preliminary title report, evidencing the current condition of title to the Site ("Title Report"), together with copies of all related underlying documents and a map plotting any easements encumbering the Site. In addition, the Agency shall have the right to obtain, at the Agency's sole cost and expense, an ALTA survey of the Site ("Survey"). Within thirty (30) days after the Agency's receipt of the Title Report, copies of all related underlying documents and a map plotting the easements encumbering the Site, the Agency shall give FMC written notice ("Title Objection Notice") of any title exceptions which are unacceptable to the Agency ("Disapproved Title Objections"). If the Agency fails to deliver the Title Objection Notice within said thirty (30) day period, the Agency shall be deemed to have conclusively approved all exceptions to title described in the Title Report. If the Agency gives the Title Objection Notice, FMC shall have ten (10) days after receipt of the Agency's Title Objection Notice to notify the Agency whether FMC (a) will cause or (b) elects not to cause any of the Disapproved Title Objections to be removed from title before the Close of Escrow ("FMC's Title Response"). If FMC fails to deliver FMC's Title Response within said ten (10) day period, then FMC shall be deemed to have elected not to remove any Disapproved Title Objections. If FMC elects to remove any Disapproved Title Objections in FMC's Title Response, then FMC shall cause removal of such Disapproved Title Objections on or before the Close of Escrow. If FMC elects not to remove any Disapproved Title Objections in FMC's Title Response, then at the Agency's sole election, to be made within ten (10) days of receipt of FMC's Title Response, the Agency may either (i) terminate this Agreement, in which case the Deposit shall be returned to the Agency and neither party shall have any further interest hereunder except for those obligations that survive the termination of this Agreement, or (ii)

waive such Disapproved Title Objections and proceed to the Close of Escrow without any reduction in the Cash Payment.

2. Deed. Title to the Site shall be conveyed from FMC to the Agency pursuant to the Deed, subject only to the "Permitted Exceptions." As used herein, the "Permitted Exceptions" shall mean the following: (i) non-delinquent real property taxes and assessments; (ii) the standard exceptions and exclusions contained in an ALTA standard coverage owner's policy of title insurance; (iii) all exceptions to title set forth in the Title Report except any Disapproved Title Objections FMC has elected to remove in FMC's Title Response; (iv) an easement for overhead wires in favor of the Modesto Irrigation District; (v) the Regulatory Documents, including the Land Use Covenant; (vi) the Right of Entry Agreement; (vii) all liens and encumbrances resulting from the acts of the Agency or the Agency's employees, agents, consultants or contractors on the Site; (viii) any encumbrances securing the Agency's financing on the Site; (ix) any entitlements the Agency obtains for the Site which FMC permits to encumber the Site prior to the Close of Escrow in accordance with Section 308 hereof; (x) all matters shown on the Survey, if any; and (xi) all other matters of record.

3. Title Policy. Concurrently with the recording of the Deed, the Title Company shall issue to the Agency an ALTA Extended Coverage Owner's Policy, with a policy limit of Seven Hundred Fifty Thousand Dollars (\$750,000), showing title to the Site vested of record in the Agency, subject only to the Permitted Exceptions (the "ALTA Policy"). Notwithstanding the foregoing, if the Agency does not provide the Title Company with an ALTA survey of the Site acceptable to the Title Company that will allow the Title Company to issue the ALTA Policy, the Title Company's issuance to the Agency upon the recording of the Deed of an ALTA Owner's Policy with Regional Exceptions, with a policy limit of Seven Hundred Fifty Thousand Dollars (\$750,000), showing title vested of record in the Agency subject only to the Permitted Exceptions ("Standard Title Policy"), shall satisfy this condition. The Agency may request that the Title Company issue such title endorsements as the Agency may request; provided, however, the Title Company's failure to issue such endorsements shall not affect the Agency's obligations under this Agreement. FMC shall pay the premium for the Standard Title Policy. The Agency shall pay for any additional premium for an ALTA Policy and the cost of any title endorsements requested by the Agency.

F. [§ 306] Conditions Precedent to Close of Escrow

1. The Agency's Closing Conditions. The obligation of the Agency to purchase the Site pursuant to this Agreement shall be subject to the satisfaction or written waiver by the Agency of each of the following conditions (collectively, "Agency's Closing Conditions"):

(a) FMC shall have performed and complied in all material respects with all of the terms of this Agreement to be performed and complied with by FMC prior to or at the Close of Escrow, including, without limitation, the deposit into the Escrow of all of the documents specified in Section 311.1 hereof together with any funds necessary to pay FMC's portion of any closing costs and prorations.

(b) In cooperation with the Agency pursuant to Section 307 hereof, FMC shall, at its sole cost and expense, have prepared, submitted and obtained such approvals

from the DTSC and/or the RWQCB as may be required for each of the Regulatory Documents in form satisfactory to Agency.

(c) The Agency shall have executed an AB 389 Agreement or other liability relief or immunity available to the Agency from the DTSC or the RWQCB for the benefit of the Agency and its successors in interest, in a form satisfactory to the Agency, in connection with soil contamination at the Site, at the Agency's sole cost and expense.

(d) The Agency shall have executed a Prospective Purchaser Agreement or other liability relief or immunity from the RWQCB for the Agency, in a form satisfactory to the Agency, in connection with the groundwater contamination at the Site, at the Agency's sole cost and expense. Notwithstanding the foregoing, however, the Agency may, in its sole discretion, waive this condition by delivering written notice of such waiver to FMC.

(e) The Title Company shall be prepared, subject to payment of its regularly scheduled premium, to issue the ALTA Policy to the Agency in accordance with Section 305.3 hereof, or if Agency has not provided an ALTA survey of the Site acceptable to the Title Company to permit the Title Company to issue the ALTA Policy, then the Title Company shall be prepared, subject to payment of its regularly scheduled premium, to issue the Standard Title Policy to the Agency.

(f) The Agency has been able to procure environmental site liability insurance coverage for a minimum period of ten (10) years after the Close of Escrow upon terms satisfactory to the Agency, including insurance coverage for liability associated with the presence of any Hazardous Materials on the Site that are not included within the definition of Contamination. Not later than seven (7) days after the date that FMC has given the Agency written notice that all of the Regulatory Documents have been approved by the DTSC and/or RWQCB, as applicable ("Insurance Condition Date"), Agency shall provide FMC with evidence that Agency has obtained a binder for such insurance and that this condition has been satisfied. If this condition has not been satisfied by the Insurance Condition Date, this Agreement shall terminate unless Agency delivers written notice of its waiver of this condition to FMC on or before the Insurance Condition Date.

(g) The Modesto City Council shall have approved and authorized the execution by the City of the Well Lease Termination Agreement in the form attached hereto as Exhibit E and FMC shall have executed and deposited into Escrow two fully executed originals of the Well Lease Termination Agreement on or before the Close of Escrow.

Except as expressly provided with respect to the condition set forth in subsection (f) above, if any of the Agency's Closing Conditions are not satisfied or waived in writing by the Agency by the day that is one (1) business day prior to the scheduled date for Close of Escrow, then Agency may terminate this Agreement by giving written notice of such termination to FMC and Escrow Agent on the business day prior to the scheduled date for Close of Escrow. Any such termination shall be effective as of the date of delivery of the termination notice. Agency's failure to deliver written notice of termination of this Agreement due to non-satisfaction of one or more of Agency's Closing Conditions on or before the day that is one (1) business day prior to the scheduled date for Close of Escrow shall be deemed Agency's waiver of the non-satisfied

Agency Closing Condition and election to proceed to the Close of Escrow. If the Agency terminates this Agreement due to non-satisfaction of an Agency Closing Condition, then neither party shall have any further obligations hereunder except for those obligations that expressly survive the termination of this Agreement. If the Agency's Closing Conditions set forth in Section 306.1(a), (b), (e), (f) or (g) above are not satisfied or waived on or before the Close of Escrow, or by the Insurance Condition Date with respect to the condition in subsection (f), then Agency shall be entitled to a return of the Deposit. If the Agency's Closing Conditions set forth in Sections 306.1 (c) or (d) above are not satisfied or waived on or before the Close of Escrow, then FMC shall be entitled to retain the Deposit as liquidated damages pursuant to Section 402 hereof. Agency acknowledges that the failure of the Agency's Closing Conditions in Section 306.1(c) and (d) prior to the day that is one (1) business day prior to the scheduled date for Close of Escrow shall not be grounds for the extension or delay of the Close of Escrow.

2. FMC's Closing Conditions. The obligation of FMC to sell the Site to the Agency hereunder shall be subject to the satisfaction or written waiver by FMC of each of the following conditions (collectively, "FMC's Closing Conditions"):

(a) The Agency shall have performed and complied in all material respects with all of the terms of this Agreement to be performed and complied with by the Agency prior to or at the Close of Escrow, including, without limitation, the deposit into the Escrow of all of the documents specified in Section 311.2 hereof together with cash in the amount of the Cash Payment, less the Deposit, and funds necessary to pay the Agency's portion of any closing costs and prorations.

(b) The Modesto City Council shall have approved and authorized the execution by the City of the Discharge Agreement between FMC and the City in the form attached hereto as Exhibit "B" and the City shall have executed and deposited into Escrow two fully executed originals of the Discharge Agreement on or before the Close of Escrow.

(c) In cooperation with the Agency pursuant to Section 307 hereof, FMC shall, at its sole cost and expense, have prepared, submitted and obtained such approvals from the DTSC and/or the RWQCB as may be required for each of the Regulatory Documents in a form satisfactory to FMC.

(d) The Modesto City Council shall have approved and authorized the execution by the City of the Well Lease Termination Agreement in the form attached hereto as Exhibit E and the City shall have executed and deposited into Escrow two fully executed originals of the Well Lease Termination Agreement on or before the Close of Escrow.

If any of FMC's Closing Conditions are not satisfied or waived in writing by FMC by the day that is one (1) business day prior to the scheduled Close of Escrow, then FMC may elect to terminate this Agreement by giving written notice of such termination to the Agency and to Escrow Agent on the business day prior to the scheduled date for Close of Escrow. Any such termination shall be effective as of the date of delivery of the termination notice. FMC's failure to deliver such written notice of termination of this Agreement due to non-satisfaction of one or more of FMC's Closing Conditions on or before the day that is one (1) business day prior to the scheduled date for Close of Escrow shall be deemed FMC's waiver of the non-satisfied FMC

Closing Condition and election to proceed to the Close of Escrow. If FMC terminates this Agreement due to non-satisfaction of any of FMC's Closing Conditions, then neither party shall have any further obligations hereunder except for those obligations that expressly survive the termination of this Agreement. If FMC's Closing Condition set forth in Section 306.2(a) above is not satisfied or waived on or before the Close of Escrow, then FMC shall be entitled to retain the Deposit as liquidated damages pursuant to Section 402 hereof. If FMC's Closing Conditions set forth in Sections 306.2(b), (c) or (d) are not satisfied or waived on or before the Close of Escrow through no fault of the Agency, then the Deposit shall be returned to the Agency.

G. [§307] Finalization of Regulatory Documents.

Prior to the date of this Agreement, FMC submitted a draft RAP to the DTSC and the RWQCB for approval. The RAP is based on the Final Feasibility Study dated February 2008, prepared by FMC and approved by the DTSC, with the concurrence of the RWQCB. The RAP incorporates the IRAW and IRAW Addendum and addresses continued operation of the existing Remediation System to mitigate historical impacts to groundwater and any remaining potential impacts from soils on the Site. Under the IRAW and IRAW Addendum, FMC completed interim soil removal activities on the Site which included the removal of soils in excess of health-based Site Specific Target Levels, as specified in the IRAW and the IRAW Addendum. The draft of the RAP submitted by FMC to the DTSC and the RWQCB provides for (i) approval of the interim soil measures performed by FMC under the IRAW and IRAW Addendum as a final remedial measure for soil, (ii) the continued remediation of groundwater through the existing Remediation System as the final remedy for groundwater and (iii) ongoing requirements for the management of soil on the Site as part of the final remedial measure for soil, including without limitation, requirements pertaining to soil cover, soil removal and disposition, landscaping, irrigation, and health and safety in connection with the demolition of existing structures, construction of infrastructure, grading, utility trenching, building pad preparation and construction of new improvements on the Site, and future activities, including routine use and maintenance at the Site.

Prior to the execution of this Agreement, FMC provided the Agency with a copy of the draft RAP. FMC shall keep the Agency informed of any and all actions taken by the DTSC and/or RWQCB regarding the draft RAP including, without limitation, providing copies of any written comments to the draft RAP and notice of any meetings requested or proposed by the DTSC and/or RWQCB and/or FMC to discuss the draft RAP. The Agency shall have the opportunity to send representatives to any such meeting with the DTSC and/or RWQCB and to participate in such meetings.

The draft RAP submitted by FMC references the following additional documents which shall implement the final remedies for soil and groundwater approved by the DTSC and RWQCB in the RAP:

1. **Land Use Covenant.** The Land Use Covenant will restrict the use of the Site to commercial/industrial purposes, impose certain notification requirements and restrictions with respect to activities that would result in exposure to soils, impose restrictions with respect to cover and irrigation, and impose restrictions on the use of groundwater and the disturbance of

covered areas of soil. The Land Use Covenant shall be executed by FMC as the owner of the Site and recorded in the Official Records of Stanislaus County prior to the Close of Escrow.

2. **Operation and Maintenance Agreement.** The Operation and Maintenance Agreement shall be an agreement to be entered into by and among FMC, the Agency, the DTSC and the RWQCB. The Operation and Maintenance Agreement will govern the operation and maintenance of the infrastructure for the final remedial actions approved under the RAP for soil and groundwater conditions, allocate responsibilities with respect to these remedial actions, and require financial assurances for such remedial actions.

3. **Operation and Maintenance Plans.** The Operation and Maintenance Plans will be the separate plans developed for soil and groundwater that will govern the long-term operation and maintenance of the final remedial actions for soil and groundwater. FMC shall be responsible for compliance with the Operation and Maintenance Plan for groundwater. The Agency and its successors in interest in the Site shall be responsible for compliance with the Operation and Maintenance Plan for soil.

4. **Soil Management Plan.** The Soil Management Plan will set forth the decision framework and specific procedures for management of soils and any groundwater or other water that may be generated in the course of construction or operation and maintenance activities at the Site to which construction and future workers at the Site may otherwise be exposed in the course of the work at the Site.

The Regulatory Documents will be finalized prior to the Close of Escrow. The Agency's acquisition of the Site and any subsequent conveyance of an interest in the Site to a third party shall be subject to all of the terms and conditions of the Regulatory Documents.

Promptly after the Effective Date, FMC shall prepare drafts of the Regulatory Documents (other than the RAP) and submit such drafts to the Agency for review and approval prior to submittal to the DTSC and/or RWQCB in accordance with the following process. FMC may prepare the Regulatory Documents in logical sequence commencing with those documents such as the Land Use Covenant and Operation and Maintenance Agreement, which establish obligations to be documented in later documents such as the Operation and Maintenance Plans and the Soil Management Plan. In addition to establishing ongoing requirements for groundwater remediation, the Regulatory Documents will variously establish ongoing requirements for the management of soil on the Site as part of the final remedial measure for soil on the Site under the RAP, including, without limitation, requirements pertaining to soil cover, soil removal and disposition, landscaping, irrigation and health and safety variously in connection with the demolition of existing structures, construction of infrastructure, grading, utility trenching, building pad preparation and construction of improvements on the Site, and future activities, including routine use and maintenance at the Site, including the requirements under the Operation and Maintenance Plan for soil (collectively, "Soil Management Requirements"). The Soil Management Requirements will be performed by the Agency and its successors in interest in the Site following the Close of Escrow.

Once FMC has submitted a draft Regulatory Document to the Agency, the Agency shall promptly review such draft and provide FMC with written comments to such draft. The Parties shall thereafter negotiate in good faith to agree on the form of Regulatory Document to submit to the DTSC and/or RWQCB. Such negotiations may take place by exchange of written drafts or comments, telephone conference calls or in-person meetings. Once FMC and the Agency have agreed upon a Regulatory Document draft, each party shall initial the same to signify its approval thereof. FMC shall thereafter promptly submit the Regulatory Document draft to the DTSC and/or RWQCB, as applicable, for review and approval.

Once a draft of a Regulatory Document is submitted to the DTSC and/or RWQCB, FMC shall keep the Agency informed of any response from the DTSC and/or RWQCB to such draft. FMC shall promptly provide the Agency copies of any written response received from the DTSC and/or RWQCB with respect to such draft. In addition, FMC shall promptly give the Agency notices of any meetings requested by FMC and/or the DTSC or RWQCB to discuss the Regulatory Document drafts. The Agency shall have the right to send representatives to such meetings and to participate in the same. In no event shall either the Agency or FMC have a meeting with the DTSC and/or RWQCB to discuss the Regulatory Document draft without notice to and the opportunity to participate by the other party. If and to the extent applicable, such notice shall include an agenda of the items to be discussed at such meeting. If the DTSC and/or RWQCB send a written response to a draft Regulatory Document, FMC and the Agency shall promptly convene discussions by telephone conference to develop a joint response to such comments in accordance with the procedures set forth above. Once the Parties have agreed on such joint response, FMC shall submit the same to the DTSC and/or RWQCB.

Notwithstanding the foregoing, if FMC and the Agency are not able to agree, after good faith negotiations, on the form of a draft Regulatory Document to be submitted to the DTSC and/or RWQCB within thirty (30) days after FMC has submitted the draft of such Regulatory Document to the Agency; or if FMC and the Agency cannot agree on a joint response to comments from the DTSC and/or RWQCB to a draft Regulatory Document previously approved and submitted to such agencies, within fifteen (15) days of receipt of such comments, then either FMC or the Agency can terminate this Agreement by giving written notice of such termination to the other party within ten (10) days after the expiration of such thirty (30) or fifteen (15) day period, as applicable. In the event either party gives notice of termination, the Agreement shall terminate, the Deposit shall be returned to the Agency and neither party shall have any further obligations hereunder. FMC shall thereafter be free to negotiate the terms of the Regulatory Documents without the Agency's participation. As part of the approval process for the Regulatory Documents, the parties shall use diligent efforts to negotiate a side letter or other agreement with the DTSC and RWQCB stating that, notwithstanding the execution of one or more of the Regulatory Documents by FMC and the Agency, and except for the Land Use Covenant that will be recorded prior to the Close of Escrow, the Regulatory Documents shall not be binding on either FMC or the Agency until the Close of Escrow.

H. [§308] Entitlement Processing

Subject to the terms and conditions of this Section 308, prior to the Close of Escrow, the Agency shall have the right to apply for and process, at the Agency's sole cost and expense, applications for land use entitlement approvals, including, without limitation, a specific

plan, zoning amendments, planned development permits, and tentative and final subdivision or parcel maps (collectively, "Entitlements"), affecting the Site, or portions thereof, in an effort to develop the Site for the Business Park. Specifically, the Agency may apply for and process a specific plan for the Site, environmental impact report ("EIR") and subdivision map for the Site. The Agency may only apply for Entitlements that allow commercial and industrial uses of the Site that are consistent with the RAP and the Regulatory Documents which the Parties anticipate will be approved and/or imposed on the Site by DTSC or RWQCB.

Prior to applying for any Entitlements, the Agency shall provide FMC with a completed application for such Entitlement together with plans, maps, drawings and other material supporting the proposed Entitlement. Within fifteen (15) days after receipt of the completed Entitlement application together with all supporting material applicable thereto, FMC shall either approve the Entitlement application by executing the same as owner of the Site or give the Agency written notice of its disapproval of the Entitlement application along with FMC's reasons for such disapproval in writing. If FMC gives written notice of disapproval, the parties shall promptly attempt in good faith to remove FMC's objections to the Entitlement application. If the parties are unable to reach agreement to resolve FMC's objections, then FMC's disapproval of the Entitlement application shall stand and the Agency may not proceed with the Entitlement application until after the Close of Escrow.

If FMC approves the Entitlement application, then the Agency shall keep FMC informed of the progress of the Entitlement application. The Agency shall provide FMC with reasonable prior written notice of any meetings or discussions among the Agency and its consultants with the City or any other governmental entity regarding the Entitlement application, and a representative of FMC shall have the right to attend and participate in such meetings or discussions. The Agency shall promptly provide FMC with copies of any correspondence received from or submitted to the City or other governmental entities with respect to the Entitlement application. In addition, FMC shall receive copies of all reports, plans and correspondence from third party consultants prepared in support of the Entitlement application. The Agency shall not seek any action or approval from the City or any other governmental agency with respect to any Entitlements, or agree to any conditions of approval, mitigation measures, or exactions in connection with any Entitlement application without first giving FMC written notice specifying the action or approval sought by the Agency together with copies of any correspondence or documents supporting the requested action or approval. Within fifteen (15) days after receipt of such notice and supporting material, FMC shall either approve or disapprove the proposed action in accordance with the time periods and the procedure set forth in the foregoing paragraph. FMC may withhold approval of the proposed action if FMC reasonably determines that the action is inconsistent with the Order, the RAP and/or the requirements of the Regulatory Documents either approved by the DTSC and/or RWQCB or that FMC anticipates that the DTSC and/or RWQCB will impose upon the Site.

Notwithstanding FMC's approval of an Entitlement application for a subdivision map for the Site, in no event shall the Agency seek City Council approval of a tentative subdivision map for the Site unless FMC has provided the Agency with written approval of the proposed tentative map and all conditions of approval, mitigation measures or exactions proposed for such map. In addition, in no event shall any Entitlement become final until the Close of Escrow has occurred with respect to the Site. Notwithstanding the foregoing, in the event of a breach by the Agency

of this Agreement and/or the rights granted in this Section 308, FMC may withdraw any Entitlement application affecting the Site. The Agency's rights under this Section 308 shall terminate upon any termination of this Agreement prior to the Close of Escrow.

I. [§309] Environmental Disclosures.

FMC and its predecessors in interest in the Site variously operated manufacturing facilities on the Site for the production of barium and strontium chemicals. These operations included the use from the early 1950's to the late 1970's of on-site evaporation ponds to manage residual solids from the ore processing units and air pollution control equipment which solids were slurried with water and discharged to the ponds. These ponds were closed by removal of residue material and backfilling during 1979-81. The operation of the ponds resulted in contamination of the groundwater with total dissolved solids, including sulfates. In addition, the soils under the former pond areas are impacted with sulfates and related compounds that continue to migrate into the upper groundwater aquifer. The Site is currently subject to the Order and the Prior Orders. Starting in the early 1960's, FMC installed a number of groundwater monitoring wells, both on and off the Site, and has routinely reported on the results of samples from these wells to the RWQCB under the terms of the Order and the Prior Orders. Under the Order and associated Monitoring and Reporting Program (No. 98-805, adopted by the RWQCB on June 26, 1998), FMC currently samples and reports sampling results for some 33 monitoring wells, located both on and off the Site. Since 1996, FMC has operated on the Site a groundwater remediation system including extraction wells and a treatment facility, which discharges wastewater to the City's POTW under the terms of the Permit issued by the City. FMC will be required to perform groundwater remediation and to maintain groundwater monitoring and remediation equipment and structures on the Site for an indefinite period of time.

As a result of the past storage and processing of barite ore and the management of processing residues, areas of surface soils on the Site are impacted with elevated concentrations of barium. In addition, as a result of past manufacturing and other operations, surface soils may be impacted by other contaminants. FMC and DTSC entered into the VCA with respect to soil contamination on the Site. Pursuant to the IRAW and IRAW Addendum, FMC completed interim soil removal activities on the Site which consisted of removal of soils in excess of health-based Site Specific Target Levels, as specified in the IRAW and IRAW Addendum. Following completion of such activities, FMC submitted a January 2008 Implementation Report regarding the soil activities undertaken pursuant to the IRAW and IRAW Addendum. FMC represents to the Agency that it received a letter from DTSC dated February 22, 2008 approving the Implementation Report. Prior to and as a condition precedent to the Close of Escrow, FMC will prepare the RAP and process the RAP to approval with the DTSC and the RWQCB as specified in Section 307 above. FMC anticipates that the final RAP will incorporate the approved IRAW and IRAW Addendum remedial work with respect to soil and will require continued operation of the existing Remediation System to mitigate historical impacts to groundwater and any remaining potential impacts from soils at the Site to groundwater. In addition to the RAP, prior to the Close of Escrow, FMC will prepare the Land Use Covenant in cooperation with the Agency pursuant to Section 307 and submit the Land Use Covenant to the DTSC and the RWQCB for approval. The Land Use Covenant will be recorded against the Site prior to the Close of Escrow. The Land Use Covenant will restrict the use of the Site to commercial and industrial purposes, impose notification requirements and restrictions with respect to activities that would result in exposure

to soils, impose restrictions with respect to cover and irrigation, and restrict the use of groundwater and the disturbance of certain covered areas of the Site. In addition, prior to the Close of Escrow, FMC will develop and prepare in cooperation with the Agency pursuant to Section 307 hereof and process to approval with the DTSC and/or RWQCB, the other Regulatory Documents. FMC, the Agency, the DTSC and the RWQCB will enter into the Operation and Maintenance Agreement, which shall become effective as to FMC and the Agency upon the Close of Escrow.

The Agency acknowledges the following: (i) the presence of the Contamination on the Site; (ii) as of the Effective Date and the Close of Escrow, the Site is and will be subject to the Order, the Prior Orders, the VCA, the IRAW, the IRAW Addendum and the RAP; (iii) as of the Close of Escrow, the Site will be subject to the Regulatory Documents, including the Land Use Covenant; (iv) following the Close of Escrow, the Agency and its successors in interest will be responsible for implementation and observance of the Soil Management Requirements set forth in the Regulatory Documents; (v) under the Due Diligence Agreement incorporated into the Option Agreement, during the term of the Option Agreement and the terms of this Agreement, as set forth in Section 304, and during the finalization of the Regulatory Documents pursuant to Section 307 hereof, the Agency has had and will have had the opportunity to review the Environmental Reports, the Soil Management Requirements, the VCA, the RAP, the IRAW, the IRAW Addendum, the Regulatory Documents, the Order and the Prior Orders, either through the Due Diligence Documents and/or Recent Due Diligence Documents made available by FMC for the Agency's review pursuant to Section 304, or pursuant to the finalization process for the Regulatory Documents pursuant to Section 307 hereof, or at the offices of the DTSC or the RWQCB; and (vii) Agency shall have the opportunity to review any additional reports or documents regarding the Site submitted by FMC to the RWQCB, DTSC and/or other applicable Environmental Agency after the Effective Date at the offices of the RWQCB, DTSC or other applicable Environmental Agency. In addition to the foregoing, the Agency acknowledges that during the approximately five year period prior to the Effective Date, the Agency (i) attended meetings with the DTSC and the RWQCB regarding implementation of the VCA, the Order, the Prior Orders, the final Feasibility Study, the IRAW and the IRAW Addendum; (ii) participated in the processing of IRAW and the IRAW Addendum; and (iii) received copies of reports from FMC that FMC submitted to the DTSC and/or the RWQCB regarding the environmental condition of the Site. Based on the foregoing, FMC has satisfied its obligation under California Health & Safety Code Section 25359.7 to notify the Agency of the soil and groundwater contamination on the Site.

In general, FMC has implemented a remediation program for the Site based on risk analysis consistent with future use for industrial and commercial purposes. The Agency hereby acknowledges the following: (i) additional Remedial Work obligations may be imposed on FMC and/or the Site pursuant to the VCA, the RAP and/or the Order or Prior Orders with respect to the Contamination, including, without limitation, soil removal, and the installation and operation of an additional Remediation System or alterations to the Remediation System; and (ii) the DTSC, the RWQCB or other Environmental Agency may impose conditions to or requirements in connection with such additional Remedial Work (including without limitation, with respect to monitoring the groundwater on the Site). The Agency hereby consents to the performance of all the foregoing conditions and requirements. The Agency shall at all times, and at its sole cost, fully cooperate with FMC in connection with any and all Remedial Work. In no event shall the

Agency inhibit or interfere with the performance of the Remedial Work by FMC. The Agency's cooperation shall include, without limitation, where the participation of the Agency is required, the prompt execution, acknowledgment, delivery and recordation, as applicable, of documents and agreements requested or required by the DTSC, the RWQCB or any other Environmental Agency, including, without limitation, any other covenants and restrictions required in connection with the Soil Management Requirements. The Agency acknowledges that the owner or occupant of the Site for any relevant portion of the Site will be required to comply with the Soil Management Requirements.

At the Close of Escrow, FMC and the Agency shall enter into a Right of Entry Agreement, Easement and Environmental Restriction in the form attached hereto as Exhibit "D" ("Right of Entry Agreement") under which the Agency shall grant to FMC (i) the right to enter onto the Site to perform Remedial Work pursuant to the VCA, the RAP, the Order or the requirements of any other Environmental Agency imposing Remedial Work obligations on FMC with respect to the Site; and (ii) the Remediation Facilities Easement.

J. [§310] As-Is Acquisition.

The Agency acknowledges and agrees that the Agency has satisfied itself, or prior to the Close of Escrow will satisfy itself, as to the physical, environmental, legal and economic condition of the Site and its suitability for the purposes intended by the Agency. Subject to FMC's ongoing groundwater remediation pursuant to the VCA, the RAP, the Order and Prior Orders and any additional Remedial Work obligation imposed on FMC with respect to the Site by the DTSC, the RWQCB or another Environmental Agency (which will be governed by the Right of Entry Agreement), the Agency shall be responsible, at the Agency's sole cost and expense, for any demolition of existing structures and any site preparation for redevelopment of the Site. The Agency acknowledges and agrees that the Agency is acquiring the Site subject to all existing laws, ordinances, rules and regulations, and that neither FMC nor any of FMC's officers, directors, employees, agents, representatives and attorneys (collectively, "FMC's Agents") have made any warranties, representations or statements regarding the availability of any approvals, or the laws, ordinances, rules or regulations of any governmental or quasi-governmental body, entity, district or agency having authority with respect to the ownership, possession, development, occupancy, condition and/or use of the Site. FMC disclaims the making of any representations or warranties, express or implied, regarding the Site or matters affecting the Site, including, without limitation, the physical condition of the Site, title to or boundaries of the Site, soil condition, the presence of hazardous waste, hazardous materials, toxic waste or other environmental matters, compliance with building, health, safety, land use and zoning laws, regulations and orders, structural or other engineering characteristics, traffic patterns and all other information pertaining to the Site. The Agency further acknowledges that FMC has made no representation or warranty regarding the accuracy or completeness of any reports or studies relating to the Site which may have been delivered to or made available to the Agency other than that the same are true and correct copies of the reports and studies available to or in the possession of FMC. The Agency moreover acknowledges that (i) the Agency is knowledgeable and experienced in the financial and business risks attendant to an investment in real property and capable of evaluating the merits and risks of entering into this Agreement and purchasing the Site; (ii) that the Agency has entered into this Agreement with the intention of making and relying upon its own or its experts' investigation of the physical, environmental,

economic and legal condition of the Site, including, without limitation, the compliance of the Site with laws and governmental regulations and the operation of the Site; and (iii) that the Agency is not relying on any representations and warranties made by FMC or anyone acting or claiming to act on FMC's behalf concerning the Site. The Agency further acknowledges that it has not received from FMC any accounting, tax, legal, architectural, engineering, property management or other advice with respect to this transaction and is relying upon the advice of its own accounting, tax, legal, architectural, engineering, property management and other advisors. Except for FMC's obligations under the Right of Entry Agreement, including FMC's ownership of the Remediation System, and any Remedial Work obligations imposed upon FMC after the Close of Escrow, the Agency shall purchase the Site in its "As Is" condition at the Close of Escrow and assumes the risk that adverse physical, environmental, economic or legal conditions may not have been revealed by its investigations. FMC shall have no liability to the Agency or any person or entity hereafter acquiring an interest in the Site for any subsequently discovered defects, whether latent or patent.

The Agency agrees that, from and after the Close of Escrow, the Agency, for itself and its agents, affiliates, successors and assigns and any person or entity hereafter acquiring an interest in the Site, hereby irrevocably and unconditionally releases and forever discharges FMC, its agents, affiliates, successors and assigns from, and waives any right to proceed against FMC for, any and all rights, claims and demands at law or in equity relating in any way to the Site, including, without limitation, the physical and environmental condition of the Site. The foregoing release shall not apply to claims arising from FMC's failure to perform its obligations under the Right of Entry Agreement.

Such release shall survive the Close of Escrow. The Agency has read and has been fully advised of the contents of Section 1542 of the Civil Code of the State of California, which reads as follows:

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

The Agency hereby expressly waives any and all rights and the benefits of said section or any similar section of the laws of any other applicable jurisdiction.

K. [§311] Deposits into Escrow

1. FMC's Deposits Into Escrow. FMC shall deposit or cause to be deposited into Escrow prior to the Close of Escrow the following documents, each duly executed and acknowledged, if applicable, by FMC:

(a) An executed and acknowledged Deed in the form attached hereto as Exhibit "F" ;

(b) Two counterpart originals of the Bill of Sale and Assignment in the form attached as Exhibit "G";

- (c) Two counterpart originals of the Right of Entry Agreement;
- (d) Two counterpart originals of the Discharge Agreement;
- (e) An executed Federal Non-Foreign Investor Affidavit in the form attached hereto as Exhibit "I" (the "FIRPTA Affidavit");
- (f) An executed Withholding Exemption Certificate (California Form 590) as required under the California Revenue and Taxation Code;
- (g) Two counterpart originals of the Well Lease Termination Agreement; and
- (h) Such other documents as may be reasonably required to consummate this transaction.

2. Agency's Deposits Into Escrow. The Agency shall deposit into Escrow prior to the Close of Escrow the following:

- (a) Funds in the amount of the Cash Payment, less the amount of the Deposit, and any additional amount required to pay the Agency's portion of any prorations and closing costs;
- (b) Two counterpart originals of the Bill of Sale, each duly executed by the Agency;
- (c) Two counterpart originals of the Right of Entry Agreement, each duly executed and acknowledged by the Agency;
- (d) Two counterpart originals of the Discharge Agreement, each duly executed by the City; and
- (e) Two counterpart originals of the Well Lease Termination Agreement, each duly executed by the City, together with a Termination of Lease duly executed and acknowledged by the City for purposes of removing from title the Memorandum of Lease recorded by the City against the Site in connection with the Water Well Lease; and
- (f) Such other documents as may be reasonably required to consummate this transaction.

3. Recording. At the Close of Escrow, the parties shall instruct the Escrow Agent to record the Termination of Lease, Deed and the Right of Entry Agreement in consecutive order, without intervening documents.

4. Closing Costs. The Agency shall pay in Escrow to the Escrow Agent the following closing costs promptly after the Escrow Agent has notified the Agency of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the Close of Escrow: (i) one-half of the escrow fee; (ii) one-half of the recording fees; (iii) the ALTA portion of the

premium if the Agency elects to obtain an ALTA Policy; and (iv) the cost of any title endorsements requested by the Agency. FMC shall pay in Escrow to the Escrow Agent the following closing costs promptly after the Escrow Agent has notified FMC of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the Close of Escrow: (i) one-half of the escrow fee; (ii) one-half of the recording fees; (iii) the premium for the Standard Title Policy; and (iv) the County documentary transfer tax, unless this transaction is exempt from County transfer tax. All other closing costs shall be allocated between FMC and the Agency in accordance with the custom in Stanislaus County, or in the absence of custom, equally between the parties. Each party shall bear their own respective attorneys' fees and accounting fees in connection with this transaction, subject to Section 505 below.

5. Prorations. All real property taxes and assessments shall be prorated between the Agency and FMC as of the Close of Escrow with appropriate debits and credits to the accounts of the Agency and FMC so that, as between the Agency and FMC, FMC shall pay all of the taxes and assessments to the extent allocable to the period ending on the date immediately prior to the Close of Escrow and the Agency shall pay all of the taxes and assessments to the extent duly allocable to the period commencing upon the Close of Escrow. If the amount of the current tax payment is not available, such proration shall be made on the basis of the most recent tax information available at the Close of Escrow and the parties shall make appropriate corrections promptly when accurate information becomes available. Any corrected adjustment or prorations shall be paid in cash to the party entitled thereto. The parties acknowledge that the Site shall become exempt from real property taxes and assessments upon the recordation of the Deed. The Agency shall cooperate with FMC's efforts to obtain a property tax refund for any portion of an installment of property tax paid by FMC allocable to the period of time after the Close of Escrow.

6. Delivery of Possession. FMC shall deliver possession of the Site to the Agency at the Close of Escrow.

ARTICLE IV **§400] DEFAULTS, REMEDIES AND TERMINATION**

A. [§401] Agency's Default. The Agency shall be in default under this Agreement if the Agency fails, for a reason other than FMC's default hereunder or the failure of any of the Agency's Closing Conditions, to meet, comply with or perform any covenant, agreement or obligation on the Agency's part required within the time limits and in the manner required in this Agreement; provided, however, no such default shall be deemed to have occurred unless and until FMC has given the Agency written notice thereof, describing the nature of the default, and the Agency has failed to cure such default within five (5) days of the receipt of such notice (but in any event before the Close of Escrow).

B. [§ 402] Liquidated Damages. If a default by the Agency occurs under this Agreement, FMC shall be entitled to retain the Deposit made by the Agency hereunder as liquidated damages as follows:

THE PARTIES HERETO AGREE THAT FMC'S ECONOMIC DETRIMENT RESULTING FROM THE REMOVAL OF THE SITE FROM THE REAL ESTATE MARKET FOR AN EXTENDED PERIOD OF TIME AND ANY CARRYING AND OTHER COSTS INCURRED AFTER THE REMOVAL OF THE SITE FROM THE REAL ESTATE MARKET ARE IMPRACTICABLE OR EXTREMELY DIFFICULT TO ASCERTAIN. THE PARTIES HERETO AGREE THAT THE AMOUNT OF THE DEPOSIT, INCLUDING ANY INTEREST ACCRUED THEREON, IS A REASONABLE ESTIMATE OF THE DAMAGES THAT WILL BE INCURRED BY FMC IN THE EVENT OF A DEFAULT OR BREACH OF THIS AGREEMENT BY THE AGENCY. THE AGENCY AGREES THAT IN THE EVENT OF A DEFAULT OR BREACH BY THE AGENCY UNDER THIS AGREEMENT, FMC, AS ITS SOLE REMEDY, SHALL BE ENTITLED TO RECEIVE AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE, AND SUCH RETENTION OF THE DEPOSIT SHALL NOT BE DEEMED TO CONSTITUTE A FORFEITURE OR PENALTY WITHIN THE MEANING OF SECTION 3275 OR SECTION 3369 OF THE CALIFORNIA CIVIL CODE, OR ANY SIMILAR PROVISION. FMC HEREBY WAIVES THE REMEDY OF SPECIFIC PERFORMANCE WITH RESPECT TO ANY DEFAULT BY THE AGENCY HEREUNDER, AND AGREES THAT THE LIQUIDATED DAMAGES SET FORTH HEREIN SHALL BE FMC'S SOLE REMEDY IN THE EVENT OF A DEFAULT OR BREACH BY THE AGENCY HEREUNDER. THIS LIQUIDATED DAMAGES PROVISION SHALL NOT BE APPLICABLE TO ANY DEFAULT OR BREACH BY THE AGENCY OF ANY INDEMNIFICATION, DEFENSE OR HOLD HARMLESS OBLIGATION OF THE AGENCY UNDER THIS AGREEMENT, OR ANY OTHER OBLIGATION OF THE AGENCY THAT EXPRESSLY SURVIVES THE TERMINATION OF THIS AGREEMENT. THIS LIQUIDATED DAMAGES PROVISION ALSO SHALL NOT SERVE AS A LIMITATION ON THE AMOUNT OF ATTORNEYS' FEES THAT FMC MAY PURSUE OR COLLECT FROM THE AGENCY IN THE EVENT FMC INCURS ATTORNEYS' FEES IN ATTEMPTING TO COLLECT OR RETAIN THE LIQUIDATED DAMAGES. BY INITIALING THIS SECTION 402 BELOW, FMC AND THE AGENCY AGREE TO THE TERMS OF THIS SECTION 402.

INITIALS: THE AGENCY _____ INITIALS: FMC _____

C. §403 FMC's Default.

1. Default. FMC shall be in default under this Agreement if FMC fails, for a reason other than the Agency's default hereunder or the failure of any of FMC's Closing Conditions, to meet, comply with, or perform any covenant, agreement or obligation on its part required within the time limits and in the manner required in the Agreement; provided, however, no such default shall be deemed to have occurred unless and until the Agency has given FMC written notice thereof, describing the nature of the default, and FMC has failed to cure such default within five (5) days of receipt of such notice, but in any event before the Close of Escrow.

2. Remedies. If FMC shall be deemed in default under Section 403.1 above at or before the Close of Escrow, and the Agency does not waive such default, the Agency may pursue one of the following remedies, each of which shall be the Agency's sole and exclusive remedy:

(i) Institute and prosecute an action to compel specific performance of this Agreement against FMC, in which case the Agency shall have no claim for damages or any other remedy against FMC; provided, however, if the Agency fails to file suit for specific performance against FMC in a court having jurisdiction on or before the date sixty (60) days following the date upon which the Close of Escrow hereunder was to have occurred, then the Agency shall be deemed to have elected to terminate this Agreement and receive back the return of its Deposit as provided in subsection (ii) below. The Agency shall only be entitled to bring a specific performance action against FMC if FMC breaches its obligation to convey the Site to the Agency; or

(ii) Terminate this Agreement by written notice delivered to FMC on or before the Close of Escrow and, in the event of such termination, the Agency shall be entitled, as the Agency's sole remedy, to the prompt return of the Deposit made by the Agency hereunder. In no event shall the Agency be entitled to seek to recover from FMC any monetary damages based on any breach or default by FMC at or before the Close of Escrow. Under no circumstances shall FMC be liable to the Agency for any consequential damages, including, without limitation, lost profits, loss of business, lost economic activity or lost income.

ARTICLE V
§500 GENERAL PROVISIONS

A. §501 Notices, Demands and Communications Between the Parties

Formal notices, demands and communications between the Agency and FMC shall be sufficiently given if personally delivered, if dispatched by registered or certified mail, postage prepaid, return receipt requested, or sent by nationally recognized overnight delivery service providing evidence of next business day delivery, to the following addresses:

If to FMC: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attn: Richard Papsin,
Director, Operational Services

With a copy to: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attn: David Landgraf, Esq.,
Senior Environmental Counsel

With a copy to: Berliner Cohen
10 Almaden Boulevard, Suite 1100
San Jose, CA 95113
Attn: Steven J. Casad

If to the Agency: Redevelopment Agency of the City of Modesto

1010 Tenth Street, Suite 3300
Modesto, CA 95354
Attn: Linda Boston
Program Manager

With a copy to: Redevelopment Agency of the City of Modesto
1010 Tenth Street, Suite 3300
Modesto, CA 95354
Attn: General Counsel

With a copy to: Iris P. Yang
McDonough, Holland & Allen
555 Capitol Mall, 9th Floor
Sacramento, CA 95814

B. §502 Conflicts of Interest

No member, official or employee of the Agency or City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which decision affects his/her personal interests or the interests of any corporation, partnership or association in which he/she is directly or indirectly interested.

The Agency warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

C. §503 Nonliability of Agency Officials and Employees

No member, official or employee of the Agency or City shall be personally liable to FMC in the event of any default or breach by the Agency or for any amount which may become due to FMC for any obligations under the terms of this Agreement.

D. §504 Approvals and Consents by the Parties

Except as otherwise provided for herein to the contrary, neither the Agency nor FMC shall unreasonably withhold or delay any approvals or consents required to be given or otherwise provided for herein.

E. §505 Attorneys' Fees

If either party hereto fails to perform any of its obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

F. [§506] Representations of the Parties.

The Agency and FMC each represents to the other that (i) it has the authority to enter into this Agreement, (ii) it has taken all necessary actions for the valid execution and delivery of this Agreement, and (iii) this Agreement is legally binding on the representative party.

G. [§507] Severability.

If any provision of this Agreement is, or hereafter is adjudged to be, for any reason void, unenforceable or invalid, it is the specific intent of the parties that the remainder hereof shall be and remain in full force and effect.

H. [§508] Entire Agreement.

This Agreement, together with the Exhibits hereto, contains all of the covenants made by the Agency and FMC and constitutes the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, letter of intent, memoranda or agreements are replaced in total by this Agreement together with the Exhibits hereto.

I. [§509] Time.

Time is of the essence in the performance of each of the parties' respective obligations contained herein.

J. [§510] Assignment.

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. The Agency shall not assign this Agreement without the prior consent of FMC, which FMC may withhold in FMC's sole discretion.

K. [§511] Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

L. [§512] Interpretation of Agreement.

The article, section and other headings of this Agreement are for convenience of reference only and shall not be construed to affect the meaning of any provision contained herein. Where the context so requires, the use of the singular shall include the plural and vice versa and the use of the masculine shall include the feminine and the neuter. The term "person" shall include any individual, partnership, joint venture, corporation, trust, unincorporated association, limited liability company, any other entity and any government or any department or agency thereof, whether acting in an individual, fiduciary or other capacity. The parties hereto acknowledge and agree that the doctrine or rule of law that ambiguities in a contract or written agreement are to be construed against the party that drafted such contract or agreement shall not

be employed in connection with this Agreement, and that this Agreement shall be construed in accordance with its fair meaning.

M. [§513] Amendments.

This Agreement may be amended or modified only by a written instrument signed by the Agency and FMC.

N. [§514] No Third Party Rights; Brokers Not Parties.

Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their respective successors and permitted assigns, any rights or remedies under or by reason of this Agreement. FMC and the Agency agree that it is their specific intent that no broker is a party to or a third party beneficiary of this Agreement or the escrow established pursuant to this Agreement; and further that consent of a broker is not necessary to any agreement, amendment or document with respect to the transaction contemplated by this Agreement.

O. [§515] No Brokers.

Each party represents and warrants to the other party that it has not dealt with nor does such representing party have any knowledge of any persons, firms or entities which would be entitled to a broker's commission, finder's fee or the like in connection with the transactions contemplated by this Agreement. In the event any warranty or representation made by any party in this Section 515 proves to be false, such party shall indemnify, defend and hold the other party harmless with respect to any claims, losses, costs, liabilities and other expenses (including attorneys' fees) which the other party may incur as a result of such breach of misrepresentation. The foregoing obligation shall survive the Close of Escrow.

P. [§516] Counterparts.

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

ARTICLE VI

[§600] TIME FOR ACCEPTANCE OF AGREEMENT BY THE AGENCY

This Agreement, when executed by FMC and delivered to the Agency, must be authorized, executed and delivered by the Agency to the Title Company within thirty (30) days after the date of signature by FMC or this Agreement shall be void, except to the extent that FMC shall consent in writing to further extensions of time for the authorization, execution and delivery of this Agreement.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the Modesto Redevelopment Agency, a public body, corporate and politic, has authorized the execution of this Agreement in duplicate by its Executive Director and attestation by its Secretary under authority of Resolution No. _____, adopted by the Modesto Redevelopment Agency on the _____ day of _____, 2009, and all parties have caused this agreement to be duly executed on the day and year first above written.

"AGENCY"

"FMC"

REDEVELOPMENT AGENCY OF THE
CITY OF MODESTO

FMC CORPORATION,
a Delaware Corporation

By _____
James E. Niskanen
Interim Executive Director

By: _____

Title: _____

By: _____

Title: _____

ATTEST:

Stephanie Lopez, Acting Secretary

APPROVED AS TO FORM:

By: _____
Susana Alcalá Wood, General Counsel

EXHIBIT "A-1"
MAP OF THE SITE

EXHIBIT "A-2"

LEGAL DESCRIPTION

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California, described as follows:

PARCEL NO. 1:

BEGINNING AT A POINT IN THE WEST LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM D-V-O PRODUCTS, INC. TO THE CENTRAL PACIFIC RAILWAY COMPANY DATED NOVEMBER 5, 1925 AND FILED FOR RECORD JULY 29, 1926 IN VOLUME 180 OF OFFICIAL RECORDS OF SAID COUNTY OF STANISLAUS AT PAGE 462, DISTANT SOUTH, 7.02 FEET THEREON FROM THE MOST NORTHERLY CORNER OF SAID PARCEL OF LAND; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 25° 44' 57" EAST ALONG A CURVE TO THE RIGHT OF A RADIUS OF 562.22 FEET, A DISTANCE OF 467.40 FEET; THENCE SOUTH 21° 53' WEST, 41.07 FEET TO THE SOUTHERLY END OF THAT PORTION OF THE EAST LINE OF THE LAND OF BARIUM PRODUCTS, LTD. THAT BEARS NORTH AND SOUTH; THENCE NORTH ALONG THE EAST LINE OF THE LANDS OF BARIUM PRODUCTS, LTD., 491.90 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE ABOVE DESCRIBED PARCEL NO. 1; THENCE SOUTH 21° 53' WEST, 93.98 FEET; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 21° 53' WEST ALONG A CURVE TO THE LEFT OF A RADIUS OF 583.14 FEET, A DISTANCE OF 222.72 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 484.27 FEET; THENCE SOUTH 8° 10' WEST, 98.55 FEET; THENCE WEST, 113.00 FEET TO THE EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG SAID EAST LINE, 800.00 FEET TO THE SOUTH LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE EAST, ALONG SAID SOUTH LINE, 151.70 FEET TO THE SOUTHEASTERLY LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE NORTH 31° 13' EAST THEREON, 101.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND OF D-V-O PRODUCTS, INS., A CORPORATION, AT A POINT IN THE EAST LINE OF MICHIGAN AVENUE, SAID POINT BEING DISTANT 20 FEET AT RIGHT ANGLES EAST FROM THE CENTER LINE OF SAID AVENUE AND 1840 FEET, MORE OR LESS, NORTHERLY FROM THE EAST AND WEST QUARTER SECTION LINE OF SAID SECTION 30; THENCE EAST 205.0 FEET ALONG THE SOUTH LINE OF SAID D-V-O PRODUCTS, INC., PROPERTY TO A POINT; THENCE SOUTH 215.82 FEET TO A POINT; THENCE SOUTH 31° 13' WEST 101.0 FEET TO A POINT; THENCE WEST 152.66 FEET TO A POINT IN THE SAID EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG THE SAID EAST LINE OF MICHIGAN AVENUE, A DISTANCE OF 302.2 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

BEGINNING A POINT BEARING EAST 14.69 CHAINS FROM A POINT IN THE NORTH AND SOUTH QUARTER SECTION LINE, WHICH POINT BEARS NORTH 27. 88 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 30; THENCE NORTH 524.70 FEET AND PART ALONG THE CENTER OF A ROAD TO THE WESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD; THENCE SOUTH 42°38' EAST 716.95 FEET AND ALONG SAID RIGHT OF WAY LINE; THENCE WEST 488.70 FEET TO THE POINT OF BEGINNING, AND LAST

MENTIONED COURSE IS ALSO AT RIGHT ANGLES FROM THE FIRST MENTIONED COURSE.

EXCEPTING THEREFROM THE WEST TWENTY (20) FEET.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

ALL THAT PORTION OF THE EAST HALF OF SECTION 30, IN TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY LINE OF THE CENTRAL PACIFIC RAILWAY COMPANY'S RIGHT OF WAY, SAID POINT BEING DISTANT 330.0 FEET, MEASURED SOUTH 42° 58' EAST ALONG SAID SOUTHWESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE CENTER LINE OF A ROAD AS LAID OUT ALONG THE WEST SIDE OF THE PROPERTY OF THE D-V-O PRODUCTS, INC.; THENCE SOUTH 42°58'EAST 386.90 FEET ALONG SAID BOUNDARY LINE; THENCE WEST 263.70 FEET; THENCE AT RIGHT ANGLES NORTH 283.10 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 5:

BEGINNING AT A POINT MARKING THE NORTHWEST CORNER OF THE 1.002 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 23, 1955 AND RECORDED SEPTEMBER 29, 1955 IN VOLUME 1318 OF OFFICIAL RECORDS, AT PAGE 461, AS INSTRUMENT NO. 29114, SAID CORNER LYING ON THE EAST LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE ALONG THE NORTH LINE OF SAID 1.002 ACRE PARCEL, SOUTH 89° 47' EAST 113.67 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING COURSES: SOUTH 0° 11' 40" EAST, 20.04 FEET; SOUTH 89° 47' EAST, 14.07 FEET; AND SOUTH 0° 11' 40" EAST, 231.60 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 49° 22' 30" WEST, 140.20 FEET; THENCE NORTH 37° 24' 39" WEST, 35.78 FEET TO THE WESTERLY LINE OF SAID 1.002 ACRE PARCEL (ALSO BEING THE EASTERLY LINE OF SAID BENNETT ROAD); THENCE ALONG SAID WESTERLY LINE NORTH 0° 11' 40" WEST, 132.41 FEET TO THE POINT OF BEGINNING.

RESERVING THEREFROM SUCH INTEREST IN THAT PORTION OF THE EAST 15.00 THEREOF, AS WAS RESERVED FOR RAILROAD PURPOSES IN THE DEED FROM CENTRAL PACIFIC RAILROAD COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING AND RESERVING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING THE SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, AS RESERVED IN THE DEED FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS. SAID RIGHTS SHALL NOT INCLUDE USE OF THE SURFACE OF SAID LAND.

PARCEL NO. 6:

LOTS 1 TO 9, INCLUSIVE, IN BLOCK 5072 OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED SEPTEMBER 14, 1940 IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA IN VOLUME 14 OF MAPS AT PAGE 5.

ALSO, LOTS 1 TO 8, IN INCLUSIVE, IN BLOCK 5043 OF THE GRANGE TRACT, ACCORDING TO THE MAP HEREINABOVE REFERRED TO.

PARCEL NO. 7:

ALL OF ABANDONED DULUTH AVENUE, BEING A 60 FOOT STRIP OF LAND RUNNING EAST AND WEST, LYING WITHIN AND AS SHOWN ON THE MAP OF THE GRANGE TRACT FILED SEPTEMBER 14, 1940 VOLUME 14 OF MAPS, PAGE 5, IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA.

PARCEL NO. 8:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE IN SAID SECTION 30, BEARING NORTH 29.32 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION; AND BEING THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO THE GRANGE COMPANY BY DEED RECORDED JUNE 26, 1923 IN VOLUME 23 OF OFFICIAL RECORDS, AT PAGE 331; RUN THENCE NORTH ALONG THE SAID QUARTER SECTION LINE 135 FEET; THENCE EAST 110 FEET; THENCE SOUTH 135 FEET TO SOUTH LINE OF LAND CONVEYED TO SAID GRANGE COMPANY; THENCE WEST ALONG SOUTH LINE OF SAID LAND SO CONVEYED TO THE GRANGE COMPANY 110 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 9:

COMMENCE AT THE INTERIOR QUARTER CORNER OF SAID SECTION 30; THENCE NORTH $0^{\circ} 33' 30''$ WEST ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 1604.26 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO D. D. CAMPIN IN VOLUME 797 OF OFFICIAL RECORDS, AT PAGE 390, RECORDS OF STANISLAUS COUNTY RECORDER'S OFFICE AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH $89^{\circ} 46' 30''$ EAST ALONG THE NORTH LINE OF SAID LAND SO CONVEYED TO D. D. CAMPIN AND PARALLEL TO THE EAST AND WEST QUARTER SECTION LINE THROUGH SAID SECTION 30, A DISTANCE OF 950.97 FEET TO THE NORTHEAST CORNER OF SAID CAMPIN PARCEL, SAID CORNER BEING ON THE WEST LINE OF 40 FOOT ROAD KNOWN AS BENNETT AVENUE; THENCE NORTH $0^{\circ} 42' 30''$ WEST ALONG THE WEST LINE OF SAID 40 FOOT ROAD, A DISTANCE OF 334.45 FEET TO THE SOUTHEAST CORNER OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY IN VOLUME 14 OF MAPS, AT PAGE 5; THENCE NORTH $89^{\circ} 55' 30''$ WEST, ALONG THE SOUTH LINE OF SAID GRANGE TRACT AND THE EXTENSION THEREOF, A DISTANCE OF 950.68 FEET TO THE SAID NORTH AND SOUTH ONE-QUARTER SECTION LINE; THENCE SOUTH $0^{\circ} 33' 30''$ EAST AND ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 332.16 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL NO. 10:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE AT A POINT BEARING NORTH 13.89 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 30; THENCE NORTH ON SAID QUARTER SECTION LINE 10.417 CHAINS; THENCE EAST 14.40 CHAINS; THENCE SOUTH 10.417 CHAINS; THENCE WEST 14.40 CHAINS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED IN THE DEED FROM BARIUM PRODUCTS, LTD., TO ELIZABETH B. RAVEN BAKER, RECORDED MAY 23, 1956 IN VOLUME 1365 OF OFFICIAL RECORDS, AT PAGE 658, AS INSTRUMENT NO. 14454, STANISLAUS COUNTY

RECORDS.

ALSO EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED FROM FRANK J. MITCHELL, ET UX, AND FRED SAMPSON, ET UX, TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, AS INSTRUMENT NO. 22893, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 6,7,8,9, AND 10, ALL THOSE PORTIONS OF LAND CONVEYED TO THE COUNTY OF STANISLAUS IN DEEDS RECORDED DECEMBER 4, 1951 IN BOOK 1059 OF OFFICIAL RECORDS, PAGE 480 AND RECORDED JANUARY 25, 1952 IN BOOK 1067 OF OFFICIAL RECORDS PAGE 598.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 9 AND 10, ALL THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINES OF LAND CONVEYED TO STATE OF CALIFORNIA IN DEED RECORDED DECEMBER 28, 1961 IN BOOK 1731 OF OFFICIAL RECORDS, PAGE 691.

PARCEL NO. 11:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 99.73 FEET ALONG SAID NORTHERLY LINE FROM THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 43° 07' 30" EAST, 27.93 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID PARCEL; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 47' EAST, 282.23 FEET TO THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE NORTH ALONG SAID WESTERLY LINE, 20.31 FEET; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL DESCRIBED IN SAID DEED DATED JUNE 25, 1958, NORTH 89° 47' WEST, 301.25 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 118.75 FEET ALONG SAID NORTH LINE FROM THE NORTHWEST CORNER OF SAID PARCEL NO. 1; THENCE ALONG SAID NORTH LINE, SOUTH 89° 47' EAST, 282.33 FEET TO A POINT IN THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE AND BEING 40 FEET IN WIDTH); THENCE SOUTH ALONG SAID WESTERLY LINE, 243.08 FEET; THENCE NORTH 89° 47' 15" WEST, 49.26 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 46° 42' 51" WEST, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1972 FEET, THROUGH AN ANGLE OF 3° 35' 21" A DISTANCE OF 123.53 FEET; THENCE NORTH 43° 07' 30" WEST, 214.42 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 13:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF CALDWELL AVENUE, FORMERLY WOODLAND AVENUE, WITH THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED DATED MARCH 7, 1873 FROM JOHN T. MAZE TO CENTRAL PACIFIC RAILROAD COMPANY, RECORDED MAY 5, 1873 IN BOOK 10 OF DEEDS, AT PAGE 342, STANISLAUS COUNTY RECORDS; THENCE SOUTH 42° 53' 30" EAST ALONG SAID SOUTHWESTERLY LINE OF SAID LAND, 392.96 FEET TO A POINT IN THE EASTERLY LINE OF

THE 2.09 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR. AND LOUISE DAGGS, HIS WIFE TO CENTRAL PACIFIC RAILWAY COMPANY, RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS AT PAGE 134, STANISLAUS COUNTY RECORDS; THENCE SOUTH ALONG SAID EASTERLY LINE, 1406.01 FEET TO A POINT; THENCE WEST, AT RIGHT ANGLES FROM SAID EASTERLY LINE, 40.00 FEET TO A POINT IN THE WESTERLY LINE OF SAID 2.09 ACRE PARCEL OF LAND; THENCE NORTH ALONG SAID WESTERLY LINE 1390.30 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY, 40.00 FEET, MEASURED AT RIGHT ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED DATED MARCH 7, 1873; THENCE NORTH 42° 53' 30" WEST ALONG SAID PARALLEL LINE, 415.45 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID CALDWELL AVENUE; THENCE SOUTH 89° 12' 30" EAST, ALONG THE SOUTHERLY LINE OF CALDWELL AVENUE, 55.31 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND BEING A PORTION OF BENNETT AVENUE (SOMETIMES KNOWN AS MICHIGAN AVENUE), ABANDONED BY THE STANISLAUS COUNTY BOARD OF SUPERVISORS BY SUPERVISOR'S ORDER RECORDED JULY 11, 1951 IN VOLUME 1039 OF OFFICIAL RECORDS, AT PAGE 97, STANISLAUS COUNTY RECORDS AS INSTRUMENT NO. 16289.

EXCEPTING AND RESERVING THEREFROM ALL MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE INDENTURE BY CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED NOVEMBER 8, 1951 AND RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, STANISLAUS COUNTY RECORDS.

PARCEL NO. 14:

BEGINNING AT THE NORTHWEST CORNER OF THE 5.55 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED APRIL 5, 1961 FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED MARCH 19, 1962 IN VOLUME 1750 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 10483, STANISLAUS COUNTY RECORDS; SAID NORTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF LAND DESCRIBED IN INDENTURE DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR., AND LOUISE DAGGS TO CENTRAL PACIFIC RAILWAY COMPANY AND RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS, AT PAGE 134, AND RE-RECORDED AUGUST 11, 1924 IN VOLUME 77 OF OFFICIAL RECORDS, AT PAGE 256, STANISLAUS COUNTY RECORDS; THENCE NORTH ALONG SAID WEST LINE 243.08 FEET TO A POINT IN THE MOST SOUTHERLY LINE OF THE 1.655 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 8, 1951 FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 26538; THENCE EAST, ALONG LAST SAID LINE, 40.0 FEET TO A POINT IN THE EAST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED JUNE 20, 1924; THENCE SOUTH, ALONG SAID EAST LINE, 243.08 FEET TO A POINT ON THE NORTHERLY LINE OF LAND DESCRIBED IN SAID INDENTURE DATED APRIL 5, 1961; THENCE NORTH 89° 35' 35" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING AND RESERVING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT

LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, DATED OCTOBER 21, 1965 AND RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, AS INSTRUMENT NO. 46197, STANISLAUS COUNTY RECORDS.

PARCEL NO. 15:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 5, 1925 FROM D-V-O PRODUCTS, INC. TO CENTRAL PACIFIC RAILWAY COMPANY (NOW SOUTHERN PACIFIC COMPANY), RECORDED JULY 29, 1926, IN VOLUME 180, AT PAGE 462, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 42° 53' 30" EAST, ALONG THE NORTHEASTERLY LINE OF LAND DESCRIBED IN SAID INDENTURE, PARALLEL WITH AND DISTANT 50.0 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE ORIGINAL LOCATED CENTER LINE OF SOUTHERN PACIFIC COMPANY'S MAIN TRACK (LATHROP TO FRESNO), 378.50 FEET; THENCE SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 372.25 FEET, THROUGH A CENTRAL ANGLE TO 22° 29' 08" (CHORD OF SAID CURVE BEARS SOUTH 11° 14' 34" EAST, 145.15 FEET), AN ARC DISTANCE OF 146.09 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 985.59 FEET TO THE NORTHEAST CORNER OF THE 107,836 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL 2 IN INDENTURE DATED AUGUST 21, 1947, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO MODESTO PRODUCE PACKING COMPANY, RECORDED OCTOBER 22, 1947, IN BOOK 910, AT PAGE 406, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 27554; THENCE WEST, ALONG THE NORTHERLY LINE OF SAID LAST MENTIONED LAND, 329.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH, ALONG THE WESTERLY LINE OF LAND DESCRIBED AS PARCEL 2, IN SAID INDENTURE DATED AUGUST 21, 1947, A DISTANCE OF 260.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF 0.116 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED APRIL 5, 1961, FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1961, IN VOLUME 1707, AT PAGE 496, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 28718; THENCE NORTH 49° 10' 50" WEST ALONG LAST SAID NORTHEASTERLY LINE 44.93 FEET TO A POINT ON EASTERLY LINE OF THE 43,654 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED AUGUST 21, 1947; THENCE ALONG SAID EASTERLY LINE, THE FOLLOWING COURSES AND DISTANCES: NORTH 230.71 FEET; WEST, 14.00 FEET; AND NORTH, 20.00 FEET; THENCE ALONG THE EASTERLY LINE OF THE 2.404 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED MARCH 15, 1943, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED JULY 20, 1943, IN BOOK 776, AT PAGE 91, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 10746, THE FOLLOWING COURSES AND DISTANCES: NORTH 8° 10' EAST, 98.55 FEET; NORTH 484.21 FEET; NORTHERLY, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 583.14 FEET, THROUGH A CENTRAL ANGLE OF 21° 53' (CHORD OF LAST SAID CURVE BEARS NORTH 10° 56' 30" EAST, 221.37 FEET), AN ARC DISTANCE OF 222.72 FEET; AND NORTH 21° 53' EAST, TANGENT TO LAST SAID CURVE, 93.98 FEET TO THE NORTHEAST CORNER OF SAID 2.404 ACRE PARCEL OF LAND, LAST SAID NORTHEAST CORNER ALSO BEING THE MOST SOUTHERLY CORNER OF THE 0.422 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED MARCH 15, 1943; THENCE ALONG THE EASTERLY LINE OF SAID 0.422 ACRE PARCEL OF LAND, THE FOLLOWING COURSES AND DISTANCES: NORTH 21° 53' EAST, 41.07 FEET; AND NORTHERLY, ON A CURVE TO THE LEFT HAVING A RADIUS OF 562.22 FEET,

THROUGH A CENTRAL ANGLE OF 47° 37' 57" (CHORD OF LAST SAID CURVE BEARS NORTH 1° 55' 59" WEST, 454.05 FEET), AN ARC DISTANCE OF 467.40 FEET TO A POINT IN THE WEST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED NOVEMBER 5, 1925; THENCE NORTH, ALONG LAST SAID LINE, 7.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS EXPECTED AND RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, STANISLAUS COUNTY RECORDS.

PARCEL NO. 16:

ALL THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 29, 1958 AND RECORDED OCTOBER 31, 1958 IN VOLUME 1511 OF OFFICIAL RECORDS, AT PAGE 12, AS INSTRUMENT NO. 27377, AND LOCATED IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID PARCEL OF LAND DESCRIBED IN SAID DEED, SAID POINT LYING NORTH 0° 11' 45" WEST, 135.20 FEET FROM THE SOUTHEAST CORNER OF SAID PARCEL OF LAND; THENCE NORTH 49° 22' 30" WEST, 436.91 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL; THENCE ALONG SAID WESTERLY BOUNDARY, NORTH 0° 11' 40" WEST, 260.77 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL, SOUTH 89° 47' EAST, 330.65 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE ALONG THE AFORESAID EASTERLY LINE, SOUTH 0° 11' 45" EAST, 544.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED THE GRANTOR, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AS EXPECTED AND RESERVED IN THE DEEDS FROM CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED SEPTEMBER 13, 1946 OF VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE EASTERLY 15 FEET THEREOF WHICH LIES SOUTH OF THE NORTH 327.77 FEET, AS EXPECTED AND RESERVED FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND OPERATION OF RAILROAD TRACKS AND APPURTENANCES THEREON, IN SAID DEED RECORDED SEPTEMBER 13, 1946 IN VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN THE WEST 15 FEET OF THE NORTH 327.77 FEET OF SAID PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, AND EXCEPTING THEREFROM SUCH INTEREST IN THE EAST 15 FEET OF THE NORTH 327.77 FEET OF SAID

PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, RESERVED FOR RAILROAD PURPOSES IN THE SAID DEED RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

APN: 029-13-12-690 and 029-13-13-660 and 029-14-10-340

EXHIBIT "B"
FORM OF DISCHARGE AGREEMENT

DISCHARGE AGREEMENT

This DISCHARGE AGREEMENT (the "Agreement") is dated for reference purposes only as of this ____ day of _____, 2009, by and between FMC CORPORATION, a Delaware corporation ("FMC") and THE CITY OF MODESTO, a public body, corporate and politic ("City").

RECITALS

A. Until the Effective Date, FMC was the owner of that certain real property located at 1200 Graphics Drive in the City of Modesto, Stanislaus County, California, and more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property").

B. As a result of former operations on the Property by FMC and its predecessors, groundwater beneath the Property has been contaminated by, among other materials, total dissolved solids, particularly sulfates. Certain chemicals are present in the groundwater of the Property as more particularly described in the Environmental Reports listed on Exhibit B attached hereto and made a part hereof. The Property is currently subject to Cleanup and Abatement Order No. 98-274 adopted on June 26, 1998 ("Order") by the California Regional Water Quality Control Board, Central Valley Region ("Water Board"). The Order requires FMC to operate, and FMC currently operates, a groundwater remediation system on the Property including monitoring and extraction wells and a treatment facility (the "Remediation System"). The Remediation System extracts groundwater from extraction wells and conveys the groundwater to a treatment facility which treats the groundwater. Following treatment, the treated groundwater ("Wastewater") is discharged into the City's publicly-owned wastewater treatment works ("POTW") under a Conditional and Revocable Permit, No. GW-96-2, issued to FMC by the City of Modesto, Public Works Department, Environmental Compliance Section ("Permit"). The current Permit was effective January 1, 2007 and expires December 31, 2009.

C. Since 2001, the Redevelopment Agency of the City of Modesto ("RDA") has been negotiating with FMC for the purchase of the Property. The RDA desires to purchase the Property to facilitate its redevelopment as the Kansas-Woodland Business Park ("Business Park"). The RDA believes the redevelopment of the Property will benefit the economy of Modesto and will stimulate job creation and economic growth in the Modesto area. The City concurs in this belief.

D. FMC has not been willing to sell the Property until the final remedial measures for groundwater remediation have been determined. FMC is concerned that additional requirements could be imposed upon FMC by the Water Board, the California Department of Toxic Substances Control or another Environmental Agency, or that pending or future state and federal Total Maximum Daily Load regulations imposed on the City's POTW, could require (i) alterations or modifications to FMC's Remediation System, (ii) new or additional remediation measures or (iii) the installation of new remediation equipment that would require the use of additional portions of the Property. Although FMC will continue to operate the Remediation System in accordance with the RAP and the Order (both as defined below) and will be granted the Remediation Facilities Easement, as described in the Purchase Agreement (defined below)

between the RDA and FMC, once FMC sells the Property to the RDA, FMC will not have available land for any modifications or alterations that could be required to be made to the Remediation System or for the installation of new or supplemental remediation equipment that might be necessary to comply with such additional requirements or regulations. As a result, in order to comply with the Order, FMC will become dependent on its ability to continually discharge the Wastewater from the Remediation System to the City's POTW without the ability to modify the Remediation System to comply with any such additional requirements or regulations. Under these circumstances, FMC has not been willing to sell the Property to the RDA unless FMC receives adequate assurances from the City that it would continue to have the ability to discharge Wastewater from the Remediation System to the POTW in order to comply with the RAP and the Order.

E. As of the Effective Date, the RDA is acquiring the Property from FMC pursuant to that certain Purchase and Sale Agreement dated _____, 2009 between FMC and the RDA ("Purchase Agreement"). FMC's agreement to sell the Property to the RDA pursuant to the Purchase Agreement is conditioned upon the City entering into this Agreement on the terms and conditions contained herein concurrently with FMC's conveyance of the Property to the RDA. City is willing to enter into this Agreement with FMC so that the RDA can acquire the Property from FMC for redevelopment into the Business Park.

F. FMC and the City desire to set forth in this Agreement the terms and conditions on which FMC may continue to discharge Wastewater from the Remediation System to the City's POTW and the rights, responsibilities and obligations of the parties with respect to any future regulations that adversely affect FMC's ability to discharge the Wastewater into the POTW during the term of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and other consideration, the receipt and sufficiency of which are hereby acknowledged, City and FMC hereby agree as follows:

1. Definitions. The following terms, as used herein, shall be defined as follows:

(a) "Business Park" shall mean the Kansas-Woodland Business Park to be constructed on the Property and adjacent property subsequent to the acquisition of the Property by the RDA.

(b) "CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. section 9601, et seq., as amended in effect as of the Effective Date.

(c) "DTSC" shall mean the State of California Environmental Protection Agency, Department of Toxic Substances Control, or any successor agency thereto.

(d) "Effective Date" shall mean the date on which the RDA acquires fee title to the Property pursuant to the Purchase Agreement, which shall also be the date that this Discharge Agreement becomes effective.

(e) "Environmental Agency" shall mean the Water Board, DTSC and/or any other federal, state, or local governmental agency charged with enforcing Hazardous Materials Laws and having jurisdiction with respect to the Property.

(f) "Environmental Reports" shall mean the documents describing the Groundwater Contamination listed on Exhibit "B" attached hereto.

(g) "Groundwater Contamination" shall mean those certain chemicals in the groundwater at the Property as of the Effective Date as more particularly described in the Environmental Reports.

(h) "Hazardous Materials" shall mean any substance, material or waste which is (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of California law; (2) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317); (3) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903) or its implementing regulations; (4) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601); or (5) determined by DTSC, RWQCB or any other California, federal or local governmental authority (other than the City or the RDA) to be capable of posing a risk of injury to health, safety or property.

(i) "Hazardous Materials Laws" shall mean CERCLA, RCRA, or any other federal, state, or local law governing (i) Hazardous Materials, (ii) any Remedial Work obligation imposed upon FMC by an Environmental Agency, or (iii) the release of Hazardous Materials into the soil or groundwater.

(j) "Land Use Covenant" shall mean that certain Covenant to Restrict Use Environmental Restriction approved by the DTSC and the Water Board and recorded against the Property prior to conveyance of the Property to the RDA, as required by the RAP.

(k) "New Regulations" shall mean any regulations, standards, requirements, amendments, laws, statutes or ordinances enacted, promulgated or imposed on or after, or becoming effective after, March 1, 2008, by any federal, state, regional or local governmental entity having jurisdiction with respect to the Property, including any Environmental Agency, and the City acting under its power to regulate health and safety, that establishes additional limits, terms or conditions based on or to implement TMDL requirements regarding the discharge to or from the POTW, including regulations, standards or requirements imposed by the City with respect to the wastewater discharged to the POTW to allow the City to meet TMDL requirements at the POTW.

(l) "Operation and Maintenance Agreement" or "OMA" shall mean that certain agreement entered into by and between the RDA, FMC, DTSC and the Water Board and which shall become effective on the Effective Date relative to the operation and maintenance of

the infrastructure for the final remedial action(s) approved under the RAP, both with respect to soil and groundwater conditions, and including monitoring, inspection and reporting obligations.

(m) "Operation and Maintenance Plans" or "OMPs" shall mean the separate plans for soil and groundwater that are developed by FMC in accordance with the Purchase Agreement and approved by the DTSC and the Water Board prior to the Effective Date for the long-term operation and maintenance of the final remedial action(s) approved under the RAP.

(n) "Order" shall mean that certain Cleanup and Abatement Order No. 98-724 adopted on June 26, 1998 by the Water Board.

(o) "Permit" shall mean that certain Conditional and Revocable Groundwater Discharge Permit No. GW-96-2 effective January 1, 2007, issued to FMC by the City of Modesto, Public Works Department, Environmental Compliance Section.

(p) "POTW" shall mean the publicly-owned wastewater treatment works operated by the City.

(q) "Prior Orders" shall mean those certain Cleanup and Abatement Orders Nos. 93-202 and 96-063 adopted by the Water Board.

(r) "RAP" shall mean the Remedial Action Plan submitted by FMC to the DTSC and the Water Board under the VCA and the Order and approved by the DTSC and the Water Board on _____, 2009.

(s) "RCRA" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., as amended, in effect as of the date of this Agreement.

(t) "RDA" shall mean the Redevelopment Agency of the City of Modesto, a public body, corporate and politic.

(u) "Regulatory Documents" shall mean the Land Use Covenant, the Operation and Maintenance Agreement, the Operation and Maintenance Plans and the Soil Management Plan, all of which are referenced in the RAP and which will be developed by FMC in accordance with the Purchase Agreement and approved by the DTSC and/or RWQCB prior to the Effective Date.

(v) "Remedial Work" shall mean any and all investigation, remediation, mitigation, monitoring, reporting, and other obligations required or which may be required of FMC by the DTSC pursuant to the VCA, the RAP, the Operation and Maintenance Agreement, the Operation and Maintenance Plan for groundwater or by the Water Board pursuant to the Order or the Prior Orders, as the VCA, the RAP, the Operation and Maintenance Agreement, the Operation and Maintenance Plan for groundwater, the Order or the Prior Orders may be amended or supplemented from time to time, or pursuant to any other order of the DTSC, Water Board or another Environmental Agency which imposes obligations on FMC with respect to groundwater conditions relative to the Property or the Groundwater Contamination consistent with the cleanup and use of the Property for commercial/industrial purposes.

(w) "Remediation System" shall mean the groundwater extraction and treatment system located on the Property as of the Effective Date, consisting of monitoring and extraction wells, conveyance piping and a treatment facility, together with any additional remediation facilities hereafter required to be located on the Property and electric, domestic water and storm drain utility lines from the utility supplier to such system. A description of the existing Remediation System is attached hereto as Exhibit C and incorporated herein by reference.

(x) "Remediation Facilities Easement" shall mean that portion of the Property on which an easement shall be granted by the RDA to FMC under the Right of Entry Agreement for the purposes specified in the Right of Entry Agreement.

(y) "Right of Entry Agreement" shall mean the Right of Entry Agreement, Easement and Environmental Restriction between the RDA and FMC to be recorded against the Property upon conveyance of the Property to the RDA, as set forth in the Purchase Agreement, pursuant to which Right of Entry Agreement the RDA shall grant FMC the Remediation Facilities Easement and a right of entry to perform Remedial Work.

(z) "TMDL" shall mean the Total Maximum Daily Load established by the Water Board in implementation of the federal Clean Water Act and the California Porter-Cologne Water Quality Control Act, to control pollutants and achieve certain water quality standards in the wastewater discharge from point sources as it relates to the operation of the POTW owned and operated by the City.

(aa) "VCA" shall mean the Voluntary Cleanup Agreement effective as of July 8, 2002, by and between FMC and DTSC, as amended or supplemented from time to time.

(bb) "Wastewater" shall mean the treated groundwater discharged to the POTW from the Remediation System.

(cc) "Water Board" shall mean the State of California Regional Water Quality Control Board, Central Valley Region, or any successor agency thereto.

All other defined terms used in this Agreement shall be defined where first appearing in this Agreement.

2. Consideration. The City acknowledges that the RDA desires to acquire the Property for redevelopment into the Business Park in order to benefit the economy of Modesto and to stimulate job creation and economic growth in the City of Modesto. FMC has not been willing to sell the Property to the RDA until the final remedial measures for the Groundwater Remediation have been determined because, upon FMC's conveyance of the Property, FMC will not be able to make any modifications or alterations to the Remediation System or to install new or supplemental remediation equipment that requires the use of additional land to comply with New Regulations. The City further acknowledges that FMC is not willing to sell the Property to the RDA unless FMC receives contractual assurances from the City that, after conveyance, FMC would continue to have the right to discharge the Wastewater into the POTW even if such discharge to the POTW does not comply with the New Regulations and that the City will assume the obligation to comply with any New Regulations on FMC's behalf. The Purchase Agreement

provides that FMC is to receive as consideration for the sale of the Property (i) a cash payment from the RDA which is significantly below the market value of the Property; and (ii) an agreement with the City to permit FMC to continue to discharge the Wastewater to the POTW, subject to the terms and conditions contained herein, and under which the City would assume the obligation to comply with any New Regulations on FMC's behalf with respect to FMC's discharge of the Wastewater to the POTW. City acknowledges that FMC is not obligated to sell the Property to the RDA unless the foregoing conditions are satisfied. City further acknowledges that FMC is relying upon the City's performance of the contractual obligations undertaken by the City pursuant to this Agreement in consummating the sale of the Property to the RDA and that FMC has not agreed to consummate such sale, and would not consummate such sale, without the City undertaking its contractual agreements under this Agreement.

City acknowledges and agrees that even though the City will not obtain title to the Property, the RDA's acquisition of the Property for redevelopment into the Business Park will benefit the City by providing economic benefits to the City in the form of new businesses, new jobs, increased tax revenue, redevelopment of unused property into productive use and increased economic activity for existing businesses in the City of Modesto. City further acknowledges that FMC is receiving the value of the Property through the rights and benefits granted to FMC and the obligations undertaken by the City pursuant to this Agreement, and that the City is providing the major portion of the consideration to FMC for the sale of the Property to the RDA. City further acknowledges that the above-described economic benefits made possible by FMC's conveyance of the Property to the RDA for redevelopment into the Business Park is fair and adequate consideration for the rights and benefits granted by the City to FMC under this Agreement.

3. Groundwater Condition. FMC and its predecessors in interest in the Property variously operated manufacturing facilities on the Property for the production of barium and strontium chemicals. These operations included the use from the early 1950's to the late 1970's of on-site evaporation ponds to manage residual solids from the ore processing units and air pollution control equipment which solids were slurried with water and discharged to the ponds. These ponds were closed by removal of residue material and backfilling during 1979-81. The operation of the ponds resulted in contamination of the groundwater, including in particular with total dissolved solids, including sulfates. In addition, the soils under the former pond areas are impacted with sulfates and related compounds that continue to migrate into the upper groundwater aquifer. The Property is currently subject to the Order and the Prior Orders. Starting in the early 1960's, FMC installed a number of groundwater monitoring wells, both on and off the Property, and has routinely reported on the results of samples from these wells to the Water Board under the terms of the Order and the Prior Orders. Under the Order and associated Monitoring and Reporting Program (No. 98-805, adopted by the Water Board on June 26, 1998), FMC currently samples and reports sampling results for some 33 monitoring wells, located both on and off the Property. Since 1996, FMC has operated the Remediation System on the Property, which Remediation System discharges to the City's POTW under the terms of discharge permits issued by the City. The current Permit was issued by the City on January 1, 2007 and is effective until December 31, 2009. Pursuant to the Order, the RAP, the Operation and Maintenance Agreement and the Operation and Maintenance Plan for groundwater, FMC will be required to perform groundwater remediation and to maintain and operate the

Remediation System on the Property for an indefinite period of time anticipated to run a number of years after December 31, 2009.

The Water Board and the DTSC have approved the RAP which, among other things, requires the continued operation of the Remediation System to address groundwater conditions at the Property. FMC acknowledges that, pursuant to the RAP, it has prepared the Operation and Maintenance Plan for groundwater and entered into the Operation and Maintenance Agreement with the RDA, DTSC and the Water Board, which describes, among other things, FMC's ongoing responsibilities for the operation and maintenance of the Remediation System. In addition, pursuant to the RAP, FMC recorded the Land Use Covenant against the Property that, among other things, restricts the use of the Property to commercial and industrial purposes, imposes notification requirements and restrictions with respect to activities that would result in exposure to soils and restricts the use of groundwater and the disturbance of certain covered areas of the Property.

4. Discharge Permit.

(a) Compliance with Discharge Permit. During the term of this Agreement, FMC shall continue to comply with all of the terms, conditions and requirements imposed upon FMC and in effect under the existing Permit as of March 1, 2008 with respect to the discharge of the Wastewater to the POTW, except as otherwise provided in this Agreement. To the extent that New Regulations are imposed on the discharge of Wastewater upon renewal of the Permit or prior thereto with respect to terms and conditions contained in the existing Permit, but made effective after March 1, 2008, then compliance with such New Regulations shall be subject to Section 7 below.

(b) Permit Renewal. So long as this Agreement is in effect, and FMC needs to discharge Wastewater to the POTW, FMC will make timely application to the City for the renewal of the Permit. FMC shall pay the customary permit fees imposed by the City upon users of the POTW for the same type of waste as FMC discharges in its Wastewater from the Remediation System, as such fees are established by City ordinance on a non-discriminatory basis.

5. Total Maximum Daily Load Regulations. During the term of this Agreement, FMC and the City anticipate that the Water Board will adopt, and from time to time modify, New Regulations that will limit or restrict the discharge of certain chemicals or constituents from the City's POTW. Specifically, as of the Effective Date, FMC and the City anticipate that the Water Board will impose New Regulations that will limit or restrict the quantity (either in terms of mass or concentration) of sulfates and other dissolved solids or salts that may be discharged from the POTW. In the future, additional New Regulations might limit or prohibit the quantity of other chemicals or constituents that can be discharged from the POTW. Further, FMC understands that to satisfy these New Regulations, the City may have to impose new and more stringent limits on the discharge of certain chemicals or constituents to the POTW. FMC is concerned that the amount of sulfates and other dissolved solids or salts in FMC's Wastewater discharged to the POTW might exceed the amount of sulfates and other dissolved solids or salts permitted by New Regulations to meet the TMDL governing salinity management (i.e., the Central Valley Salinity Alternatives for Long-Term Sustainability ("CV-SALTS")). In addition,

the quantity of other chemicals or constituents in the Wastewater might exceed limits imposed by New Regulations to meet other future TMDL requirements. Based on information available to FMC as of the Effective Date, FMC believes that in order to comply with the anticipated and/or future New Regulations relating to the TMDL imposed upon the City's POTW, FMC might need to either substantially alter the Remediation System or develop an alternative method of remediating the Groundwater Contamination. Either course of action would require FMC to make more extensive use of the Property for the location and/or installation of supplemental and/or new remediation facilities. Once FMC sells the Property to the RDA, FMC will not be able to use any additional land for alterations to the existing Remediation System or the development of an alternative remediation system, and therefore would not be able to comply with any New Regulations imposed by the Water Board or another Environmental Agency and/or the City to the requirements of the New Regulations. To the extent that FMC's inability to comply with the New Regulations would limit or prohibit the discharge of the Wastewater from the Remediation System to the POTW, FMC could be in violation of the orders or directives issued by the Environmental Agencies, including the Order, the RAP and the Operation and Maintenance Agreement and the Operation and Maintenance Plan for groundwater. Therefore, the City hereby agrees that, during the term of this Agreement, and except as provided below, the City will continue to accept the discharge of the Wastewater to the POTW based on the same terms and conditions of the Permit in effect as of March 1, 2008 (and including an increased volume of Wastewater as described in Section 6 below), notwithstanding that the quantity of chemicals or constituents contained in FMC's Wastewater discharged to the POTW may exceed the levels set forth in the New Regulations with respect to the discharge from the POTW. The City hereby assumes the responsibility to take such action as may be necessary to treat FMC's Wastewater at the POTW for sulfates and other dissolved solids or salts or other chemicals or constituents which are restricted or limited by New Regulations relative to the discharge from the City's POTW. Notwithstanding the foregoing, if the Water Board and/or the DTSC has issued a cease and desist order, cleanup and abatement order and/or order for corrective action based on a finding of imminent and substantial endangerment in connection with any Remedial Work obligation where such order impacts the Wastewater discharged to the POTW (such order is hereafter referred to as a "Violation Order"), then the City may temporarily suspend the acceptance of the Wastewater until such time as FMC has performed or commenced to perform and is diligently prosecuting to completion the Remedial Work obligation that is the subject of the Violation Order, but only if: (i) the enforcement of the Violation Order has not been stayed by the order of a reviewing administrative agency or a court of competent jurisdiction; (ii) FMC is not appealing the judgment of a court of competent jurisdiction sustaining the enforcement of the Violation Order; and (iii) the Water Board and/or the DTSC have not used the financial assurances provided by FMC pursuant to the Operation and Maintenance Agreement to perform the Remedial Work obligation that is the subject of the Violation Order on FMC's behalf. The City shall again accept FMC's discharge of Wastewater to the POTW upon receipt of written notice from FMC that it is performing the Remedial Work obligation that is the subject of the Violation Order, and shall continue to accept such Wastewater unless notified by FMC or the Environmental Agency that issued the Violation Order that FMC has ceased to perform this obligation prior to completion. In no event shall the City revoke the Permit due to the issuance of a Violation Order.

6. Increased Wastewater Volume. The City acknowledges that, during the term of this Agreement, additional Remedial Work obligations may be imposed on FMC or the Property

pursuant to the VCA, the RAP or the Order with respect to the Groundwater Contamination. Such obligations could include increased extraction and/or treatment of groundwater through the Remediation System which could result in a volume of Wastewater being discharged by FMC to the POTW in excess of the daily and monthly discharge limits set forth in the existing Permit. At least thirty (30) days prior to discharging any such increased volume to the POTW in excess of the daily and monthly discharge limits, FMC shall notify the City in writing that the Wastewater discharge shall exceed the volume limits set forth in the Permit and provide the City with a copy of the letter or other written directive from the Water Board, DTSC or another Environmental Agency setting forth the additional Remedial Work obligation requiring the additional volume discharge. City agrees that it shall accept into the POTW any increased volume of Wastewater resulting from FMC's compliance with such additional Remedial Work obligation, even if the increased volume of Wastewater exceeds the daily and monthly discharge limits set forth in the Permit. Any discharge of any increased volume of Wastewater shall be subject to the terms and conditions of the Permit in effect as of March 1, 2008, except for any daily or monthly discharge limits on volume. FMC shall not discharge a volume of Wastewater to the POTW in excess of the daily and monthly discharge limits set forth in the Permit unless such discharge is required for FMC to comply with an additional Remedial Work obligation imposed on FMC or the Property pursuant to the VCA, the RAP or the Order with respect to the Groundwater Contamination.

7. New Regulations. FMC and the City acknowledge that the imposition of New Regulations during the term of this Agreement could affect FMC's ability to discharge Wastewater from the Remediation System to the POTW in the manner permitted under the Permit as of March 1, 2008. By way of example only, the New Regulations could require (i) a reduction or limitation in the quantity of a constituent of the Wastewater, (ii) additional treatment to reduce or limit the quantity or concentration of one or more constituents in the Wastewater or (iii) a reduction in the volume of Wastewater FMC is permitted to discharge to the POTW. FMC shall give written notice to the City of any New Regulation that adversely affects FMC's ability to discharge Wastewater from the Remediation System to the POTW in the manner permitted under the Permit as of March 1, 2008 ("FMC Notice"). The FMC Notice shall specify how FMC's discharge of the Wastewater is affected by the New Regulation. Within thirty (30) days after receipt of the FMC Notice, or on such later date that the New Regulation becomes effective, the City shall take such actions as may be necessary at the POTW to comply with the New Regulations on behalf of FMC at the City's sole cost and expense. In such event, FMC may continue to discharge the Wastewater to the POTW in the manner permitted by the Permit as of March 1, 2008. Notwithstanding the foregoing, FMC shall be responsible, at FMC's sole cost and expense, for complying with any other regulations, orders, requirements, laws, statutes or ordinances adopted, enacted or imposed after March 1, 2008 by any federal, state, regional or local governmental entity, including any Environmental Agency and the City, acting under its power to regulate health and safety, and having jurisdiction with respect to the discharge of the Wastewater to the POTW that do not relate to TMDL; provided, however, that any such new regulations imposed by the City on discharge to the POTW shall be regulations of general application to all users similarly situated.

8. Inability to Discharge. If FMC cannot discharge Wastewater from the Remediation System to the POTW in the manner permitted under the Permit as of March 1, 2008 for any of the following reasons:

(a) FMC is unable to renew the Permit due to the imposition of New Regulations and the City fails or is unable to comply with the New Regulations on behalf of FMC pursuant to this Agreement in a manner that will allow for the renewal of the Permit;

(b) The Water Board, the DTSC or another Environmental Agency imposes an additional Remedial Work obligation upon FMC that requires an increase in the volume of Wastewater discharged by FMC to the POTW, as set forth in Section 6 hereof, and the City is unable or declines to accept such increased volume of Wastewater; or

(c) The City fails or is unable to accept FMC's Wastewater in the manner permitted under the Permit as of March 1, 2008 due to any New Regulations imposed on the City's discharge from the POTW and the City is unable or fails to comply on behalf of FMC with any New Regulations at the POTW that would allow the City to accept FMC's Wastewater;

and the Water Board, the DTSC or other applicable Environmental Agency requires FMC to provide an alternative method for remediation of the Groundwater Contamination in order to comply with the Order or applicable Remedial Work obligation imposed by such Environmental Agency, then the City shall indemnify and hold FMC harmless from any and all costs incurred by FMC for the development, construction, operation and maintenance of an alternative remediation system that will allow FMC to continue to remediate the Groundwater Contamination and comply with the Order.

Under any of the circumstances described in subsections (a) through (c) of this Section 8, FMC shall give the City copies of any written notice from the Water Board, the DTSC or another Environmental Agency requiring FMC to develop an alternative remediation system for the Groundwater Remediation. The City acknowledges that, as of the Effective Date, the feasibility, location and technology for an alternative remediation system are unknown. FMC contemplates that in order to develop an alternative remediation system, it could be necessary for FMC to acquire real property and/or other real property interests for the location of the alternative remediation system. In such event, City agrees it shall cooperate with FMC in acquiring such real property and/or other real property interests, including any real property interest owned or controlled by the City or the RDA. Such cooperation shall include paying deposits, the purchase price, acquisition costs and closing costs in any transaction in which FMC acquires real property or a real property interest for the location and operation of such alternative remediation system. In addition, FMC would need to perform engineering studies and tests including, as appropriate, modeling to determine the design, operation and effectiveness of the alternative remediation system. Further, FMC would need plans and specifications to be prepared for the alternative remediation system for submittal to the Water Board or other applicable Environmental Agency for approval. FMC may also need to obtain a building permit and other approvals from applicable governmental authorities. Prior to commencement of construction of such alternative remediation system, FMC shall cause to be prepared and submitted to the City, a detailed cost estimate for all costs associated with the development and construction of such alternative remediation system and provide periodic updates of the actual costs of development and construction incurred by FMC. Upon receipt of approval of plans and specifications from the Water Board or other applicable Environmental Agency, and upon receipt of a building permit and all other applicable approvals, FMC shall commence and thereafter diligently prosecute the construction of the alternative remediation system to completion. Upon completion of

construction of the alternative remediation system, FMC shall present the City with a detailed invoice showing all costs actually incurred and paid by FMC to third parties for the development and construction of the alternative remediation system. Such costs shall include all consultant, engineering and legal fees incurred for acquisition of real property or real property interests for the location and operation of the alternative remediation system, the costs of tests, studies and modeling, the cost of obtaining approval of the alternative remediation system by the Water Board or other applicable Environmental Agency, the costs of building permits or other governmental approvals, the costs of plans and specifications and any revisions or change orders thereto, construction costs and any increased costs of operation and maintenance of the alternative remediation system in excess of similar costs paid for the operation and maintenance of the Remediation System. FMC shall provide the City with copies of actual invoices, bills, receipts, statements, contract disbursement requests, bids, purchase orders and other written evidence showing all actual costs incurred by FMC and paid to third parties for the development and construction of the alternative remediation system. To the extent not previously paid, City shall pay all such costs shown on FMC's statement within thirty (30) days after FMC delivers such statement to the City. If City fails to pay the costs shown on FMC's statement within said thirty (30) day period, then FMC shall have all rights and remedies available at law or equity to enforce the City's payment of the amounts due to FMC.

9. City's Representations and Warranties. The City hereby makes the following representations and warranties to FMC, all of which are being relied upon by FMC as a material inducement to enter into this Agreement:

(a) The City has the full power and authority to enter into this Agreement and to perform the obligations of City hereunder.

(b) The execution and delivery of this Agreement has been duly approved by all requisite action of the City Council of the City.

(c) The execution and delivery of this Agreement by the City, and the performance of the obligations of the City hereunder, do not violate any applicable law, statute, ordinance, code or regulation of any federal, state or local governmental authority to which the City is subject, including the Municipal Code of the City of Modesto and any City ordinances.

(d) The performance of its obligations hereunder does not prohibit the City from exercising its constitutional powers to protect and regulate the health and safety of the citizens of the City, including the regulation of the POTW.

10. Assumption of Risk. City acknowledges that the extent of the obligations to be undertaken by the City pursuant to this Agreement and the costs that may be incurred to perform such obligations are unknown as of the Effective Date and the actual extent of such obligations and the costs incurred by the City in performing such obligations under this Agreement may be much greater than anticipated as of the Effective Date. Notwithstanding the foregoing, the City hereby freely enters into this Agreement and assumes the risk that the obligations it incurs under this Agreement may be greater than the benefits received by the City as a result of the sale of the Property and redevelopment of the Property into the Business Park.

11. Duration of Agreement. The rights and obligations of FMC and the City hereunder shall terminate upon the date that is sixty (60) days after the date that the last Environmental Agency requiring FMC to perform Remedial Work with respect to the Groundwater Contamination provides FMC with written notice that no further Remedial Work obligation shall be required with respect to the Groundwater Contamination. Each covenant, agreement and obligation contained in this Agreement shall remain effective until such date.

12. Attorneys' Fees. In the event of a judicial or administrative proceeding or action by one party against the other party with respect to the interpretation or enforcement of this Agreement, the prevailing party shall be entitled to recover reasonable costs and expenses, including attorneys fees and expenses, whether at the investigative, pretrial, trial or appellate level. The prevailing party shall be determined by the court based upon an assessment of which party's major arguments or position prevailed.

13. Notices. All notices, demands, requests and other communications required hereunder shall be in writing, shall be deemed to be duly given if mailed by United States registered or certified mail, with return receipt requested, postage prepaid, or by United States Express Mail, or if sent by a national courier service or if personally served, and the same is sent to a party at its address set forth below:

If to FMC: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attn: Real Estate Manager

With a copy to: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attention: General Counsel

FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attention: Director, Environment

To City: City of Modesto
1010 Tenth Street, Suite _____
Modesto, CA 95354
Attn: _____

With a copy to: City of Modesto
1010 Tenth Street, Suite _____
Modesto, CA 95354
Attn: City Attorney

Notices will be effectively served upon personal delivery, or if mailed or sent by courier, upon receipt or refusal to accept delivery. Any party may designate a change of address by written

notice to the others given at least ten (10) days before such change of address is to become effective.

14. Severability. The parties hereto intend and believe that each provision in this Agreement comports with all applicable federal, state and local laws and judicial decisions. If, however, any provision of this Agreement is found by a court of law to be in violation of any applicable federal, state or local law, ordinance, statute, administrative or judicial decision, or public policy, or if in any other respect such a court declares any such provision to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that, consistent with and with a view towards preserving the economic and legal arrangements among the parties hereto as expressed in this Agreement, such provision shall be given force and effect to the fullest possible extent, and that the remainder of this Agreement shall be construed as if such illegal, invalid, unlawful, void or unenforceable provision were not contained herein, and that the rights, obligations and interests of the parties under the remainder of this Agreement shall continue in full force and effect.

15. Modification. This Agreement may not be modified, amended or otherwise changed in any manner, except by a written amendment executed by both City and FMC.

16. Successors and Assigns. All provisions, covenants, conditions and obligations contained in this Agreement shall be binding upon and inure to the benefit of the parties hereto, and to their respective heirs, successors (by merger, consolidation, or otherwise) and assigns.

17. Controlling Laws. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

18. Effect on Third Parties. The rights, benefits and obligations conferred hereunder are for the benefit of the parties hereto and not for the benefit of any third party.

19. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the specific subject matter hereof, and all prior negotiations, agreements and understandings between FMC and City with respect to the specific subject matter hereof are merged into this Agreement.

20. Counterparts. This Agreement may be executed in counterparts, all of which together constitute one and the same agreement.

IN WITNESS WHEREOF, FMC and the City have executed this Discharge Agreement as of the date first above written.

“FMC”

FMC CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

“CITY”

CITY OF MODESTO, a public body, corporate and
politic

By: _____

Approved as to form:

City Attorney

ATTEST:

EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California, described as follows:

PARCEL NO. 1:

BEGINNING AT A POINT IN THE WEST LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM D-V-O PRODUCTS, INC. TO THE CENTRAL PACIFIC RAILWAY COMPANY DATED NOVEMBER 5, 1925 AND FILED FOR RECORD JULY 29, 1926 IN VOLUME 180 OF OFFICIAL RECORDS OF SAID COUNTY OF STANISLAUS AT PAGE 462, DISTANT SOUTH, 7.02 FEET THEREON FROM THE MOST NORTHERLY CORNER OF SAID PARCEL OF LAND; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 25° 44' 57" EAST ALONG A CURVE TO THE RIGHT OF A RADIUS OF 562.22 FEET, A DISTANCE OF 467.40 FEET; THENCE SOUTH 21° 53' WEST, 41.07 FEET TO THE SOUTHERLY END OF THAT PORTION OF THE EAST LINE OF THE LAND OF BARIUM PRODUCTS, LTD. THAT BEARS NORTH AND SOUTH; THENCE NORTH ALONG THE EAST LINE OF THE LANDS OF BARIUM PRODUCTS, LTD., 491.90 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE ABOVE DESCRIBED PARCEL NO. 1; THENCE SOUTH 21° 53' WEST, 93.98 FEET; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 21° 53' WEST ALONG A CURVE TO THE LEFT OF A RADIUS OF 583.14 FEET, A DISTANCE OF 222.72 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 484.27 FEET; THENCE SOUTH 8° 10' WEST, 98.55 FEET; THENCE WEST, 113.00 FEET TO THE EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG SAID EAST LINE, 800.00 FEET TO THE SOUTH LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE EAST, ALONG SAID SOUTH LINE, 151.70 FEET TO THE SOUTHEASTERLY LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE NORTH 31° 13' EAST THEREON, 101.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND OF D-V-O PRODUCTS, INC., A CORPORATION, AT A POINT IN THE EAST LINE OF MICHIGAN AVENUE, SAID POINT BEING DISTANT 20 FEET AT RIGHT ANGLES EAST FROM THE CENTER LINE OF SAID AVENUE AND 1840 FEET, MORE OR LESS, NORTHERLY FROM THE EAST AND WEST QUARTER SECTION LINE OF SAID SECTION 30; THENCE EAST 205.0 FEET ALONG THE SOUTH LINE OF SAID D-V-O PRODUCTS, INC., PROPERTY TO A POINT; THENCE SOUTH 215.82 FEET TO A POINT; THENCE SOUTH 31° 13' WEST 101.0 FEET TO A POINT; THENCE WEST 152.66 FEET TO A POINT IN THE SAID EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG THE SAID EAST LINE OF MICHIGAN AVENUE, A DISTANCE OF 302.2 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

BEGINNING A POINT BEARING EAST 14.69 CHAINS FROM A POINT IN THE NORTH AND SOUTH QUARTER SECTION LINE, WHICH POINT BEARS NORTH 27. 88 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 30; THENCE NORTH 524.70 FEET AND PART ALONG THE CENTER OF A ROAD TO THE WESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD; THENCE SOUTH 42°38' EAST 716.95 FEET AND ALONG SAID RIGHT OF WAY LINE; THENCE WEST 488.70 FEET TO THE POINT OF BEGINNING, AND LAST

MENTIONED COURSE IS ALSO AT RIGHT ANGLES FROM THE FIRST MENTIONED COURSE.

EXCEPTING THEREFROM THE WEST TWENTY (20) FEET.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

ALL THAT PORTION OF THE EAST HALF OF SECTION 30, IN TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY LINE OF THE CENTRAL PACIFIC RAILWAY COMPANY'S RIGHT OF WAY, SAID POINT BEING DISTANT 330.0 FEET, MEASURED SOUTH 42° 58' EAST ALONG SAID SOUTHWESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE CENTER LINE OF A ROAD AS LAID OUT ALONG THE WEST SIDE OF THE PROPERTY OF THE D-V-O PRODUCTS, INC.; THENCE SOUTH 42°58'EAST 386.90 FEET ALONG SAID BOUNDARY LINE; THENCE WEST 263.70 FEET; THENCE AT RIGHT ANGLES NORTH 283.10 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 5:

BEGINNING AT A POINT MARKING THE NORTHWEST CORNER OF THE 1.002 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 23, 1955 AND RECORDED SEPTEMBER 29, 1955 IN VOLUME 1318 OF OFFICIAL RECORDS, AT PAGE 461, AS INSTRUMENT NO. 29114, SAID CORNER LYING ON THE EAST LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE ALONG THE NORTH LINE OF SAID 1.002 ACRE PARCEL, SOUTH 89° 47' EAST 113.67 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING COURSES: SOUTH 0° 11' 40" EAST, 20.04 FEET; SOUTH 89° 47' EAST, 14.07 FEET; AND SOUTH 0° 11' 40" EAST, 231.60 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 49° 22' 30" WEST, 140.20 FEET; THENCE NORTH 37° 24' 39" WEST, 35.78 FEET TO THE WESTERLY LINE OF SAID 1.002 ACRE PARCEL (ALSO BEING THE EASTERLY LINE OF SAID BENNETT ROAD); THENCE ALONG SAID WESTERLY LINE NORTH 0° 11' 40" WEST, 132.41 FEET TO THE POINT OF BEGINNING.

RESERVING THEREFROM SUCH INTEREST IN THAT PORTION OF THE EAST 15.00 THEREOF, AS WAS RESERVED FOR RAILROAD PURPOSES IN THE DEED FROM CENTRAL PACIFIC RAILROAD COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING AND RESERVING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING THE SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, AS RESERVED IN THE DEED FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS. SAID RIGHTS SHALL NOT INCLUDE USE OF THE SURFACE OF SAID LAND.

PARCEL NO. 6:

LOTS 1 TO 9, INCLUSIVE, IN BLOCK 5072 OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED SEPTEMBER 14, 1940 IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA IN VOLUME 14 OF MAPS AT PAGE 5.

ALSO, LOTS 1 TO 8, IN INCLUSIVE, IN BLOCK 5043 OF THE GRANGE TRACT, ACCORDING TO THE MAP HEREINABOVE REFERRED TO.

PARCEL NO. 7:

ALL OF ABANDONED DULUTH AVENUE, BEING A 60 FOOT STRIP OF LAND RUNNING EAST AND WEST, LYING WITHIN AND AS SHOWN ON THE MAP OF THE GRANGE TRACT FILED SEPTEMBER 14, 1940 VOLUME 14 OF MAPS, PAGE 5, IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA.

PARCEL NO. 8:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE IN SAID SECTION 30, BEARING NORTH 29.32 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION; AND BEING THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO THE GRANGE COMPANY BY DEED RECORDED JUNE 26, 1923 IN VOLUME 23 OF OFFICIAL RECORDS, AT PAGE 331; RUN THENCE NORTH ALONG THE SAID QUARTER SECTION LINE 135 FEET; THENCE EAST 110 FEET; THENCE SOUTH 135 FEET TO SOUTH LINE OF LAND CONVEYED TO SAID GRANGE COMPANY; THENCE WEST ALONG SOUTH LINE OF SAID LAND SO CONVEYED TO THE GRANGE COMPANY 110 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 9:

COMMENCE AT THE INTERIOR QUARTER CORNER OF SAID SECTION 30; THENCE NORTH $0^{\circ} 33' 30''$ WEST ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 1604.26 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO D. D. CAMPIN IN VOLUME 797 OF OFFICIAL RECORDS, AT PAGE 390, RECORDS OF STANISLAUS COUNTY RECORDER'S OFFICE AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH $89^{\circ} 46' 30''$ EAST ALONG THE NORTH LINE OF SAID LAND SO CONVEYED TO D. D. CAMPIN AND PARALLEL TO THE EAST AND WEST QUARTER SECTION LINE THROUGH SAID SECTION 30, A DISTANCE OF 950.97 FEET TO THE NORTHEAST CORNER OF SAID CAMPIN PARCEL, SAID CORNER BEING ON THE WEST LINE OF 40 FOOT ROAD KNOWN AS BENNETT AVENUE; THENCE NORTH $0^{\circ} 42' 30''$ WEST ALONG THE WEST LINE OF SAID 40 FOOT ROAD, A DISTANCE OF 334.45 FEET TO THE SOUTHEAST CORNER OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY IN VOLUME 14 OF MAPS, AT PAGE 5; THENCE NORTH $89^{\circ} 55' 30''$ WEST, ALONG THE SOUTH LINE OF SAID GRANGE TRACT AND THE EXTENSION THEREOF, A DISTANCE OF 950.68 FEET TO THE SAID NORTH AND SOUTH ONE-QUARTER SECTION LINE; THENCE SOUTH $0^{\circ} 33' 30''$ EAST AND ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 332.16 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL NO. 10:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE AT A POINT BEARING NORTH 13.89 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 30; THENCE NORTH ON SAID QUARTER SECTION LINE 10.417 CHAINS; THENCE EAST 14.40 CHAINS; THENCE SOUTH 10.417 CHAINS; THENCE WEST 14.40 CHAINS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED IN THE DEED FROM BARIUM PRODUCTS, LTD., TO ELIZABETH B. RAVEN BAKER, RECORDED MAY 23, 1956 IN VOLUME 1365 OF OFFICIAL RECORDS, AT PAGE 658, AS INSTRUMENT NO. 14454, STANISLAUS COUNTY

RECORDS.

ALSO EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED FROM FRANK J. MITCHELL, ET UX, AND FRED SAMPSON, ET UX, TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, AS INSTRUMENT NO. 22893, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 6,7,8,9, AND 10, ALL THOSE PORTIONS OF LAND CONVEYED TO THE COUNTY OF STANISLAUS IN DEEDS RECORDED DECEMBER 4, 1951 IN BOOK 1059 OF OFFICIAL RECORDS, PAGE 480 AND RECORDED JANUARY 25, 1952 IN BOOK 1067 OF OFFICIAL RECORDS PAGE 598.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 9 AND 10, ALL THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINES OF LAND CONVEYED TO STATE OF CALIFORNIA IN DEED RECORDED DECEMBER 28, 1961 IN BOOK 1731 OF OFFICIAL RECORDS, PAGE 691.

PARCEL NO. 11:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 99.73 FEET ALONG SAID NORTHERLY LINE FROM THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 43° 07' 30" EAST, 27.93 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID PARCEL; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 47' EAST, 282.23 FEET TO THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE NORTH ALONG SAID WESTERLY LINE, 20.31 FEET; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL DESCRIBED IN SAID DEED DATED JUNE 25, 1958, NORTH 89° 47' WEST, 301.25 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 118.75 FEET ALONG SAID NORTH LINE FROM THE NORTHWEST CORNER OF SAID PARCEL NO. 1; THENCE ALONG SAID NORTH LINE, SOUTH 89° 47' EAST, 282.33 FEET TO A POINT IN THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE AND BEING 40 FEET IN WIDTH); THENCE SOUTH ALONG SAID WESTERLY LINE, 243.08 FEET; THENCE NORTH 89° 47' 15" WEST, 49.26 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 46° 42' 51" WEST, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1972 FEET, THROUGH AN ANGLE OF 3° 35' 21" A DISTANCE OF 123.53 FEET; THENCE NORTH 43° 07' 30" WEST, 214.42 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 13:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF CALDWELL AVENUE, FORMERLY WOODLAND AVENUE, WITH THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED DATED MARCH 7, 1873 FROM JOHN T. MAZE TO CENTRAL PACIFIC RAILROAD COMPANY, RECORDED MAY 5, 1873 IN BOOK 10 OF DEEDS, AT PAGE 342, STANISLAUS COUNTY RECORDS; THENCE SOUTH 42° 53' 30" EAST ALONG SAID SOUTHWESTERLY LINE OF SAID LAND, 392.96 FEET TO A POINT IN THE EASTERLY LINE OF

THE 2.09 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR. AND LOUISE DAGGS, HIS WIFE TO CENTRAL PACIFIC RAILWAY COMPANY, RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS AT PAGE 134, STANISLAUS COUNTY RECORDS; THENCE SOUTH ALONG SAID EASTERLY LINE, 1406.01 FEET TO A POINT; THENCE WEST, AT RIGHT ANGLES FROM SAID EASTERLY LINE, 40.00 FEET TO A POINT IN THE WESTERLY LINE OF SAID 2.09 ACRE PARCEL OF LAND; THENCE NORTH ALONG SAID WESTERLY LINE 1390.30 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY, 40.00 FEET, MEASURED AT RIGHT ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED DATED MARCH 7, 1873; THENCE NORTH 42° 53' 30" WEST ALONG SAID PARALLEL LINE, 415.45 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID CALDWELL AVENUE; THENCE SOUTH 89° 12' 30" EAST, ALONG THE SOUTHERLY LINE OF CALDWELL AVENUE, 55.31 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND BEING A PORTION OF BENNETT AVENUE (SOMETIMES KNOWN AS MICHIGAN AVENUE), ABANDONED BY THE STANISLAUS COUNTY BOARD OF SUPERVISORS BY SUPERVISOR'S ORDER RECORDED JULY 11, 1951 IN VOLUME 1039 OF OFFICIAL RECORDS, AT PAGE 97, STANISLAUS COUNTY RECORDS AS INSTRUMENT NO. 16289.

EXCEPTING AND RESERVING THEREFROM ALL MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE INDENTURE BY CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED NOVEMBER 8, 1951 AND RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, STANISLAUS COUNTY RECORDS.

PARCEL NO. 14:

BEGINNING AT THE NORTHWEST CORNER OF THE 5.55 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED APRIL 5, 1961 FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED MARCH 19, 1962 IN VOLUME 1750 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 10483, STANISLAUS COUNTY RECORDS; SAID NORTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF LAND DESCRIBED IN INDENTURE DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR., AND LOUISE DAGGS TO CENTRAL PACIFIC RAILWAY COMPANY AND RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS, AT PAGE 134, AND RE-RECORDED AUGUST 11, 1924 IN VOLUME 77 OF OFFICIAL RECORDS, AT PAGE 256, STANISLAUS COUNTY RECORDS; THENCE NORTH ALONG SAID WEST LINE 243.08 FEET TO A POINT IN THE MOST SOUTHERLY LINE OF THE 1.655 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 8, 1951 FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 26538; THENCE EAST, ALONG LAST SAID LINE, 40.0 FEET TO A POINT IN THE EAST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED JUNE 20, 1924; THENCE SOUTH, ALONG SAID EAST LINE, 243.08 FEET TO A POINT ON THE NORTHERLY LINE OF LAND DESCRIBED IN SAID INDENTURE DATED APRIL 5, 1961; THENCE NORTH 89° 35' 35" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING AND RESERVING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVER KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT

LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, DATED OCTOBER 21, 1965 AND RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, AS INSTRUMENT NO. 46197, STANISLAUS COUNTY RECORDS.

PARCEL NO. 15:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 5, 1925 FROM D-V-O PRODUCTS, INC. TO CENTRAL PACIFIC RAILWAY COMPANY (NOW SOUTHERN PACIFIC COMPANY), RECORDED JULY 29, 1926, IN VOLUME 180, AT PAGE 462, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH $42^{\circ} 53' 30''$ EAST, ALONG THE NORTHEASTERLY LINE OF LAND DESCRIBED IN SAID INDENTURE, PARALLEL WITH AND DISTANT 50.0 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE ORIGINAL LOCATED CENTER LINE OF SOUTHERN PACIFIC COMPANY'S MAIN TRACK (LATHROP TO FRESNO), 378.50 FEET; THENCE SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 372.25 FEET, THROUGH A CENTRAL ANGLE TO $22^{\circ} 29' 08''$ (CHORD OF SAID CURVE BEARS SOUTH $11^{\circ} 14' 34''$ EAST, 145.15 FEET), AN ARC DISTANCE OF 146.09 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 985.59 FEET TO THE NORTHEAST CORNER OF THE 107,836 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL 2 IN INDENTURE DATED AUGUST 21, 1947, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO MODESTO PRODUCE PACKING COMPANY, RECORDED OCTOBER 22, 1947, IN BOOK 910, AT PAGE 406, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 27554; THENCE WEST, ALONG THE NORTHERLY LINE OF SAID LAST MENTIONED LAND, 329.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH, ALONG THE WESTERLY LINE OF LAND DESCRIBED AS PARCEL 2, IN SAID INDENTURE DATED AUGUST 21, 1947, A DISTANCE OF 260.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF 0.116 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED APRIL 5, 1961, FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1961, IN VOLUME 1707, AT PAGE 496, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 28718; THENCE NORTH $49^{\circ} 10' 50''$ WEST ALONG LAST SAID NORTHEASTERLY LINE 44.93 FEET TO A POINT ON EASTERLY LINE OF THE 43,654 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED AUGUST 21, 1947; THENCE ALONG SAID EASTERLY LINE, THE FOLLOWING COURSES AND DISTANCES: NORTH 230.71 FEET; WEST, 14.00 FEET; AND NORTH, 20.00 FEET; THENCE ALONG THE EASTERLY LINE OF THE 2.404 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED MARCH 15, 1943, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED JULY 20, 1943, IN BOOK 776, AT PAGE 91, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 10746, THE FOLLOWING COURSES AND DISTANCES: NORTH $8^{\circ} 10'$ EAST, 98.55 FEET; NORTH 484.21 FEET; NORTHERLY, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 583.14 FEET, THROUGH A CENTRAL ANGLE OF $21^{\circ} 53'$ (CHORD OF LAST SAID CURVE BEARS NORTH $10^{\circ} 56' 30''$ EAST, 221.37 FEET), AN ARC DISTANCE OF 222.72 FEET; AND NORTH $21^{\circ} 53'$ EAST, TANGENT TO LAST SAID CURVE, 93.98 FEET TO THE NORTHEAST CORNER OF SAID 2.404 ACRE PARCEL OF LAND, LAST SAID NORTHEAST CORNER ALSO BEING THE MOST SOUTHERLY CORNER OF THE 0.422 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED MARCH 15, 1943; THENCE ALONG THE EASTERLY LINE OF SAID 0.422 ACRE PARCEL OF LAND, THE FOLLOWING COURSES AND DISTANCES: NORTH $21^{\circ} 53'$ EAST, 41.07 FEET; AND NORTHERLY, ON A CURVE TO THE LEFT HAVING A RADIUS OF 562.22 FEET,

THROUGH A CENTRAL ANGLE OF 47° 37' 57" (CHORD OF LAST SAID CURVE BEARS NORTH 1° 55' 59" WEST, 454.05 FEET), AN ARC DISTANCE OF 467.40 FEET TO A POINT IN THE WEST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED NOVEMBER 5, 1925; THENCE NORTH, ALONG LAST SAID LINE, 7.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS EXPECTED AND RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, STANISLAUS COUNTY RECORDS.

PARCEL NO. 16:

ALL THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 29, 1958 AND RECORDED OCTOBER 31, 1958 IN VOLUME 1511 OF OFFICIAL RECORDS, AT PAGE 12, AS INSTRUMENT NO. 27377, AND LOCATED IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID PARCEL OF LAND DESCRIBED IN SAID DEED, SAID POINT LYING NORTH 0° 11' 45" WEST, 135.20 FEET FROM THE SOUTHEAST CORNER OF SAID PARCEL OF LAND; THENCE NORTH 49° 22' 30" WEST, 436.91 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL; THENCE ALONG SAID WESTERLY BOUNDARY, NORTH 0° 11' 40" WEST, 260.77 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL, SOUTH 89° 47' EAST, 330.65 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE ALONG THE AFORESAID EASTERLY LINE, SOUTH 0° 11' 45" EAST, 544.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED THE GRANTOR, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AS EXCEPTED AND RESERVED IN THE DEEDS FROM CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED SEPTEMBER 13, 1946 OF VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE EASTERLY 15 FEET THEREOF WHICH LIES SOUTH OF THE NORTH 327.77 FEET, AS EXCEPTED AND RESERVED FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND OPERATION OF RAILROAD TRACKS AND APPURTENANCES THEREON, IN SAID DEED RECORDED SEPTEMBER 13, 1946 IN VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN THE WEST 15 FEET OF THE NORTH 327.77 FEET OF SAID PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, AND EXCEPTING THEREFROM SUCH INTEREST IN THE EAST 15 FEET OF THE NORTH 327.77 FEET OF SAID

PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, RESERVED FOR RAILROAD PURPOSES IN THE SAID DEED RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

APN: 029-13-12-690 and 029-13-13-660 and 029-14-10-340

EXHIBIT "B"

LIST OF ENVIRONMENTAL REPORTS [GROUNDWATER]

EXHIBIT "C"

DESCRIPTION OF REMEDIATION SYSTEM

Modesto Groundwater Remediation System

The groundwater Remediation System is designed to monitor groundwater quality and groundwater flow, extract and treat groundwater at the Site, and discharge treated groundwater to the City of Modesto POTW in accordance with the City of Modesto Conditional and Revocable Groundwater Discharge Permit No. GW 96-2. The Remediation System includes the groundwater extraction and treatment system located on the Site as of the Effective Date, consisting of extraction wells, conveyance piping and a treatment facility, as well as monitoring wells, and electric, domestic water and storm drain lines from the utility supplier to such system.

The groundwater extraction and treatment component of the Remediation System includes three groundwater extraction wells (E-1, E-2, and E-3), each of which has a submersible pump connected to a pressure pipeline that conveys water from the well to the treatment facility. The extraction wells may require and be fitted with anti-scalent systems at their wellheads to prevent scale accumulation.

Upon entering the treatment system, groundwater from the three extraction wells is treated with hydrogen peroxide to convert sulfides into sulfates. Treated groundwater is subsequently discharged to the City of Modesto POTW. A gravity flow discharge pipeline begins at the treatment facility and extends to a sewer manhole. A line extends from the manhole to the sewer main on Graphics Drive.

EXHIBIT "C"
ENVIRONMENTAL REPORTS
[TO BE INSERTED]

EXHIBIT "D"
FORM OF RIGHT OF ENTRY AGREEMENT

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attn: David C. Landgraf, Esq.
Senior Environmental Counsel

RIGHT OF ENTRY AGREEMENT, EASEMENT AND ENVIRONMENTAL RESTRICTION

This RIGHT OF ENTRY AGREEMENT, EASEMENT AND ENVIRONMENTAL RESTRICTION (the "Agreement") is made as of this __ day of __, 2009 ("Effective Date"), by and between FMC CORPORATION, a Delaware corporation ("FMC"), and REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic ("Redevelopment Agency" or "Owner").

RECITALS

A. Redevelopment Agency is the owner of that certain real property located in the City of Modesto, Stanislaus County, California, more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property").

B. As of the Effective Date, Redevelopment Agency acquired the Property from FMC pursuant to that certain Purchase and Sale Agreement dated as of _____, 2009 by and between FMC and Redevelopment Agency ("Purchase Agreement").

C. Certain chemicals are present in the soil and groundwater on the Property as more particularly described in the Environmental Reports listed on Exhibit "B" attached hereto ("Environmental Reports").

D. FMC has entered into a Voluntary Cleanup Agreement effective as of July 8, 2002 with the State of California Environmental Protection Agency, Department of Toxic Substances Control with respect to the Property ("VCA"). Pursuant to the VCA, FMC has prepared a Soil Interim Removal Action Work Plan dated April 2006 ("IRAW") and an Addendum to the IRAW, which were approved by DTSC on August 3, 2006, and August 14, 2007, respectively, and submitted a January 2008 Implementation Report ("Implementation Report") documenting activities performed to remediate soil pursuant to the IRAW and IRAW Addendum, which Implementation Report was approved by DTSC on February 22, 2008. In addition, the Property is subject to Cleanup and Abatement Order No. 98-724 adopted on June 26, 1998 ("Order") by the California Regional Water Quality Control Board, Central Valley Region ("Board") and Cleanup and Abatement Orders Nos. 93-202 and 96-063 adopted by the Board (collectively, "Prior Orders"). FMC has submitted to DTSC and the Board a Final Feasibility Study for Soil and Groundwater, dated February 2008 ("Feasibility Study") that identifies, screens and evaluates remedial action alternatives for soil and groundwater, and recommends final remedial action(s). With the concurrence of the Board, DTSC approved the

identifies, screens and evaluates remedial action alternatives for soil and groundwater, and recommends final remedial action(s). With the concurrence of the Board, DTSC approved the Feasibility Study by letter dated April 29, 2008. On _____, 2009, the DTSC and Board approved a Remedial Action Plan ("RAP") that incorporates the implemented IRAW and IRAW Addendum and requires continued operation of the existing groundwater extraction and treatment system to mitigate historical impacts to groundwater and any remaining potential impacts from soils at the Property to groundwater. This RAP is based on proposed future land use of the Property as a commercial/industrial business park.

E. Redevelopment Agency has reviewed the VCA, the IRAW, the IRAW Addendum, the Implementation Report, the Feasibility Study, the RAP, the LUC, the OMPs, the OMA, the SMP, the Order, the Prior Orders and the Environmental Reports.

F. As a condition to FMC's agreement to sell the Property to Redevelopment Agency pursuant to the Purchase Agreement, FMC and Redevelopment Agency agreed to enter into this Agreement for Redevelopment Agency to grant FMC (i) the Remediation Facilities Easement (as defined below), (ii) the right to enter onto the Property to perform any of the obligations imposed on FMC under the VCA, the RAP, the OMA, the OMP for groundwater, the Order, and the Prior Orders or hereafter imposed on FMC by the DTSC, Board or any other Environmental Agency with respect to the Contamination (as defined below), and (iii) to establish the terms and conditions on which FMC will perform any of the obligations imposed upon FMC under the VCA, the RAP, the OMA, the OMP for groundwater, the Order, and the Prior Orders by the DTSC, Board or any other Environmental Agency with respect to the Contamination. FMC and Owner intend that the rights and obligations of the parties hereunder shall run with the land and shall bind Redevelopment Agency and each person or entity subsequently acquiring an interest in the Property.

NOW, THEREFORE, in consideration of the foregoing recitals and other consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and FMC hereby agree as follows:

1. Definitions. The following terms, as used herein, shall be defined as follows:

(a) "Board" shall mean the State of California Regional Water Quality Control Board, Central Valley Region, or any successor agency thereto.

(b) "CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., as amended, in effect as of the date hereof.

(c) "Contamination" shall mean those certain chemicals in the soil and groundwater at the Property as more particularly described in the Environmental Reports.

(d) "DTSC" shall mean the State of California Environmental Protection Agency, Department of Toxic Substances Control, or any successor agency thereto.

(e) "Environmental Agency" shall mean the Board, DTSC and/or any other federal, state, or local governmental agency charged with enforcing Hazardous Materials Laws and having jurisdiction with respect to the Property.

(f) "Hazardous Materials" shall mean any substance, material, or waste which is (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of California law; (2) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317); (3) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903) or its implementing regulations; (4) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601); or (5) determined by DTSC, the Board or any other California, federal or local governmental authority (other than the City of Modesto or Redevelopment Agency) to be capable of posing a risk of injury to health, safety or property.

(g) "Hazardous Materials Laws" shall mean CERCLA, RCRA, or any other federal, state, or local law governing (i) Hazardous Materials, (ii) any Remedial Work obligation imposed upon FMC by an Environmental Agency, or (iii) the release of Hazardous Materials into the soil or groundwater.

(h) "IRAW" shall mean the Interim Action Soil Removal Action Work Plan for Soil dated April 2006, approved by the DTSC on August 3, 2006.

(i) "IRAW Addendum" shall mean the Addendum to the Interim Removal Action Work Plan for Soil dated August 13, 2007, approved by DTSC on August 14, 2007.

(j) "LUC" shall mean that certain Covenant to Restrict Use of Property-Environmental Restriction which was recorded against the Property on _____, 2009 as Document No. _____ in the Official Records of Stanislaus County, California in accordance with the RAP.

(k) "Operation and Maintenance Agreement" or "OMA" shall mean an agreement among DTSC, the Board, FMC and Redevelopment Agency relative to operation and maintenance of the infrastructure of the final remedial action(s) approved under the RAP, both with respect to soil and groundwater conditions, and including monitoring, inspection and reporting obligations.

(l) "Operation and Maintenance Plans" or "OMPs" shall mean the separate plans for soil and groundwater that are developed in accordance with the Purchase Agreement and approved by DTSC and the Board prior to the Effective Date for long-term operation and maintenance of the final remedial action(s) approved under the RAP.

(m) "Order" shall mean that certain Cleanup and Abatement Order No. 98-724 adopted on June 26, 1998 by the Board.

(n) "Owner" shall mean Redevelopment Agency and any person or entity who hereafter acquires a fee interest in all or a portion of the Property.

(o) "Prior Orders" shall mean those certain Cleanup and Abatement Orders Nos. 93-202 and 96-063 adopted by the Board.

(p) "RAP" shall mean the Remedial Action Plan submitted to the DTSC and Board under the VCA and Order and approved by the DTSC and the Board on _____, 2009.

(q) "RCRA" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., as amended, in effect as of the date of this Agreement.

(r) "Remedial Work" shall mean any and all investigation, remediation, mitigation, monitoring, reporting, and other obligations required or which may be required of FMC by the DTSC pursuant to the VCA, the RAP, the OMA or the OMP for groundwater or by the Board pursuant to the Order or the Prior Orders, as the VCA, the RAP, the OMA, the OMP for groundwater, the Order or the Prior Orders may be amended or supplemented from time to time, or pursuant to any other order of the DTSC, Board or another Environmental Agency which imposes obligations on FMC with respect to soil or groundwater conditions relative to the Property or the Contamination consistent with the cleanup and use of the Property for commercial/industrial purposes. Remedial Work shall not include the Soil Management Requirements, including the obligations set forth in the OMP for soil which are part of the Soil Management Requirements, except when FMC is performing Remedial Work that involves the disturbance of the soil.

(s) "Remediation System" shall mean the groundwater extraction and treatment system located on the Property as of the Effective Date, consisting of monitoring and extraction wells, conveyance piping and a treatment facility, together with any additional remediation facilities hereafter required to be located on the Property and electric, domestic water and storm drain utility lines from the utility supplier to such system. A description of the Remediation System in place as of the Effective Date is attached hereto as Exhibit D and incorporated herein by reference.

(t) "Soil Management Plan" or "SMP" shall mean the Soil Management Plan prepared by FMC in cooperation with the Redevelopment Agency in accordance with the Purchase Agreement and approved by the DTSC and Board, which is referenced in the LUC and provided under the RAP, to set forth the decision framework and specific procedures for management of soils and any groundwater or other water that may be generated in the course of construction or operation and maintenance activities at the Property to which construction and future workers at the Property may otherwise be exposed in the course of work at the Property.

(u) "Soil Management Requirements" shall mean the ongoing requirements for management of the soil on the Property as set forth in the LUC, the SMP, the OMA and the OMP for soil and required as part of the final remedial measure for soil under the RAP, which shall be performed by the Redevelopment Agency and the Owner(s) of the Property, as applicable, including, without limitation, requirements pertaining to soil cover, soil removal and disposition, landscaping, irrigation, health and safety (including under the SMP), or requirements

under the LUC, in connection with the demolition of existing structures, construction of infrastructure, grading, utility trenching, building pad preparation and construction of improvements on the Property and future activities, including routine use and maintenance at the Property.

(v) "VCA" shall mean the Voluntary Cleanup Agreement effective as of July 8, 2002, by and between FMC and DTSC, as amended or supplemented from time to time.

(w) All other defined terms used in this Agreement shall be defined where first appearing in this Agreement.

2. Owner's Acknowledgments. FMC and its predecessors in interest in the Property variously operated manufacturing facilities on the Property for the production of barium and strontium chemicals. These operations included the use from the early 1950's to the late 1970's of on-site evaporation ponds to manage residual solids from the ore processing units and air pollution control equipment which solids were slurried with water and discharged to the ponds. These ponds were closed by removal of residue material and backfilling during 1979-81. The operation of the ponds resulted in contamination of the groundwater with total dissolved solids, including sulfates. In addition, the soils under the former pond areas are impacted with sulfates and related compounds that continue to migrate into the upper groundwater aquifer. The Property is currently subject to the Order and the Prior Orders. Starting in the early 1960's, FMC installed a number of groundwater monitoring wells, both on and off the Property, and has routinely reported on the results of samples from these wells to the Board under the terms of the Order and the Prior Orders. Under the Order and associated Monitoring and Reporting Program (No. 98-805, adopted by the Board on June 26, 1998) FMC currently samples and reports sampling results for some 33 monitoring wells, located both on and off the Property. Since 1996, FMC has operated on the Property a groundwater remediation system including extraction wells and a treatment system, which discharges to the City of Modesto's publicly owned treatment works under the terms of a permit issued by the City. FMC will be required to perform groundwater remediation and to maintain groundwater monitoring and remediation equipment and structures on the Property for an indefinite period of time.

As a result of the past storage and processing of barite ore and the management of processing residues, areas of surface soils on the Property are impacted with elevated concentrations of barium. In addition, as a result of past manufacturing and other operations, surface soils may be impacted by other contaminants. FMC and DTSC entered into the VCA with respect to soil contamination on the Property. Pursuant to the IRAW and IRAW Addendum, FMC completed interim soil removal activities on the Property which consisted of removal of soils in excess of health-based Site Specific Target Levels as specified in the IRAW and IRAW Addendum. The DTSC and Board have approved the RAP that incorporates the approved IRAW and IRAW Addendum and requires continued operation of the existing groundwater extraction and treatment system to mitigate historical impacts to groundwater and any remaining potential impacts from soils at the Property to groundwater. Pursuant to the RAP, FMC recorded the LUC against the Property, which LUC restricts the use of the Property to commercial and industrial purposes, imposes notification requirements and restrictions with respect to activities that would result in exposure to soils, imposes restrictions with respect to cover and irrigation, and restricts the use of groundwater and the disturbance of certain covered

areas of the Property. In addition, pursuant to the RAP, FMC developed and DTSC and the Board approved the SMP and OMPs and DTSC, the Board, FMC and Redevelopment Agency entered into the OMA.

By accepting an interest in the Property, each Owner acknowledges the following: (i) the Property is subject to the VCA, the RAP, the IRAW and IRAW Addendum, the LUC, the OMA, the OMPs, the SMP, the Order and the Prior Orders; (ii) the Property is subject to the Soil Management Requirements and Owner shall be responsible for implementation and management of the Soil Management Requirements, which include the obligations under the Operation and Maintenance Plan for soil; (iii) the presence of the Contamination on the Property; (iv) Owner has had the opportunity to review the Environmental Reports, the Soil Management Requirements, the VCA, the RAP, the IRAW, the IRAW Addendum, the Implementation Report, the OMA, the OMPs, the LUC, the SMP, the Order and the Prior Orders and any additional reports or documents submitted by FMC to the Board, DTSC and/or other applicable Environmental Agency after the date of this Agreement. Based on the foregoing, FMC has satisfied its obligation under California Health & Safety Code Section 25359.7 to notify Owner of the soil and groundwater contamination on the Property. In addition to the foregoing, Redevelopment Agency acknowledges that during the approximately five year period prior to the Effective Date, Redevelopment Agency (i) attended meetings with the DTSC and Board regarding implementation of the VCA and the Order and Prior Orders and development and approval of the final Feasibility Study, the IRAW, the IRAW Addendum, the LUC, the OMPs, the OMA and the SMP; (ii) participated in the processing of IRAW and the IRAW Addendum, the LUC, the OMPs, the OMA and the SMP; and (iii) received copies of reports submitted by FMC to the DTSC and/or Board regarding the environmental condition of the Property.

In general, FMC has implemented a remediation program for the Property based on risk analysis consistent with future use for industrial and commercial purposes. Owner hereby acknowledges the following: (i) additional Remedial Work obligations may be imposed on FMC and/or the Property pursuant to the VCA, the RAP and/or the Order or Prior Orders with respect to the Contamination, including, without limitation, soil removal, and the installation and operation of additional groundwater monitoring wells, groundwater extraction wells, and related piping and a system or systems for groundwater treatment on the Property; and (ii) the DTSC, Board or other Environmental Agency may impose conditions to or requirements in connection with such additional Remedial Work (including without limitation, with respect to monitoring the groundwater on the Property). Owner hereby consents to the performance of all the foregoing conditions and requirements. Subject to Section 3(b) hereof regarding the location of additional Remediation Facilities, Owner shall at all times, and at its sole cost, fully cooperate with FMC in connection with any and all Remedial Work. In no event shall Owner inhibit or interfere with the performance of the Remedial Work by FMC. Owner's cooperation shall include, without limitation, where the participation of Owner is required, the prompt execution, acknowledgment, delivery and recordation, as applicable, of documents and agreements requested or required by the DTSC, Board or any other Environmental Agency, including, without limitation, any other covenants and restrictions similar to the LUC regarding the use of groundwater, construction of improvements on, paving or landscaping of exposed soil, construction of improvements or other work on the Property involving excavation of soil, or paving, landscaping or other cover of exposed soil required by the Board, DTSC and/or any other Environmental Agency. Owner acknowledges the obligations of the owner of the Property

to comply with the Soil Management Requirements, including under the OMA, the OMP for soil and the SMP, and hereby covenants to FMC to perform all of such obligations on a timely basis.

3. Grant of Easements.

(a) Grant. Owner hereby grants to FMC an easement over those portions of the Property more particularly described on Exhibit C attached hereto for the following purposes: (i) installing, operating, maintaining, sampling, repairing, replacing, closing and removing monitoring and extraction wells and related piping and equipment, a treatment system or systems and remediation equipment and structures including the Remediation System and such additional remediation facilities that may hereafter be required to be located on the Property (collectively, "Remediation Facilities"); (ii) the construction, maintenance, alteration, demolition and removal of one or more buildings or structures as may be necessary to house and/or secure the above-ground Remediation Facilities on that portion of the Property shown on the Site Plan attached hereto as Exhibit E as the "Treatment Facility Area;" (iii)(A) vehicular ingress and egress over that portion of the Property shown on the Site Plan attached hereto as Exhibit E as the "Access Easement" to and from the nearest public street to the Treatment Facility Area and to other portions of the Remediation Facilities on the Property located outside of the Treatment Facility Area without obstruction by fences, barriers, landscaping, overhead wires or other improvements, for access and turnaround by vehicles, including without limitation, tractor-trailers, cranes and heavy equipment, together with parking for such vehicles and equipment required for the purposes specified in this easement in the Treatment Facility Area and adjacent to any Remediation Facilities located on the Property outside the Treatment Facility Area to the extent required for the performance of Remedial Work; and (B) with respect to monitoring wells located on the Property, vehicular ingress and egress over the Property, including driveways and parking areas, from the nearest public street to each such monitoring well without obstruction by fences, barriers, landscaping, overhead wires or other improvements; and (iv) utility lines and conduits to provide separate electrical, domestic water and storm drain service to the Remediation Facilities located on the Property (collectively, the "Remediation Facilities Easement"). In addition, Owner hereby covenants with and for the benefit of FMC, for so long as the Remediation Facilities Easement shall remain in effect, not to construct any buildings or other similar improvements within the portion of the Property that is fifty feet wide surrounding the Treatment Facility Area, as more particularly shown as the "No-Build Area" on the Site Plan attached as Exhibit E ("No-Build Covenant"). The No-Build Covenant shall not prohibit Owner from constructing any surface improvements such as roadways, driveways, parking areas, curbs, sidewalks, landscaping and screening walls within the No-Build Area provided that the construction of such improvements does not impose any setback requirements that would prohibit FMC from constructing buildings or improvements for the Remediation Facilities within the Treatment Facility Area. FMC shall have the exclusive use of the surface of the Treatment Facility Area for the purposes specified in the Remediation Facilities Easement. Upon written request by the Owner(s), FMC will cooperate with the Owner(s) to relocate the Access Easement portion of the Remediation Facilities Easement to the extent required for redevelopment of the Property provided: (x) any such relocated Access Easement shall provide vehicular ingress and egress from the nearest public street to the Treatment Facility Area and to other portions of the Remediation System on the Property located outside of the Treatment Facility Area on all of the same terms and conditions as set forth in clause (iii) above; (y) the relocation shall be pursuant to a written amendment to this Agreement or a separate easement agreement that grants the

relocated Access Easement on the same terms as contained in this Agreement; and (z) each Owner whose portion of the Property will be subject to the relocated Access Easement shall join in the grant of the relocated Access Easement and each person or entity holding a lien or encumbrance upon such Owner's portion of the Property shall consent to and subordinate its lien or encumbrance to the relocated Access Easement. Redevelopment Agency also grants to FMC the right to enter onto the Property to perform any Remedial Work ("Right of Entry"). The Remediation Facilities Easement and the Right of Entry granted hereunder shall be subject to the terms and conditions set forth herein.

(b) Additional Remediation Facilities. To the extent that the DTSC, Board or other Environmental Agency requires FMC to install additional Remediation Facilities or modify existing Remediation Facilities outside of the portion of the Property subject to the Remediation Facilities Easement, and FMC requires an easement to use the new or modified Remediation Facilities, FMC shall notify the Owner(s) of such requirement and provide such Owner(s) with a report from FMC's environmental engineer or consultant stating that placement of the new or modified Remediation Facilities in the location on such Owner's portion of the Property as specified in FMC's notice is required in order to effectively and efficiently implement and perform the Remedial Work obligation imposed upon FMC by the DTSC, Board or other Environmental Agency. Thereafter, the Owner(s) of the portion of the Property affected and FMC shall either amend this Agreement or enter into a new easement agreement on the same terms as this Agreement, to grant FMC easements over such additional portions of the Property as may be necessary for the same purposes as specified in the Remediation Facilities Easement. Such amendment or new agreement shall include a site plan showing the location of the additional Remediation Facilities. FMC shall consult and cooperate with the Owner(s) of the portion of the Property subject to such additional easement to install any additional or modified Remediation Facilities in a location on the Property that does not unreasonably interfere with such Owner's use of the Property while at the same time satisfying the requirements of the governmental agency requiring the installation of such additional or modified Remediation Facilities and allowing FMC to install and operate the additional or modified Remediation Facilities in a cost-efficient manner. FMC will comply with applicable provisions of the SMP pertaining to the installation of the new or modified Remediation Facilities and the performance of any Remedial Work. Any new wells located in driveways or parking areas outside of the Treatment Facility Area shall be installed in traffic-resistant structures, located below grade and covered with a traffic-resistant cover with a locked cap flush to the surface of the pavement. Promptly following completion of the installation of any additional or modified Remediation Facilities, FMC shall remove all debris generated by such installation and restore the Property, to the maximum extent possible, to the condition that existed prior to such installation.

(c) Notice of Entry. FMC shall give Owner at least seven (7) business days written notice in accordance with Section 10 hereof prior to entry onto the Property for the installation, replacement, closure and removal of Remediation Facilities or major repairs thereto that will involve disturbance of the surface of the Property. With respect to routine sampling of wells and maintenance and repair of the Remediation Facilities that will not disturb the surface of the Property, or in the event of an emergency situation, no prior notice of entry shall be required. With respect to any work performed by or on behalf of FMC that will involve the disturbance of the surface of the Property, FMC covenants that it shall comply with the Soil Management Requirements.

4. Remedial Work.

(a) Exclusive Right to Negotiate. As between FMC and Owner, FMC shall have and retain the exclusive right to negotiate with and to fulfill any requirement or claim made by the DTSC, Board or any Environmental Agency with respect to any Remedial Work obligation required under or in connection with the VCA, the RAP, the Order and the Prior Orders. FMC shall have the exclusive right to challenge, appeal or seek amendment, modification, repeal or termination of the VCA, the RAP, the Order, the Prior Orders, any amendment or supplement to any of the foregoing, or any other Remedial Work obligation imposed by the DTSC, Board or any other Environmental Agency in connection with the Contamination, including a suspension or stay of such Remedial Work obligation while such action is pending. Notwithstanding the foregoing, to the extent any Remedial Work obligation arising after the Effective Date would affect the operation and use of any portion of the Property located outside of the Remediation Facilities Easement, then FMC shall give written notice of such Remedial Work obligation to the Owner or Owners of such portion(s) of the Property. If such Remedial Work obligation requires any additional Remediation Facilities to be located on such portion of the Property outside of the Remediation Facilities Easement, then FMC shall deliver with its notice a copy of a report from FMC's environmental engineer or consultant stating that placement of the new or modified Remediation Facilities in the location on such Owner's portion of the Property as specified in FMC's notice is required in order to effectively and efficiently implement and perform the Remedial Work obligation. Prior to negotiation of such Remedial Work obligation, FMC shall consult with the Owner(s) of the portion of the Property outside of the Remediation Facilities Easement affected by such Remedial Work obligation on methods to satisfy the obligation in a manner that does not unreasonably interfere with such Owner's use of the Property while at the same time satisfying the requirements of the Environmental Agency imposing such Remedial Work obligation and allowing FMC to satisfy the obligation in a cost-efficient manner. If the Remedial Work obligation pertains to Soil Management Requirements that must be implemented or managed by the Owner under this Agreement, then FMC shall not take any action or make any commitment with respect to such Remedial Work obligation without the concurrence of the Owner(s) of the portion of the Property affected by such obligation.

(b) Remedial Work. FMC shall perform all Remedial Work required by the DTSC, Board or any other Environmental Agency with respect to the Contamination. Pursuant to the Right of Entry granted by Owner under Section 3(a) above, and subject to FMC's compliance with Section 3(b) hereof with respect to the location of any new or modified Remediation Facilities on portions of the Property outside of the Remediation Facilities Easement, FMC and its employees, agents, authorized representatives, contractors, materialmen and laborers shall have the right to enter onto the Property with such tools and equipment as may be reasonably necessary for the performance of the Remedial Work. FMC shall use diligent efforts to perform all Remedial Work within the time periods required by the VCA, the RAP, the Order, the Prior Orders or otherwise by the Environmental Agency imposing such requirements. FMC shall be responsible at its sole cost and expense for the operation, maintenance, repair, removal and closure of any and all portions of the Remediation Facilities reasonably necessary to perform any Remedial Work, except to the extent such portions of the Remediation Facilities are damaged by Owner or its employees, agents and contractors. All Remedial Work shall be performed in a good, safe and professional manner in compliance with all applicable laws, ordinances and

regulations. All portions of the Remediation Facilities installed on the Property by FMC shall remain the property of FMC until removal or proper abandonment thereof in accordance with Section 4(c) hereof. FMC shall be listed as the generator of any hazardous waste generated as a result of performance of the Remedial Work, including the removal of groundwater from the Property in connection with the Remedial Work, in accordance with RCRA, the California Hazardous Waste Control Law, any other Hazardous Materials Laws and any regulations promulgated pursuant to such laws.

(c) Completion of Remedial Work. Subject to the terms of this subsection (c), FMC shall use diligent efforts to obtain in a timely manner an "Acknowledgment of Termination," "Certificate of Completion", "no further action letter" or similar written determination that no further Remedial Work is required from the DTSC, Board or other Environmental Agency imposing a Remedial Work obligation in connection with the Contamination. Owner acknowledges that any such letters or determinations with respect to soil are subject to completion by Owner of certain of the Soil Management Requirements on the Property. In addition, Owner acknowledges that the issuance of such letters or determinations may occur at different times with respect to groundwater and soil or as to specific areas of the Property, and not necessarily at one time with respect to all Remedial Work on the Property. FMC shall give Owner written notice when the Environmental Agency requiring Remedial Work, and any other governmental agency having jurisdiction, permits the termination of Remedial Work or a portion thereof on the Property and removal and/or closure of some or all of the Remediation Facilities and/or closure of all or some extraction and monitoring wells. Permission shall be evidenced by a written instrument from the Environmental Agency. Within one hundred twenty (120) days after FMC's receipt of such written instrument, FMC shall seal the extraction and monitoring wells on the Property subject to such closure by filling the same with appropriate material in accordance with all applicable laws, statutes, ordinances and regulations. FMC shall also remove, within said one hundred twenty (120) day period, the above-ground portions of the Remediation Facilities subject to such closure from the Property, including any structures or other improvements housing such above-ground portions of the Remediation Facilities, and either remove or properly abandon in place all associated applicable underground piping in accordance with all applicable laws, statutes, ordinances or regulations. All damage to the Property caused by the closure of the wells and removal of the Remediation Facilities or portions thereof shall be repaired by FMC to the condition existing prior to such damage, including repaving of any paved surfaces that are disturbed by such removal or well closure to a smooth and even condition.

(d) Conduct of Remedial Work. FMC shall use reasonable efforts to conduct all Remedial Work obligations and any activities required on areas of the Property outside of the Treatment Facility Area in a manner that does not unreasonably interfere with the use of the Property by Owner, and with respect to the location of new or modified Remediation Facilities outside of the Remediation Facilities Easement, in accordance with Section 3(b) hereof.

5. Compliance With Obligations. In any action under this Agreement where the rights of FMC and Owner are at issue, and those rights are dependent on whether or not FMC has complied with the terms of the VCA, the IRAW, the IRAW Addendum, the RAP, the LUC, the OMP for groundwater, the OMA, the SMP, the Order, the Prior Orders or other requirements imposed by the DTSC, Board or other Environmental Agency, written determinations by the

DTSC, Board or the Environmental Agency, as appropriate, shall be considered conclusive proof with respect to the compliance status of FMC, with respect to matters and timeframes which are the subject of such determination.

6. Covenants Regarding New Discovery. Owner shall immediately notify FMC of its discovery after the date hereof of any Hazardous Materials on the Property not previously disclosed or in a location on the Property not described in the Environmental Reports.

7. Release.

(a) No Liability. FMC shall not be liable to Owner or any party claiming by or through Owner for any claim, loss, cost, damage or expense, including consequential damages, incurred by Owner or such party as a result of interference with Owner's use of the Property or construction delays caused by (i) the performance of any Remedial Work required to comply with the VCA, the RAP, the OMPs, the OMA, the Order, the Prior Orders or any other Remedial Work obligation imposed on FMC by an Environmental Agency, or (ii) the obligations imposed upon Owner to perform the Soil Management Requirements.

(b) Release. Except for the obligations of FMC set forth in this Agreement, Owner and each party or entity acquiring an interest in the Property through Owner, and their respective successors and assigns (collectively, "Releasing Parties"), by their acceptance of an interest in the Property, shall be deemed to have waived any and all claims any such Releasing Party may have against FMC, including claims for consequential damages, with respect to the existence of the Contamination, the VCA, the RAP, the IRAW, the IRAW Addendum, the LUC, the OMA, the OMPs, the SMP, the Order, the Prior Orders, the obligation to perform the Soil Management Requirements, the requirement for ongoing Remedial Work, any other Remedial Work obligation imposed on FMC, Owner, any person or entity acquiring an interest in the Property through Owner, or the Property with respect to the Contamination by any Environmental Agency, and any claims arising out of any adverse physical or environmental condition of the Property now or hereafter discovered by a Releasing Party, including, without limitation, any and all claims under CERCLA, RCRA, any other Hazardous Materials Laws, or any other federal, state, or local law, ordinance, or regulation pursuant to which such Releasing Party may have a claim or cause of action against FMC due to the presence of the Contamination, the existence of the VCA, the RAP, the IRAW, the IRAW Addendum, the LUC, the OMPs, the OMA, the SMP, the Order, the Prior Orders, the requirement for ongoing Remedial Work in connection with the Contamination and the obligation to perform the Soil Management Requirements. Each Releasing Party expressly waives the benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

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

The foregoing release expressly excludes any claims a Releasing Party may have against FMC for breach by FMC of its obligations under this Agreement. The foregoing release shall survive the termination of this Agreement.

8. Duration of Obligations. The obligations of the parties hereunder, including the Remediation Facilities Easement granted in Section 3 above and the No-Build Covenant, shall terminate upon the date that is the later of (i) five (5) years after the date that the last Environmental Agency requiring Remedial Work permits the discontinuance thereof or (ii) the date FMC has completed removal or proper abandonment of the Remediation Facilities in accordance with Section 4(c) above. Each covenant, agreement and obligation contained in this Agreement shall remain effective until such date. Permission to discontinue Remedial Work shall be evidenced by an "Acknowledgment of Termination", "Certificate of Completion", "no further action letter", "acceptance letter" or other written communication from the applicable Environmental Agency advising that Remedial Work has been satisfactorily completed and no further Remedial Work obligations exist. Prior to the termination of this Agreement, FMC shall execute and deliver a quitclaim deed to each Owner of any portion of the Property quitclaiming to such Owner all rights of FMC under this Agreement with respect to the Right of Entry, No-Build Covenant, Remediation Facilities Easement or any additional easement for Remediation Facilities with respect to such Owner's portion of the Property except for the release in Section 7 hereof.

9. Attorneys' Fees. If FMC or Owner brings an action or proceeding against the other to enforce or interpret any term or condition hereof, the party prevailing in such action or proceeding shall be entitled to receive from the party not prevailing its reasonable attorneys' fees, costs and expenses of suit as determined by the court.

10. Notices. All notices, demands, requests and other communications required hereunder shall be in writing, shall be deemed to be duly given if (i) mailed by United States registered or certified mail, with return receipt requested, postage prepaid, (ii) mailed by United States Express Mail, (iii) sent by a reputable national overnight delivery service with next business day delivery guaranteed, (iv) sent by facsimile transmission with proof of delivery with a copy of such facsimile transmission delivered pursuant to one of the methods provided in clauses (i) through (iii) above, or (v) personally served, and the same is sent to a party at its address set forth below:

If to FMC: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attn: Real Estate Manager
Fax No.: (215) 299-5822

With a Copy to: FMC Corporation
1735 Market Street
Philadelphia, PA 19103
Attention: General Counsel
Fax No.: (215) 299-6728

To Owner: Redevelopment Agency of the City of Modesto
1010 Tenth Street, Suite 6300
Modesto, CA 95354
Attn: Executive Director

Fax No.: (209) ___ - ____

With a copy to:

Redevelopment Agency of the City of Modesto
1010 Tenth Street, Suite 6100
Modesto, CA 95354
Attn: General Counsel
Fax No.: (209) ___ - ____

Notices will be effectively served upon personal delivery, upon receipt if sent by facsimile transmission (with proof of delivery), or if mailed or sent by overnight delivery service, upon receipt or refusal to accept delivery. Any party may designate a change of address by written notice to the others given at least ten (10) days before such change of address is to become effective. Concurrently with any transfer of its fee interest in the Property, the transferring Owner shall give FMC written notice of such transfer setting forth the identity of the transferee and such transferee's address for delivery of notices pursuant to this Section 10.

11. Severability. If any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision shall be held for naught as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

12. Modification. This Agreement may not be modified, amended or otherwise changed in any manner, except by a written amendment executed by both Owner and FMC.

13. Environmental Covenant. FMC and Owner shall record this Agreement in the Official Records of Stanislaus County, California immediately upon mutual execution and delivery thereof. FMC and Owner intend that this Agreement constitute an environmental covenant that burdens the Property and is binding on Owner and any person or entity hereafter acquiring an interest in the Property for the benefit of FMC in accordance with California Civil Code Section 1471. All provisions, covenants, conditions and obligations contained in this Agreement shall inure to the benefit of FMC and shall be binding upon Owner and each person or entity hereafter acquiring an interest in the Property for the benefit of FMC. Each covenant of Owner hereunder to do or to refrain from doing an act pursuant to this Agreement relates to the use of the Property and is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence of Hazardous Materials on the Property. In addition, FMC and Owner also intend that all of the provisions of this Agreement shall be covenants running with the land pursuant to applicable law, including but not limited to California Civil Code Section 1468. All provisions, covenants, conditions and obligations contained in this Agreement shall be binding upon and inure to the benefit of each person acquiring the Property or the interest of FMC in the Remediation Facilities Easement granted pursuant to Section 3 above, and to their respective heirs, successors (by merger, consolidation, or otherwise) and assigns and all persons or entities acquiring any portion of the Property or the Remediation Facilities Easement or any interest therein, whether by operation of law or any manner whatsoever. Each covenant to do or refrain from doing some act on the Property encumbered by this Agreement (i) is a burden on the Property and a benefit to the Remediation Facilities Easement, (ii) runs with the land with respect to the Property and the Remediation Facilities Easement, and (iii) shall benefit and be binding upon each successive owner during its

ownership of the Property or the Remediation Facilities Easement, as applicable, and each person or entity having an interest therein derived in any manner through any owner of the Property or the Remediation Facilities Easement or any portion thereof.

14. Controlling Laws. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

15. Effect on Third Parties. The rights, benefits and obligations conferred hereunder are for the benefit of the parties hereto and not for the benefit of any third party.

16. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the specific subject matter hereof, and all prior negotiations, agreements and understandings between FMC and Owner with respect to the specific subject matter hereof are merged into this Agreement.

17. Counterparts. This Agreement may be executed in counterparts, all of which together constitute one and the same agreement.

[signatures are on following page]

IN WITNESS WHEREOF, FMC and Owner have executed this Right of Entry Agreement, Easement and Environmental Restriction as of the date first above written.

“FMC”

FMC CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

“OWNER”

REDEVELOPMENT AGENCY OF THE CITY OF
MODESTO, a public body, corporate and politic

By: _____
Executive Director

Approved as to form:

General Counsel

ATTEST:

Secretary

EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California, described as follows:

PARCEL NO. 1:

BEGINNING AT A POINT IN THE WEST LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM D-V-O PRODUCTS, INC. TO THE CENTRAL PACIFIC RAILWAY COMPANY DATED NOVEMBER 5, 1925 AND FILED FOR RECORD JULY 29, 1926 IN VOLUME 180 OF OFFICIAL RECORDS OF SAID COUNTY OF STANISLAUS AT PAGE 462, DISTANT SOUTH, 7.02 FEET THEREON FROM THE MOST NORTHERLY CORNER OF SAID PARCEL OF LAND; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 25° 44' 57" EAST ALONG A CURVE TO THE RIGHT OF A RADIUS OF 562.22 FEET, A DISTANCE OF 467.40 FEET; THENCE SOUTH 21° 53' WEST, 41.07 FEET TO THE SOUTHERLY END OF THAT PORTION OF THE EAST LINE OF THE LAND OF BARIUM PRODUCTS, LTD. THAT BEARS NORTH AND SOUTH; THENCE NORTH ALONG THE EAST LINE OF THE LANDS OF BARIUM PRODUCTS, LTD., 491.90 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE ABOVE DESCRIBED PARCEL NO. 1; THENCE SOUTH 21° 53' WEST, 93.98 FEET; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 21° 53' WEST ALONG A CURVE TO THE LEFT OF A RADIUS OF 583.14 FEET, A DISTANCE OF 222.72 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 484.27 FEET; THENCE SOUTH 8° 10' WEST, 98.55 FEET; THENCE WEST, 113.00 FEET TO THE EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG SAID EAST LINE, 800.00 FEET TO THE SOUTH LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE EAST, ALONG SAID SOUTH LINE, 151.70 FEET TO THE SOUTHEASTERLY LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE NORTH 31° 13' EAST THEREON, 101.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND OF D-V-O PRODUCTS, INC., A CORPORATION, AT A POINT IN THE EAST LINE OF MICHIGAN AVENUE, SAID POINT BEING DISTANT 20 FEET AT RIGHT ANGLES EAST FROM THE CENTER LINE OF SAID AVENUE AND 1840 FEET, MORE OR LESS, NORTHERLY FROM THE EAST AND WEST QUARTER SECTION LINE OF SAID SECTION 30; THENCE EAST 205.0 FEET ALONG THE SOUTH LINE OF SAID D-V-O PRODUCTS, INC., PROPERTY TO A POINT; THENCE SOUTH 215.82 FEET TO A POINT; THENCE SOUTH 31° 13' WEST 101.0 FEET TO A POINT; THENCE WEST 152.66 FEET TO A POINT IN THE SAID EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG THE SAID EAST LINE OF MICHIGAN AVENUE, A DISTANCE OF 302.2 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

BEGINNING A POINT BEARING EAST 14.69 CHAINS FROM A POINT IN THE NORTH AND SOUTH QUARTER SECTION LINE, WHICH POINT BEARS NORTH 27. 88 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 30; THENCE NORTH 524.70 FEET AND PART ALONG THE CENTER OF A ROAD TO THE WESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD; THENCE SOUTH 42°38' EAST 716.95 FEET AND ALONG SAID RIGHT OF WAY LINE; THENCE WEST 488.70 FEET TO THE POINT OF BEGINNING, AND LAST

MENTIONED COURSE IS ALSO AT RIGHT ANGLES FROM THE FIRST MENTIONED COURSE.

EXCEPTING THEREFROM THE WEST TWENTY (20) FEET.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

ALL THAT PORTION OF THE EAST HALF OF SECTION 30, IN TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY LINE OF THE CENTRAL PACIFIC RAILWAY COMPANY'S RIGHT OF WAY, SAID POINT BEING DISTANT 330.0 FEET, MEASURED SOUTH 42° 58' EAST ALONG SAID SOUTHWESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE CENTER LINE OF A ROAD AS LAID OUT ALONG THE WEST SIDE OF THE PROPERTY OF THE D-V-O PRODUCTS, INC.; THENCE SOUTH 42°58'EAST 386.90 FEET ALONG SAID BOUNDARY LINE; THENCE WEST 263.70 FEET; THENCE AT RIGHT ANGLES NORTH 283.10 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 5:

BEGINNING AT A POINT MARKING THE NORTHWEST CORNER OF THE 1.002 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 23, 1955 AND RECORDED SEPTEMBER 29, 1955 IN VOLUME 1318 OF OFFICIAL RECORDS, AT PAGE 461, AS INSTRUMENT NO. 29114, SAID CORNER LYING ON THE EAST LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE ALONG THE NORTH LINE OF SAID 1.002 ACRE PARCEL, SOUTH 89° 47' EAST 113.67 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING COURSES: SOUTH 0° 11' 40" EAST, 20.04 FEET; SOUTH 89° 47' EAST, 14.07 FEET; AND SOUTH 0° 11' 40" EAST, 231.60 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 49° 22' 30" WEST, 140.20 FEET; THENCE NORTH 37° 24' 39" WEST, 35.78 FEET TO THE WESTERLY LINE OF SAID 1.002 ACRE PARCEL (ALSO BEING THE EASTERLY LINE OF SAID BENNETT ROAD); THENCE ALONG SAID WESTERLY LINE NORTH 0° 11' 40" WEST, 132.41 FEET TO THE POINT OF BEGINNING.

RESERVING THEREFROM SUCH INTEREST IN THAT PORTION OF THE EAST 15.00 THEREOF, AS WAS RESERVED FOR RAILROAD PURPOSES IN THE DEED FROM CENTRAL PACIFIC RAILROAD COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING AND RESERVING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING THE SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, AS RESERVED IN THE DEED FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS. SAID RIGHTS SHALL NOT INCLUDE USE OF THE SURFACE OF SAID LAND.

PARCEL NO. 6:

LOTS 1 TO 9, INCLUSIVE, IN BLOCK 5072 OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED SEPTEMBER 14, 1940 IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA IN VOLUME 14 OF MAPS AT PAGE 5.

ALSO, LOTS 1 TO 8, IN INCLUSIVE, IN BLOCK 5043 OF THE GRANGE TRACT, ACCORDING TO THE MAP HEREINABOVE REFERRED TO.

PARCEL NO. 7:

ALL OF ABANDONED DULUTH AVENUE, BEING A 60 FOOT STRIP OF LAND RUNNING EAST AND WEST, LYING WITHIN AND AS SHOWN ON THE MAP OF THE GRANGE TRACT FILED SEPTEMBER 14, 1940 VOLUME 14 OF MAPS, PAGE 5, IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA.

PARCEL NO. 8:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE IN SAID SECTION 30, BEARING NORTH 29.32 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION; AND BEING THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO THE GRANGE COMPANY BY DEED RECORDED JUNE 26, 1923 IN VOLUME 23 OF OFFICIAL RECORDS, AT PAGE 331; RUN THENCE NORTH ALONG THE SAID QUARTER SECTION LINE 135 FEET; THENCE EAST 110 FEET; THENCE SOUTH 135 FEET TO SOUTH LINE OF LAND CONVEYED TO SAID GRANGE COMPANY; THENCE WEST ALONG SOUTH LINE OF SAID LAND SO CONVEYED TO THE GRANGE COMPANY 110 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 9:

COMMENCE AT THE INTERIOR QUARTER CORNER OF SAID SECTION 30; THENCE NORTH $0^{\circ} 33' 30''$ WEST ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 1604.26 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO D. D. CAMPIN IN VOLUME 797 OF OFFICIAL RECORDS, AT PAGE 390, RECORDS OF STANISLAUS COUNTY RECORDER'S OFFICE AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH $89^{\circ} 46' 30''$ EAST ALONG THE NORTH LINE OF SAID LAND SO CONVEYED TO D. D. CAMPIN AND PARALLEL TO THE EAST AND WEST QUARTER SECTION LINE THROUGH SAID SECTION 30, A DISTANCE OF 950.97 FEET TO THE NORTHEAST CORNER OF SAID CAMPIN PARCEL, SAID CORNER BEING ON THE WEST LINE OF 40 FOOT ROAD KNOWN AS BENNETT AVENUE; THENCE NORTH $0^{\circ} 42' 30''$ WEST ALONG THE WEST LINE OF SAID 40 FOOT ROAD, A DISTANCE OF 334.45 FEET TO THE SOUTHEAST CORNER OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY IN VOLUME 14 OF MAPS, AT PAGE 5; THENCE NORTH $89^{\circ} 55' 30''$ WEST, ALONG THE SOUTH LINE OF SAID GRANGE TRACT AND THE EXTENSION THEREOF, A DISTANCE OF 950.68 FEET TO THE SAID NORTH AND SOUTH ONE-QUARTER SECTION LINE; THENCE SOUTH $0^{\circ} 33' 30''$ EAST AND ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 332.16 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL NO. 10:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE AT A POINT BEARING NORTH 13.89 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 30; THENCE NORTH ON SAID QUARTER SECTION LINE 10.417 CHAINS; THENCE EAST 14.40 CHAINS; THENCE SOUTH 10.417 CHAINS; THENCE WEST 14.40 CHAINS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED IN THE DEED FROM BARIUM PRODUCTS, LTD., TO ELIZABETH B. RAVEN BAKER, RECORDED MAY 23, 1956 IN VOLUME 1365 OF OFFICIAL RECORDS, AT PAGE 658, AS INSTRUMENT NO. 14454, STANISLAUS COUNTY

RECORDS.

ALSO EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED FROM FRANK J. MITCHELL, ET UX, AND FRED SAMPSON, ET UX, TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, AS INSTRUMENT NO. 22893, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 6,7,8,9, AND 10, ALL THOSE PORTIONS OF LAND CONVEYED TO THE COUNTY OF STANISLAUS IN DEEDS RECORDED DECEMBER 4, 1951 IN BOOK 1059 OF OFFICIAL RECORDS, PAGE 480 AND RECORDED JANUARY 25, 1952 IN BOOK 1067 OF OFFICIAL RECORDS PAGE 598.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 9 AND 10, ALL THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINES OF LAND CONVEYED TO STATE OF CALIFORNIA IN DEED RECORDED DECEMBER 28, 1961 IN BOOK 1731 OF OFFICIAL RECORDS, PAGE 691.

PARCEL NO. 11:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 99.73 FEET ALONG SAID NORTHERLY LINE FROM THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 43° 07' 30" EAST, 27.93 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID PARCEL; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 47' EAST, 282.23 FEET TO THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE NORTH ALONG SAID WESTERLY LINE, 20.31 FEET; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL DESCRIBED IN SAID DEED DATED JUNE 25, 1958, NORTH 89° 47' WEST, 301.25 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 118.75 FEET ALONG SAID NORTH LINE FROM THE NORTHWEST CORNER OF SAID PARCEL NO. 1; THENCE ALONG SAID NORTH LINE, SOUTH 89° 47' EAST, 282.33 FEET TO A POINT IN THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE AND BEING 40 FEET IN WIDTH); THENCE SOUTH ALONG SAID WESTERLY LINE, 243.08 FEET; THENCE NORTH 89° 47' 15" WEST, 49.26 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 46° 42' 51" WEST, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1972 FEET, THROUGH AN ANGLE OF 3° 35' 21" A DISTANCE OF 123.53 FEET; THENCE NORTH 43° 07' 30" WEST, 214.42 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 13:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF CALDWELL AVENUE, FORMERLY WOODLAND AVENUE, WITH THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED DATED MARCH 7, 1873 FROM JOHN T. MAZE TO CENTRAL PACIFIC RAILROAD COMPANY, RECORDED MAY 5, 1873 IN BOOK 10 OF DEEDS, AT PAGE 342, STANISLAUS COUNTY RECORDS; THENCE SOUTH 42° 53' 30" EAST ALONG SAID SOUTHWESTERLY LINE OF SAID LAND, 392.96 FEET TO A POINT IN THE EASTERLY LINE OF

THE 2.09 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR. AND LOUISE DAGGS, HIS WIFE TO CENTRAL PACIFIC RAILWAY COMPANY, RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS AT PAGE 134, STANISLAUS COUNTY RECORDS; THENCE SOUTH ALONG SAID EASTERLY LINE, 1406.01 FEET TO A POINT; THENCE WEST, AT RIGHT ANGLES FROM SAID EASTERLY LINE, 40.00 FEET TO A POINT IN THE WESTERLY LINE OF SAID 2.09 ACRE PARCEL OF LAND; THENCE NORTH ALONG SAID WESTERLY LINE 1390.30 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY, 40.00 FEET, MEASURED AT RIGHT ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED DATED MARCH 7, 1873; THENCE NORTH 42° 53' 30" WEST ALONG SAID PARALLEL LINE, 415.45 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID CALDWELL AVENUE; THENCE SOUTH 89° 12' 30" EAST, ALONG THE SOUTHERLY LINE OF CALDWELL AVENUE, 55.31 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND BEING A PORTION OF BENNETT AVENUE (SOMETIMES KNOWN AS MICHIGAN AVENUE), ABANDONED BY THE STANISLAUS COUNTY BOARD OF SUPERVISORS BY SUPERVISOR'S ORDER RECORDED JULY 11, 1951 IN VOLUME 1039 OF OFFICIAL RECORDS, AT PAGE 97, STANISLAUS COUNTY RECORDS AS INSTRUMENT NO. 16289.

EXCEPTING AND RESERVING THEREFROM ALL MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE INDENTURE BY CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED NOVEMBER 8, 1951 AND RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, STANISLAUS COUNTY RECORDS.

PARCEL NO. 14:

BEGINNING AT THE NORTHWEST CORNER OF THE 5.55 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED APRIL 5, 1961 FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED MARCH 19, 1962 IN VOLUME 1750 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 10483, STANISLAUS COUNTY RECORDS; SAID NORTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF LAND DESCRIBED IN INDENTURE DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR., AND LOUISE DAGGS TO CENTRAL PACIFIC RAILWAY COMPANY AND RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS, AT PAGE 134, AND RE-RECORDED AUGUST 11, 1924 IN VOLUME 77 OF OFFICIAL RECORDS, AT PAGE 256, STANISLAUS COUNTY RECORDS; THENCE NORTH ALONG SAID WEST LINE 243.08 FEET TO A POINT IN THE MOST SOUTHERLY LINE OF THE 1.655 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 8, 1951 FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 26538; THENCE EAST, ALONG LAST SAID LINE, 40.0 FEET TO A POINT IN THE EAST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED JUNE 20, 1924; THENCE SOUTH, ALONG SAID EAST LINE, 243.08 FEET TO A POINT ON THE NORTHERLY LINE OF LAND DESCRIBED IN SAID INDENTURE DATED APRIL 5, 1961; THENCE NORTH 89° 35' 35" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING AND RESERVING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT

LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, DATED OCTOBER 21, 1965 AND RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, AS INSTRUMENT NO. 46197, STANISLAUS COUNTY RECORDS.

PARCEL NO. 15:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 5, 1925 FROM D-V-O PRODUCTS, INC. TO CENTRAL PACIFIC RAILWAY COMPANY (NOW SOUTHERN PACIFIC COMPANY), RECORDED JULY 29, 1926, IN VOLUME 180, AT PAGE 462, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 42° 53' 30" EAST, ALONG THE NORTHEASTERLY LINE OF LAND DESCRIBED IN SAID INDENTURE, PARALLEL WITH AND DISTANT 50.0 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE ORIGINAL LOCATED CENTER LINE OF SOUTHERN PACIFIC COMPANY'S MAIN TRACK (LATHROP TO FRESNO), 378.50 FEET; THENCE SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 372.25 FEET, THROUGH A CENTRAL ANGLE TO 22° 29' 08" (CHORD OF SAID CURVE BEARS SOUTH 11° 14' 34" EAST, 145.15 FEET), AN ARC DISTANCE OF 146.09 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 985.59 FEET TO THE NORTHEAST CORNER OF THE 107,836 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL 2 IN INDENTURE DATED AUGUST 21, 1947, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO MODESTO PRODUCE PACKING COMPANY, RECORDED OCTOBER 22, 1947, IN BOOK 910, AT PAGE 406, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 27554; THENCE WEST, ALONG THE NORTHERLY LINE OF SAID LAST MENTIONED LAND, 329.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH, ALONG THE WESTERLY LINE OF LAND DESCRIBED AS PARCEL 2, IN SAID INDENTURE DATED AUGUST 21, 1947, A DISTANCE OF 260.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF 0.116 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED APRIL 5, 1961, FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1961, IN VOLUME 1707, AT PAGE 496, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 28718; THENCE NORTH 49° 10' 50" WEST ALONG LAST SAID NORTHEASTERLY LINE 44.93 FEET TO A POINT ON EASTERLY LINE OF THE 43,654 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED AUGUST 21, 1947; THENCE ALONG SAID EASTERLY LINE, THE FOLLOWING COURSES AND DISTANCES: NORTH 230.71 FEET; WEST, 14.00 FEET; AND NORTH, 20.00 FEET; THENCE ALONG THE EASTERLY LINE OF THE 2.404 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED MARCH 15, 1943, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED JULY 20, 1943, IN BOOK 776, AT PAGE 91, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 10746, THE FOLLOWING COURSES AND DISTANCES: NORTH 8° 10' EAST, 98.55 FEET; NORTH 484.21 FEET; NORTHERLY, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 583.14 FEET, THROUGH A CENTRAL ANGLE OF 21° 53' (CHORD OF LAST SAID CURVE BEARS NORTH 10° 56' 30" EAST, 221.37 FEET), AN ARC DISTANCE OF 222.72 FEET; AND NORTH 21° 53' EAST, TANGENT TO LAST SAID CURVE, 93.98 FEET TO THE NORTHEAST CORNER OF SAID 2.404 ACRE PARCEL OF LAND, LAST SAID NORTHEAST CORNER ALSO BEING THE MOST SOUTHERLY CORNER OF THE 0.422 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED MARCH 15, 1943; THENCE ALONG THE EASTERLY LINE OF SAID 0.422 ACRE PARCEL OF LAND, THE FOLLOWING COURSES AND DISTANCES: NORTH 21° 53' EAST, 41.07 FEET; AND NORTHERLY, ON A CURVE TO THE LEFT HAVING A RADIUS OF 562.22 FEET,

THROUGH A CENTRAL ANGLE OF 47° 37' 57" (CHORD OF LAST SAID CURVE BEARS NORTH 1° 55' 59" WEST, 454.05 FEET), AN ARC DISTANCE OF 467.40 FEET TO A POINT IN THE WEST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED NOVEMBER 5, 1925; THENCE NORTH, ALONG LAST SAID LINE, 7.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS EXPECTED AND RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, STANISLAUS COUNTY RECORDS.

PARCEL NO. 16:

ALL THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 29, 1958 AND RECORDED OCTOBER 31, 1958 IN VOLUME 1511 OF OFFICIAL RECORDS, AT PAGE 12, AS INSTRUMENT NO. 27377, AND LOCATED IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID PARCEL OF LAND DESCRIBED IN SAID DEED, SAID POINT LYING NORTH 0° 11' 45" WEST, 135.20 FEET FROM THE SOUTHEAST CORNER OF SAID PARCEL OF LAND; THENCE NORTH 49° 22' 30" WEST, 436.91 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL; THENCE ALONG SAID WESTERLY BOUNDARY, NORTH 0° 11' 40" WEST, 260.77 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL, SOUTH 89° 47' EAST, 330.65 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE ALONG THE AFORESAID EASTERLY LINE, SOUTH 0° 11' 45" EAST, 544.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED THE GRANTOR, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AS EXCEPTED AND RESERVED IN THE DEEDS FROM CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED SEPTEMBER 13, 1946 OF VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE EASTERLY 15 FEET THEREOF WHICH LIES SOUTH OF THE NORTH 327.77 FEET, AS EXCEPTED AND RESERVED FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND OPERATION OF RAILROAD TRACKS AND APPURTENANCES THEREON, IN SAID DEED RECORDED SEPTEMBER 13, 1946 IN VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN THE WEST 15 FEET OF THE NORTH 327.77 FEET OF SAID PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, AND EXCEPTING THEREFROM SUCH INTEREST IN THE EAST 15 FEET OF THE NORTH 327.77 FEET OF SAID

PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, RESERVED FOR RAILROAD PURPOSES IN THE SAID DEED RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

APN: 029-13-12-690 and 029-13-13-660 and 029-14-10-340

EXHIBIT "B"
ENVIRONMENTAL REPORTS

EXHIBIT "C"

LEGAL DESCRIPTION OF REMEDIATION FACILITIES EASEMENT

[Metes and bounds description to be inserted prior to Close of Escrow]

EXHIBIT "D"

DESCRIPTION OF REMEDIATION SYSTEM

Modesto Groundwater Remediation System

The groundwater Remediation System is designed to monitor groundwater quality and groundwater flow, extract and treat groundwater at the Site, and discharge treated groundwater to the City of Modesto POTW in accordance with the City of Modesto Conditional and Revocable Groundwater Discharge Permit No. GW 96-2. The Remediation System includes the groundwater extraction and treatment system located on the Site as of the Effective Date, consisting of extraction wells, conveyance piping and a treatment facility, as well as monitoring wells, and electric, domestic water and storm drain lines from the utility supplier to such system.

The groundwater extraction and treatment component of the Remediation System includes three groundwater extraction wells (E-1, E-2, and E-3), each of which has a submersible pump connected to a pressure pipeline that conveys water from the well to the treatment facility. The extraction wells may require and be fitted with anti-scalent systems at their wellheads to prevent scale accumulation.

Upon entering the treatment system, groundwater from the three extraction wells is treated with hydrogen peroxide to convert sulfides into sulfates. Treated groundwater is subsequently discharged to the City of Modesto POTW. A gravity flow discharge pipeline begins at the treatment facility and extends to a sewer manhole. A line extends from the manhole to the sewer main on Graphics Drive.

EXHIBIT "E"

SITE PLAN SHOWING TREATMENT FACILITY AREA AND ACCESS EASEMENT

EXHIBIT "E"

FORM OF WELL LEASE TERMINATION AGREEMENT

LEASE TRANSFER AND TERMINATION AGREEMENT

This LEASE TRANSFER AND TERMINATION AGREEMENT ("Agreement") is dated as of _____, 2009 ("Effective Date") and is entered into by and between FMC CORPORATION, a Delaware corporation ("FMC"), and the CITY OF MODESTO, a public body, corporate and politic ("City").

RECITALS

A. FMC is the owner of certain real property located at 1200 Graphics Drive in Modesto, California ("Property"). Two water wells, known as FMC Water Well No. 5 and FMC Water Well No. 6, together with pumps, piping, equipment and machinery owned by FMC and located on the Property and used or formerly used by FMC in the operation and maintenance of such water wells (collectively, the "Water Wells"), currently exist on the Property. FMC and the City entered into that certain Lease Agreement dated May 26, 1992 ("Lease") for the lease by the City of a portion of the Property consisting of a well site containing approximately 1,765 square feet and referred to in the Lease as "FMC Production Well No. 5." In connection with the Lease, the City recorded a Memorandum of Lease on _____, 1992 as Document No. _____ in the Official Records of Stanislaus County, California ("Memorandum").

B. Concurrently with the execution of this Agreement, FMC is conveying the Property to the Redevelopment Development Agency of the City of Modesto ("Agency"). In connection with FMC's conveyance of the Property to the Agency, FMC and the City desire to terminate the Lease and FMC desires to convey the Water Wells to the City, subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing recitals, the terms and mutual covenants contained herein, and for other consideration, the sufficiency of which is hereby acknowledged, FMC and the City hereby agree as follows:

AGREEMENT

1. Termination of Lease. FMC and the City hereby agree that the Lease shall terminate as of the Effective Date set forth above. As of the Effective Date, FMC and the City each hereby waive any and all of their respective rights and obligations under the Lease, whether such rights and obligations have accrued prior to or arise after the termination of the Lease, and further agree that all such rights and obligations shall cease and be of no further force and effect from and after the Effective Date.

2. Termination of Memorandum. Concurrently with the execution of this Agreement, FMC and the City shall execute, acknowledge and cause to be recorded in the Official Records of Stanislaus County, California, a Termination of Memorandum of Lease in the form attached as Exhibit A hereto to remove the Memorandum from title to the Property.

3. Conveyance of Wells. FMC hereby sells, transfers and conveys the Water Wells to the City.

4. As-Is Conveyance. THE CITY ACKNOWLEDGES THAT THE CITY HAS MADE ITS OWN INSPECTION OF THE WATER WELLS. THE CITY FURTHER ACKNOWLEDGES THAT FMC IS SELLING AND THE CITY IS PURCHASING THE WATER WELLS ON AN "AS IS WITH ALL FAULTS" BASIS, THAT THE CITY IS RELYING ON ITS OWN INSPECTION OF THE WATER WELLS AND THAT THE CITY IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM FMC, ITS AGENTS, OR BROKERS AS TO ANY MATTERS CONCERNING THE WATER WELLS, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

5. Closure of Water Wells. The City covenants to FMC to promptly undertake, upon the permanent cessation of use of the Water Wells, all actions that may be necessary for the proper closure of the Water Wells in accordance with all applicable federal, state and local laws, statutes, ordinances and regulations, including the sealing and filling of the Water Wells with appropriate material. The City shall indemnify, defend and hold FMC harmless from any and all loss, cost, damage, liability, judgments or expenses, including consultants' and attorneys' fees, arising out of or in any way connected with (i) the use and operation of the Water Wells after the Effective Date, and (ii) the closure of such Water Wells upon permanent cessation of use thereof in accordance with all then-applicable laws, statutes, ordinances and regulations. The foregoing covenant and indemnity obligation of the City shall survive the conveyance of the Water Wells.

6. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of California. This Agreement will be binding upon and inure to the benefit of FMC and the City and their respective successors and assigns. This Agreement constitutes the entire agreement of the parties hereto with respect to the specific subject matter hereof, and supersedes and replaces any and all prior negotiations and agreements between the parties, whether written or oral, as well as any contemporaneous oral negotiations and agreements. This Agreement may only be amended by a written agreement executed by both parties. Any waiver of any portion of this Agreement must be in writing executed by the waiving party. This Agreement may be executed in counterpart originals, each of which, and all of which together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, FMC and City have executed this Agreement on the date first written above.

“FMC”

FMC CORPORATION,
a Delaware corporation

By: _____

Name: _____

Title: _____

“CITY”

CITY OF MODESTO, a public body, corporate and
politic

By: _____

Approved as to form:

City Attorney

ATTEST:

EXHIBIT A

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO

City of Modesto
1010 Tenth Street, Suite ____
Modesto, CA 95354
Attn: _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS DOCUMENT IS RECORDED FOR THE BENEFIT OF THE CITY OF MODESTO AND IS ENTITLED TO BE RECORDED FREE OF CHARGE IN ACCORDANCE WITH SECTION 6103 AND 27383 OF THE GOVERNMENT CODE

APN 29-13-13

TERMINATION OF MEMORANDUM OF LEASE

1. This Termination of Memorandum of Lease (Memorandum") is entered into by the City of Modesto, a public body, corporate and politic ("City") and FMC Corporation, a Delaware corporation ("FMC") as of this ____ day of _____, 2009.

2. On _____, 1992, City and FMC caused to be recorded as document number _____ in the Official Records of Stanislaus County, California, a Memorandum of Lease (the "Original Memorandum") in connection with the City's lease from FMC of certain real property located in Modesto, California and more particularly described on Exhibit "A" attached hereto. The Lease Agreement in the Original Memorandum has been terminated by the City and FMC pursuant to that certain Lease Termination Agreement dated as of _____ (the "Termination Agreement"), the terms and conditions of which are made a part of this Memorandum by this reference.

3. This Memorandum is prepared for the purpose of recordation, and it in no way modifies the provisions of the Termination Agreement referenced in Section 2 of this Memorandum above.

Executed on the date set forth below.

Dated: _____

“FMC”

FMC CORPORATION,
a Delaware corporation

By: _____

Name: _____

Title: _____

“CITY”

CITY OF MODESTO, a public body, corporate and
politic

By: _____

Approved as to form:

City Attorney

ATTEST:

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California, described as follows:

PARCEL NO. 1:

BEGINNING AT A POINT IN THE WEST LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM D-V-O PRODUCTS, INC. TO THE CENTRAL PACIFIC RAILWAY COMPANY DATED NOVEMBER 5, 1925 AND FILED FOR RECORD JULY 29, 1926 IN VOLUME 180 OF OFFICIAL RECORDS OF SAID COUNTY OF STANISLAUS AT PAGE 462, DISTANT SOUTH, 7.02 FEET THEREON FROM THE MOST NORTHERLY CORNER OF SAID PARCEL OF LAND; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 25° 44' 57" EAST ALONG A CURVE TO THE RIGHT OF A RADIUS OF 562.22 FEET, A DISTANCE OF 467.40 FEET; THENCE SOUTH 21° 53' WEST, 41.07 FEET TO THE SOUTHERLY END OF THAT PORTION OF THE EAST LINE OF THE LAND OF BARIUM PRODUCTS, LTD. THAT BEARS NORTH AND SOUTH; THENCE NORTH ALONG THE EAST LINE OF THE LANDS OF BARIUM PRODUCTS, LTD., 491.90 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE ABOVE DESCRIBED PARCEL NO. 1; THENCE SOUTH 21° 53' WEST, 93.98 FEET; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 21° 53' WEST ALONG A CURVE TO THE LEFT OF A RADIUS OF 583.14 FEET, A DISTANCE OF 222.72 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 484.27 FEET; THENCE SOUTH 8° 10' WEST, 98.55 FEET; THENCE WEST, 113.00 FEET TO THE EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG SAID EAST LINE, 800.00 FEET TO THE SOUTH LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE EAST, ALONG SAID SOUTH LINE, 151.70 FEET TO THE SOUTHEASTERLY LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE NORTH 31° 13' EAST THEREON, 101.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND OF D-V-O PRODUCTS, INC., A CORPORATION, AT A POINT IN THE EAST LINE OF MICHIGAN AVENUE, SAID POINT BEING DISTANT 20 FEET AT RIGHT ANGLES EAST FROM THE CENTER LINE OF SAID AVENUE AND 1840 FEET, MORE OR LESS, NORTHERLY FROM THE EAST AND WEST QUARTER SECTION LINE OF SAID SECTION 30; THENCE EAST 205.0 FEET ALONG THE SOUTH LINE OF SAID D-V-O PRODUCTS, INC., PROPERTY TO A POINT; THENCE SOUTH 215.82 FEET TO A POINT; THENCE SOUTH 31° 13' WEST 101.0 FEET TO A POINT; THENCE WEST 152.66 FEET TO A POINT IN THE SAID EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG THE SAID EAST LINE OF MICHIGAN AVENUE, A DISTANCE OF 302.2 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

BEGINNING A POINT BEARING EAST 14.69 CHAINS FROM A POINT IN THE NORTH AND SOUTH QUARTER SECTION LINE, WHICH POINT BEARS NORTH 27. 88 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 30; THENCE NORTH 524.70 FEET AND PART ALONG THE CENTER OF A ROAD TO THE WESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD; THENCE SOUTH 42°38' EAST 716.95 FEET AND ALONG SAID RIGHT OF WAY LINE; THENCE WEST 488.70 FEET TO THE POINT OF BEGINNING, AND LAST

MENTIONED COURSE IS ALSO AT RIGHT ANGLES FROM THE FIRST MENTIONED COURSE.

EXCEPTING THEREFROM THE WEST TWENTY (20) FEET.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

ALL THAT PORTION OF THE EAST HALF OF SECTION 30, IN TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY LINE OF THE CENTRAL PACIFIC RAILWAY COMPANY'S RIGHT OF WAY, SAID POINT BEING DISTANT 330.0 FEET, MEASURED SOUTH 42° 58' EAST ALONG SAID SOUTHWESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE CENTER LINE OF A ROAD AS LAID OUT ALONG THE WEST SIDE OF THE PROPERTY OF THE D-V-O PRODUCTS, INC.; THENCE SOUTH 42° 58' EAST 386.90 FEET ALONG SAID BOUNDARY LINE; THENCE WEST 263.70 FEET; THENCE AT RIGHT ANGLES NORTH 283.10 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 5:

BEGINNING AT A POINT MARKING THE NORTHWEST CORNER OF THE 1.002 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 23, 1955 AND RECORDED SEPTEMBER 29, 1955 IN VOLUME 1318 OF OFFICIAL RECORDS, AT PAGE 461, AS INSTRUMENT NO. 29114, SAID CORNER LYING ON THE EAST LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE ALONG THE NORTH LINE OF SAID 1.002 ACRE PARCEL, SOUTH 89° 47' EAST 113.67 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING COURSES: SOUTH 0° 11' 40" EAST, 20.04 FEET; SOUTH 89° 47' EAST, 14.07 FEET; AND SOUTH 0° 11' 40" EAST, 231.60 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 49° 22' 30" WEST, 140.20 FEET; THENCE NORTH 37° 24' 39" WEST, 35.78 FEET TO THE WESTERLY LINE OF SAID 1.002 ACRE PARCEL (ALSO BEING THE EASTERLY LINE OF SAID BENNETT ROAD); THENCE ALONG SAID WESTERLY LINE NORTH 0° 11' 40" WEST, 132.41 FEET TO THE POINT OF BEGINNING.

RESERVING THEREFROM SUCH INTEREST IN THAT PORTION OF THE EAST 15.00 THEREOF, AS WAS RESERVED FOR RAILROAD PURPOSES IN THE DEED FROM CENTRAL PACIFIC RAILROAD COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING AND RESERVING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING THE SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, AS RESERVED IN THE DEED FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS. SAID RIGHTS SHALL NOT INCLUDE USE OF THE SURFACE OF SAID LAND.

PARCEL NO. 6:

LOTS 1 TO 9, INCLUSIVE, IN BLOCK 5072 OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED SEPTEMBER 14, 1940 IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA IN VOLUME 14 OF MAPS AT PAGE 5.

RECORDS.

ALSO EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED FROM FRANK J. MITCHELL, ET UX, AND FRED SAMPSON, ET UX, TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, AS INSTRUMENT NO. 22893, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 6,7,8,9, AND 10, ALL THOSE PORTIONS OF LAND CONVEYED TO THE COUNTY OF STANISLAUS IN DEEDS RECORDED DECEMBER 4, 1951 IN BOOK 1059 OF OFFICIAL RECORDS, PAGE 480 AND RECORDED JANUARY 25, 1952 IN BOOK 1067 OF OFFICIAL RECORDS PAGE 598.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 9 AND 10, ALL THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINES OF LAND CONVEYED TO STATE OF CALIFORNIA IN DEED RECORDED DECEMBER 28, 1961 IN BOOK 1731 OF OFFICIAL RECORDS, PAGE 691.

PARCEL NO. 11:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 99.73 FEET ALONG SAID NORTHERLY LINE FROM THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 43° 07' 30" EAST, 27.93 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID PARCEL; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 47' EAST, 282.23 FEET TO THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE NORTH ALONG SAID WESTERLY LINE, 20.31 FEET; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL DESCRIBED IN SAID DEED DATED JUNE 25, 1958, NORTH 89° 47' WEST, 301.25 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 118.75 FEET ALONG SAID NORTH LINE FROM THE NORTHWEST CORNER OF SAID PARCEL NO. 1; THENCE ALONG SAID NORTH LINE, SOUTH 89° 47' EAST, 282.33 FEET TO A POINT IN THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE AND BEING 40 FEET IN WIDTH); THENCE SOUTH ALONG SAID WESTERLY LINE, 243.08 FEET; THENCE NORTH 89° 47' 15" WEST, 49.26 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 46° 42' 51" WEST, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1972 FEET, THROUGH AN ANGLE OF 3° 35' 21" A DISTANCE OF 123.53 FEET; THENCE NORTH 43° 07' 30" WEST, 214.42 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 13:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF CALDWELL AVENUE, FORMERLY WOODLAND AVENUE, WITH THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED DATED MARCH 7, 1873 FROM JOHN T. MAZE TO CENTRAL PACIFIC RAILROAD COMPANY, RECORDED MAY 5, 1873 IN BOOK 10 OF DEEDS, AT PAGE 342, STANISLAUS COUNTY RECORDS; THENCE SOUTH 42° 53' 30" EAST ALONG SAID SOUTHWESTERLY LINE OF SAID LAND, 392.96 FEET TO A POINT IN THE EASTERLY LINE OF

THE 2.09 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR. AND LOUISE DAGGS, HIS WIFE TO CENTRAL PACIFIC RAILWAY COMPANY, RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS AT PAGE 134, STANISLAUS COUNTY RECORDS; THENCE SOUTH ALONG SAID EASTERLY LINE, 1406.01 FEET TO A POINT; THENCE WEST, AT RIGHT ANGLES FROM SAID EASTERLY LINE, 40.00 FEET TO A POINT IN THE WESTERLY LINE OF SAID 2.09 ACRE PARCEL OF LAND; THENCE NORTH ALONG SAID WESTERLY LINE 1390.30 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY, 40.00 FEET, MEASURED AT RIGHT ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED DATED MARCH 7, 1873; THENCE NORTH 42° 53' 30" WEST ALONG SAID PARALLEL LINE, 415.45 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID CALDWELL AVENUE; THENCE SOUTH 89° 12' 30" EAST, ALONG THE SOUTHERLY LINE OF CALDWELL AVENUE, 55.31 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND BEING A PORTION OF BENNETT AVENUE (SOMETIMES KNOWN AS MICHIGAN AVENUE), ABANDONED BY THE STANISLAUS COUNTY BOARD OF SUPERVISORS BY SUPERVISOR'S ORDER RECORDED JULY 11, 1951 IN VOLUME 1039 OF OFFICIAL RECORDS, AT PAGE 97, STANISLAUS COUNTY RECORDS AS INSTRUMENT NO. 16289.

EXCEPTING AND RESERVING THEREFROM ALL MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE INDENTURE BY CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED NOVEMBER 8, 1951 AND RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, STANISLAUS COUNTY RECORDS.

PARCEL NO. 14:

BEGINNING AT THE NORTHWEST CORNER OF THE 5.55 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED APRIL 5, 1961 FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED MARCH 19, 1962 IN VOLUME 1750 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 10483, STANISLAUS COUNTY RECORDS; SAID NORTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF LAND DESCRIBED IN INDENTURE DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR., AND LOUISE DAGGS TO CENTRAL PACIFIC RAILWAY COMPANY AND RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS, AT PAGE 134, AND RE-RECORDED AUGUST 11, 1924 IN VOLUME 77 OF OFFICIAL RECORDS, AT PAGE 256, STANISLAUS COUNTY RECORDS; THENCE NORTH ALONG SAID WEST LINE 243.08 FEET TO A POINT IN THE MOST SOUTHERLY LINE OF THE 1.655 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 8, 1951 FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 26538; THENCE EAST, ALONG LAST SAID LINE, 40.0 FEET TO A POINT IN THE EAST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED JUNE 20, 1924; THENCE SOUTH, ALONG SAID EAST LINE, 243.08 FEET TO A POINT ON THE NORTHERLY LINE OF LAND DESCRIBED IN SAID INDENTURE DATED APRIL 5, 1961; THENCE NORTH 89° 35' 35" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING AND RESERVING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT

LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, DATED OCTOBER 21, 1965 AND RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, AS INSTRUMENT NO. 46197, STANISLAUS COUNTY RECORDS.

PARCEL NO. 15:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 5, 1925 FROM D-V-O PRODUCTS, INC. TO CENTRAL PACIFIC RAILWAY COMPANY (NOW SOUTHERN PACIFIC COMPANY), RECORDED JULY 29, 1926, IN VOLUME 180, AT PAGE 462, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH $42^{\circ} 53' 30''$ EAST, ALONG THE NORTHEASTERLY LINE OF LAND DESCRIBED IN SAID INDENTURE, PARALLEL WITH AND DISTANT 50.0 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE ORIGINAL LOCATED CENTER LINE OF SOUTHERN PACIFIC COMPANY'S MAIN TRACK (LATHROP TO FRESNO), 378.50 FEET; THENCE SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 372.25 FEET, THROUGH A CENTRAL ANGLE TO $22^{\circ} 29' 08''$ (CHORD OF SAID CURVE BEARS SOUTH $11^{\circ} 14' 34''$ EAST, 145.15 FEET), AN ARC DISTANCE OF 146.09 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 985.59 FEET TO THE NORTHEAST CORNER OF THE 107,836 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL 2 IN INDENTURE DATED AUGUST 21, 1947, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO MODESTO PRODUCE PACKING COMPANY, RECORDED OCTOBER 22, 1947, IN BOOK 910, AT PAGE 406, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 27554; THENCE WEST, ALONG THE NORTHERLY LINE OF SAID LAST MENTIONED LAND, 329.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH, ALONG THE WESTERLY LINE OF LAND DESCRIBED AS PARCEL 2, IN SAID INDENTURE DATED AUGUST 21, 1947, A DISTANCE OF 260.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF 0.116 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED APRIL 5, 1961, FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1961, IN VOLUME 1707, AT PAGE 496, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 28718; THENCE NORTH $49^{\circ} 10' 50''$ WEST ALONG LAST SAID NORTHEASTERLY LINE 44.93 FEET TO A POINT ON EASTERLY LINE OF THE 43,654 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED AUGUST 21, 1947; THENCE ALONG SAID EASTERLY LINE, THE FOLLOWING COURSES AND DISTANCES: NORTH 230.71 FEET; WEST, 14.00 FEET; AND NORTH, 20.00 FEET; THENCE ALONG THE EASTERLY LINE OF THE 2.404 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED MARCH 15, 1943, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED JULY 20, 1943, IN BOOK 776, AT PAGE 91, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 10746, THE FOLLOWING COURSES AND DISTANCES: NORTH $8^{\circ} 10'$ EAST, 98.55 FEET; NORTH 484.21 FEET; NORTHERLY, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 583.14 FEET, THROUGH A CENTRAL ANGLE OF $21^{\circ} 53'$ (CHORD OF LAST SAID CURVE BEARS NORTH $10^{\circ} 56' 30''$ EAST, 221.37 FEET), AN ARC DISTANCE OF 222.72 FEET; AND NORTH $21^{\circ} 53'$ EAST, TANGENT TO LAST SAID CURVE, 93.98 FEET TO THE NORTHEAST CORNER OF SAID 2.404 ACRE PARCEL OF LAND, LAST SAID NORTHEAST CORNER ALSO BEING THE MOST SOUTHERLY CORNER OF THE 0.422 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED MARCH 15, 1943; THENCE ALONG THE EASTERLY LINE OF SAID 0.422 ACRE PARCEL OF LAND, THE FOLLOWING COURSES AND DISTANCES: NORTH $21^{\circ} 53'$ EAST, 41.07 FEET; AND NORTHERLY, ON A CURVE TO THE LEFT HAVING A RADIUS OF 562.22 FEET,

THROUGH A CENTRAL ANGLE OF 47° 37' 57" (CHORD OF LAST SAID CURVE BEARS NORTH 1° 55' 59" WEST, 454.05 FEET), AN ARC DISTANCE OF 467.40 FEET TO A POINT IN THE WEST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED NOVEMBER 5, 1925; THENCE NORTH, ALONG LAST SAID LINE, 7.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS EXPECTED AND RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, STANISLAUS COUNTY RECORDS.

PARCEL NO. 16:

ALL THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 29, 1958 AND RECORDED OCTOBER 31, 1958 IN VOLUME 1511 OF OFFICIAL RECORDS, AT PAGE 12, AS INSTRUMENT NO. 27377, AND LOCATED IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID PARCEL OF LAND DESCRIBED IN SAID DEED, SAID POINT LYING NORTH 0° 11' 45" WEST, 135.20 FEET FROM THE SOUTHEAST CORNER OF SAID PARCEL OF LAND; THENCE NORTH 49° 22' 30" WEST, 436.91 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL; THENCE ALONG SAID WESTERLY BOUNDARY, NORTH 0° 11' 40" WEST, 260.77 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL, SOUTH 89° 47' EAST, 330.65 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE ALONG THE AFORESAID EASTERLY LINE, SOUTH 0° 11' 45" EAST, 544.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED THE GRANTOR, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AS EXPECTED AND RESERVED IN THE DEEDS FROM CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED SEPTEMBER 13, 1946 OF VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE EASTERLY 15 FEET THEREOF WHICH LIES SOUTH OF THE NORTH 327.77 FEET, AS EXPECTED AND RESERVED FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND OPERATION OF RAILROAD TRACKS AND APPURTENANCES THEREON, IN SAID DEED RECORDED SEPTEMBER 13, 1946 IN VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN THE WEST 15 FEET OF THE NORTH 327.77 FEET OF SAID PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, AND EXCEPTING THEREFROM SUCH INTEREST IN THE EAST 15 FEET OF THE NORTH 327.77 FEET OF SAID

PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, RESERVED FOR RAILROAD PURPOSES IN THE SAID DEED RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

APN: 029-13-12-690 and 029-13-13-660 and 029-14-10-340

EXHIBIT "F"

FORM OF DEED

Order No. _____
Escrow or Loan No. _____

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

**REDEVELOPMENT AGENCY OF THE CITY OF
MODESTO
1010 Tenth Street, Suite 3300
Modesto, CA 95354
Attn: Susan Alcala Wood, General Counsel**

SPACE ABOVE THIS LINE FOR RECORDERS' USE

Mail Tax Statements to:
Same as above

The undersigned grantor declares:
Documentary Transfer Tax is shown on a separate sheet attached to this
deed and is not a part of the public record.
A.P.N. _____

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

FMC CORPORATION, a Delaware corporation ("Grantor")

hereby GRANT(S) to REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public
body, corporate and politic ("Grantee")

that certain real property in the City of Modesto, County of Stanislaus, State of California, more
particularly described in Exhibit A attached hereto and incorporated herein by this reference
("Property").

This Grant is made subject to all covenants, conditions, restrictions, exceptions, easements,
rights-of-way, rights of access, agreements, reservations, encumbrances, liens and other matters
whether or not of record.

Grantee and all successors, assigns and subsequent parties (hereafter "Grantee Parties") by their
acceptance of an interest in the Property each agree that such Grantee Party has relied solely upon
its own investigation, inspection and analysis in connection with their acquisition of such interest
in the Property, including the physical, environmental, legal and economic condition of the
Property, and is not relying in any way upon any representations, statements, agreements,
warranties, studies, reports or other information relating to the physical, environmental, legal or
economic condition of the Property, or any other matter or material furnished by Grantor or
Grantor's officers, directors, employees, agents, representatives and attorneys (collectively,
"Grantor's Parties"), whether oral or written, express or implied and the conveyance of such
interest in the Property is in its "As-Is", "Where-Is" condition, without representation or
warranty, express or implied, by the Grantor Parties as to any matter, including the physical,

environmental, legal or economic condition of the Property. Each Grantee Party has not relied and will not rely on, and the Grantor Parties are not liable for or bound by, any express or implied warranties, guaranties, statements, representations or information pertaining to the Property or relating thereto or made for furnished by the Grantor Parties. The foregoing provisions shall not affect the rights and obligations of Grantor and Grantee and any Grantee Party subsequently acquiring an interest in the Property set forth in that certain Right of Entry Agreement, Easement and Environmental Restriction between Grantor and Grantee recorded concurrently herewith in the Official Records of Stanislaus County, California.

This Deed is subject to the terms and conditions of that certain Right of Entry Agreement, Easement and Environmental Restriction between Grantee and Grantor recorded concurrently herewith in the Official Records of Stanislaus County, California.

FMC CORPORATION,
a Delaware corporation

Dated: _____

By: _____

Its: _____

DO NOT RECORD

FILOR REQUESTS
DO NOT RECORD STAMP VALUE

NOTE: This Declaration is not a public record

Document # _____

DECLARATION OF TAX DUE: SEPARATE PAPER:
(Revenue and Taxation Code 11932-11933)

DOCUMENTARY TRANSFER TAX IS \$ _____

() Computed on full value

() Computed on full value less liens or encumbrances remaining at the time
of conveyance

APN: _____

Property located in:

() Unincorporated

() City of Modesto

CITY CONVEYANCE TAX IS \$ _____

Signature of party determining tax

Name (Typed or Printed)

EXHIBIT "G"
FORM OF BILL OF SALE AND ASSIGNMENT

BILL OF SALE AND ASSIGNMENT

This BILL OF SALE AND ASSIGNMENT ("Bill of Sale") is entered into as of this ____ day of _____, 2009 ("Effective Date") by and between FMC CORPORATION, a Delaware corporation ("FMC") and the REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic ("Agency").

RECITALS

A. As of the Effective Date, FMC is conveying to the Agency that certain real property located in the City of Modesto, County of Stanislaus, State of California more particularly described on Exhibit A attached hereto and incorporated herein by reference ("Property").

B. Concurrently with conveyance of the Property, FMC desires to sell and assign to the Agency all of FMC's right, title and interest in the personal property and equipment and certain intangible property owned by FMC and used exclusively in the operation of the Property.

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, FMC and the City hereby agree as follows:

1. Personal Property. FMC hereby sells, transfers, and conveys to the Agency any and all personal property and equipment owned by FMC and located on the Property and used or formerly used by FMC in the operation and maintenance of the Property, including without limitation, FMC Water Well No. 5 and FMC Water Well No. 6 (collectively, the "Water Wells") and all pumps, piping, equipment and machinery owned by FMC and located on the Property and used or intended for use in connection with said Water Wells (all of the foregoing personal property, equipment and the Water Wells are hereafter collectively referred to as the "Personal Property"). The Personal Property shall not include the groundwater extraction and treatment system installed by FMC and located on the Property as of the Effective Date, consisting of monitoring wells, extraction wells, conveyance piping and a treatment facility.

2. Intangible Property. FMC hereby assigns to the Agency all of FMC's right, title and interest in and to any and all air rights, licenses, franchises, permits, development rights, entitlements, general intangibles, authorizations and approvals owned by FMC and used exclusively in the operation and use of the Property; provided, however, the foregoing assignment shall not include FMC's rights and obligations under that certain Conditional and Revocable Groundwater Discharge Permit effective January 1, 2007, issued to FMC by the City of Modesto, Public Works Department, Environmental Compliance Section.

3. As-Is Conveyance. THE AGENCY ACKNOWLEDGES THAT THE AGENCY HAS MADE ITS OWN INSPECTION OF THE PERSONAL PROPERTY. THE AGENCY FURTHER ACKNOWLEDGES THAT FMC IS SELLING AND THE AGENCY IS PURCHASING SUCH PERSONAL PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS, THAT THE AGENCY IS RELYING ON ITS OWN INSPECTION OF THE PERSONAL PROPERTY AND THAT THE AGENCY IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM FMC, ITS AGENTS, OR BROKERS AS TO ANY MATTERS

CONCERNING SUCH PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

4. Closure of Water Wells. The Agency covenants to FMC to promptly undertake, upon the permanent cessation of use of the Water Wells, all actions that may be necessary for the proper closure of the Water Wells in accordance with all applicable federal, state and local laws, statutes, ordinances and regulations, including the sealing and filling of the Water Wells with appropriate material. The Agency shall indemnify, defend and hold FMC harmless from any and all loss, cost, damage, liability, judgments or expenses, including consultants' and attorneys' fees, arising out of or in any way connected with (i) the use and operation of the Water Wells after the Effective Date, and (ii) the closure of such Water Wells upon permanent cessation of use thereof in accordance with all then-applicable laws, statutes, ordinances and regulations. The foregoing covenant and indemnity obligation of the Agency shall hereafter be referred to as the "Covenant and Indemnity." The Covenant and Indemnity shall survive the conveyance of the Personal Property.

5. Transfer of Covenant and Indemnity. The Agency shall have the right to transfer the Covenant and the Indemnity to the City of Modesto ("City") in connection with any transfer of the Water Wells to the City. Any such transfer shall be evidenced by an assignment and assumption agreement whereby the Agency will assign the Covenant and Indemnity to the City and the City will assume the Agency's obligations with respect to the Covenant and Indemnity, including any indemnity obligations of the Agency arising from and after the Effective Date. If such assignment and assumption agreement meets the foregoing requirements, FMC will execute and deliver a written instrument to the Agency releasing the Agency from the Covenant and Indemnity.

6. Governing Law. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of California.

7. Counterparts. This Bill of Sale may be executed in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

[signatures appear on next page]

IN WITNESS WHEREOF, FMC and the Agency have executed this Bill of Sale as of the Effective Date set forth above.

“FMC”

FMC CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

“AGENCY”

REDEVELOPMENT AGENCY OF THE
CITY OF MODESTO, a public body,
corporate and politic

By: _____

Executive Director

EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the City of Modesto, County of Stanislaus, State of California, described as follows:

PARCEL NO. 1:

BEGINNING AT A POINT IN THE WEST LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM D-V-O PRODUCTS, INC. TO THE CENTRAL PACIFIC RAILWAY COMPANY DATED NOVEMBER 5, 1925 AND FILED FOR RECORD JULY 29, 1926 IN VOLUME 180 OF OFFICIAL RECORDS OF SAID COUNTY OF STANISLAUS AT PAGE 462, DISTANT SOUTH, 7.02 FEET THEREON FROM THE MOST NORTHERLY CORNER OF SAID PARCEL OF LAND; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 25° 44' 57" EAST ALONG A CURVE TO THE RIGHT OF A RADIUS OF 562.22 FEET, A DISTANCE OF 467.40 FEET; THENCE SOUTH 21° 53' WEST, 41.07 FEET TO THE SOUTHERLY END OF THAT PORTION OF THE EAST LINE OF THE LAND OF BARIUM PRODUCTS, LTD. THAT BEARS NORTH AND SOUTH; THENCE NORTH ALONG THE EAST LINE OF THE LANDS OF BARIUM PRODUCTS, LTD., 491.90 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE ABOVE DESCRIBED PARCEL NO. 1; THENCE SOUTH 21° 53' WEST, 93.98 FEET; THENCE SOUTHERLY FROM A TANGENT THAT BEARS SOUTH 21° 53' WEST ALONG A CURVE TO THE LEFT OF A RADIUS OF 583.14 FEET, A DISTANCE OF 222.72 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 484.27 FEET; THENCE SOUTH 8° 10' WEST, 98.55 FEET; THENCE WEST, 113.00 FEET TO THE EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG SAID EAST LINE, 800.00 FEET TO THE SOUTH LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE EAST, ALONG SAID SOUTH LINE, 151.70 FEET TO THE SOUTHEASTERLY LINE OF THE LAND OF BARIUM PRODUCTS, LTD.; THENCE NORTH 31° 13' EAST THEREON, 101.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3:

BEGINNING AT THE SOUTHWEST CORNER OF THE LAND OF D-V-O PRODUCTS, INC., A CORPORATION, AT A POINT IN THE EAST LINE OF MICHIGAN AVENUE, SAID POINT BEING DISTANT 20 FEET AT RIGHT ANGLES EAST FROM THE CENTER LINE OF SAID AVENUE AND 1840 FEET, MORE OR LESS, NORTHERLY FROM THE EAST AND WEST QUARTER SECTION LINE OF SAID SECTION 30; THENCE EAST 205.0 FEET ALONG THE SOUTH LINE OF SAID D-V-O PRODUCTS, INC., PROPERTY TO A POINT; THENCE SOUTH 215.82 FEET TO A POINT; THENCE SOUTH 31° 13' WEST 101.0 FEET TO A POINT; THENCE WEST 152.66 FEET TO A POINT IN THE SAID EAST LINE OF MICHIGAN AVENUE; THENCE NORTH ALONG THE SAID EAST LINE OF MICHIGAN AVENUE, A DISTANCE OF 302.2 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

BEGINNING A POINT BEARING EAST 14.69 CHAINS FROM A POINT IN THE NORTH AND SOUTH QUARTER SECTION LINE, WHICH POINT BEARS NORTH 27. 88 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 30; THENCE NORTH 524.70 FEET AND PART ALONG THE CENTER OF A ROAD TO THE WESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD; THENCE SOUTH 42° 38' EAST 716.95 FEET AND ALONG SAID RIGHT OF WAY LINE; THENCE WEST 488.70 FEET TO THE POINT OF BEGINNING, AND LAST

MENTIONED COURSE IS ALSO AT RIGHT ANGLES FROM THE FIRST MENTIONED COURSE.

EXCEPTING THEREFROM THE WEST TWENTY (20) FEET.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

ALL THAT PORTION OF THE EAST HALF OF SECTION 30, IN TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY LINE OF THE CENTRAL PACIFIC RAILWAY COMPANY'S RIGHT OF WAY, SAID POINT BEING DISTANT 330.0 FEET, MEASURED SOUTH 42° 58' EAST ALONG SAID SOUTHWESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE CENTER LINE OF A ROAD AS LAID OUT ALONG THE WEST SIDE OF THE PROPERTY OF THE D-V-O PRODUCTS, INC.; THENCE SOUTH 42°58'EAST 386.90 FEET ALONG SAID BOUNDARY LINE; THENCE WEST 263.70 FEET; THENCE AT RIGHT ANGLES NORTH 283.10 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 5:

BEGINNING AT A POINT MARKING THE NORTHWEST CORNER OF THE 1.002 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 23, 1955 AND RECORDED SEPTEMBER 29, 1955 IN VOLUME 1318 OF OFFICIAL RECORDS, AT PAGE 461, AS INSTRUMENT NO. 29114, SAID CORNER LYING ON THE EAST LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE ALONG THE NORTH LINE OF SAID 1.002 ACRE PARCEL, SOUTH 89° 47' EAST 113.67 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL THE FOLLOWING COURSES: SOUTH 0° 11' 40" EAST, 20.04 FEET; SOUTH 89° 47' EAST, 14.07 FEET; AND SOUTH 0° 11' 40" EAST, 231.60 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 49° 22' 30" WEST, 140.20 FEET; THENCE NORTH 37° 24' 39" WEST, 35.78 FEET TO THE WESTERLY LINE OF SAID 1.002 ACRE PARCEL (ALSO BEING THE EASTERLY LINE OF SAID BENNETT ROAD); THENCE ALONG SAID WESTERLY LINE NORTH 0° 11' 40" WEST, 132.41 FEET TO THE POINT OF BEGINNING.

RESERVING THEREFROM SUCH INTEREST IN THAT PORTION OF THE EAST 15.00 THEREOF, AS WAS RESERVED FOR RAILROAD PURPOSES IN THE DEED FROM CENTRAL PACIFIC RAILROAD COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING AND RESERVING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING THE SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, AS RESERVED IN THE DEED FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED AUGUST 21, 1947 AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS. SAID RIGHTS SHALL NOT INCLUDE USE OF THE SURFACE OF SAID LAND.

PARCEL NO. 6:

LOTS 1 TO 9, INCLUSIVE, IN BLOCK 5072 OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED SEPTEMBER 14, 1940 IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA IN VOLUME 14 OF MAPS AT PAGE 5.

ALSO, LOTS 1 TO 8, IN INCLUSIVE, IN BLOCK 5043 OF THE GRANGE TRACT, ACCORDING TO THE MAP HEREINABOVE REFERRED TO.

PARCEL NO. 7:

ALL OF ABANDONED DULUTH AVENUE, BEING A 60 FOOT STRIP OF LAND RUNNING EAST AND WEST, LYING WITHIN AND AS SHOWN ON THE MAP OF THE GRANGE TRACT FILED SEPTEMBER 14, 1940 VOLUME 14 OF MAPS, PAGE 5, IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA.

PARCEL NO. 8:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE IN SAID SECTION 30, BEARING NORTH 29.32 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION; AND BEING THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO THE GRANGE COMPANY BY DEED RECORDED JUNE 26, 1923 IN VOLUME 23 OF OFFICIAL RECORDS, AT PAGE 331; RUN THENCE NORTH ALONG THE SAID QUARTER SECTION LINE 135 FEET; THENCE EAST 110 FEET; THENCE SOUTH 135 FEET TO SOUTH LINE OF LAND CONVEYED TO SAID GRANGE COMPANY; THENCE WEST ALONG SOUTH LINE OF SAID LAND SO CONVEYED TO THE GRANGE COMPANY 110 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 9:

COMMENCE AT THE INTERIOR QUARTER CORNER OF SAID SECTION 30; THENCE NORTH 0° 33' 30" WEST ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 1604.26 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO D. D. CAMPIN IN VOLUME 797 OF OFFICIAL RECORDS, AT PAGE 390, RECORDS OF STANISLAUS COUNTY RECORDER'S OFFICE AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH 89° 46' 30" EAST ALONG THE NORTH LINE OF SAID LAND SO CONVEYED TO D. D. CAMPIN AND PARALLEL TO THE EAST AND WEST QUARTER SECTION LINE THROUGH SAID SECTION 30, A DISTANCE OF 950.97 FEET TO THE NORTHEAST CORNER OF SAID CAMPIN PARCEL, SAID CORNER BEING ON THE WEST LINE OF 40 FOOT ROAD KNOWN AS BENNETT AVENUE; THENCE NORTH 0° 42' 30" WEST ALONG THE WEST LINE OF SAID 40 FOOT ROAD, A DISTANCE OF 334.45 FEET TO THE SOUTHEAST CORNER OF THE GRANGE TRACT, ACCORDING TO THE OFFICIAL MAP THEREOF FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY IN VOLUME 14 OF MAPS, AT PAGE 5; THENCE NORTH 89° 55' 30" WEST, ALONG THE SOUTH LINE OF SAID GRANGE TRACT AND THE EXTENSION THEREOF, A DISTANCE OF 950.68 FEET TO THE SAID NORTH AND SOUTH ONE-QUARTER SECTION LINE; THENCE SOUTH 0° 33' 30" EAST AND ALONG THE NORTH AND SOUTH QUARTER SECTION LINE OF SAID SECTION 30, A DISTANCE OF 332.16 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL NO. 10:

BEGINNING AT A POINT ON THE NORTH AND SOUTH QUARTER SECTION LINE AT A POINT BEARING NORTH 13.89 CHAINS FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 30; THENCE NORTH ON SAID QUARTER SECTION LINE 10.417 CHAINS; THENCE EAST 14.40 CHAINS; THENCE SOUTH 10.417 CHAINS; THENCE WEST 14.40 CHAINS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED IN THE DEED FROM BARIUM PRODUCTS, LTD., TO ELIZABETH B. RAVEN BAKER, RECORDED MAY 23, 1956 IN VOLUME 1365 OF OFFICIAL RECORDS, AT PAGE 658, AS INSTRUMENT NO. 14454, STANISLAUS COUNTY

RECORDS.

ALSO EXCEPTING THEREFROM THAT CERTAIN LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED FROM FRANK J. MITCHELL, ET UX, AND FRED SAMPSON, ET UX, TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, AS INSTRUMENT NO. 22893, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 6,7,8,9, AND 10, ALL THOSE PORTIONS OF LAND CONVEYED TO THE COUNTY OF STANISLAUS IN DEEDS RECORDED DECEMBER 4, 1951 IN BOOK 1059 OF OFFICIAL RECORDS, PAGE 480 AND RECORDED JANUARY 25, 1952 IN BOOK 1067 OF OFFICIAL RECORDS PAGE 598.

ALSO EXCEPTING FROM THE ABOVE PARCEL NOS. 9 AND 10, ALL THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINES OF LAND CONVEYED TO STATE OF CALIFORNIA IN DEED RECORDED DECEMBER 28, 1961 IN BOOK 1731 OF OFFICIAL RECORDS, PAGE 691.

PARCEL NO. 11:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 99.73 FEET ALONG SAID NORTHERLY LINE FROM THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 43° 07' 30" EAST, 27.93 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID PARCEL; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 47' EAST, 282.23 FEET TO THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE, AND BEING 40 FEET IN WIDTH); THENCE NORTH ALONG SAID WESTERLY LINE, 20.31 FEET; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL DESCRIBED IN SAID DEED DATED JUNE 25, 1958, NORTH 89° 47' WEST, 301.25 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN THE DEED TO THE STATE OF CALIFORNIA DATED JUNE 25, 1958 AND RECORDED SEPTEMBER 12, 1958 IN VOLUME 1502 OF OFFICIAL RECORDS, AT PAGE 446, STANISLAUS COUNTY RECORDS, SAID POINT LYING SOUTH 89° 47' EAST, 118.75 FEET ALONG SAID NORTH LINE FROM THE NORTHWEST CORNER OF SAID PARCEL NO. 1; THENCE ALONG SAID NORTH LINE, SOUTH 89° 47' EAST, 282.33 FEET TO A POINT IN THE WESTERLY LINE OF BENNETT ROAD (ALSO KNOWN AS MICHIGAN AVENUE AND BEING 40 FEET IN WIDTH); THENCE SOUTH ALONG SAID WESTERLY LINE, 243.08 FEET; THENCE NORTH 89° 47' 15" WEST, 49.26 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 46° 42' 51" WEST, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1972 FEET, THROUGH AN ANGLE OF 3° 35' 21" A DISTANCE OF 123.53 FEET; THENCE NORTH 43° 07' 30" WEST, 214.42 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 13:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF CALDWELL AVENUE, FORMERLY WOODLAND AVENUE, WITH THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED DATED MARCH 7, 1873 FROM JOHN T. MAZE TO CENTRAL PACIFIC RAILROAD COMPANY, RECORDED MAY 5, 1873 IN BOOK 10 OF DEEDS, AT PAGE 342, STANISLAUS COUNTY RECORDS; THENCE SOUTH 42° 53' 30" EAST ALONG SAID SOUTHWESTERLY LINE OF SAID LAND, 392.96 FEET TO A POINT IN THE EASTERLY LINE OF

THE 2.09 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR. AND LOUISE DAGGS, HIS WIFE TO CENTRAL PACIFIC RAILWAY COMPANY, RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS AT PAGE 134, STANISLAUS COUNTY RECORDS; THENCE SOUTH ALONG SAID EASTERLY LINE, 1406.01 FEET TO A POINT; THENCE WEST, AT RIGHT ANGLES FROM SAID EASTERLY LINE, 40.00 FEET TO A POINT IN THE WESTERLY LINE OF SAID 2.09 ACRE PARCEL OF LAND; THENCE NORTH ALONG SAID WESTERLY LINE 1390.30 FEET TO A POINT IN A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY, 40.00 FEET, MEASURED AT RIGHT ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED DATED MARCH 7, 1873; THENCE NORTH 42° 53' 30" WEST ALONG SAID PARALLEL LINE, 415.45 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID CALDWELL AVENUE; THENCE SOUTH 89° 12' 30" EAST, ALONG THE SOUTHERLY LINE OF CALDWELL AVENUE, 55.31 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND BEING A PORTION OF BENNETT AVENUE (SOMETIMES KNOWN AS MICHIGAN AVENUE), ABANDONED BY THE STANISLAUS COUNTY BOARD OF SUPERVISORS BY SUPERVISOR'S ORDER RECORDED JULY 11, 1951 IN VOLUME 1039 OF OFFICIAL RECORDS, AT PAGE 97, STANISLAUS COUNTY RECORDS AS INSTRUMENT NO. 16289.

EXCEPTING AND RESERVING THEREFROM ALL MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE INDENTURE BY CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY, DATED NOVEMBER 8, 1951 AND RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, STANISLAUS COUNTY RECORDS.

PARCEL NO. 14:

BEGINNING AT THE NORTHWEST CORNER OF THE 5.55 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED APRIL 5, 1961 FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED MARCH 19, 1962 IN VOLUME 1750 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 10483, STANISLAUS COUNTY RECORDS; SAID NORTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF LAND DESCRIBED IN INDENTURE DATED JUNE 20, 1924 FROM WILLIAM DAGGS, SR., AND LOUISE DAGGS TO CENTRAL PACIFIC RAILWAY COMPANY AND RECORDED JULY 17, 1924 IN VOLUME 74 OF OFFICIAL RECORDS, AT PAGE 134, AND RE-RECORDED AUGUST 11, 1924 IN VOLUME 77 OF OFFICIAL RECORDS, AT PAGE 256, STANISLAUS COUNTY RECORDS; THENCE NORTH ALONG SAID WEST LINE 243.08 FEET TO A POINT IN THE MOST SOUTHERLY LINE OF THE 1.655 ACRE PARCEL OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 8, 1951 FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED NOVEMBER 14, 1951 IN VOLUME 1056 OF OFFICIAL RECORDS, AT PAGE 445, AS INSTRUMENT NO. 26538; THENCE EAST, ALONG LAST SAID LINE, 40.0 FEET TO A POINT IN THE EAST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED JUNE 20, 1924; THENCE SOUTH, ALONG SAID EAST LINE, 243.08 FEET TO A POINT ON THE NORTHERLY LINE OF LAND DESCRIBED IN SAID INDENTURE DATED APRIL 5, 1961; THENCE NORTH 89° 35' 35" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING AND RESERVING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT

LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, DATED OCTOBER 21, 1965 AND RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, AS INSTRUMENT NO. 46197, STANISLAUS COUNTY RECORDS.

PARCEL NO. 15:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LAND DESCRIBED IN INDENTURE DATED NOVEMBER 5, 1925 FROM D-V-O PRODUCTS, INC. TO CENTRAL PACIFIC RAILWAY COMPANY (NOW SOUTHERN PACIFIC COMPANY), RECORDED JULY 29, 1926, IN VOLUME 180, AT PAGE 462, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 42° 53' 30" EAST, ALONG THE NORTHEASTERLY LINE OF LAND DESCRIBED IN SAID INDENTURE, PARALLEL WITH AND DISTANT 50.0 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE ORIGINAL LOCATED CENTER LINE OF SOUTHERN PACIFIC COMPANY'S MAIN TRACK (LATHROP TO FRESNO), 378.50 FEET; THENCE SOUTHERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 372.25 FEET, THROUGH A CENTRAL ANGLE TO 22° 29' 08" (CHORD OF SAID CURVE BEARS SOUTH 11° 14' 34" EAST, 145.15 FEET), AN ARC DISTANCE OF 146.09 FEET; THENCE SOUTH, TANGENT TO SAID CURVE, 985.59 FEET TO THE NORTHEAST CORNER OF THE 107,836 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL 2 IN INDENTURE DATED AUGUST 21, 1947, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO MODESTO PRODUCE PACKING COMPANY, RECORDED OCTOBER 22, 1947, IN BOOK 910, AT PAGE 406, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 27554; THENCE WEST, ALONG THE NORTHERLY LINE OF SAID LAST MENTIONED LAND, 329.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH, ALONG THE WESTERLY LINE OF LAND DESCRIBED AS PARCEL 2, IN SAID INDENTURE DATED AUGUST 21, 1947, A DISTANCE OF 260.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF 0.116 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED APRIL 5, 1961, FROM SOUTHERN PACIFIC COMPANY TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 12, 1961, IN VOLUME 1707, AT PAGE 496, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 28718; THENCE NORTH 49° 10' 50" WEST ALONG LAST SAID NORTHEASTERLY LINE 44.93 FEET TO A POINT ON EASTERLY LINE OF THE 43,654 SQUARE FOOT PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED AUGUST 21, 1947; THENCE ALONG SAID EASTERLY LINE, THE FOLLOWING COURSES AND DISTANCES: NORTH 230.71 FEET; WEST, 14.00 FEET; AND NORTH, 20.00 FEET; THENCE ALONG THE EASTERLY LINE OF THE 2.404 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 2 IN INDENTURE DATED MARCH 15, 1943, FROM CENTRAL PACIFIC RAILWAY COMPANY AND SOUTHERN PACIFIC COMPANY TO BARIUM PRODUCTS, LTD., RECORDED JULY 20, 1943, IN BOOK 776, AT PAGE 91, OFFICIAL RECORDS OF SAID COUNTY, AS INSTRUMENT NO. 10746, THE FOLLOWING COURSES AND DISTANCES: NORTH 8° 10' EAST, 98.55 FEET; NORTH 484.21 FEET; NORTHERLY, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 583.14 FEET, THROUGH A CENTRAL ANGLE OF 21° 53' (CHORD OF LAST SAID CURVE BEARS NORTH 10° 56' 30" EAST, 221.37 FEET), AN ARC DISTANCE OF 222.72 FEET; AND NORTH 21° 53' EAST, TANGENT TO LAST SAID CURVE, 93.98 FEET TO THE NORTHEAST CORNER OF SAID 2.404 ACRE PARCEL OF LAND, LAST SAID NORTHEAST CORNER ALSO BEING THE MOST SOUTHERLY CORNER OF THE 0.422 ACRE PARCEL OF LAND DESCRIBED AS PARCEL NO. 1 IN SAID INDENTURE DATED MARCH 15, 1943; THENCE ALONG THE EASTERLY LINE OF SAID 0.422 ACRE PARCEL OF LAND, THE FOLLOWING COURSES AND DISTANCES: NORTH 21° 53' EAST, 41.07 FEET; AND NORTHERLY, ON A CURVE TO THE LEFT HAVING A RADIUS OF 562.22 FEET,

THROUGH A CENTRAL ANGLE OF 47° 37' 57" (CHORD OF LAST SAID CURVE BEARS NORTH 1° 55' 59" WEST, 454.05 FEET), AN ARC DISTANCE OF 467.40 FEET TO A POINT IN THE WEST LINE OF LAND DESCRIBED IN SAID INDENTURE DATED NOVEMBER 5, 1925; THENCE NORTH, ALONG LAST SAID LINE, 7.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AS EXPECTED AND RESERVED IN THE DEED FROM SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED NOVEMBER 26, 1965 IN VOLUME 2071 OF OFFICIAL RECORDS, AT PAGE 75, STANISLAUS COUNTY RECORDS.

PARCEL NO. 16:

ALL THAT PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 29, 1958 AND RECORDED OCTOBER 31, 1958 IN VOLUME 1511 OF OFFICIAL RECORDS, AT PAGE 12, AS INSTRUMENT NO. 27377, AND LOCATED IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 9 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS PER THE APPROVED U.S. GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID PARCEL OF LAND DESCRIBED IN SAID DEED, SAID POINT LYING NORTH 0° 11' 45" WEST, 135.20 FEET FROM THE SOUTHEAST CORNER OF SAID PARCEL OF LAND; THENCE NORTH 49° 22' 30" WEST, 436.91 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID PARCEL; THENCE ALONG SAID WESTERLY BOUNDARY, NORTH 0° 11' 40" WEST, 260.77 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL, SOUTH 89° 47' EAST, 330.65 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE ALONG THE AFORESAID EASTERLY LINE, SOUTH 0° 11' 45" EAST, 544.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED THE GRANTOR, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AS EXPECTED AND RESERVED IN THE DEEDS FROM CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED SEPTEMBER 13, 1946 OF VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, AND RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE EASTERLY 15 FEET THEREOF WHICH LIES SOUTH OF THE NORTH 327.77 FEET, AS EXPECTED AND RESERVED FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND OPERATION OF RAILROAD TRACKS AND APPURTENANCES THEREON, IN SAID DEED RECORDED SEPTEMBER 13, 1946 IN VOLUME 865 OF OFFICIAL RECORDS, AT PAGE 141, AS INSTRUMENT NO. 25760, STANISLAUS COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN THE WEST 15 FEET OF THE NORTH 327.77 FEET OF SAID PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, AND EXCEPTING THEREFROM SUCH INTEREST IN THE EAST 15 FEET OF THE NORTH 327.77 FEET OF SAID

PARCEL NO. 2, LESS THE NORTH 20 FEET THEREOF, RESERVED FOR RAILROAD PURPOSES IN THE SAID DEED RECORDED OCTOBER 22, 1947 IN VOLUME 910 OF OFFICIAL RECORDS, AT PAGE 406, AS INSTRUMENT NO. 27554, STANISLAUS COUNTY RECORDS.

APN: 029-13-12-690 and 029-13-13-660 and 029-14-10-340

EXHIBIT "H"

DESCRIPTION OF REMEDIATION SYSTEM

Modesto Groundwater Remediation System

The groundwater Remediation System is designed to monitor groundwater quality and groundwater flow, extract and treat groundwater at the Site, and discharge treated groundwater to the City of Modesto POTW in accordance with the City of Modesto Conditional and Revocable Groundwater Discharge Permit No. GW 96-2. The Remediation System includes the groundwater extraction and treatment system located on the Site as of the Effective Date, consisting of extraction wells, conveyance piping and a treatment facility, as well as monitoring wells, and electric, domestic water and storm drain lines from the utility supplier to such system.

The groundwater extraction and treatment component of the Remediation System includes three groundwater extraction wells (E-1, E-2, and E-3), each of which has a submersible pump connected to a pressure pipeline that conveys water from the well to the treatment facility. The extraction wells may require and be fitted with anti-scalent systems at their wellheads to prevent scale accumulation.

Upon entering the treatment system, groundwater from the three extraction wells is treated with hydrogen peroxide to convert sulfides into sulfates. Treated groundwater is subsequently discharged to the City of Modesto POTW. A gravity flow discharge pipeline begins at the treatment facility and extends to a sewer manhole. A line extends from the manhole to the sewer main on Graphics Drive.

EXHIBIT "T"

**CERTIFICATION OF NON-FOREIGN STATUS
(Entity Transferor)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by FMC CORPORATION, the undersigned hereby certifies the following on behalf of FMC CORPORATION:

1. FMC CORPORATION is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. FMC CORPORATION's U.S. employer identification number is _____;
and
3. FMC CORPORATION's office address is FMC Corporation, 1735 Market Street, Philadelphia, PA 19103.

FMC CORPORATION understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

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

Date: _____

Title: _____

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 06-2009**

RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE MODESTO REDEVELOPMENT AGENCY AND TT MODESTO, LLC FOR THE PROPOSED BUSINESS PARK DEVELOPMENT ON THREE (3) PARCELS LOCATED AT 1200 GRAPHICS DRIVE AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SAID MEMORANDUM OF UNDERSTANDING AND AUTHORIZING A MULTI-YEAR OPERATING ORGANIZATION

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project, and

WHEREAS, the Agency has set forth as a key objective the pursuit of opportunities to increase the business park developments in the Agency's Project Area, and

WHEREAS, beginning in 2002, the Agency began discussions with the FMC Corporation and the State agencies to redevelop a contaminated property owned by the FMC Corporation and located at 1200 Graphics Drive (the "Project Site") and, in conjunction with these discussions, the Agency also authorized a Request for Proposals ("RFP") process for a Master Developer to partner with the Agency to develop said Project Site, and

WHEREAS, on March 25, 2003, the Agency approved Terrence J. Rose, Inc. ("TT Modesto, LLC") as the recommended Master Developer and directed the Executive Director to begin negotiations for a Development Agreement, and

WHEREAS, said Project Site is proposed to be developed into a business park development consisting of commercial, retail and light industrial buildings, together with appurtenant public improvements (the "Business Park Project"), and

WHEREAS, the Agency's General Counsel has determined that a Memorandum of Understanding ("MOU") which is **attached** hereto as "**Exhibit A**" and made a part hereof by this reference must be entered into in order to complete certain pre-planning items related to said Business Park Project, including:

1. Proposed project design, land uses, parameters and other pre-planning actions,
2. Environmental analysis pursuant to State requirements
3. Project schedules, financial proformas and land assembly
4. Land entitlement documents, including the Specific Plan and Subdivision Map, and

WHEREAS, the completion of the actions set forth in said MOU is expected to result in a Disposition and Development Agreement ("DDA") between the Agency and the Developer for said Business Park Project, which DDA shall be subject to final review and approval by the Agency, and

WHEREAS, said DDA will be entered into only after a public hearing of the Agency after publication of notice as may be required by said Redevelopment Law, which hearing will be held in accordance with said Redevelopment Law upon the successful conclusion of said MOU terms & conditions, and

WHEREAS, at their regularly scheduled meeting of October 1, 2008, the Citizens Redevelopment Advisory Commission reviewed said MOU and recommended its approval to the Agency, and

WHEREAS, in order to accurately administer the funding mechanism for the tasks contained in said MOU, staff is recommending the creation of a multi-year operating organization within the Agency's operating budget.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Memorandum of Understanding is hereby approved as follows:

Section 1. By execution of this MOU, the Agency is not committing itself to or agreeing to undertake: (a) Any disposition of land to the Developer; or (b) Any other acts or activities requiring the subsequent independent exercise of discretion by the Agency, the City or any agency or department thereof.

Section 2. This MOU does not constitute a disposition of property or exercise of control over property by the Agency or the City and does not require a public hearing.

Section 3. Execution of this MOU by the Agency is merely an exclusive negotiating agreement to enter into a period of time for pre-planning actions according to the terms hereof, reserving final discretion and approval by the Agency as to any Disposition and Development Agreement and all proceedings and decisions in connection therewith.

Section 4. The Agency hereby approves the MOU in substantially the form on file with the Secretary of the Agency.

Section 5. The Agency hereby authorizes the creation of a multi-year operating organization within the Agency's operating budget for the purpose of budgeting the Developer's deposits and administering the subsequent expenditures related to said MOU.

Section 6. The Executive Director and Secretary of the Agency are hereby authorized and directed to execute the MOU on behalf of the Agency, subject to any minor conforming, technical or clarifying changes approved by the Agency Counsel. The Executive Director and Secretary are hereby further authorized and directed to take such

further actions and execute such documents as are necessary to carry out the MOU on behalf of the Agency. The Executive Director is further authorized and directed to cooperate with the Developer in the negotiations and pre-planning actions between the Agency and Developer as provided under this MOU.

Section 7. This action by the Agency does not require supporting environmental analysis or documentation under the California Environmental Quality Act (CEQA) because the Agency is not committing itself to a project.

The foregoing resolution was introduced at a special meeting of the Modesto Redevelopment Agency held on the 27th day of January, 2009, by Agency Member Hawn, who moved its adoption, which motion being duly seconded by Agency Member Lopez, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, Olsen,
Mayor Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: O'Bryant

ATTEST: 
STEPHANIE LOPEZ, Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN THE REDEVELOPMENT AGENCY
OF THE CITY OF MODESTO
AND TT MODESTO, LLC**

This Memorandum of Understanding ("MOU") is entered into as of _____, 2009 by and between the REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic ("Agency"), and TT Modesto, LLC, a California limited liability company ("Developer") under the terms and provisions set forth below.

Recitals

A. The Agency has been vested with the responsibility to carry out and implement the Redevelopment Plan (the "Redevelopment Plan") for the Modesto Redevelopment Project Area (the "Project Area"), located within the City of Modesto, California and the exact boundaries thereof are specifically described in the Redevelopment Plan. The goals and objectives of the Redevelopment Plan include, among others, to stimulate economic development in the Project Area, the revitalization of underutilized sites, encourage business within the Project Area and retain and provide jobs in the City of Modesto and the Project Area, consistent with the policies and standards of the City of Modesto and the Redevelopment Plan.

B. The Agency has been negotiating and will continue to negotiate a Purchase and Sale Agreement with the property owner, FMC Corporation, a Delaware corporation ("FMC") for the acquisition of certain real property located at 1200 Graphics Drive, City of Modesto, California (the "Site"), as shown on the Map of the Site, attached hereto as Attachment No. 1 and incorporated herein by reference, and is more particularly described in the legal description of the Site, attached hereto as Attachment No. 2 and incorporated herein by reference, for subsequent disposition to a developer. The Site is located within the boundaries of the Project Area and consists of approximately 45.46 acres of land. The majority of the Site is primarily vacant land with various abandoned structures and improvements upon which FMC and its predecessors have previously operated as a manufacturing facility for the production of certain chemicals.

C. FMC has entered into a Voluntary Cleanup Agreement effective as of July 8, 2002 with the State of California Environmental Protection Agency, Department of

Toxic Substances Control with respect to the Property ("VCA"). Pursuant to the VCA, FMC has prepared a Soil Interim Removal Action Workplan dated April 2006 ("IRAW") and an Addendum to the IRAW, which were approved by DTSC on August 3, 2006, and August 14, 2007, respectively, and submitted a January 2008 Implementation Report ("Implementation Report") documenting activities performed to remediate soil pursuant to the IRAW and IRAW Addendum, which Implementation Report was approved by DTSC on February 22, 2008. In addition, the Property is subject to Cleanup and Abatement Order No. 98-724 adopted on July 26, 1998 ("Order") by the California Regional Water Quality Control Board, Central Valley Region ("Board") and Cleanup and Abatement Orders Nos. 93-202 and 96-063 adopted by the Board (collectively, "Prior Orders"). FMC has submitted to DTSC and the Board a Remedial Action Plan ("RAP") that incorporates the implemented IRAW and IRAW Addendum and addresses continued operation of the existing groundwater extraction and treatment system to mitigate historical impacts to groundwater and any remaining potential impacts from soils at the Property to groundwater. This RAP is based on proposed future land use of the Property as a commercial/industrial business park. The DTSC and Board approved the remedial action(s) recommended in the RAP on _____, 2008.

D. FMC and the Agency have agreed upon a Conceptual Site Plan, attached hereto as Attachment No. 3, for the development of the Site that shows the proposed location of public and/or private streets, retention ponds and other improvements. The Conceptual Site Plan also shows the groundwater extraction and monitoring wells, a treatment facility and related equipment necessary for the continued remediation required by RWQCB. The Conceptual Site Plan is a preliminary concept, and is subject to change during the negotiation of the DDA, as provided for below.

E. The Agency previously selected the Developer to be the master developer of a master planned business park and/or other product types (the "Proposed Project") on the Site, by Resolution No. 5-2003 approved on March 25, 2003 and wishes to confirm such selection by execution of this MOU.

F. The Agency and Developer wish to establish procedures and standards for the negotiation of a Disposition and Development Agreement ("DDA") pursuant to which the Agency would convey the Site to Developer for development. As more fully set forth

in this MOU, the parties acknowledge that this MOU in itself does not obligate either party to acquire or convey any property, and does not grant Developer the right to develop the Proposed Project on the Site, or any portion thereof.

Agreements

Section 1. During the Term of this MOU described in Section 2, below, the parties shall negotiate diligently and in good faith the terms and conditions of the DDA. The issues to be addressed in the DDA include, but are not limited to: terms and conditions for the conveyance of the Site by the Agency to the Developer; the purchase price for conveyance of the Site by the Agency to the Developer; the reimbursement to the Agency of certain expenses incurred by the Agency in connection with the Proposed Project; the parameters and requirements for the development to be undertaken on the Proposed Project on the Site; conditions of the Proposed Project on the Site, including without limitation any environmental conditions and title conditions which may impact the feasibility of the Proposed Project on the Site; the acquisition and development schedule, including phasing; financing of the acquisition and development of the Proposed Project on the Site, including a funding mechanism for certain on-site and off-site infrastructure improvements for the Proposed Project; the terms of any proposed location of public and/or private streets, retention ponds and other improvements as required for the development of the Proposed Project on the Site; and similar matters.

Section 2. The term of this MOU (“Term”) shall commence on the date this MOU is executed by all parties hereto (the “Effective Date”) and shall terminate on the second anniversary of the Effective Date, unless extended by mutual agreement of the parties, or unless terminated pursuant to Section 4 or Section 11 below. During the Term of this MOU, each party will cooperate and in good faith endeavor to negotiate the terms and conditions of the DDA. If upon the expiration of this MOU, the parties have not reached an agreement on the DDA, this MOU shall automatically terminate, unless extended by mutual agreement. If the Agency and Developer execute a DDA, then, upon execution, this MOU shall terminate and all rights and obligations of the parties shall be as set forth in the executed DDA.

Section 3. During the Term of this MOU, including any extension thereof, the Agency shall diligently pursue acquisition of the Site from FMC. The Agency agrees

that, with the exception of ongoing discussions and negotiations with various state agencies, it will not offer, or negotiate with any other person or entity, other than the Developer regarding development of the Proposed Project on any portion of the Site, or solicit or entertain bids or proposals to do so.

Section 4. In consideration for this MOU, either prior to or concurrently with the execution of this MOU by the Agency, Developer shall submit to the Agency a good faith deposit (the "Deposit") of ONE THOUSAND DOLLARS (\$1,000.00). The Deposit shall be in the form of cash, and shall be deposited by the Agency in an interest bearing account. All interest, when received by Agency, shall become part of the Deposit.

In the event Developer determines it does not wish to proceed with the development and the DDA, Developer shall have the right to terminate this MOU at any time upon written notice to the Agency, which termination shall be effective upon receipt by the Agency of such notice. Upon such termination, the parties shall have no further obligations to each other, except for any obligations hereunder which expressly survive the termination of this MOU; provided however, that Agency shall return the Deposit, including any interest earned thereon, to Developer.

In the event a DDA is approved and executed by the parties, the Deposit shall be applied as set forth in the DDA. In the event this MOU is terminated without a DDA being approved and executed by Developer in accordance with the preceding paragraph or by mutual agreement of the parties, or for any other reason other than Developer's failure to negotiate diligently and in good faith, the Deposit, including any interest earned thereon, shall be returned to Developer.

In the event Developer, at any time during the Term of this MOA, fails to negotiate diligently and in good faith, the Agency shall have the right to terminate this MOU pursuant to Section 11.

Section 5. During the Term of this MOU, the Agency shall, in consultation with Developer, conduct any analysis required to be performed pursuant to the California Environmental Quality Act ("CEQA") for the Project and the DDA. The level of CEQA analysis required for the Project shall depend on the specific development being proposed for the Site and the status of the EIR being prepared for the Specific Plan. The parties intend that any necessary CEQA analysis required for the Proposed Project be completed

at the time the DDA is considered for approval by the City Council and the Agency Board. The amount of any costs to be reimbursed by the Developer to the Agency for the preparation of any CEQA analysis required for the Proposed Project shall be addressed and determined through the negotiation process provided for in this MOA.

Developer acknowledges that, prior to entering into this MOU, Agency has substantially completed the Specific Plan and the Tentative Subdivision Map for the Site. Following execution of this MOU by the parties, Developer, at its sole cost, shall be responsible for completion of the Specific Plan and the Tentative Subdivision Map for the Site, including entering into appropriate contracts with consultants acceptable to the Agency; provided the final Specific Plan and Tentative Subdivision Map shall be subject to approval by the Agency and City. Reimbursements, if any, between the parties for costs incurred for the preparation of the Specific Plan and Tentative Subdivision Map shall be addressed and determined through the negotiation process provided for in this MOA.

Section 6. Within fifteen (15) days following the Effective Date and throughout the Term of this MOU, the Agency will provide copies of all completed studies, surveys, plans, specifications, reports, agreements negotiated with FMC, in final form (including, without limitation, the purchase agreement, TMDL agreement, right of entry agreement, and City agreement to purchase water wells) and other documents with respect to the Site that the Agency has in its possession or control, which have not already been provided to the Developer. The Agency's obligation to provide studies, surveys, plans, specifications, reports, agreements in final form, and other documents prepared or obtained by the Agency is a continuing obligation and the Agency agrees to provide copies of all such studies, surveys, plans, specifications, reports, agreements in final form, and other documents within ten (10) days of receipt by the Agency.

During the Term of this MOU and following Agency's acquisition of the Site, the Developer and Agency shall each conduct any other investigations or studies, excepting invasive testing of any kind, such party deems necessary to negotiate the terms to be contained in the DDA regarding the physical and environmental condition and the condition of land title of the Site. Such investigations or studies may include, without limitation, title investigation, marketing, feasibility, soils, seismic and environmental

studies, financial feasibility analyses and design studies, but shall not include invasive testing of any kind. The Agency hereby grants to the Developer the non-exclusive right to enter onto the Site, following and conditioned upon Agency's acquisition of the Site, for purposes of conducting investigations or studies to further the objectives of this MOU. Developer hereby covenants, on behalf of itself and its permitted successors and assigns, to indemnify, hold harmless and defend the Agency and its elected and appointed officials, officers, agents, representatives and employees ("Indemnitees") from and against all claims, costs and liabilities arising out of or in connection with the Developer's access to and entry on the Site pursuant to this Section 6; provided however, Developer will have no indemnification obligation with respect to the negligence or willful misconduct of any Indemnitees or any third parties, and the foregoing indemnity shall not apply to any claims or liability arising in connection with any hazardous substances or other adverse conditions discovered by Developer on, in or under the Property while conducting Developer's investigations or studies.

Section 7. During the Term of this MOU, the Agency agrees to include the Developer in all discussions and negotiations with FMC, the RWQCB and DTSC specifically but not limited to, discussions regarding (i) the Deed Restrictions to be recorded on the Site in accordance with Groundwater Remedial Action Plan approved by RWQCB, (ii) the ongoing obligations of FMC under the VCA, the Final RAP and the Operations and Maintenance Agreement, (iii) the Proposed Soil Management Plan and Proposed Regrading, and (iv) the AB 389 Agreement or other liability relief or immunity from the regulatory agencies for the benefit of the Agency and its successors in interest in connection with the contamination at the Site.

Section 8. The negotiations hereunder shall be based on a development concept which shall include the development of the Proposed Project on the Site as a master planned business park and/or such other product types, including all appurtenant on-site and off-site improvements, in accordance with the Specific Plan as approved by the City of Modesto.

Section 9. This MOU shall not obligate the Agency, the City or the Developer to enter into a DDA or approve any entitlements for the development of the Proposed Project or any portion of the Proposed Project Site. By execution of this MOU, the

Agency is not committing itself to or agreeing to undertake the acquisition, disposition or exercise of control over the Site. Execution of this MOU by the Agency is merely an agreement to conduct a period of exclusive negotiations in accordance with the terms hereof, reserving for subsequent Agency and City Council action the final discretion and approval regarding the execution of any DDA, and all proceedings and decisions in connection therewith.

Section 10. The Agency shall prepare the necessary documents pursuant to Section 33433 of the California Health and Safety Code to be submitted to the Agency Board and the City Council in conjunction with their consideration of a DDA that is prepared pursuant to this MOU. During the Term of this MOU, the Developer shall provide the Agency with its pro forma and preliminary financial analysis for the Proposed Project, containing, among other matters, a development budget for the Proposed Project. Such information shall be provided and updated periodically as appropriate to enable the Agency to negotiate the terms of the DDA and determine the financial feasibility of the Proposed Project and the amount of assistance, if any, that may be necessary and appropriate to assist Developer with the Proposed Project.

Section 11. If the Developer does not negotiate diligently and in good faith, the Agency may give written notice thereof to the Developer who shall then have thirty (30) business days to cure the alleged default and commence negotiating in good faith. If the Developer fails to cure the default within the thirty (30) business day period, then this MOU may be terminated by the Agency. If the Agency exercises its right to terminate this MOU in accordance with this section, the Agency shall have the right to retain the Deposit, together with any interest earned thereon, as liquidated damages and as Agency's sole and exclusive remedy for the Developer's failure to negotiate diligently and in good faith.

If the Agency does not negotiate diligently and in good faith, or if the Agency, directly or indirectly solicits or negotiates with any other developers, real estate professionals or potential buyers regarding the disposition or development of the Site, the Developer may give written notice thereof to the Agency which shall then have thirty (30) business days to cure the alleged default and commence negotiating in good faith. If the Agency fails to cure the default within the thirty (30) business day period, then this

MOU may be terminated by the Developer and Developer may pursue any legal remedies available to it. In the event of such termination by the Developer, the Agency shall return the Deposit to the Developer with any interest earned on the Deposit.

Section 12. Unless otherwise expressly provided herein, all legal fees and expenses incurred in connection with this MOU and the activities contemplated hereby will be paid by the party incurring the same.

Section 13. Formal notices, demands and communications between the Agency and the Developer shall be sufficiently given if, and shall not be deemed given unless, dispatched by certified mail, postage prepaid, return receipt requested, or sent by express delivery or overnight courier service, to the office of the parties shown as follows, or such other address as the parties may designate in writing from time to time:

Agency: Modesto Redevelopment Agency
1010 10th Street
Modesto, CA 95354
Attn: Linda C. Boston

with a copy to:

Iris P. Yang, Esq.
McDonough, Holland & Allen PC
555 Capitol Mall, 9th Floor
Sacramento, CA 95814

Developer:

TT Modesto, LLC
2600 Kitty Hawk Road, Suite 100
Livermore, CA 94551
Attn: Tom Siewert

with a copy to:

McPharlin, Sprinkles & Thomas, LLP
Ten Almaden Blvd, Suite 1460
San Jose, CA 95113
Attn: Jane Relyea, Esq.

Such written notices, demands and communications shall be effective on the date shown on the delivery receipt as the date delivered or the date on which delivery was refused.

Section 14. Neither party shall transfer or assign any or all of its rights or obligations hereunder, except with the prior written consent of the other party, and any such attempted transfer or assignment without the prior written consent of Agency shall be void. Agency agrees that it shall consent to an assignment of this MOU to an entity in which Developer is the principal member or controlling owner.

Section 15. This MOU shall be governed by and construed in accordance with the laws of the State of California.

Section 16. This MOU sets forth the entire agreement of the parties with respect to the matters contained herein, and all prior understandings, negotiations and agreements with respect to the same are merged and integrated herein.

Section 17. Any alteration, change or modification of or to this MOU, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

Section 18. Each party represents and warrants to the other that no brokers have been retained or consulted in connection with this transaction other than Brian K. Velthoen, with whom Developer has consulted, and who, Developer represents and warrants, has no expectation of a commission in connection with this transaction. Each party agrees to defend, indemnify and hold harmless the other party from any claims, expenses, costs or liabilities arising in connection with a breach of this warranty and representation.

Section 19. During the Term of this MOU, each party will make a reasonable good faith effort, within government controls, to obtain the consent of the other party prior to issuing or permitting any of its officers, employees or agents to issue any press

release to the press with respect to this MOU; provided however, no party will be prohibited from supplying any information to its representatives, agents, attorneys, advisors, financing sources and others to the extent necessary to accomplish the activities contemplated so long as such representatives, agents, attorneys, advisors, financing sources and others are made aware of the confidentiality provisions in this MOU. Nothing contained in this MOU will prevent either party at any time from furnishing any required information to any governmental entity or authority pursuant to a legal requirement or from complying with its legal or contractual obligations. In particular, nothing herein will prevent the Agency from responding to any request for information under the Freedom of Information Act. The Agency agrees to provide notice to the Developer of any such request under the Freedom of Information Act.

Section 20. Upon termination of this MOU or upon the expiration of the Term and any extensions thereof without the parties having successfully negotiated a DDA, this MOU will forthwith be void, and except as may otherwise be provided in this MOU, there will be no further liability or obligation on the part of either of the parties or their respective officers, directors, members, Board members, employees, agents or other representatives; provided however, the provisions of Section 6 (concerning Developer's obligation to indemnify the Agency in connection with Developer's right of entry), Section 12 (concerning expenses incurred by each party), Section 18 (indemnity against claims of brokers), and Section 19 (concerning press releases and disclosures) shall survive such termination.

The parties hereto hereby execute this MOU as of the date first set forth above and the Redevelopment Agency of the City of Modesto, a public body, corporate and politic, has authorized the execution of this MOU, in duplicate, by its Executive Director and attestation by its Secretary under authority of Resolution No. _____ -2009 adopted by the Modesto Redevelopment Agency on the ___ day of _____, 2009

[signatures on following page]

DEVELOPER:

TT Modesto, LLC, a California
limited liability company

By: _____

Thomas S. Siewert, Trustee of the
Siewert 1996 Living Trust dated
July 25, 1996, it Member

AGENCY:

MODESTO REDEVELOPMENT
AGENCY, a public body, corporate and
politic

By: _____

Greg Nyhoff
Executive Director

ATTEST:

By: _____

Stephanie Lopez
Agency Secretary

APPROVED AS TO FORM:

By: _____

Susana Alcala Wood
Agency General Counsel

ATTACHMENT NO. 1

MAP OF THE SITE

1200 Graphics Drive, Modesto, CA



ATTACHMENT NO. 2
LEGAL DESCRIPTION
OF THE SITE

1. **Parcel 1**: All that real property located in the City of Modesto, County of Stanislaus, in Assessor Book 29, Page 13, Parcel 13 of Stanislaus County Records
2. **Parcel 2**: All that real property located in the City of Modesto, County of Stanislaus, in Assessor Book 29, Page 13, Parcel 12 of Stanislaus County Records
3. **Parcel 3**: All that real property located in the City of Modesto, County of Stanislaus, in Assessor Book 29, Page 14, Parcel 10 of Stanislaus County Records

ATTACHMENT NO. 3
Conceptual Site Plan



**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 07-2009**

RESOLUTION APPROVING TWO (2) SUBORDINATION AGREEMENTS FOR REDEVELOPMENT AGENCY LOANS PROVIDED TO HABITAT FOR HUMANITY, STANISLAUS COUNTY, FOR 1308 DAN WEST COURT AND 1328 DAN WEST COURT, AND AUTHORIZING THE EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY, OR HIS DESIGNEE, TO EXECUTE THE SUBORDINATION AGREEMENTS AND ANY RELATED DOCUMENTS

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the "Project"), and

WHEREAS, the Agency has received a request from Habitat for Humanity, Stanislaus County to subordinate two (2) loans provided to them, for 1308 Dan West Court, owned by Sandra Crony, and 1328 Dan West Court, owned by Tamra Contreras, so that they can take advantage of a financing program being offered through The State of California Housing Finance Agency, "CalHFA". CalHFA will purchase notes offering the owner the same benefits and will allow Habitat for Humanity to pay for up front costs; and

WHEREAS, CalHFA requires that all notes purchased must be in a first position and secured by a Deed of Trust; and

WHEREAS, the Agency finds that an important consideration for approving the request is to facilitate the important work of Habitat for Humanity in being able to offer homes to very low and low income buyers.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that it hereby approves two (2) Subordination Agreements for Redevelopment Agency Loans provided to Habitat for Humanity, Stanislaus County, for 1308 Dan West Court and 1328 Dan West Court.

BE IT FURTHER RESOLVED by the Redevelopment Agency of the City of Modesto that the Executive Director of the Redevelopment Agency, or his designee, is hereby authorized to execute the Subordination Agreements and any related documents.

The foregoing resolution was introduced at a regular meeting of the Modesto Redevelopment Agency held on the 24th day of February, 2009, by Agency Member Lopez, who moved its adoption, which motion being duly seconded by Agency Member Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Hawn, Lopez, Marsh, O'Bryant, Olsen,
Mayor Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: Keating

ATTEST: 
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 08-2009**

RESOLUTION AUTHORIZING AND DIRECTING THE EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY, OR HIS DESIGNEE, TO DEOBLIGATE FUNDS TOTALING \$299,145 FROM THE AGENCY'S 80% NON-HOUSING FUND ACCOUNTS 9050 AND 9080 IN "EXHIBIT A" TO SATISFY THE EXCESS SURPLUS PENALTY AMOUNT OF \$299,145

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the "Project"); and

WHEREAS, the Agency desires to deobligate funds in the amount of \$299,145 from the Agency's 80% Non-Housing fund accounts 9050 and 9080 in "Exhibit A" to satisfy the excess surplus penalty amount of \$299,145;

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO DOES HEREBY approve deobligating funds in the amount of \$299,145, in the form currently on file with the Secretary of the Agency, subject to any non-substantive revisions as the Executive Director and Agency Special Counsel shall approve. The Agency does hereby authorize the execution of said Agreement on behalf of the Agency.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 28th day of April, 2009, by Agency member Keating, who moved its adoption, which motion is being duly seconded by Agency Member Marsh, was upon roll call carried and the resolution adopted the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Stephanie Lopez
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: Susana Alcala Wood
SUSANA ALCALA WOOD, General Counsel

Exhibit A

Fiscal Year	Fund	Agency	Org	Object	Appr. Unit	Description	Proposed Reduction Amt
Expense Account Reductions							
2009	9050	140	1490	0205	1490C	PRINTING AND BINDING	\$ 5,638
2009	9050	140	1490	0230	1490C	ADVERTISING	\$ 4,000
2009	9050	140	1490	0235	1490C	SERVICES PROFESSIONAL & OTHER	\$ 30,242
2009	9050	140	1490	0269	1490C	EMPLOYMENT AGENCIES-TEMPS	\$ 11,170
						9050 Totals	\$ 51,050
2009	9080	140	1493	0235	1493C	SERVICES PROFESSIONAL & OTHER	\$ 42,662
2009	9080	140	1493	0255	1493C	SERVICES CITY FORCES-INTERFUND	\$ 4,439
2009	9080	140	1493	0489	1493C	PROJECT AREA REVITALIZATION	\$ 119,994
						9080 Totals	\$ 167,095
MYMY	9080	140	K002	6070	K002	EQUIPMENT ACQ - CIP	\$ 81,000
						K002 Totals	\$ 81,000
Transfer Amounts							
							Proposed Transfer Amt
2009	9050	700	K---	7906		Transfer from 9050 to Archway Commons Secondary Account	\$ 51,050
2009	9080	700	K---	7906		Transfer from 9080 to Archway Commons Secondary Account	\$ 248,095
						Total Transfer Out to Archway Commons Secondary Account¹	\$ 299,145

Notes:

¹The total transfer amounts are going from Funds 9050 and 9080 to the Archway Commons Secondary account that is being created by a resolution within this Agenda Report. The total transfer amount is \$299,145 between the two funds and is being placed in this new Archway Commons account to keep track of the penalty amount separately in order to clearly show that it has been expended on an affordable housing project.

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 09-2009**

RESOLUTION AUTHORIZING AND DIRECTING THE EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY, OR HIS DESIGNEE, TO CREATE A NEW CAPITAL IMPROVEMENT PROJECT ACCOUNT 9060-140-1491-K''-6030 DESIGNATED FOR LAND ACQUISITION FOR THE PROPOSED DEVELOPMENT OF "ARCHWAY COMMONS" AND APPROPRIATE AND TRANSFER THE EXCESS SURPLUS PENALTY AMOUNT OF \$299,145 PAYABLE FROM THE AGENCY'S 80% NON-HOUSING FUND ACCOUNTS 9050 AND 9080 IN "EXHIBIT A"

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the "Project"); and

WHEREAS, the Agency desires to create a new Capital Improvement Project account 9060-140-1491-K074-6030 designated for land acquisition for the proposed development of "Archway Commons" and appropriate and transfer the excess surplus penalty amount of \$299,145 payable from the Agency's 80% Non-Housing fund accounts 9050 and 9080 in "**Exhibit A**;"

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO DOES HEREBY approve creating a new Capital Improvement Project account 9060-140-1491-K074-6030 and appropriate and transfer the excess surplus penalty amount of \$299,145, in the form currently on file with the Secretary of the Agency, subject to any non-substantive revisions as the Executive Director and Agency Special Counsel shall approve. The Agency does hereby authorize the execution of said Agreement on behalf of the Agency.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 28th day of April, 2009, by Agency member Keating, who moved its adoption, which motion is being duly seconded by Agency member Marsh, was upon roll call carried and the resolution adopted the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Stephanie Lopez
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: Susana Alcala Wood
SUSANA ALCALA WOOD, General Counsel

Exhibit A

Fiscal Year	Fund	Agency	Org	Object	Appr. Unit	Description	Proposed Reduction Amt
Expense Account Reductions							
2009	9050	140	1490	0205	1490C	PRINTING AND BINDING	\$ 5,638
2009	9050	140	1490	0230	1490C	ADVERTISING	\$ 4,000
2009	9050	140	1490	0235	1490C	SERVICES PROFESSIONAL & OTHER	\$ 30,242
2009	9050	140	1490	0269	1490C	EMPLOYMENT AGENCIES-TEMPS	\$ 11,170
						9050 Totals	\$ 51,050
2009	9080	140	1493	0235	1493C	SERVICES PROFESSIONAL & OTHER	\$ 42,662
2009	9080	140	1493	0255	1493C	SERVICES CITY FORCES-INTERFUND	\$ 4,439
2009	9080	140	1493	0489	1493C	PROJECT AREA REVITALIZATION	\$ 119,994
						9080 Totals	\$ 167,095
MYMY	9080	140	K002	6070	K002	EQUIPMENT ACQ - CIP	\$ 81,000
						K002 Totals	\$ 81,000
Transfer Amounts							
							Proposed Transfer Amt
2009	9050	700	K---	7906		Transfer from 9050 to Archway Commons Secondary Account	\$ 51,050
2009	9080	700	K---	7906		Transfer from 9080 to Archway Commons Secondary Account	\$ 248,095
						Total Transfer Out to Archway Commons Secondary Account¹	\$ 299,145

Notes:

¹The total transfer amounts are going from Funds 9050 and 9080 to the Archway Commons Secondary account that is being created by a resolution within this Agenda Report. The total transfer amount is \$299,145 between the two funds and is being placed in this new Archway Commons account to keep track of the penalty amount separately in order to clearly show that it has been expended on an affordable housing project.

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 10-2009**

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY, OR HIS DESIGNEE, TO EXECUTE A PURCHASE AGREEMENT AND ANY RELATED DOCUMENTS, BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO (BUYER) 4701 STODDARD, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND SYLVIA E. COX (SELLER) FOR THE PROPERTY AT NORTH 9TH STREET AND CARVER ROAD

WHEREAS, the Redevelopment Agency of the City of Modesto (the “Agency”) is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the “Project”); and

WHEREAS, the Agency desires to enter into a Purchase Agreement with 4701 Stoddard, LLC, a California Limited Liability Company, and Sylvia E. Cox (Sellers). The Purchase Agreement will authorize a maximum of \$3,500,000.00 plus one half of all closing costs not to exceed \$15,000 to be paid from the Redevelopment Agency Housing Set-Aside funding to finance the acquisition of real property located at 1024 North 9th Street (Assessor’s Parcel No. 029-009-021), 1108 North 9th Street (Assessor’s Parcel No. 029-009-010), and 1136 North 9th Street (Assessor’s Parcel No. 029-009-023), to be annexed into the City of Modesto;

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO DOES HEREBY approve the Purchase Agreement between the Agency, 4701 Stoddard, LLC, a California Limited Liability Company, and Sylvia E. Cox (Sellers), in substantially the form currently on file with the Secretary of the Agency, subject to any non-substantive revisions as the Executive Director and Agency Special Counsel shall approve. The Agency does hereby authorize the execution of said Agreement on behalf of the Agency.

The foregoing resolution was introduced at a regular meeting of the
Redevelopment Agency of the City of Modesto held on the 28th day of April, 2009, by
Agency Member Olsen, who moved its adoption, which motion is being duly seconded by
Agency Member Marsh, was upon roll call carried and the resolution adopted the
following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Stephanie Lopez
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: Susana Alcala Wood
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 11-2009**

RESOLUTION AUTHORIZING AND DIRECTING THE EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY, OR HIS DESIGNEE, TO EXECUTE AN AGREEMENT TO NEGOTIATION EXCLUSIVE (ANE) TO APPOINT EAH, INC. AS THE SOLE DEVELOPER RECEIVING AGENCY FUNDING

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the "Project"); and

WHEREAS, the Agency desires to execute an Agreement to Negotiation Exclusive ("ANE") to appoint EAH, Inc. as the sole developer receiving Agency funding for the proposed affordable housing project located at 1024 North 9th Street, 1108 North 9th Street, and 1136 North 9th Street, also referred to as "Archway Commons";

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO DOES HEREBY approve an Exclusive Negotiation Agreement "ANE", in the form currently on file with the Secretary of the Agency, subject to any non-substantive revisions as the Executive Director and Agency Special Counsel shall approve. The Agency does hereby authorize the execution of said Agreement on behalf of the Agency.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 28th day of April, 2009, by Agency member Lopez, who moved its adoption, which motion is being duly seconded by Agency member Marsh, was upon roll call carried and the resolution adopted the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Chair Ridenour

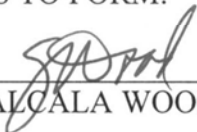
NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: 
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 12-2009**

RESOLUTION AUTHORIZING AND DIRECTING THE EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY, OR HIS DESIGNEE, TO RELEASE \$200,000 TO EAH, INC. FOR PRE-DEVELOPMENT COSTS ASSOCIATED WITH LAND ANNEXATION PERMITTED WITHIN THE AGREEMENT TO NEGOTIATE EXCLUSIVELY (ANE)

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the "Project"); and

WHEREAS, the Agency desires to release \$200,000 to EAH, Inc. for pre-development costs associated with land annexation permitted within the Agreement to Negotiate Exclusively;

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO DOES HEREBY approve an Exclusive Negotiation Agreement "ANE", in the form currently on file with the Secretary of the Agency, subject to any non-substantive revisions as the Executive Director and Agency Special Counsel shall approve. The Agency does hereby authorize the execution of said Agreement on behalf of the Agency.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 28th day of April, 2009, by Agency member Lopez, who moved its adoption, which motion is being duly seconded by Agency member Marsh, was upon roll call carried and the resolution adopted the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Stephanie Lopez
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: Susana Alcala Wood
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 13-2009**

RESOLUTION APPROVING A PURCHASE AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO (BUYER) AND CENTRAL VALLEY CHRISTIAN FELLOWSHIP, INC., A CALIFORNIA CORPORATION (SELLER) FOR REAL PROPERTY LOCATED AT NORTH 9TH STREET, MODESTO, CALIFORNIA (ASSESSOR'S PARCEL NO. 029-009-031) FOR THE FUTURE DEVELOPMENT OF ARCHWAY COMMONS,; AND AUTHORIZING THE EXECUTIVE DIRECTOR, OR HIS DESIGNEE, TO EXECUTE THE PURCHASE AGREEMENT AND ANY RELATED DOCUMENTS

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the "Project"), and

WHEREAS, the Agency desires to enter into a Purchase Agreement with Central Valley Christian Fellowship, Inc., a California Corporation (Sellers). The Purchase Agreement will authorize a maximum of \$480,000.00 plus all closing costs not to exceed \$8,000 to be paid from the Redevelopment Agency Housing Set-Aside fund to finance the acquisition of real property located at North 9th Street, Modesto, California (Assessors Parcel Number 029-009-031),

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO DOES HEREBY approve the Purchase Agreement between the Redevelopment Agency of the City of Modesto (Buyer) and Central Valley Christian Fellowship, Inc., a California corporation (Seller) for real property located at North 9th Street, Modesto, California (Assessor's Parcel No. 029-009-031) for the future development of Archway Commons, in substantially the form currently on file with the Secretary of the Agency, subject to any non-substantive revisions as the Executive

Director and Agency Special Counsel shall approve. The Agency does hereby authorize the execution of said Agreement on behalf of the Agency.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 2nd day of June, 2009, by Agency member Hawn, who moved its adoption, which motion is being duly seconded by Agency member Marsh, was upon roll call carried and the resolution adopted the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: 
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 14-2009**

RESOLUTION APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT (AGREEMENT) BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO (AGENDY) AND EAH, INC. (DEVELOPER) TO ENCUMBER AN ADDITIONAL AMOUNT OF \$3,249,000 FOR THE PROPOSED DEVELOPMENT OF A 150-UNIT AFFORDABLE HOUSING COMPLEX, ALSO REFERRED TO AS ARCHWAY COMMONS; AND AUTHORIZING THE EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY, OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the "Redevelopment Project"); and

WHEREAS, in conformance with Health and Safety Code Section 33490, the Agency adopted a five-year Implementation Plan (the "Implementation Plan") for the Redevelopment Project; and

WHEREAS, on April 29, 2009, by Resolution No. 10-2009, the Agency approved a Purchase Agreement to acquire three (3) of four (4) parcels (the "Site") needed for the development of an affordable housing apartment complex referred to as Archway Commons (the "Housing Project"), and by Resolution No. 11-2009, the Agency approved an Agreement to Negotiate Exclusively ("ANE") with EAH Inc. ("Developer") to negotiate the terms and provisions of an agreement for the development of the Housing Project; and

WHEREAS, a Purchase Agreement is expected to be presented to the Agency at its meeting on June 2, 2009, for the acquisition of the fourth (4th) parcel needed for the Housing Project; and

WHEREAS, the Agency closed escrow on the first three (3) parcels of the Site on May 21, 2009, and is expected to close escrow to acquire the fourth parcel by the end of July 2009; and

WHEREAS, the Agency has received a Disposition and Development Agreement (the "DDA") from the Developer which provides for the sale or lease of the Site to the Developer for development of the Housing Project; and

WHEREAS, the proposed DDA further provides that the Developer will develop the Housing Project on the Site, consisting of approximately 150 affordable housing units; and

WHEREAS, the proposed DDA also provides for Agency assistance for the Housing Project in an amount not to exceed \$6,749,000.00 (the "Agency Assistance"), of which \$3,500,000 has already been expended for the acquisition of the first three parcels of the Site and will be carried over to the Developer to assist with acquisition of the Site, and the remaining \$3,249,000 to be expended to acquire the fourth parcel, and to provide additional financial assistance for the planning and development of the Housing Project; and

WHEREAS, the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000, et seq.) provides in Section 33431 that any sale or lease of Agency property may be made only after a public hearing of the Agency after publication of notice as provided by law; and

WHEREAS, the Community Redevelopment Law further provides in Section 33433 that before any property acquired, in whole or in part, with tax increment monies, is sold or leased for development pursuant to a redevelopment plan, such sale or lease shall first be approved by the legislative body after a public hearing, that notice of the

time and place of the hearing shall be published in a newspaper of general circulation in the community for at least two (2) successive weeks prior to the hearing, and that the Agency shall make available for public inspection a copy of the proposed sale or lease and a report containing specified information and the financial aspects of the proposal; and

WHEREAS, notice of a joint public hearing of the City Council of the City of Modesto (the "City Council") and the Agency was published on May 19, May 26 and June 1, 2009, and a joint public hearing was held on June 2, 2009, to consider and act on the sale or lease of the Site pursuant to the DDA; and

WHEREAS, the Agency prepared a report pursuant to Section 33433 of the Health and Safety Code (the "Report"), describing the cost of the DDA to the Agency, the value of the property interest to be conveyed, the purchase price and other information required by said Section 33433, and the Report, together with the DDA, was made available to the public for inspection;

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Agency hereby finds and determines that the sale or lease of the Site to the Developer and development of the Housing Project on the Site pursuant to the DDA will assist in the elimination of blight and will provide housing for very-low and low-income households, and is consistent with the Five-Year Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490. This finding is based upon the facts and information contained in the Report prepared by the Agency pursuant to Health and Safety Code Section 33433.

Section 2. The Agency hereby finds and determines that the consideration for the Site to be paid by the Developer under the DDA is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the DDA. This finding is based upon the facts and information contained in the Report prepared by the Agency pursuant to Health and Safety Code Sections 33433.

Section 3. The Agency hereby approves the DDA in substantially the form on file with the Secretary of the Agency. The Agency further approves and authorizes the sale of the Site to the Developer and the funding of the Agency Assistance, all as provided for under the DDA.

Section 4. The Executive Director and Secretary of the Agency are hereby authorized and directed to execute the DDA on behalf of the Agency, subject to any minor conforming, technical or clarifying changes approved by Agency Counsel. The Executive Director and Secretary are hereby further authorized and directed to undertake such further actions and execute such documents as are necessary to carry out and complete the obligations of Agency under the DDA on behalf of the Agency, including without limitation the execution of deeds or a lease agreement, and all other actions and documents necessary for the sale or lease of the Site to the Developer, and funding of the remainder of the Agency Assistance, all as provided for in the DDA.

The foregoing resolution was introduced at a regular meeting of the
Redevelopment Agency of the City of Modesto held on the 2nd day of June, 2009, by
Agency member Hawn, who moved its adoption, which motion is being duly seconded by
Agency member Marsh, was upon roll call carried and the resolution adopted the
following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: 
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO CITY COUNCIL / MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 15-2009**

A JOINT RESOLUTION OF THE CITY COUNCIL AND REDEVELOPMENT AGENCY OF THE CITY OF MODESTO AUTHORIZING THE CITY ATTORNEY/REDEVELOPMENT AGENCY GENERAL COUNSEL TO COOPERATE WITH THE LEAGUE OF CALIFORNIA CITIES, THE CALIFORNIA REDEVELOPMENT ASSOCIATION, OTHER CITIES AND COUNTIES IN LITIGATION CHALLENGING THE CONSTITUTIONALITY OF ANY SEIZURE BY STATE GOVERNMENT OF THE CITY'S STREET MAINTENANCE AND REDEVELOPMENT FUNDS

WHEREAS, the current economic crisis has placed the City of Modesto and other cities under incredible financial pressure and caused them to make painful budget cuts, including layoffs and furloughs of City workers, decreasing maintenance and operations of public facilities, and reductions in direct services to keep spending in line with declining revenues, and

WHEREAS, since the early 1990s the State Government of California has seized over \$10 billion of City property tax revenues statewide, now amounting to over \$900 million each year, to fund the State Budget even after deducting public safety program payments to cities by the state, and

WHEREAS, on April 30, 2009, in the case of *CRA v. Genest*, the Sacramento Superior Court found similar efforts by the State to seize redevelopment tax increment for the state general fund to be in direct violation of Article XVI, Section 16 of the State Constitution, added by the voters in 1952 as Proposition 18, which requires that tax increment be used exclusively for the benefit of redevelopment project areas; and

WHEREAS, since the early 1990s the state government also has seized \$ 1.04 billion of redevelopment tax increment statewide, and the Governor and Legislature are

now considering seizing \$350 million each year for three years, beginning in the current fiscal year; and

WHEREAS, in the State of California's proposed FY 2009-10 Budget, the Governor has proposed transferring \$1 billion of local gas taxes and weight fees to the State General Fund to balance the State Budget, and over \$700 million in local gas taxes permanently in future years, immediately jeopardizing the ability of the City to maintain its Surface Transportation Program, which consists of street maintenance operations, traffic operations and electrical operations, traffic engineering, forestry cycle pruning, curb, gutter, and sidewalk repair, Capital Improvement Program projects for streets, and related traffic safety facilities for the use of the motoring public, and

WHEREAS, the loss of almost all of the City's gas tax funds will seriously compromise the City's ability to perform critical traffic safety-related street maintenance, including, but not limited to, drastically curtailing patching, resurfacing, street lighting/traffic signal maintenance, payment of electricity costs for street lights and signals, bridge maintenance and repair, street trees and cycle pruning, sidewalk and curb ramp maintenance and repair, and more, and

WHEREAS, some cities report to the League of California Cities that they will be forced to eliminate part or all of their street maintenance operations while others will be forced to cut back in other areas (including public safety staffing levels) to use city general funds for basic street repair and maintenance. Furthermore, there is a serious concern about significant impacts, including increased traffic accidents and injuries and the potential for additional liability that could result due to deferred maintenance of streets should these funds be lost, and

WHEREAS, in both Proposition 5 in 1974 and Proposition 2 in 1998 the voters of our state overwhelmingly imposed restriction on the state's ability to do what the Governor has proposed, and any effort to permanently divert the local share of the gas tax would violate the State Constitution and the will of the voters; and

WHEREAS, cities and counties maintain 81% of the state road network while the state directly maintains just 8%, and

WHEREAS, ongoing street maintenance is a significant public safety concern. Lack of proper maintenance of street pavement (potholes filling, sealing, overlays, etc.), traffic signals, signs, and street lights can have a direct correlation to traffic accidents, injuries, and deaths, and

WHEREAS, according to a recent statewide needs assessment¹ on a scale of zero (failed) to 100 (excellent), the statewide average pavement condition index (PCI) is 68, or "at risk." Local streets and roads will fall to "poor" condition (Score of 48) by 2033 based on existing funding levels available to cities and counties.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL AND THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO hereby directs the City Attorney/Redevelopment Agency General Counsel to take all necessary steps to cooperate with the League of California Cities, California Redevelopment Association, other cities, counties and redevelopment agencies in supporting litigation against the state of California if the legislature enacts and the governor signs into law legislation that unconstitutionally diverts the redevelopment tax increment and the City's share of

¹ *California Statewide Local Streets and Roads Needs Assessment*, Nichols Consulting Engineers, Chtd. (2008), sponsored by the League of California Cities, California State Association of Counties and County Engineers Association of California.

funding from the Highway Users Tax Account (HUTA), also known as the “gas tax,” to fund the state general fund; and

BE IT RESOLVED FURTHER, that the city manager/agency executive director or clerk shall send this resolution with an accompanying letter from the mayor/agency chair to the Governor and each of the city’s state legislators, informing them in the clearest of terms of the City’s adamant resolve to oppose any effort to frustrate the will of the electorate as expressed in Proposition 18 (1952), Proposition 5 (1974) and Proposition 2 (1998) concerning the proper use and allocation of the redevelopment tax increment and the gas tax; and

BE IT FURTHER RESOLVED, that a copy of this Resolution shall be sent by the City Clerk to the League of California Cities, the California Redevelopment Association, the Modesto Chamber of Commerce, and other community groups whose members are affected by this proposal to divert funds from vital local services and projects.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto and the Redevelopment Agency held on the 23rd day of June, 2009, by Councilmember/Agency member Hawn, who moved its adoption, which motion being duly seconded by Councilmember/Agency member Lopez, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers/Agency members: Hawn, Keating, Lopez, Marsh,
O'Bryant, Olsen, Mayor Ridenour

NOES: Councilmembers/Agency members: None

ABSENT: Councilmembers/Agency members: None

ATTEST:


STEPHANIE LOPEZ
City Clerk / Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By:


SUSANA ALCALA WOOD

City Attorney/Agency General Counsel

**REDEVELOPMENT AGENCY
RESOLUTION NO. 16-2009**

**A RESOLUTION ADOPTING THE ANNUAL REDEVELOPMENT AGENCY
OPERATING AND CAPITAL IMPROVEMENT (CIP) BUDGET FOR THE
FISCAL YEAR ENDING JUNE 30, 2010**

WHEREAS, pursuant to Health & Safety Code Section 33606, a proposed budget for the 2009-2010 Fiscal Year has been submitted to the Redevelopment Agency by the Executive Director, and the Redevelopment Agency has made such revisions as it has deemed advisable and is **attached** hereto as **Exhibit "A"** and made a part hereof by this reference, and

WHEREAS, the proposed budget was reviewed by the Finance Committee on June 22, 2009, and the Committee recommended the budget to the Agency for approval which approval includes, but is not limited to, the following specific recommendations more particularly described in the Budget Summary located on Page 11 of the budget document:

- A. The Tax Increment revenues for FY 09-10 are budgeted in the amount of \$5,868,000 and will be allocated between the following funds in the amount stated:
 - a. Debt Service Fund 9020 (Debt Service) - \$3,288,499
 - b. Debt Service Fund 9020 (Pass-throughs) - \$1,136,499
 - c. Administration Fund 9050 - \$154,795
 - d. Housing Set-Aside Fund 9060 - \$1,173,600
 - e. RDA Projects Fund 9080 - \$114,607

- B. No General Fund loan is needed for Fiscal Year 2009-2010

C. Transfer funds into the existing Capital Improvement Project Account – Kansas Woodland Business Park Land Q243 for the purpose of assisting with business park development for the budgeted amount of \$170,000 from Account No. 9020-120-DS92

D. Transfer funds into the existing Capital Improvement Project Account – Affordable Housing Projects Q244 for the purpose of assisting with an affordable housing project(s) for the budgeted amount of \$961,169 from Account No. 9060-140-1491

WHEREAS, the Citizens Redevelopment Advisory Commission reviewed the proposed budget on May 28, 2008, and recommended its adoption, and

WHEREAS, in accordance with Health & Safety Code Section 33606, a public hearing was held on June 23, 2009 to review the proposed Agency budget and allow for public comment, and

WHEREAS, copies of the proposed budget have been and are available for inspection by the public at the office of the Agency Secretary, and

WHEREAS, the Agency has reviewed the budgetary control and authority policy report prepared by staff,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Operating and Capital Improvement Budget for the Fiscal Year ending June 30, 2010 is hereby adopted.

BE IT FURTHER RESOLVED that the Tax Increment Revenues for FY 09-10 budgeted in the amount of \$5,868,000 shall be allocated between the Agency funds as set forth in said budget document and this resolution.

BE IT FURTHER RESOLVED that no General Fund loan is needed for Fiscal Year 2009-2010.

BE IT FURTHER RESOLVED that for the purpose of assisting with business park development, funds shall be transferred into the existing Capital Improvement Project Account – Kansas Woodland Business Park Land Q243 for the budgeted amount of \$170,000 from Account No. 9020-120-DS92.

BE IT FURTHER RESOLVED that for the purpose of assisting with an affordable housing project(s), funds shall be transferred into the existing Capital Improvement Project Account – Affordable Housing Projects Q244 for the budgeted amount of \$961,169 from Account No. 9060-140-1491.

BE IT FURTHER RESOLVED that the Treasurer is hereby authorized to take the necessary steps to implement the provisions of this resolution.

BE IT FURTHER RESOLVED that the budgetary control and authority policy defined in **Exhibit “B”**, which is **attached** hereto and made a part hereof by this reference, is hereby adopted for the Fiscal Year 2009-2010.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto, held on the 23rd day of June, 2009, by Agency Member Lopez, who moved its adoption, which motion being duly seconded by Agency Member Marsh, was upon roll call carried and the resolution adopted by the following votes:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Mayor Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: *Stephanie Lopez*
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: *Susana Alcala Wood*
SUSANA ALCALA WOOD, General Counsel

EXHIBIT A

**FY 2009-2010 REDEVELOPMENT AGENCY
OPERATING AND CIP BUDGET**

ModestoRedevelopmentAgency



Proposed Budget

Fiscal Year 2009-10





1010 Tenth Street, Suite 3300
 PO Box 642
 Modesto, CA 95353-0642
 209.571.5111
 Fax 209.491.5798
 Email rda@modestogov.com

June 23, 2009

To: Chair and Members of the Modesto Redevelopment Agency

I am very pleased to present the Agency with the Modesto Redevelopment Agency budget for Fiscal Year 2009-2010. In accordance with State Health & Safety Code Section 33606 et seq., the Agency's FY 09-10 budget includes the following:

- (1) The proposed expenditures of the Agency, including administrative expenses
- (2) The proposed indebtedness of the Agency
- (3) The anticipated revenues of the Agency
- (4) The proposed work program for Fiscal Year 2009-2010, including goals
- (5) A review of FY 2008-2009 achievements and a comparison of these achievements with the goals set by the Agency in FY 2007-2008

We have provided the Agency with a budget that accurately reflects Redevelopment Law and details the requirements for each fund within the Agency budget. The Agency budget document is organized into three major sections: (1) Agency History, Work Program, Accomplishments and Future Plans; (2) Proposed Agency budget for FY 2009-2010; and (3) Capital Improvement Project Programs. These sections define each of the Agency's projects and detail the corresponding funds needed to complete these projects. The enclosed Executive Summary outlines the overall revenues, expenditures and projects.

A summary financial Proforma detailing the revenue and expenditures for Fiscal Year 2009-2010 is shown on Page 11. I would like to identify some key elements of this year's Agency budget. First, because of the decline in property values throughout the Project Area, the tax increment is not expected to increase as it has every year since 1983. Rather, the estimated gross revenue of \$5,868,000 represents a 10% decline from the initial projections for FY 2008-2009 and is consistent with the revenue received. The Agency's revenues will not exceed operating costs in FY 2009-2010.

Secondly, because of the uncertainty of both the Agency's revenue projections, the proposed Proforma **does not** include funding for three additional obligations as follows:

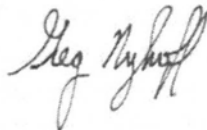
1. The Agency has an outstanding loan from the City of Modesto General Fund in the current principal amount of \$20,476,000. The proposed FY 09-10 budget does not include a loan repayment, but it does include a repayment schedule proposed to begin in FY 14-15. (Page 12)

2. During FY 2008-2009, the State budget mandated an Educational Revenue Augmentation Fund ("ERAF") payment of \$414,522. In addition, there was a revenue shortfall in the debt service fund. In order to pay the ERAF expense and to remedy the debt shortfall, the Agency approved a \$930,000 loan from the Housing Fund (Fund 9060) to the Agency's Debt Service Fund (DS92). The proposed FY 09-10 budget includes a loan repayment amount of \$103,096 with a 5-year repayment schedule of \$103,096 for each additional fiscal year. At this time, the Sacramento Superior Court ruled to invalidate and enjoin the operation of Health and Safety Code section 33875, stopping all ERAF payments to the State.

3. In March 2009, the Agency staff determined that there is an Excess Surplus of funds remaining within the Housing Fund, which is a violation of redevelopment law. This Excess Surplus is required to be spent within 3 years from the date the funds became legally surplus. In order to remedy this violation, \$299,145 in additional funds must be spent from General Tax Incremental Revenues (*not* Housing Fund Revenues). These additional funds must be spent prior to June 30, 2009 on an eligible affordable housing project. At the time of printing, staff is reviewing the calculation of the excess surplus to verify the penalty amount.

The difficult economic times will impact the Redevelopment Agency revenues as well as our ability to develop new projects. It is our goal to maintain as many programs and projects as possible during the next fiscal year.

Sincerely,

A handwritten signature in cursive script, appearing to read "Greg Nyhoff".

Greg Nyhoff
RDA Executive Director

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Executive Summary

The Modesto Redevelopment Agency was formed to eliminate the amount of physical and economic blight in Modesto's downtown, as well as areas west of State Route 99 and along Scenic Drive. Since 1983, the Agency has accomplished many of the strategies set forth in the Implementation Plan, which is the framework used to guide the Agency's activities.

The Agency budget for FY2009-10 is outlined below.

• REVENUES •

The estimated gross tax increment for FY 2009-10 is \$5,868,000, which is equivalent to the gross tax increment received for FY2008-09. Due to a decrease in property value and a slowdown in construction within the Project Area, the estimated revenue will remain static from the previous fiscal year. In addition, the Agency will receive approximately \$239,860 in miscellaneous revenue from property leases and interest from funds within the RDA reserves. In addition, we anticipate carry over reserves in three funds, \$19,174 in fund 9050; \$414,522 in fund 9060 and \$93,181 in fund 9080. From the gross revenue of \$5,868,000 (including reserves), we deduct the following non-discretionary, statutory payments:

1. \$1,136,499 - Tax revenue pass-throughs to outside agencies
2. \$1,173,600 - 20% revenue transfer to the Housing Set-aside fund
3. \$ 105,624 - County administrative expenses

After these deductions, it is estimated that the Agency will net approximately \$3,452,277.

• EXPENDITURES •

For annual debt service, approximately \$2.93M is budgeted for FY 2009-10. For staff services, approximately \$363,084 is budgeted and is shown in the form of service credits from the Agency to the City. The Agency does not employ staff. Instead, the Agency provides service credits to certain City staff for needed services including legal, financial and administrative.

In addition, approximately \$206,380 is budgeted for administrative costs and contracts with outside service providers including McDonough, Holland and Allen for legal review and Keyser-Marston for financial review of prospective developments. Urban master planning is also funded from Account 9080 for changes to land uses within the Project Area.

The beginning budget funding within the Capital Improvement Project fund, before adding new revenues, totals approximately \$7.38M. Additional revenue is anticipated in the amount of \$1,131,169 to total \$8.514M. The Agency will be using these funds to assist in developing a mixed-use project in the Downtown as well as for several other proposed Area projects. The Housing Set-aside fund is expected to receive approximately \$1.355M in tax increment and interest on cash balances for FY 09-10. Several affordable housing projects are under consideration, including Archway Commons on N. 9th Street, Tower Park at 17th and G Sts and the Downey Avenue Senior Housing Project. The Agency will combine their housing funds with Community Development Block Grant Funds and HOME funds to maximize the financial leverage.

• FY 2009-10 WORK PROGRAM •

The Agency has identified the following projects and programs for FY 2009-2010. For detailed descriptions and objectives of the Capital Improvement Project (CIP) accounts, please refer to the Capital Improvement Project section in this budget document.

Total CIP: \$8,513,656. See CIP Section for details.

Executive Summary

(cont.)

Project 1:	Affordable Housing Projects	Start Date:	Pending	Est. Comp.:	Pending
Status:	Projects under review				
Details:	Please refer to the description included in the Capital Improvement Program Section of this Budget				

Project 2:	Kansas-Woodland Business Park	Start Date:	2002	Est. Construction Start:	Fall 2011
Status:	Purchasing the property				
Details:	Please refer to the description included in the Capital Improvement Program Section of this Budget				

Project 3:	Mixed-Use Project - 10th & H Streets	Est. Start:	June 2010	Est. Comp.:	Jan 2012
Status:	Negotiating Development Agreement				
Details:	<p>This Mixed-use Project is intended to meet several Agency objectives, including: (1) Add covered public parking; (2) Add retail space; (3) Add office space; and (4) Add market-rate residential. The proximity of this project to existing destinations is critical to its success. The Gallo Center for the Arts is directly across 10th Street and the main theater and restaurant district is within one block of this location.</p> <p>The Agency owns four (4) parcels of land at the southwest corner of 10th & H Streets, which is the Project Site. The Agency Board distributed a Request for Proposal (RFP) to solicit a public-private partnership for the development of a high-quality, Mixed-Use Project on this 31,500 square-foot Site. The Agency selected a developer ("Team Modesto") for this project and entered into an Agreement to Negotiate Exclusively with Team Modesto. The goal is to deliver the desired development and provide for the redevelopment of this critical corner property. Team Modesto has negotiated with the Agency to expand the project to include the east side of the block between 9th & 10th Streets and G & H Streets.</p> <p>It is the Agency's desire to partner with Team Modesto, negotiate an acceptable development agreement (including a detailed scope of development and respective responsibilities of both the Agency and the Developer), determine financing needs and details, and complete project clearance and development within a two-year period ending Summer 2010. The Agency may consider several funding options that may include streetscape construction and assistance with parking.</p>				

Project 4:	Public Parking Garages in Downtown Area	Est. Start:	Pending	Est. Comp.:	Pending
Status:	Projects under review				
Details:	<p>Parking within the Downtown Area is in extremely short supply. This project is intended to meet the Agency objective of providing needed infrastructure to support the variety of uses within the Downtown Core, including prosed residential, commercial and entertainment.</p> <p>As part of the Gallo Center for the Arts, a new parking garage was constructed at 12th & I Streets which included an adjacent office building. In conjunction with this project, the Agency provided funding for the private sector portion of the office building, specifically for annual funding for public parking spaces. The Agency staff is working with private sector developers to identify additional sites for public parking garages. There is a severe parking shortage in the downtown and the Agency will continue to utilize partnerships to develop additional spaces to meet the growing demand.</p>				

Executive Summary

(cont.)

Project 5:	Implement amendments to the City of Modesto Zoning Code to encourage mixed-use development in the Downtown Core	Est. Start:	Jan 2009	Est. Comp.:	Dec 2009
Status:	Completion of the Mixed Use Zone is anticipated for Dec. 2009				
Details:	The RDA intends to encourage mixed-use development by working with the City of Modesto to create and adopt a Downtown Core Mixed-Use zone as part of a specific area plan for the Downtown Core. A mixed use zone can allow the City to adopt more comprehensive and detailed development standards that could help to foster a human-scaled, pedestrian-oriented environment. The mixed use zone should include design guidelines that should address, at minimum, specifications for setbacks, building massing, signage, street furniture, lighting, and landscaping. Application of new development standards should dictate that the Downtown Core will include the highest residential densities and the greatest intensity of land uses in the city.				

Project 6:	Conduct a Land Use & Business Survey on Carpenter Road, including Modesto Junior college West	Est. Start:	May 2009	Est. Comp.:	Dec 2009
Status:	Activity on this project is dependent upon available funding				
Details:	The Agency intends to initiate several steps to foster the development of the Carpenter Road Corridor as a cohesive commercial corridor with mutually supporting uses. The preponderance of home improvement businesses on North Carpenter Road suggests that this market niche could be expanded. The Agency will conduct a land use survey of North Carpenter Road to determine what types of businesses are present. In addition, business owners will be surveyed to determine what type of new development they believe would complement and support existing development. These surveys will help to determine whether there is an adequate cluster of businesses that warrants further recruitment in a particular niche, such as home improvement. If so, the Agency could actively target new development that expands this niche.				

Project 7:	Implement streetscape improvements on 10th Street, from J Street to the Tuolumne River	Est. Start:	Sept 2009	Est. Comp.:	June 2011
Status:	Activity on this project is dependent upon available funding				
Details:	Produce a Design Plan for implementation of streetscape improvements on 10th Street, from J Street to the Tuolumne River. The ultimate goal is to have a Plan in place that can be used as a partnership document between the Agency and private sector developers. A companion goal is to use the Plan to receive and target future funding. The streetscape will promote shade, walkability, and public gathering places. Streetscape improvements will be designed to fit the context of the block as well as the street. The Plan will also consider the installation of traffic calming measures on I Street, particularly at the intersections of 10th and I Streets, to promote pedestrian access and safety.				

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Why Have Redevelopment?

The purpose of forming a Redevelopment Agency is to eliminate physical and economic blight in a specific area of a community. The State of California enacted the Redevelopment Law for the specific purpose of assisting cities and counties in breathing new life into those targeted areas of cities that had fallen into economic and physical ruin. The heart of Modesto, our downtown, was one of those targeted areas. Modestans remember what the downtown was like before 1999. Back then, many were hesitant to walk alone in certain areas of the downtown because of the vacant buildings and seedy areas that seemed to be everywhere.

The only way to bring a blighted area to life is to attract private investment dollars to rebuild and redevelop the blighted properties. But, as one can imagine, investors are not anxious to put money into a dilapidated area with high risk and a very low rate of return. Understanding this, a Redevelopment Agency is formed for the specific purpose of providing a small amount of public funding to encourage investors to make a commitment within a blighted area. The Redevelopment Agency is given the role of using minimal public funds to leverage a much larger amount of private investment dollars to transform the blighted area from high risk to high activity --- which is what we have done with the new Tenth Street Place and other projects within the Redevelopment Project Area.

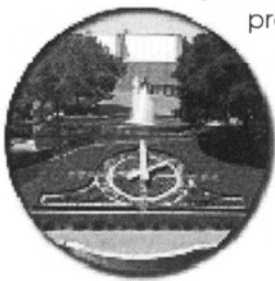


There are two key points to understand about a Redevelopment Agency. **First, the Agency is a distinct political body that is totally separate from the City.** In some cities, such as San Jose, the redevelopment agency is a separate board with separate offices and staff. In Modesto, as in many other California cities, the City Council agreed to become the Agency board. This provides a cost savings to the Agency since the same offices and staff are used for both the City and the Agency. But, while it is a cost savings, it can be confusing. It is important to remember that the Agency and the City are separate agencies with separate laws, separate budgets and separate funding sources.

The second key factor is the source of funding for the Redevelopment Agency. The funds for redevelopment come from the property taxes of only those properties within the Redevelopment Project Area. The Redevelopment Project Area was established by law when the Redevelopment Agency was formed and it includes the downtown and areas along Carpenter Road, Paradise Road and Scenic Drive. The Agency receives a specified percentage of the property taxes as properties are improved and then incurs debt by reinvesting this money back into the Project Area to improve even more properties. Again, the goal is to leverage a small amount of public funds with private investment dollars to redevelop the Project Area before the Agency is terminated. The Agency can operate for 40 years and then there is an additional 10 years to pay off all debt. For Modesto, the Agency will terminate in November 2031 and all debt will be paid by November 2041.

State law allows a redevelopment agency to invest in very specific uses. For example, a redevelopment agency cannot build a new city hall nor can they use the funds for operation or maintenance of any private or government-owned facility. The Redevelopment Agency can invest in many types of private

projects including office buildings, parking garages and retail centers within the Project Area. For example, Modesto's Agency has partnered with the private sector to construct Tenth Street Place and two new office buildings on Tenth Street and 12th Street. Also, the Agency has joined with the private sector and Stanislaus County to construct the Gallo Center for the Arts. This Center will not only provide a benefit to the downtown but it will also increase the assessed value of the properties in the Project Area that, in turn, will increase the assessed property value. When the assessed value goes up, the taxes go up which means there is more money for the Agency to repay the debt they

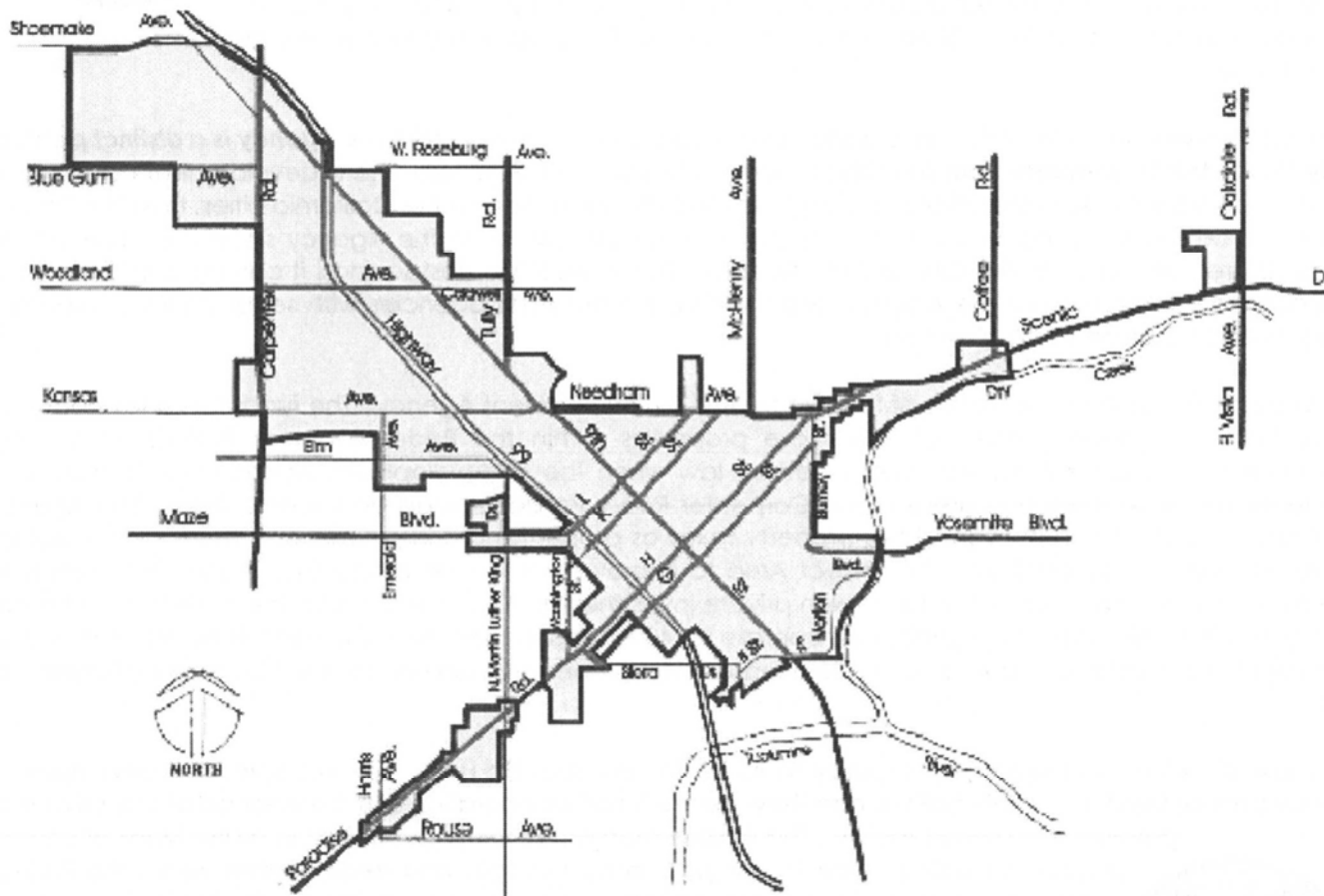


Why Have Redevelopment?

(cont.)

have incurred and contribute towards future projects. This is a perfect example of the redevelopment funding cycle and the role of redevelopment in a community.

Redevelopment has been an important and successful tool in renovating many cities. In Modesto, we think that it has been the main reason for attracting new investors into the downtown and for creating alliances between the City and the County to provide better services for our citizens in a central location. Also, we have added entertainment destinations in the downtown along with restaurants and new retail stores. All in all, redevelopment is performing its job well here in Modesto. Beyond the projects now under construction, housing is another objective for the Redevelopment Agency and we expect to see new housing projects starting within the next year.



Implementation Plan

The Redevelopment Agency's goal is to eliminate blighting influences and stimulate new private and public investment in the Redevelopment Area. The Agency can help to stimulate investment through land assembly, construction of upgraded public improvements, incentive programs for building renovation, participation in catalyst projects aimed at spurring other complementary private investments, and expenditure of its low and moderate income housing funds for development of affordable housing.

To create a framework to guide the Agency's activities, the Agency has adopted a Vision and an Implementation Plan.

• GOALS •

This Plan was approved in December 2005 for the period of 2005-2009.

• THE VISION •

- Modesto's parks, plazas, and greenways contribute to a public realm that provides an attractive, inviting "Oasis in the Valley."
- Modesto's unique history and character are preserved to make the city a pleasant place to live, and are actively promoted to attract new investment.
- The downtown is a vibrant mixed-use area with an established residential element.
- Transportation opportunities are multi-modal and well-connected throughout the Redevelopment Area, city, and region.

1. Create a unique and recognizable image for Modesto and use it to strenuously promote the City.
2. Promote the economic viability of the Redevelopment Area by attracting new development.
3. Implement higher density, mixed-use development to create a balanced, vibrant downtown and active neighborhood centers.
4. Provide the rationale and impetus for the City to update its development standards to support the goals identified in this document.
5. Develop a variety of housing types in the Redevelopment Area, including affordable housing, particularly in the downtown, to act as a catalyst for other types of development.
6. Enhance the visual appeal of Modesto's public spaces by upgrading existing parks, plazas, and streets, and by creating new parks and plazas that offer public access.
7. Develop historic I and 10th Streets as an attractive, pedestrian-oriented zone. Create a clear sense of arrival at Modesto's downtown by enhancing the 6th and I Street Gateway and the intersection of I and 10th Streets.
8. Promote efficient automobile, bicycle, and pedestrian circulation and linkages into and through the Redevelopment Area.

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Agency Achievements

Completed Projects



- Modesto Centre Plaza
- DoubleTree Hotel
- 9th Street Garage



- Master Plan and EIR
- Facade Grants
- Wayfinding Signage



- Gallo Center for the Arts
- City Towers Offices
- Renaissance Office & Garage



- Tenth Street Place
 - Parking Garage
 - Brenden Theatres
 - First Floor Retail



- Affordable Housing
 - Gateway
 - Ashwood Village
 - Woodstone
 - Dan West Court
 - Town Center



- Shopping Center on Paradise Road

FY 2007 - 2008 Project Goals

- Amend Zoning Code to create Downtown Mixed-Use Zoning Plan:
 - Completion Date: 12/09
- Kansas-Woodland Business Park - Approval of Parcel Acquisition:
 - Completion Date: 12/08
- 10th & H Street Mixed-Use Project: CEQA Review and Planned Development Zone Application
 - Completion Date: 06/09
- Affordable Housing Projects:
 1. Archway Commons - Agency funding of parcel acquisition
 - Completion Date: 01/09
 2. Plan Valley Apartments - Agency funding of handicapped unit
 - Completion Date: 11/08
 3. Downey Avenue Senior Housing - Agency funding of land assembly and related items
 - Completion Date: 06/09
- Downtown Parking Garage: Create parking garage plan in conjunction with private projects
 - Completion Date: 06/09

FY 2008- 2009 Goals Achieved

- Amend Zoning Code to create Downtown Mixed-Use Zoning Plan:
 - Projected Completion Date: 12/09
- Kansas-Woodland Business Park - Approval of Parcel Acquisition:
 - Projected Completion Date: 09/09
- 10th & H Street Mixed-Use Project: CEQA Review and Planned Development Zone Application
 - Projected Completion Date: 06/09
- Affordable Housing Projects:
 1. Archway Commons - Agency funding of parcel acquisition
 - Completion Date: 06/09
 2. Town Center - Agency funding of affordable units
 - Completion Date: 10/08
 3. Palm Valley Apartments - Agency funding of handicapped unit
 - Completion Date: 05/09
 4. Downey Avenue Senior Housing - Agency funding of land assembly and related items
 - Completion Date: 06/09
- Downtown Parking Garage: Create parking garage plan in conjunction with private projects
 - Projected Completion Date: 06/10

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	Debt Service 9020	Administration 9050	Housing Set-aside 9060	Project Plan 9080
Estimated Beginning Working Capital(1)	\$	19,174	414,522	93,181
Adjusted Reserves	\$	19,174	414,522	93,181
Bond Reserve Fund (COPS) (2)	\$ 1,977,050			
Revenues				
Projected Total TI: \$ 5,868,000				
TI - Revenue Received	\$ 3,288,499	154,795	1,173,600	114,607
TI for Pass-thrus (3)	\$ 1,136,499			
Interest (4)	\$ 40,000	2,000	50,000	10,000
Miscellaneous - Mobile Home Assistance	\$ -		28,000	
Loan Repayment from Fund 9020	\$		103,096	
Leases (5)	\$ 109,860			
Total	\$ 4,574,858	175,969	1,769,218	217,788
Expenditures:				
9th Street Garage Lease (6)	\$ 1,954,017			
Debt - Tenth Street Place Bond - 2007 Re-fi: (7)	\$ 980,676			
County Administrative Costs (8)	\$ 79,650	2,786	21,125	2,063
Administration				
Professional and Admin Services	\$	69,174	33,502	103,704
Staff/Service Credits (9)	\$ 34,669	104,009	112,385	112,021
City Internal Cost Allocations	\$ 29,467		1,144	
Pass-thrus				
TI Rebate - Renaissance Project (10)	\$ 86,784			
ERAF - (Estimate)	\$			
Refund loan to Fund 9060	\$			
Loan Repayment to Fund 9060	\$ 103,096			
Loan Repayment - City General Fund	\$		50,000	
Mobile Home Rental Assistance	\$		56,000	
Transfer Out: Housing CIP's	\$		961,169	
Transfer Out: KWBP Land - Q243	\$ 170,000			
Total	\$ 4,574,858	175,969	1,235,325	217,788
Available Working Capital	\$		533,893	
Transfer to Reserves	\$		533,893	
MULTI-YEAR BUDGETS				
RDA CIP Budget:	Beginning Budget	Transfers In	(Transfers Out)	Anticipated Expenditures
KWBP Land - Q243 (Fund 9080)	\$ 507,928	170,000		677,928
KWBP Plan - Q246 (Fund 9080)	\$ 559			559
Public Improvement - K732 (Fund 9080)	\$			
Downtown Cameras - K002 (Fund 9080)	\$ 259,000			259,000
Housing - Q244 (Fund 9060)	\$ 15,000	961,169		976,169
Archway Commons - K743 (Fund 9060)	\$ 5,250,000			5,250,000
Palm Valley - K745 (Fund 9060)	\$ 830,000			830,000
Downey Avenue - K746 (Fund 9060)	\$ 520,000			520,000
Developer Funded Projects				
	Beginning Budget (Developer Funds)			Anticipated Expenditures
10th & H Mixed Use - 9080 - 1494	\$ 1,755			1,755
Archway Commons - 9060 - 1495	\$ 73,150			73,150
KWBP - TT Modesto - 9080 - 1496	\$ 1,000			1,000

1. Distribution of Ending Working Capital from FY 08-09
2. 1993 Certificates of Participation (COPS) - Trustee requires set aside of the Reserve Requirement
3. Estimated projections for annual Pass-Through costs provided by Keyser-Marston, Inc
4. Interest is estimated based on cash balances
5. Lease for First Floor Retail of Tenth Street Place Project
6. Includes \$6500 Trustee Fee; See Reimbursement Agreement for Agency to City reimbursement
7. Includes \$1015 Trustee Fee
8. County Administration Costs projected at 1.8% of Gross TI Revenues per Fund
9. Operating duties are performed by City staff and paid per Service Credits
10. Agreement with developer of Renaissance Project for rebate of tax increment of \$86,784

Repayment Schedules

Repayment Schedules for Agency Loans

• REPAYMENT SCHEDULE FOR LOANS FROM HOUSING FUND 9060 •

Fiscal Year	Payment
2009 - 2010	\$103,096
2010 - 2011	\$103,096
2011 - 2012	\$103,096
2012 - 2013	\$103,096
2013 - 2014	\$103,096
Total Principal:	\$515,478

• REPAYMENT SCHEDULE FOR CITY LOAN TO REDEVELOPMENT AGENCY •

Recommended Criteria

1. Minimum of \$1M in Net Revenue required in a given FY before loan repayment is considered for that FY
2. If Net TI equals \$1M in a given FY, then minimum annual repayment is \$100K or set 10%, whichever is greater
3. The last 10 years of Net TI (2032 - 2042) will go entirely to loan repayment to ensure that loan is not repaid before 2042

Projection: First Year of Repayment is FY 14-15 (Estimate)

Redevelopment FAQ

1. The Redevelopment Agency of the City of Modesto is commonly referred to as the "RDA" or the "Agency". You will see these references used in many reports and budget documents related to the Redevelopment Agency.
2. The primary source of revenue to the Agency comes from Tax Increment funding. This is funding that is generated from new development within the RDA Project Area. As each parcel is developed, the property taxes increase. A designated portion of these increased taxes flows to the Agency to promote more new development within the Project Area.
3. Another source of revenue to the Agency is property lease revenue. Currently, the Agency is receiving monthly lease payments from the retail shops located on the First Floor of the City-County Government Building located at 1010 Tenth Street within the Tenth Street Place project.
4. A smaller source of revenue to the Agency is the interest earned on each account through investments made by the Agency's Treasurer.
5. The Agency does not hire staff independently. As is common in California, the Agency pays City staff to provide the day-to-day work for the Agency. This City staff work is paid for through the use of service credits between the Agency and the City, reimbursing the City for each hour spent providing Agency work. In addition, the Agency contracts with private professional firms who provide a variety of services, from legal review to property appraisal.
6. The Bond Reserve Fund of \$1,977,050 is included in the RDA's budget as part of the legal requirements for the Modesto Centre Plaza Certificates of Participation ("COPs"). The COPs is the type of bonding mechanism that was used to fund the Modesto Centre Plaza. The Bond Trustee requires the RDA to maintain a specific account including one (1) year of payment for the on-going debt. This Reserve Fund will no longer be maintained once the debt is paid in full.
7. Stanislaus County charges the Agency for processing the property tax revenue each year. This Administration charge is estimated at 1.8% of the total revenue collected and is shown under County Administration Costs in the Agency's budget.
8. Stanislaus County collects property taxes on all parcels throughout the RDA Project Area. Generally, parcels owned by the Agency do not pay property taxes. However, when the Agency leases a parcel and/or building to a private company, then there is a required property tax collected called a "Possessory Interest Tax".

This is the case for the 9th Street Garage, between K Street and L Street. The Agency owns the garage and leases it to the City of Modesto for use in downtown parking. The City, in turn, sub-leases a large portion of the garage to the Doubletree Hotel for their private customers. The Doubletree Hotel is located just across 9th Street from the garage and the two structures are connected by way of a pedestrian bridge. The use of the garage by this private business creates a Possessory Interest Tax. As required by the Lease between the Agency and the City, the City pays any Possessory Interest Tax that is due as a result of this private use.

Debt Service

9020-DS92

Revenue	Actual 2008	Adopted 2009	Estimated 2009	Proposed 2010
Tax Increment	\$ 2,329,322	\$ 2,994,710	\$ 2,580,822	\$ 3,288,499
Tax Increment/Pass-thrus (Less ERAF)	\$ 1,115,992	\$ 1,259,000	\$ 1,259,000	\$ 1,136,499
Interest	\$ 238,020	\$ 200,000	\$ 65,000	\$ 40,000
Misc	\$	\$	\$	\$
Leases	\$ 108,550	\$ 108,550	\$ 108,550	\$ 109,860
General Fund Loan	\$	\$	\$	\$
Transfer In from 9050 (Administration)	\$ 191,962	\$	\$	\$
Transfer in from 9080 (Project Plan)	\$ 728,471	\$	\$	\$
Total Source of Funds	\$ 4,712,317	\$ 4,562,260	\$ 4,013,372	\$ 4,574,858
Expenditures				
Debt - Centre Plaza	\$ 1,949,925	\$ 1,954,318	\$ 1,954,318	\$ 1,954,017
Debt - TSP	\$ 869,170	\$ 974,140	\$ 974,140	\$ 980,676
County Admin Costs	\$ 44,503	\$ 76,567	\$ 76,567	\$ 79,650
Staff/Service Credits	\$ 23,475	\$ 29,367	\$ 21,000	\$ 34,669
City Internal Cost Allocations	\$ 18,868	\$ 18,868	\$ 18,868	\$ 29,467
Pass-thrus	\$ 1,115,992	\$ 1,259,000	\$ 1,259,000	\$ 1,136,499
TI Rebate - Renaissance Project	\$	\$	\$	\$ 86,784
ERAF Payment (AB 1389)	\$	\$	\$ 414,522	\$
Loan Repayment to Housing Fund	\$	\$	\$	\$ 103,096
Loan Repayment to GF	\$ 1,321,000	\$ 250,000	\$ 250,000	\$
Transfer Out: KWBP Land - CIP # Q243	\$	\$	\$	\$ 170,000
Total Use of Funds	\$ 5,342,933	\$ 4,562,260	\$ 4,968,415	\$ 4,574,858

Explanation

This fund maintains the accumulation of resources for and the payment of general long-term debt principal and interest. It also receives tax increment designated for the pass-throughs to various taxing agencies, including Stanislaus County, school districts and special districts.

Subordinated Tax Sharing Allocations (Original and Amended Area): (in 1,000's)								
	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
Stanislaus County (1)	0	414	488	434	588	688	1,063	1,094
County Office of Education (2)	61	71	83	65	101	118	145	150
Yosemite Community College (2)	71	82	96	75	116	136	168	173
Modesto City & HS District (2)	422	487	574	400	692	809	999	1,029
City of Modesto (3)			TBD					
Woodland Avenue Fire Protection District (3)							TBD	
Burbank/Paradise Fire Protection District (3)							TBD	
East Side Mosquito Abatement District (3)			TBD					
Total Tax Sharing Agreements	\$554	\$1,053	\$1,241	\$1,137	\$1,496	\$1,750	\$2,375	\$2,445

(1) County tax sharing agreement provides that the Agency receives 100% of the County's share of tax increment in years 1 to 15 (FY 1992-93 thru 2006-07). The County will receive 30% of its share in years 16 to 20 (FY 2007-08 thru 2011-12). The allocation increases to 45% in year 21 (FY 2012-13), 60% in year 26, 70% in year 31 and 90% in year 36.

(2) School District allocation formulas are based upon 25% of the Districts' respective share of net tax increment commencing in year 6 (FY 1997-98) to year 20 (FY 2011-12). This projection assumes that the allocation formula provided in Section 5 of the respective agreements remains in effect. The allocation increases to 30% in year 21 (FY 2012-13), 40% in year 31 and 50% in year 36.

(3) Additional taxing agencies added pursuant to SB211 adoption.

Administration

9050-1490

Revenue	Actual 2008	Adopted 2009	Estimated 2009	Proposed 2010
Estimated Beginning Working Capital	\$	\$	\$	\$ 19,174
Tax Increment	\$ 231,033	\$ 358,019	\$ 327,000	\$ 154,795
Interest	\$ 735	\$ 2,000	\$ 2,000	\$ 2,000
Total Source of Funds	\$ 231,768	\$ 360,019	\$ 329,000	\$ 175,969

Expenditures				
County Admin Charges	\$ 2,221	\$ 6,444	\$ 6,444	\$ 2,786
Administration	\$	\$	\$	\$
Professional Services	\$ 92,368	\$ 137,849	\$ 137,849	\$ 69,174
Staff Charges	\$ 139,435	\$ 164,703	\$ 173,232	\$ 104,009
Internal Service Fund Charges	\$	\$	\$	\$
City Internal Cost Allocations	\$ 51,023	\$ 51,023	\$ 51,023	\$
Pass-thrus	\$	\$	\$	\$
Taxes	\$	\$	\$	\$
Transfer Out to 9020 (Debt Service)	\$ 191,962	\$	\$	\$
Total Use of Funds	\$ 477,009	\$ 360,019	\$ 368,548	\$ 156,795

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Explanation

This fund contains expenditures for services provided to the Redevelopment Agency by City staff in Community & Economic Development, Finance and the City Attorney's office.

Housing Set-aside

9060-1491

Revenue	Actual 2008	Adopted 2009	Estimated 2009	Proposed 2010
Estimated Beginning Working Capital	\$	\$	\$	\$ 414,522
Tax Increment	\$ 1,162,764	\$ 1,300,000	\$ 1,173,509	\$ 1,173,600
Interest	\$ 202,959	\$ 125,000	\$ 108,000	\$ 50,000
Direct Loan Interest	\$ 3,467	\$	\$ 10,091	\$
General Fund Loan	\$	\$ 295,000	\$ 295,000	\$
Misc - Mobile Home Assistance	\$ 13,250	\$	\$ 14,000	\$ 28,000
Loan Repayment from Fund 9020	\$	\$	\$	\$ 103,096
Total Source of Funds	\$ 1,382,440	\$ 1,720,000	\$ 1,600,600	\$ 1,769,218
Expenditures				
Administrative Costs	\$	\$ 23,400	\$ 15,000	\$ 21,125
Professional Services	\$	\$ 32,526	\$ 12,000	\$ 33,502
Staff Charges	\$ 79,818	\$ 116,203	\$ 107,131	\$ 112,385
City Internal Cost Allocations	\$	\$ 1,325	\$ 1,325	\$ 1,144
Loan to Fund 9020	\$	\$	\$ 930,000	\$
Loan Repayment - City GF	\$	\$	\$	\$ 50,000
Mobile Home Rental Assistance	\$	\$	\$	\$ 56,000
Transfer Out Housing CIP's	\$	\$ 1,251,546	\$ 321,546*	\$ 961,169
Total Use of Funds	\$	\$ 1,425,000	\$ 1,387,002	\$ 1,235,325

* \$930,000 loan to 9020

Explanation

This is a special revenue fund created pursuant to the Health & Safety Code Section 33334.3. All transactions related to Housing Set-Aside projects must be accounted for in this separate fund.

Fiscal Years 2009-2010

Low and Moderate Income Housing Fund

Expenditures for Planning and Administrative Activities

The Agency is required to adopt annual determinations that consider the necessity and proportionality of Low and Moderate Income Housing Fund (LMIHF) expenditures for planning and administrative activities.

Expenditures from the LMIHF for planning and administrative costs, relative to the total budget for Fiscal Years 2009-2010 and expenses are noted below:

Housing Set-aside

9060-1491
(cont.)

Percent of Planning and Administrative Expenditures of LMIHF Budget

Expenditures from the LMIHF for planning and administrative costs (Admin), and their relationship to the total budget are noted below:

Fiscal Year	LMIHF Budget	Admin Expenditures	Admin % of Budget
FY 05/06	\$ 802,000	\$ 6,821	0.88%
FY 06/07	\$ 1,075,000	\$ 98,208	9.13%
FY 07/08	\$ 1,215,000	\$ 111,910	9.21%
FY 08/09	\$ 1,300,000	\$ 116,203	8.94%
FY 09/10 Est.	\$ 1,769,218	\$ 112,385	6.35%

Percent of Planning and Administrative Expenditures of LMIHF Expenditures

Expenditures from the LMIHF for planning and administrative costs (Admin), and their relationship to actual LMIHF expenditures are noted below:

Fiscal Year	LMIHF Expended	Admin Expenditures	Admin % of LMIHF
FY 05/06	\$ 6,821*	\$ 6,821	100%
FY 06/07	\$ 770,000**	\$ 98,208	12.75%
FY 07/08	\$ 5,567,772**	\$ 111,910	2.00%
FY 08/09	\$ 7,751,546***	\$ 116,203	1.49%
FY 09/10 Est.	\$ 7,576,169***	\$ 112,385	1.48%

* The Administrative and Planning expenditures for FY 2005-2006 were for legal review, only, of proposed affordable housing developments and compliance issues.

** Beginning with FY 2006-2007 and continuing through FY 2009-2010, the Agency has worked with the City of Modesto to evaluate several sites for possible affordable housing projects. The Agency has identified the following projects and continues to work with the owner/developers to increase the affordable housing units in Modesto:

- 1 Town Center (Roselle/Belharbour) - 20 rental units; 7 single-family units
- 2 Archway Commons (N. 9th St) - 150 rental units
- 3 Palm Valley Apartments (201 E. Coolidge) - 40 units, including rehabilitation of unit to handicapped standards and other security upgrades
- 4 Downey Avenue Senior Housing (412-416 Downey) - 12 units
- 5 Tower Park (17th & G) - Potential mixed-use project including affordable housing component

*** The revenue for FY 2009-2010 Housing Fund is \$1,769,218. There is also a Capital Improvement Program ("CIP") account with a total of \$7,576,169, which includes the current budget revenue. All existing funds within the Housing budget and the CIP Account will be utilized for the above affordable housing projects within FY 2009-2010. Agency funding will be expended in conjunction with funding from the Community Development Block Grants, HOME and other housing funding.

Legislative Regulations and Associated Guidelines:

Criteria: Health and Safety Code Section 33334.3(d) expresses the Legislature's intent that LMIHF expenditures for general planning and administrative activities not be disproportionate to actual costs for housing production, improvement, and preservation; and requires agencies to determine annually that planning and administrative expenses are necessary for the projection, improvement, or preservation of low- and moderate-income housing.

State Controller's Office, Guidelines for Compliance Audits of California Redevelopment Agencies, November 1998, requires independent auditors to test for a written annual determination concerning the necessity and appropriateness of any planning and administrative expenditures from the LMIHF.

Health and Safety Code Section 33334.3(e) provides that the planning and administrative costs that may be paid by the LMIHF are those expenses incurred by the Agency which are directly related to the programs and activities authorized by Section 33334.2(e) and are limited to: (A) costs incurred for salaries, wages, and related costs of the Agency's staff or for services provided through interagency agreements and agreements with contractors; and (B) costs incurred by a nonprofit organization not directly attributable to a specific project.

Project Plan

9080-1493

Revenue	Actual 2008	Adopted 2009	Estimated 2009	Proposed 2010
Estimated Beginning Working Capital	\$	\$	\$	\$ 93,181
Tax Increment	\$ 974,710	\$ 588,271	\$ 531,000	\$ 114,607
Interest	\$ 81,423	\$ 75,000	\$ 33,720	\$ 10,000
Total Source of Funds	\$ 1,056,133	\$ 663,271	\$ 564,720	\$ 217,788

Expenditures				
County Admin Costs	\$ 12,609	\$ 10,589	\$ 10,589	\$ 2,063
Professional Services	\$ 10,875	\$ 100,000	\$ 76,690	\$ 103,704
Staff/Service Credits	\$ 131,886	\$ 146,853	\$ 142,414	\$ 112,021
Internal Service Funds	\$	\$	\$	\$
City Internal Cost Allocations	\$ 4,722	\$ 4,722	\$ 4,722	\$
Project Area Revitalization	\$	\$ 200,000	\$ 2,482	\$
RDA Master Plan/EIR (K871)	\$ 94,601	\$	\$	\$
KWBP Plan (Q246)	\$ 41,831	\$	\$	\$
Gallo Center (Q260)	\$ 59,932	\$	\$	\$
KWBP Land (Q243)	\$	\$ 150,000	\$ 135,000	\$
Public Improvement (K732)	\$ 333,018	\$ 51,107	\$ 1,500	\$
Transfer Out to 9020 (Debt Service)	\$ 728,471	\$	\$	\$
Total Use of Funds	\$	\$ 663,271	\$ 373,397	\$ 217,788

• • •

Explanation

This fund pays for various services associated with the Agency's project planning and project implementation. Services provided include funding for market studies, feasibility studies, funds for project partnerships pursuant to adopted development agreements and other Project Area Revitalization projects.

Modesto **Redevelopment** Agency

Capital Improvement Program
Fiscal Year 09-10 • Proposed

Year	Category	Amount	Notes
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030

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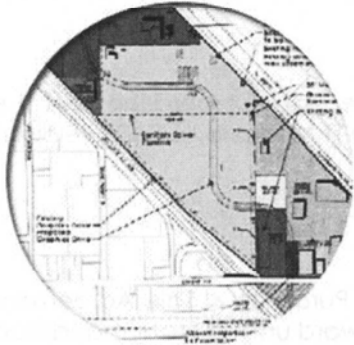
Capital Improvement Program

RDA CIP Budget	Beginning Budget	Transfers In	Transfers Out	Anticipated Expenditures
KWBP Land CIP - Q243	\$ 507,928	\$ 170,000	\$	\$ 677,928
KWBP Plan CIP - Q246	\$ 559	\$	\$	\$ 559
Public Impr CIP - K732	\$	\$	\$	\$
Downtown Cameras - K002	\$ 259,000	\$	\$	\$ 259,000
Housing - Q244	\$ 15,000	\$ 961,169	\$	\$ 976,169
Archway Commons - K743	\$ 5,250,000	\$	\$	\$ 5,250,000
Palm Valley - K745	\$ 830,000	\$	\$	\$ 830,000
Downey Avenue - K746	\$ 520,000	\$	\$	\$ 520,000
Developer-Funded Projects	Beginning Budget (Developer Funds)			Anticipated Expenditures
10th & H Mixed Use - 9080 - 1494	\$ 1,755	\$	\$	\$ 1,755
Archway Commons - 9060 - 1495	\$ 73,150	\$	\$	\$ 73,150
KWBP - TT Modesto - 9080 - 1496	\$ 1,000	\$	\$	\$ 1,000

Capital Improvement Project

9080 - Q243

Kansas Woodland Business Park Property Option



Project Manager: Brent Sinclair

Budget: \$ 677,928

• HISTORY •

The purpose of the Agency's Business Park Development Program, and specifically the Kansas Woodland Business Park, is to further economic development and redevelopment in the community. As an excellent redevelopment project, this Park has the potential to create an estimated 20-25 jobs/acre totaling more than 800 new jobs at build-out. This is a classic example of a redevelopment project where a "brownfield" site is cleaned and the future business conditions are improved for the site and the surrounding property owners. An essential part of this development process is the partnership with the adjacent landowners. They have been very supportive of the project and have provided valuable input in both the Park design and the options for land use strategies.

The Agencymembers have received more than 20 progress reports, in both Closed and Public Sessions, since 2002. The following is a brief summary of the milestone actions taken by the Agency to date:

November 6, 2002: Agency authorized:

1. Purchase Option Agreement for the FMC property, including various related agreements, with a three (3) year term to expire on November 6, 2005.
2. Request for Proposals process for a Master Developer
3. Approval of \$405,000 loan from Stanislaus County ED Bank to hire consultants, etc. to be repaid upon sale of property.

December 9, 2002: Agency authorized:

1. Distribution of the approved Request for Proposal for Master Developer
2. Formation of a 10-member Selection Committee, including two Agencymembers, to consider RFP proposals and recommend a developer to the Agency

February 11, 2003: Agency authorized:

1. Draft Conceptual Site Plan Scenarios A & B for the proposed development
2. Draft Design and Use Guidelines to be included in the future Specific Plan for a Development Agreement.

March 25, 2003: Agency approved Terrence J. Rose, Inc. as the Master Developer and directed the Executive Director to begin negotiations for a Development Agreement.

Sept. 13, 2005: Agency received a Project Status Report Update and authorized a one-year extension to the Purchase Option Agreement with a new expiration date of Nov. 6, 2006.

October 24, 2006: Agency received a Project Status Report Update and authorized a second one-year extension to the Purchase Option Agreement with an expiration date of Nov. 6, 2007.

January 2, 2008: In Closed Session, Agency received a Status Report and provided direction to staff on negotiations for the potential purchase of the site.

April 8, 2008: In Closed Session, Agency received a report on final negotiations and the draft Purchase & Sales Agreement. Agency provided direction to staff.

Capital Improvement Project

9080 - Q243

Continued

Kansas Woodland Business Park Property Option, Continued

• HISTORY CONTINUED •

January 27, 2009: Agency approved Purchase & Sale Agreement between the FMC Corporation and the Agency. In addition, the Agency approved a Memorandum of Understanding with TT Modesto, LLC (Developer) to produce environmental review and a final development agreement.

• NEXT STEPS •

Purchase and Sale Agreement: On January 27, 2009, the Agency approved the Purchase & Sale Agreement between the Agency and the FMC Corporation. This escrow process will move forward until all State mandated reports are completed by FMC Corporation. Once all reports are complete, the escrow will close and the Agency will own the three parcels in this transaction.

Disposition and Development Agreement: To date, the Agency has expended approximately \$1,300,000 on pre-development costs. As the Master Developer, Terrence J. Rose, Inc. has expended funds over a period of 5 years to perform pre-development activities. Included in this work, Terrence Rose has completed review of all remediation documents, the Draft Specific Plan, the Tentative Subdivision Map and all other aspects of the project.

In a separate future action, the Agency will consider the approval of the Disposition and Development Agreement between the Agency and Terrence Rose, Inc. for the business park development. As part of that Agreement, the Agency will sell the parcels for a negotiated price. Incorporated into these future cost negotiations will be the potential for repayment of the Agency's costs to date, including the Stanislaus County Economic Development Bank Loan in the amount of \$405,000 and other pre-development costs. Further budget amendments and appropriations will be addressed at the time the Agency considers the Development Agreement for approval.

Capital Improvement Project

9080 - Q246

Kansas Woodland Business Park Concept Master Plan



Project Manager: Brent Sinclair

Budget: \$ 559

• HISTORY •

The purpose of the Agency's Business Park Development Program, and specifically the Kansas Woodland Business Park, is to further economic development and redevelopment in the community. As an excellent redevelopment project, this Park has the potential to create an estimated 20-25 jobs/acre totaling more than 800 new jobs at build-out. This is a classic example of a redevelopment project where a "brownfield" site is cleaned and the future business conditions

are improved for the site and the surrounding property owners. An essential part of this development process is the partnership with the adjacent landowners. They have been very supportive of the project and have provided valuable input in both the Park design and the options for land use strategies.

The Agencymembers have received more than 20 progress reports, in both Closed and Public Sessions, since 2002. The following is a brief summary of the milestone actions taken by the Agency to date:

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April 8, 2008: In Closed Session, Agency received a report on final negotiations and the draft Purchase & Sales Agreement. Agency provided direction to staff.

Capital Improvement Project

9080 - Q246
Continued

Kansas Woodland Business Park Concept Master Plan, Continued

• HISTORY CONTINUED •

January 27, 2009: Agency approved Purchase & Sale Agreement between the FMC Corporation and the Agency. In addition, the Agency approved a Memorandum of Understanding with TT Modesto, LLC (Developer) to produce environmental review and a final development agreement.

• NEXT STEPS •

Purchase and Sale Agreement: On January 27, 2009, the Agency approved the Purchase & Sale Agreement between the Agency and the FMC Corporation. This escrow process will move forward until all State mandated reports are completed by FMC Corporation. Once all reports are complete, the escrow will close and the Agency will own the three parcels in this transaction.

Disposition and Development Agreement: To date, the Agency has expended approximately \$1,300,000 on pre-development costs. As the Master Developer, Terrence J. Rose, Inc. has expended funds over a period of 5 years to perform pre-development activities. Included in this work, Terrence Rose has completed review of all remediation documents, the Draft Specific Plan, the Tentative Subdivision Map and all other aspects of the project.

In a separate future action, the Agency will consider the approval of the Disposition and Development Agreement between the Agency and Terrence Rose, Inc. for the business park development. As part of that Agreement, the Agency will sell the parcels for a negotiated price. Incorporated into these future cost negotiations will be the potential for repayment of the Agency's costs to date, including the Stanislaus County Economic Development Bank Loan in the amount of \$405,000 and other pre-development costs. Further budget amendments and appropriations will be addressed at the time the Agency considers the Development Agreement for approval.

Project Area Public Improvements



Project Manager: Brent Sinclair

Budget: No funding available

Construct various public improvements within the RDA Project Area to support public-private development partnerships. Improvements may include, but are not limited to, various types of construction such as: street construction, streetscape, signage, public garages, land acquisition/disposition.

• HISTORY •

Over the past several years, the Agency has focused on assisting commercial and retail businesses within the Project Area in various ways. These programs have included the Façade Improvement Rebate Program that assisted commercial/industrial property owners and tenants with improvements to the exterior appearance of commercial buildings located in the Redevelopment Project Area. This program offered rebates ranging from 10% to 50% (maximum \$10,000 per project) of improvement costs for each property. In addition, the Agency has produced designs for wayfinding signage and will be constructing signage throughout the Downtown area to guide visitors to specific landmarks and destinations.

The Agency will now be focusing on a variety of public works projects that will include street construction, streetscape, signage, public garages, land acquisition/disposition and other projects that will grow from public-private partnerships in accordance with the Redevelopment law. These projects may include mixed-use projects, public parking, public amenities for market-rate housing, etc.

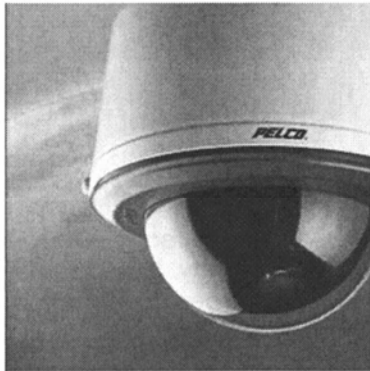
• NEXT STEPS •

1. 10th & H Street Mixed-Use Project: The Agency owns four parcels of land at the southwest corner of 10th & H Streets. The Agency Board selected a developer ("Team Modesto") for development of a mixed use project on this block and has entered into a Memorandum of Understanding with Team Modesto to develop the site plan and to complete the environmental review. It is the Agency's desire to partner with Team Modesto, negotiate an acceptable development agreement (including a detailed scope of development and respective responsibilities of both the Agency and the Developer), determine financing needs and details, and initiate development within a two-year period ending Summer 2010. In addition to the land value of the four parcels, the Agency may also consider other funding options per the Project Area Improvements CIP Account that may include streetscape construction and assistance with parking.

2. Implement streetscape improvements on 10th Street, from J Street to the Tuolumne River: The Agency will produce a Design Plan for implementation of streetscape improvements on 10th Street, from J Street to the Tuolumne River. The ultimate goal is to have a Plan in place that can be used as a partnership document between the Agency and private sector developers. A companion goal is to use the Plan to receive and target future funding per the Project Area Improvements CIP Account. The streetscape will promote shade, walkability, and public gathering places. Streetscape improvements will be designed to fit the context of the block as well as the street. The Plan will also consider the installation of traffic calming measures on I Street, particularly at the intersections of 10th and I Streets, to promote pedestrian access and safety.

Capital Improvement Project

9080 - K002



Downtown Cameras

Project Manager: Ron Cloward
Budget: \$ 259,000

• HISTORY •

Municipalities and other government agencies across the United States have implemented video surveillance programs in their downtown areas, including the regional cities of Clovis, Fresno, Stockton and Ripon. The City of Long Beach has also implemented a camera program that serves a very vibrant downtown with a variety of nightlife, similar to Modesto. Based on the success of these deployments, the Modesto Police Department has designed a camera system that will serve the interest of public safety and local business.

On any Friday or Saturday night there can be as many as 5,000 to 8,000 people in the downtown area. The ability to police this area has grown in cost over recent years. The cameras will allow the police department to conduct low profile policing that will aid in responses to incidents and investigations of crimes.

These cameras support City efforts to provide a safe public environment to conduct business, transit our public spaces, and enjoy our downtown with minimal fear of crime. Once deployed, the system will be beneficial and useful to many of the Departments within the City. Some potential uses are:

- Tactical deployment of Police, Fire and Ambulance - Video coverage will allow Dispatch, first responders and the Watch Commander to obtain immediate information via the cameras.
- Investigations - Video will be used as an investigative tool and as evidence per the Evidence Code.
- Crime Prevention - Cameras act as a deterrent to criminal activity.

CelPlan Technologies, Inc. has been selected as the vendor for this camera project for a total product and service cost of \$239,788.27.

• NEXT STEPS •

1. In addition, there will be added storage of 10 TB in the City's computer system to accommodate a 60-day instant accessibility as well as added capability to bookmark specific events for future Police review and possible prosecution. The cost for this additional storage capacity is \$20,000.
2. It is anticipated that additional cameras will be purchased and installed using funding from other agencies and/or adjacent businesses for future expansion of the camera system.

Capital Improvement Project

9060 - Q244;
K743: K745

Affordable Housing Projects



Project Manager: Julie Hannon

Budget: \$ 7,576,169

• HISTORY •

Beginning in 2000, the Agency has focused on producing an affordable housing project in the Downtown. The primary barriers to this project have been:

- a. Increased land prices coupled with unwilling sellers that could necessitate eminent domain proceedings
- b. Reduced site acreage available for purchase
- c. Increased need for parking for the housing development and for the general population of downtown workers, customers and merchants

Because of the above issues, the Agency determined that additional funds would be needed for a downtown project versus a housing project in another area of the City. The Agency placed funds into this CIP Account in order to accumulate Housing Set-aside monies specifically for a downtown project.

In 2007, the administration of the Affordable Housing Funds was moved to the City's Parks, Recreation & Neighborhoods Department. The purpose of the administration relocation was to combine all affordable housing funds under one staff division, for ease in development and reporting.

• NEXT STEPS •

Beginning in FY 2006-2007, the Agency worked with the City of Modesto to evaluate several sites for possible affordable housing projects. The Agency identified the following projects and continues to work with the owner/developers to increase the affordable housing units in Modesto:

- Town Center (Roselle/Belharbour) - 20 rental units (Complete); 7 single-family units (In progress)
- Archway Commons (N. 9th St) - 150 rental units (In progress)
- Palm Valley Apartments (201 Coolidge) - 40 units (Complete), including rehabilitation of unit to handicapped standards and other security upgrades (In progress)
- Downey Avenue Senior Housing (412-416 Downey) - 12 units (In progress)
- Tower Park (17th & G) - Potential mixed-use project including affordable housing component (In progress)

The Agency in FY 2009-2010 intends to start looking at new potential projects for future development. The Agency's Housing staff will work with the Citizen's Housing and Community Development Committee (CH&CDC) to develop and approve new projects as directed by the Agency's Board. Once a recommendation is made by the CH&CDC a recommendation will be forwarded to the Agency's Board for final approval.

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EXHIBIT B

BUDGETARY CONTROL & AUTHORITY

The Redevelopment Agency's Budgetary Control & Authority policy is adopted by the Agency as a part of the resolution adopting the annual budget.

Basic Policy

The Agency budget is adopted at the fund level, and the authorized amount of expenditure for each fund is listed in **Exhibit "A"** of the budget resolution.

Multi-year appropriations authorized in previous years and not yet expended continue to be valid until explicitly revoked, notwithstanding the annual appropriation shown on **Exhibit "A."**

Executive Director's Authority

The Executive Director may take the following budgetary actions without Agency approval:

- Transfer appropriations between and within a fund
- Appropriate unbudgeted Agency revenues
- Appropriate reserves approved for litigation on a case-by-case basis
- Revoke multi-year appropriations and close CIP projects

Finance Officer's Authority

The Finance Officer may take the following budgetary actions without Agency approval:

- Appropriate unbudgeted grant interest
- Make technical budget corrections to implement the intent of Agency-approved actions and resolutions
- Transfer appropriations between sub-funds of a single fund

Assistant Executive Director's Authority

The Agency Assistant Executive Director may take the following budgetary actions without Agency approval:

- Transfer appropriations between non-salary line-items within a department, within a single fund

Actions Reserved to the Agency

All other budgetary actions require the approval of the Agency. In addition, the following specific actions always require Agency approval, any other provision of this policy notwithstanding:

- Appropriation of undesignated reserves
- Appropriation of revenues
- Budgeting of inter-fund transfers
- Budgeting of inter-fund loans
- Creating or increasing any multi-year appropriation including CIP projects

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 17-2009**

RESOLUTION AUTHORIZING THE CONTINUATION OF THE MOBILE HOME RENTAL ASSISTANCE PROGRAM FOR FISCAL YEAR 2009-2010, APPROPRIATING \$56,000 FROM FISCAL YEAR 2009-2010 AFFORDABLE HOUSING OPERATING BUDGET, AND ADOPTING ALL LEGAL FINDINGS TO CONTINUE THE MOBILE HOME RENTAL ASSISTANCE PROGRAM

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the "Project"), and

WHEREAS, on August 14, 2007, by motion, the City Council accepted "Modesto's Mobile Home Park Space Tenancies" a demographic study of mobile home park tenants and rental rates prepared by Kenneth K. Baar, and

WHEREAS, on September 25, 2007, by motion, the City Council approved a Memorandum of Understanding (MOU) and accompanying forms from several mobile home parks within the City of Modesto and the Agency implemented a Mobile Home Rental Assistance Program making available up to \$28,000 from the Agency's Housing Set-Aside Funds to fund the program, and

WHEREAS, the Agency is required to set aside twenty percent (20%) of its tax increments to a Housing Set-Aside Fund for the purpose of improving, increasing and preserving the community's supply of low and moderate income housing, and

WHEREAS, the Agency desires to continue the Mobile Home Rental Assistance Program for Fiscal Year 2009-2010, and has adopted all legal findings to continue the Mobile Home Rental Assistance Program;

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO DOES HEREBY authorize continuing the Mobile Home Rental Assistance Program for Fiscal Year 2009-2010, appropriates \$56,000 from Fiscal Year 2009-2010 Affordable Housing Operating Budget, and adopts all legal findings associated with the Mobile Home Rental Assistance Program.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 14th day of July, 2009, by Agency member Hawn, who moved its adoption, which motion is being duly seconded by Agency member Lopez, was upon roll call carried and the resolution adopted the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, O'Bryant, Olsen,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: Marsh

ATTEST: 
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 18-2009**

RESOLUTION AUTHORIZING AND DIRECTING THE EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY, OR HIS DESIGNEE, TO EXECUTE AN AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT WITH EAH, INC. PROVIDING FINANCIAL ASSISTANCE NOT TO EXCEED \$6,749,000 FOR THE PROPOSED DEVELOPMENT OF A 150-UNIT AFFORDABLE HOUSING COMPLEX, ALSO REFERRED TO AS ARCHWAY COMMONS

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the "Redevelopment Project"); and

WHEREAS, in conformance with Health and Safety Code Section 33490, the Agency adopted a five-year Implementation Plan (the "Implementation Plan") for the Redevelopment Project; and

WHEREAS, the Agency previously entered into a Disposition and Development Agreement ("Existing DDA"), dated as of June 2, 2009, with EAH Inc. ("Developer") providing an option for the Developer to either purchase or ground lease from the Agency certain property ("Site") for the development of a 150-unit affordable housing project (the "Housing Project"); and

WHEREAS, in light of current facts, conditions and circumstances, the Agency and Developer have cooperated in the preparation of an Amended and Restated Disposition and Development Agreement (the "Amended DDA") to clarify that the Developer will purchase the Site from the Agency, and make other conforming changes related thereto; and

WHEREAS, the Amended DDA also provides for Agency assistance for the Housing Project in an amount not to exceed \$6,749,000.00 (the "Agency Loan"), which

consists of three elements, including a Predevelopment Loan in the amount of \$900,000; a Development Loan, not to exceed \$1,869,900; and a Purchase Loan for the purchase price in the amount of \$3,980,000, which amounts are consistent with the Agency Assistance provided for under the Existing DDA; and

WHEREAS, on April 28, 2009, by Resolution No. 10-2009, the Agency approved a Purchase Agreement to acquire three (3) of four (4) parcels (the "Site") needed for the development of an affordable housing apartment complex, also referred to as Archway Commons (the "Housing Project"), and by Resolution No. 11-2009, the Agency approved an Agreement to Negotiate Exclusively ("ANE") with EAH, Inc. ("Developer") to negotiate the terms and provisions of an agreement for the development of the Housing Project; and

WHEREAS, a Purchase Agreement was approved on June 2, 2009, by Resolution No. 13-2009, for the acquisition of the fourth (4th) and final parcel needed for the Housing Project; and

WHEREAS, the Agency closed escrow on the first three (3) parcels of the Site on May 21, 2009, and close escrow on the fourth parcel on July 1, 2009; and

WHEREAS, the Agency has received a proposed Amended Disposition and Development Agreement (the "DDA") from the Developer which provides for the sale of the Site to the Developer for development of the Housing Project; and

WHEREAS, the proposed Amended DDA further provides that the Developer will develop the Housing Project on the Site, consisting of approximately 150 affordable housing units; and

WHEREAS, the proposed Amended DDA also provides for Agency assistance for the Housing Project in an amount not to exceed \$6,749,000.00 (the "Agency Assistance"),

of which \$3,980,000 has already been expended for the acquisition of all four parcels for the Site and the remaining \$2,769,000 is to provide additional financial assistance for the planning and development of the Housing Project; and

WHEREAS, the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000, et seq.) provides in Section 33431 that any sale or lease of Agency property may be made only after a public hearing of the Agency after publication of notice as provided by law; and

WHEREAS, the Community Redevelopment Law further provides in Section 33433 that before any property acquired, in whole or in part, with tax increment monies, is sold or leased for development pursuant to a redevelopment plan, such sale or lease shall first be approved by the legislative body after a public hearing, that notice of the time and place of the hearing shall be published in a newspaper of general circulation in the community for at least two (2) successive weeks prior to the hearing, and that the Agency shall make available for public inspection a copy of the proposed sale or lease and a report containing specified information and the financial aspects of the proposal; and

WHEREAS, notice of a joint public hearing of the City Council of the City of Modesto (the "City Council") and the Agency was published on July 27, August 3 and August 10, 2009, and a joint public hearing was held on August 11, 2009, to consider and act on the sale of the Site pursuant to the Amended DDA; and

WHEREAS, prior to approval of the Existing DDA, the Agency prepared a report pursuant to Section 33433 of the Health and Safety Code (the "Original Report"), describing the cost of the Amended DDA to the Agency, the value of the property interest to be conveyed, the purchase price and other information required by said Section 33433,

and has prepared a Supplement to the Original Report ("Supplemental Report") addressing the changes made through the Amended DDA, and the Original Report and Supplemental Report, together with the Amended DDA, was made available to the public for inspection;

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Agency hereby finds and determines that the sale of the Site to the Developer and development of the Housing Project on the Site pursuant to the Amended DDA will assist in the elimination of blight and will provide housing for very-low and low-income households, and is consistent with the Five-Year Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490. This finding is based upon the facts and information contained in the Original Report and the Supplemental Report prepared by the Agency pursuant to Health and Safety Code Section 33433.

Section 2. The Agency hereby finds and determines that the consideration for the Site to be paid by the Developer under the Amended DDA is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Amended DDA. This finding is based upon the facts and information contained in the Original Report and the Supplemental Report prepared by the Agency pursuant to Health and Safety Code Sections 33433.

Section 3. The Agency hereby approves the Amended DDA in substantially the form on file with the Secretary of the Agency. The Agency further approves and authorizes the sale of the Site to the Developer and the funding of the Agency Assistance, all as provided for under the Amended DDA.

Section 4. The Executive Director and Secretary of the Agency are hereby authorized and directed to execute the Amended DDA on behalf of the Agency, subject to any minor conforming, technical or clarifying changes approved by Agency Counsel. The Executive Director and Secretary are hereby further authorized and directed to undertake such further actions and execute such documents as are necessary to carry out and complete the obligations of Agency under the Amended DDA on behalf of the Agency, including without limitation the execution of deeds trust agreement, and all other actions and documents necessary for the sale of the Site to the Developer, and funding of the remainder of the Agency Assistance, all as provided for in the Amended DDA.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 11th day of August, 2009, by Agency Member Hawn, who moved its adoption, which motion is being duly seconded by Agency Member Marsh, was upon roll call carried and the resolution adopted the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: O'Bryant, Olsen

ATTEST: 
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 19-2009**

RESOLUTION APPROVING SATELLITE HOUSING AND AMERICAN BAPTIST HOMES OF THE WEST AS THE DEVELOPER FOR THE FUTURE DEVELOPMENT OF 17TH AND G STREETS, ALSO REFERRED TO AS "TOWER PARK"; AND AUTHORIZING STAFF TO DRAFT AN AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH THE SELECTED DEVELOPER

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan for the Modesto Redevelopment Project (the "Project"), and

WHEREAS, the Agency desires to approve Satellite Housing and American Baptist Homes of the West as the selected developer for the future development of 17th and G Streets, also referred to as "Tower Park", and

WHEREAS, the Agency desires to authorize staff to draft an Agreement to Negotiate Exclusively (ANE) with the selected developer, and

WHEREAS, the final ANE will be brought back to the Agency for final approval,

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO DOES HEREBY approve Satellite Housing and American Baptist Homes of the West as the developer for the future development of 17th and G Streets, also referred to as "Tower Park".

BE IT FURTHER RESOLVED that staff is authorized to draft an Agreement to Negotiate Exclusively with the selected developer.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 22nd day of September, 2009, by Agency member Hawn, who moved its adoption, which motion is being duly seconded by Agency member Lopez, was upon roll call carried and the resolution adopted the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: 
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel