

ADDENDA

VOLUME TWO

UNION PACIFIC RAILROAD  
SANTA CRUZ AND DAVENPORT BRANCH LINES  
(WATSONVILLE JUNCTION TO DAVENPORT)

APRIL 20, 2006  
BASED ON MARKET DATA OF MARCH 1, 2004  
AGI FILE NO.: 03-10-105

## QUALIFICATIONS OF ARTHUR E. GIMMY, MAI

Certified General Real Estate Appraiser (California No. AG009703; Wyoming Certified Appraiser No. 415; and Colorado No. CG 40013693;

### Background Information

Graduate of University of California, Los Angeles, with B.S. degree in Business Education (1955) and M.Ed. degree in Education (1956).

Instructor in Business Administration at San Jose State College (1956-58) and U.C.L.A. (1958-59).  
Instructor for the AIREA in the period 1972-75. Speaker at numerous conferences.

Engaged in real estate and business education, research, valuation, and advisory role since 1955. Received Professional Recognition Award from the American Institute of Real Estate Appraisers in 1975 and 1978. President of Valuation Network, Inc. in 1985-86. Received the George L. Schmutz Memorial Award from the Appraisal Institute in 1996 "In recognition of his special contribution to the advancement of appraisal knowledge."

### General Experience

Real estate and business valuation services include economic, marketability and feasibility reports, highest and best use studies, and appraisal of intangibles. Counseling to developers, entrepreneurs, owners, operators, and private investors regarding investment properties. Expert witness testimony and litigation support services for of all types of property and enterprises throughout the United States, especially complex valuation issues.

### Major Publications

Movie Theatres, Appraisal Institute, 1999

Health Care Enterprises, Appraisal Institute, 1996

Elderly Housing, Appraisal Institute, 1998.

Golf Courses and Country Clubs, Appraisal Institute, 1992 and 2003.

Fitness, Racquet Sports and Spa Projects, American Institute of Real Estate Appraisers, 1989.

"Assigning Values to Management Contracts", Mergers and Acquisitions, January/February 1986.

"The Doctor's Office - An Intimate Examination", The Appraisal Journal, October, 1975.

"Appraisal of Tennis Clubs", Encyclopedia of Real Estate, 1978.

The Ambulatory Surgery & Outpatient Services Manual (Chapter 15), 1997

"Resort Analysis in Mexico," The Appraisal Journal, October, 1976

### Professional Associations

Life Member, Appraisal Institute (Cert. #3719)  
Member, San Francisco Real Estate Board  
Member, Institute of Business Appraisers  
Member, American Planning Association  
Member, International Racquet Sports Association  
Member, National Golf Foundation

### Specialties

Ranches/Conservation Easements  
Senior Housing  
Healthcare Enterprises/Hospitals  
Golf Courses & Private Clubs  
Entertainment Venues/Theatres  
Industrial/Special Purpose Plants  
Hotels and Resorts  
Estates/Partial Interests

### Court Testimony

Qualified and testified as an expert on real estate and business use and value since 1962 before Federal Courts (in California, Guam, Kentucky and Nevada), Public Utilities Commission, Tax Courts, and Superior Courts in San Francisco, Marin, San Mateo, Alameda, Santa Clara, Orange, Sacramento, San Diego, Fresno, Los Angeles, Contra Costa, Stanislaus, San Joaquin, Butte, Merced, Santa Barbara, Riverside, San Bernardino, Sonoma, and Yolo Counties in California, Pima County in Arizona and others. Superior Court appointed referee in 1972.

### Appraisal Institute Committees

Appraisal Journal Board (1999-2002)  
Body of Knowledge (1999-2002)

## QUALIFICATIONS OF CHARLES R. BAUMBACH

**Certified Real Estate Appraiser No. AG001732**

### Background Information

Graduate of the University of Chicago, Chicago, Illinois, with B.A. and M.B.A. (Accounting and Economics) and J.D. (Law). Instructor in accounting and tax, and research assistant on economic studies at the University of Chicago (approximately five years). Instructor in real estate courses at University of California Extension (1965-1966). Designer and teacher of Masters Program in Community Development at Lone Mountain College, San Francisco (1974-1976). Member of California State Bar Association admitted to practice in State and Federal Courts since 1964. American Institute of Real Estate courses successfully passed: All courses required for the MAI credential.

### General Experience

Experience includes right-of-way appraisal and acquisition, real estate brokerage, development of residential subdivisions as developer and principal owner in Wisconsin and California, economic development studies in South Texas and Alaska, legal and economic studies of land reform laws and practices in California, federal program management consultant and educator nationwide in fields of legal services, economic development, and education.

### Appraisal Experience

Industrial properties including major industrial parks, a computer center, a large metal-stamping and container plant, regional bakeries, ministorage complexes, and a variety of R&D-type office\warehouse facilities and many simple warehouse properties.

Investment grade office complexes as well as large and small office buildings including owner-occupied properties and office condominium complexes.

Hospitals of various types in different states from coast to coast.

Single-family residences, congregate care (elderly) facilities, and existing and prospective multi-residential complexes up to hundreds of units in size.

Commercial and special-purpose properties including shopping centers (all types), fitness centers, hotels and motels, medical buildings, restoration projects, restaurants, fast-food outlets, theaters, and various downtown retail buildings throughout California.

Litigation preparation and special-problem analyses of many types.

Unusual leaseholds and mixed-use properties in a variety of settings including marinas, elevated plazas, and prime downtown locations.

Land in all the uses above and agricultural land in a variety of applications.

Certified in the State of California as a "General Appraiser" (all properties)

Candidate for the MAI designation with the Appraisal Institute

U.P. Withdrawal of Property for Sale

(Based on Kirk Trost Email of June 10, 2004)

**Segment 1 – Monterey County**

Map V-72/6 – Parcel 10 (part) and Salinas Road (usable: 9,500 sq. ft.)

Change in track length from 0.69 to 0.67 miles; Area from 225,850 sq. ft. to 216,350 sq. ft.

**Segment 2 – Watsonville**

Map V-72/6 Parcels 32, 36, 39, 41, 42, 43, 44 & 46 per attorney instruction. (In addition, we have excluded UP Parcels 37, 38, 40, 45 and 47 through 49 as being either isolated, in streets or previously sold and are all believed to be easements only).

**Segment 3 – Santa Cruz County (Watsonville to La Selva Beach)**

Map V-72/5 – Parcel 6 (part): Map schedule (Note 5) shows net area to be (6,941 – 4.35) = 2.591 acres. But, number transfers appear mistaken. Careful scaling (1" = 400') shows:

|                         | <u>North Side</u> | <u>South Side</u> | <u>Average</u> | (x 100)                               |
|-------------------------|-------------------|-------------------|----------------|---------------------------------------|
| Bolsa Del Pajaro Parcel | 637.6             | 572.4             | 575.2          | 57,520 sq ft (55.4%)                  |
| Los Corralitos Parcel   | 462.4             | 462.4             | 462.4          | 46,240 sq ft (44.6%)                  |
|                         |                   |                   | Total          | 103,760 sq ft (100%)<br>(2.382 acres) |

Result from Map Schedule after correction of Note 5: 97,618 sq ft (2.24 acres)

**Segment 4 – Santa Cruz County (La Selva Beach to Capitola)**

Map V-72/4 – Parcel 4 was sold without updating Map – need date, price, deed or deed recording reference.

Map V-72/3 – Parcel 7 (Portion) shows remainder of 1.048 acres (45,651 sq ft). Scaling and estimating (2 irregular parcels) shows 42,270 sq ft – Accept Map figure.

**Segment 5 – City of Capitola**

Map V-72/2 – Parcel 17 eliminated from sale.

**Segment 7 – City of Santa Cruz**

Map V-72/1 – 0.24 acres of Parcel 21 sold – not part of sale (Trost recapitulation is unclear. Remainder of Parcel left in sale for this appraisal).\*

Map V-89/1 – Parcel 38 eliminated from sale.

**Segment 8 – Santa Cruz County (Santa Cruz to Davenport)**

Map V-89/3 – Non-operating portion of Parcels 1 and 2

Length – 3,808' x 100' = 380,800 sq ft  
Excess width at Lombardi Creek –  
600' x 100' or 60,000 sq ft less "A" (7,150 sq ft) =  $\frac{52,850 \text{ sq ft}}{433,650 \text{ sq ft}}$

Result : Parcel 2 eliminated  
Parcel 1 reduced to 323,977 sq. ft.

Map V-89/7 – Parcel 1 – Part of area north of Hwy 1 at Cement Plant (Instructions ambiguous – will be left in the appraisal).

\*Email memoranda attached – Request for Clarification ignored.

**chuck**

**From:** "Kirk Trost" <trost@motlaw.com>  
**To:** "chuck" <crb@neteze.com>  
**Cc:** "Arthur Gimmy" <agi@arthurgimmy.com>; "Paul Chrisman" <chrisman@motlaw.com>; "Luis Pavel Mendez (E-mail)" <luis.mendez@co.santa-cruz.ca.us>  
**Sent:** Thursday, June 10, 2004 7:10 PM  
**Subject:** RE: Parcels for Santa Cruz & Davenport

Chuck,

With respect to the parcels referenced in my e-mail to Rick below, please assume that all of the parcels referenced in my paragraphs 1 and 2 are not in the sale, with the following exceptions: V-72/1 parcels 7, 11, and 12.

Please proceed to prepare a draft of your report. I will be out of the office from June 14th to July 6th. Please contact Luis Mendez during that period if you need additional information. I hope that you will have a draft for review by the time I return. Thank you.

Kirk

-----Original Message-----

**From:** chuck [mailto:crb@neteze.com]  
**Sent:** Saturday, June 05, 2004 8:16 PM  
**To:** Kirk Trost  
**Cc:** Arthur Gimmy  
**Subject:** Re: Parcels for Santa Cruz & Davenport

Hi Kirk, You can call me Tuesday but all that is needed is the information from UP and whatever they've decided is in the sale. If they still haven't provided what we've requested or made up their minds about what's included, I suggest we just close this up according to our best guesses. Whatever you have can just be faxed or e-mailed. If you have more title info or engineering data re: areas or legal data re: their arrangements with the cement plant near Davenport, just let me know. I think it's time to wind up the report with or without final information. It's nearly six weeks since our meeting with UP so if they haven't provided anything, we will have to proceed on the info available April 27. Thanks, Chuck Baumbach

----- Original Message -----

**From:** "Kirk Trost" <trost@motlaw.com>  
**To:** "chuck" <crb@neteze.com>  
**Cc:** "Angela Adame" <adame@motlaw.com>  
**Sent:** Friday, June 04, 2004 1:26 PM  
**Subject:** RE: Parcels for Santa Cruz & Davenport

> Chuck,

>

> I would like to have a conference call with you next week to go through the

> valuation maps and the specific parcels with you so that we can wrap this up. Please let me know what date and time works for you. Thanks.

>

> Kirk

>

> -----Original Message-----

> **From:** chuck [mailto:crb@neteze.com]

> **Sent:** Friday, May 14, 2004 9:14 AM

> **To:** Kirk Trost

> **Cc:** Arthur Gimmy

> **Subject:** Re: Parcels for Santa Cruz & Davenport

>

>

> Kirk, Today is Friday, May 14. I am having the last meeting with local  
 > planners this afternoon. Please let me know as soon as possible what has  
 > been decided as to the parcel content of the sale. Thanks, Chuck Baumbach  
 > ----- Original Message -----  
 > From: "Kirk Trost" <trost@motlaw.com>  
 > To: "Charles R. Baumbach (E-mail)" <agi@arthurgimmy.com>; "Chuck Baumbach  
 > (E-mail)" <erb@neteze.com>; "Arthur Gimmy, MAI (E-mail)"  
 > <agi@arthurgimmy.com>  
 > Cc: "Paul Chrisman" <chrisman@motlaw.com>; "Luis Pavel Mendez (E-mail)"  
 > <luis.mendez@co.santa-cruz.ca.us>; "Pat Dellin (E-mail)"  
 > <pat.dellin@co.santa-cruz.ca.us>; "Linda Wilshusen (E-mail)"  
 > <lwilshusen@sccrtc.org>  
 > Sent: Thursday, May 06, 2004 9:37 AM  
 > Subject: FW: Parcels for Santa Cruz & Davenport

>> Arthur and Chuck:  
 >>  
 >> Please confirm receipt of this e-mail. I think we have had trouble with  
 >> some of our electronic transmissions to you.  
 >>  
 >> Please see my e-mail to Rick below. With respect to which parcels are  
 >> in  
 >> and out, why don't you call me on Monday Chuck. We can go through each  
 >> parcel, with our maps in hand, after I have a chance to talk to Rick  
 >> again.  
 >>  
 >> As we discussed, I am attaching a draft of the Going Concern Valuation.  
 >> Please keep in mind that this is only a draft and it is not for  
 >> distribution. I understand that you already have received Alan DeMoss's  
 >> valuation of the trackage and structures.  
 >>  
 >> I understand that you are expecting to have a draft prepared by the end  
 >> of  
 >> next week.  
 >>  
 >> Please let me know if you need anything else. Thanks.  
 >>  
 >> Kirk

>> -----Original Message-----  
 >> From: Kirk Trost  
 >> Sent: Thursday, May 06, 2004 12:55 AM  
 >> To: 'RLGOOCH@up.com'  
 >> Subject: RE: Parcels for Santa Cruz & Davenport

>> Rick,  
 >>  
 >> This e-mail will serve to confirm and follow up on our recent meeting.  
 >>  
 >> 1. There are a number of parcels on which you were going to do some  
 >> additional investigation before we finalize our discussion about whether  
 >> the  
 >> parcels should be part of the proposed acquisition. These parcels are  
 >> as  
 >> follows: V-72/2 parcel 17; V-72/1 approximately .24 acres of parcel 21  
 >> not  
 >> previously sold; V-72/1 parcels 7, 11, 12 (questions about what portions  
 >> were previously sold); V-89/1 parcel 38; and V-89/7 (questions about  
 >> what  
 >> was previously sold).  
 >>  
 >> 2. The parcels we discussed as being previously sold or as potentially  
 >> excludable from the acquisition are as follows: V-72/6 parcels 32, 36,  
 >> 39,  
 >> 41, 42, 43, 44, 46; V-72/5 cross-hatched portion of parcel 6; V-72/4  
 >> parcel

*All parcels referenced in #1 and  
 2 (at left) are excluded from the sale  
 "with the following exceptions:  
 V-72/1 parcels 7, 11, and 12".*

*All excluded except parcels noted above.*

>> 4; V-72/3 portion of parcel 7 sold; V-89/3 non-operating portion of parcel  
>> 1, parcel 2; V-89/7 parcel 1. As we discussed, I will need to review with  
>> the Commission the potential exclusion of the parcels not previously sold.

>> 3. Bob Gloodt was going to follow up to determine what information is available concerning sales on the Line.

>> 4. You will have a rent roll prepared.

>> 5. You have advised us to assume for all leases that there is no significant income and that the leases are terminable on 30 days' notice.

>> Please call me at your convenience to review each of these matters and the status of this transaction.

>> Thanks for taking the time to meet with us and your cooperation on this matter.

>> Kirk

>> -----Original Message-----

>> From: [RLGOOCH@up.com](mailto:RLGOOCH@up.com)

>> To: [trost@motlaw.com](mailto:trost@motlaw.com)

>> Cc: [RJGLOODT@up.com](mailto:RJGLOODT@up.com); [BPMORRISSEY@up.com](mailto:BPMORRISSEY@up.com)

>> Sent: 4/26/04 10:07 AM

>> Subject: Parcels for Santa Cruz & Davenport

>> Kirk,

>> The attached spreadsheet goes geographically from Watsonville to Davenport, by parcel, showing acreage involved. We will dry clean this tomorrow.

>> Rick Gooch

>> Director - Special Properties

>> 49 Stevenson Street, Suite 1050

>> San Francisco, CA 94105

>> (415) 541-7050

>> ----- Forwarded by Richard L. Gooch on 04/26/2004 12:05 PM -----

Robert J. Gloodt

To: Richard L.

[Gooch@UP](mailto:Gooch@UP)

04/26/2004 05:31 cc:

AM  
Santa Cruz & Davenport

Subject: Parcels for

(See attached file: Santa Cruz Branch (Watsonville Davenport) RE.xls)

<<Santa Cruz Branch (Watsonville Davenport) RE.xls>>



**chuck**

---

**From:** "chuck" <crb@neteze.com>  
**To:** <trost@hmot.com>  
**Cc:** "Arthur Gimmy" <agi@arthurgimmy.com>  
**Sent:** Monday, November 01, 2004 5:22 PM  
**Subject:** Report revisions based on your emails of

Kirk,

I've nearly finished revising the parcel and segment study that I did in February/ March. Of course everything else will have to be redone and changed, so I hope you can resolve some remaining questions so I can proceed.

1. Your last email to me on June 10 stated that all parcels mentioned in the earlier May 6 email (to Gooch) in paragraphs 1 and 2 were to be considered out of the sale except for V72/1, parcels 7, 11, and 12. Paragraph 2 of the earlier memo references V89/7, parcel 1 (this is part of the area on the cement plant property inland of hiway 1). Do you really want this out? You did not mention V89/6 which also contains part of the RR inland inland of hiway 1. Somewhere you said you were going to the commission about this area. Please advise.
2. V72/1, .024 acres of parcel 21 "not previously sold" is referred to in paragraph 1 of the first email. There is about .024 acres of that parcel that was previously sold that by crosshatching indications would be unavailable in any event. But there is an unsold part which might be about that size which lies in the standatd R/W in part, with a little sort of spur outside. Since, I doubt that you or Gooch want to narrow the R/W at this point when it is of a uniform width in both directions from there, but UP might want to keep the tiny spur, please advise.
3. V72/1, parcels 7, 11, and 12 constitute roughly the triangle where the Big Trees and Davenport lines come together. At some point, at the April 27 meeting I think, I got the clear impression that UP was withdrawing all of that area except for the necessary minimum width along the perimeter to carry the track. If that is not the case, there is no change to make in this regard. If their assertion is now to be reflected in a change, tell me the appropriate minimum width to apply. Please advise.

There is so much work involved in making changes in all of these tabulations and related documents, that it is important to make sure that everything is cleared up with the basics before proceeding.

Finally, we will assume and analyze all parcels in fee even where there is unclear evidence to the contrary, but USPAP will require us to make disclosure and condition the result. Where the evidence is unambiguous (as near the Watsonville depot) we cannot misstate the true fact. I trust you agree with these limitations. If not, please advise.

Hope to hear from you quickly so we can proceed.

Chuck Baumbach

# SANTA CRUZ SUBDIVISION (0955)

| Mile Post | Rule 6.3  | CP #s | Radio Display:<br>Watsonville Jct. to Davenport -1414 |                      | Sta. #s  | Siding Feet |
|-----------|-----------|-------|---|----------------------|----------|-------------|
|           |           |       | WEST<br>▼ STATIONS ▲                                  | EAST<br>▲ STATIONS ▼ |          |             |
| 0.0       | YL        |       | WATSONVILLE JCT.<br>(1.8)                             |                      | Y CO002  |             |
| 1.8       | YL<br>TWC |       | WATSONVILLE<br>(18.8)                                 |                      | Y CB101  |             |
| 20.4      | YL        |       | SANTA CRUZ<br>(11.8)                                  |                      | TY CB120 |             |
| 31.9      | TWC       |       | DAVENPORT   |                      | CB131    |             |

(31.9)

**SI-01 MAIN TRACK AUTHORITY**

**TYC between:**  
 MP 3.3 and MP 19.3;  
 MP 20.9 and MP 31.9.  
**Yard Limits between:**  
 MP 0.0 and MP 3.3;  
 MP 19.3 and MP 20.9.

**SI-02 MAXIMUM SPEED TABLE**

| Maximum Speed   | MPH |
|---|-----|
| Between Mileposts<br>0.0 and 31.9<br>(Except as Below)..... | 10  |

**SI-03 OTHER SPEED RESTRICTIONS**

- Maximum Speed** MPH
1. Thru Sidings & Turnouts (No Exceptions.)
  2. Dual Control Switch Turnouts (No Exceptions.)
  3. Misc. Speed Restrictions (No Exceptions.)

**SI-04 MAIN TRACK DESIGNATIONS - None.**

**SI-05 MILEPOST EQUATIONS - None.**

**SI-06 DTC BLOCK LIMITS - None.**

**SI-07 ITEM 13 TRAIN DEFECT DETECTORS - None.**

**SI-08 RULES ITEMS**

Rule 8.20: Deraill on main track and siding at MP 31.5.

Rule 35.3.: Remote Control Area:  
 Limits: MP 0.0 and MP 15.0. All Main Track,  
 Industrial Leads and yard tracks.

**SI-09 FRA EXCEPTED TRACKS**

Main track and all connecting yard and industry tracks MP 0.0 to MP 19.3, and MP 20.9 to MP 31.9.

**SI-10 BUSINESS TRACKS**

| Track Name      | MP   | STA. #'S |
|-----------------|------|----------|
| Capitola .....  | 15.7 | CB115    |
| Seabright ..... | 19.2 | CB118    |
| Eblis .....     | 21.6 | CB121    |

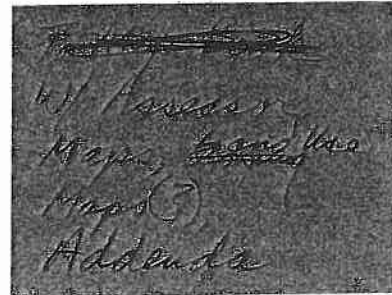
**SI-11 INDUSTRIAL LEADS - None.**

**SI-12 TONNAGE RESTRICTIONS - None.**

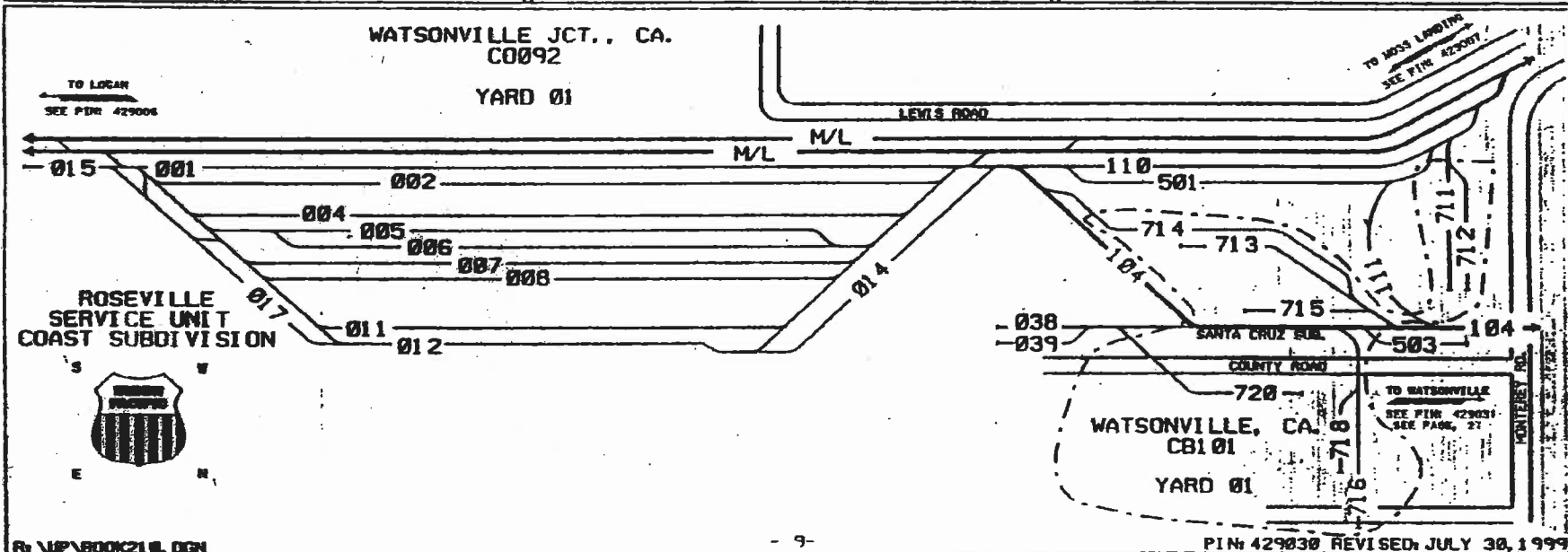
**SI-13 TRAIN MAKE-UP RESTRICTIONS - None.**

**SI-14 MISC. INSTRUCTIONS**

Restricted Tracks: 6-axle units are prohibited from operating on the Santa Cruz Subdivision.



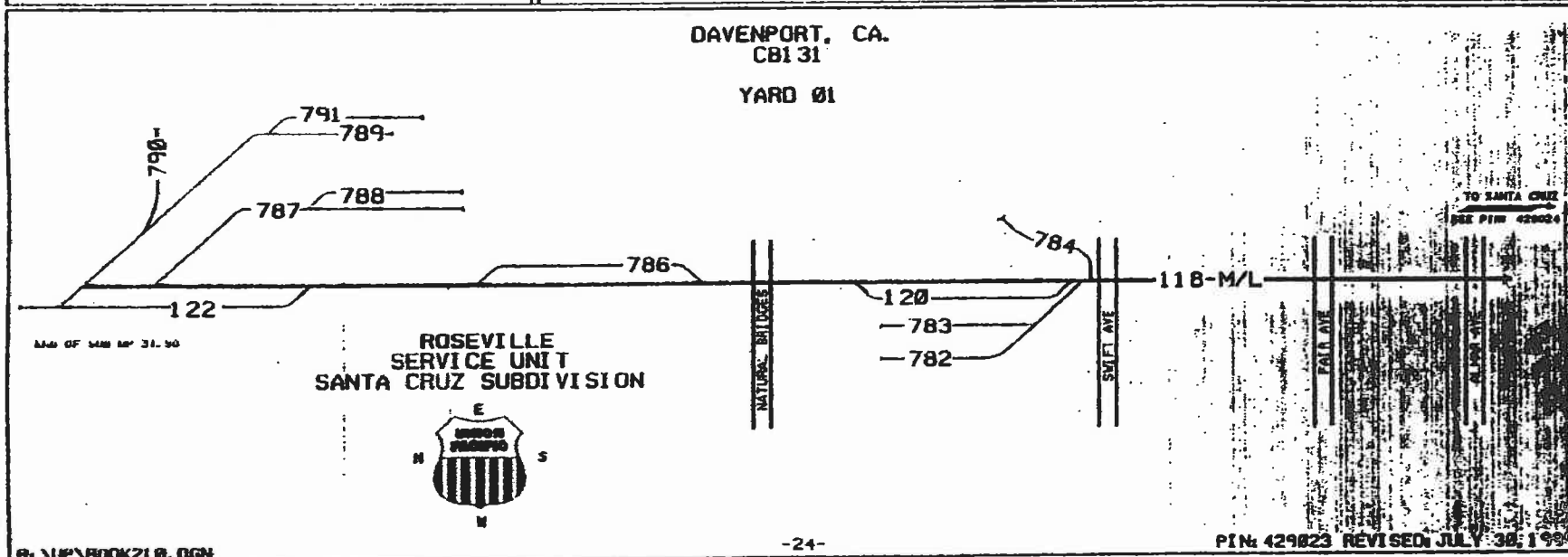
| ZTS TRK. NO.          | NAME                      | CONTRACT NO. | ZTS TRK. NO.              | NAME             | CONTRACT NO. | ZTS TRK. NO.     | NAME                        | CONTRACT NO. |
|-----------------------|---------------------------|--------------|---------------------------|------------------|--------------|------------------|-----------------------------|--------------|
| WATSONVILLE JCT., CA. |                           |              | 104 SANTA CRUZ BRANCH M/L |                  |              | WATSONVILLE, CA. |                             |              |
| 001                   | WATSONVILLE JCT. YD. TRK. | *1           | 110                       | SHORT LINE       |              | 711              | VACANT                      |              |
| 002                   | WATSONVILLE JCT. YD. TRK. | *2           | 111                       | WEST LEG WYE     |              | 712              | WATSONVILLE JCT. TEAM TRACK |              |
| 004                   | WATSONVILLE JCT. YD. TRK. | *4           | 501                       | LOCOMOTIVE TRACK |              | 713              | UPFE CONTRACTOR             |              |
| 005                   | WATSONVILLE JCT. YD. TRK. | *5           | 503                       | M/W STORAGE      |              | 714              | UPFE CONTRACTOR             |              |
| 006                   | WATSONVILLE JCT. YD. TRK. | *6           |                           |                  |              | 715              | UPFE CONTRACTOR             |              |
| 007                   | WATSONVILLE JCT. YD. TRK. | *7           |                           |                  |              | 716              | UPFE CONTRACTOR             |              |
| 008                   | WATSONVILLE JCT. YD. TRK. | *8           |                           |                  |              | 718              | DEL MAR SEAFOODS            |              |
| 011                   | WATSONVILLE JCT. YD. TRK. | *11          |                           |                  |              | 720              | JM SMUCKER CO.              |              |
| 012                   | WATSONVILLE JCT. YD. TRK. | *12          |                           |                  |              |                  |                             |              |
| 014                   | YARD LEAD                 |              |                           |                  |              |                  |                             |              |
| 015                   | TAIL TRACK                |              |                           |                  |              |                  |                             |              |
| 017                   | EAST LEAD                 |              |                           |                  |              |                  |                             |              |
| 038                   | WEST TAIL TRACK           |              |                           |                  |              |                  |                             |              |
| 039                   | TRAIL TRACK               |              |                           |                  |              |                  |                             |              |



Ry VLP\BOOK218.DGN  
 GILROY.DGN/PHASE 4/BOOK 52

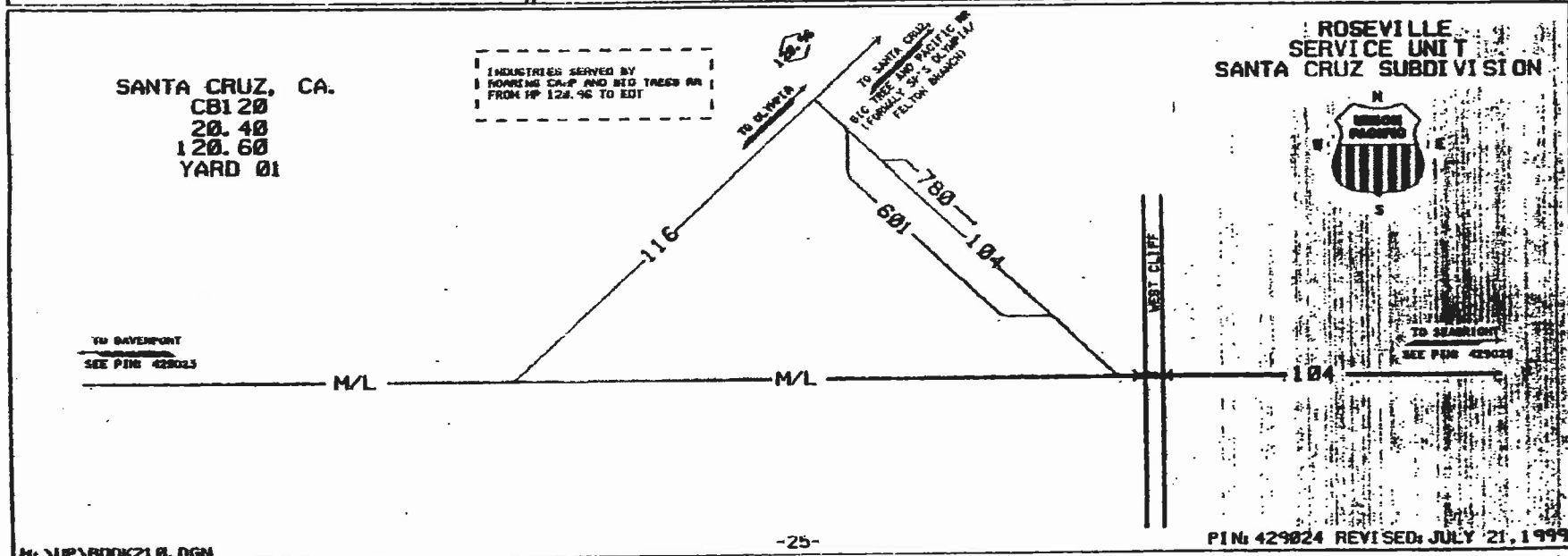
191

| ZTS TRK. NO. NAME    | CONTRACT NO. | ZTS TRK. NO. NAME | CONTRACT NO. | ZTS TRK. NO. NAME | CONTRACT NO. |
|----------------------|--------------|-------------------|--------------|-------------------|--------------|
| DAVENPORT, CA.       |              |                   |              |                   |              |
| 118 INDUSRY LEAD     |              |                   |              |                   |              |
| 120 RUNAROUND        |              |                   |              |                   |              |
| 122 DAVENPORT SIDING |              |                   |              |                   |              |
| 782 T. J. LIPTON     |              |                   |              |                   |              |
| 783 UNKNOWN          |              |                   |              |                   |              |
| 784 UNKNOWN          |              |                   |              |                   |              |
| 786 WILLIAM WRIGLEY  |              |                   |              |                   |              |
| 787 LONESTAR         |              |                   |              |                   |              |
| 788 LONESTAR         |              |                   |              |                   |              |
| 789 LONESTAR         |              |                   |              |                   |              |
| 790 LONESTAR         |              |                   |              |                   |              |
| 791 LONESTAR         |              |                   |              |                   |              |



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GILROY.DGN/PHASE 4/BOOK 52

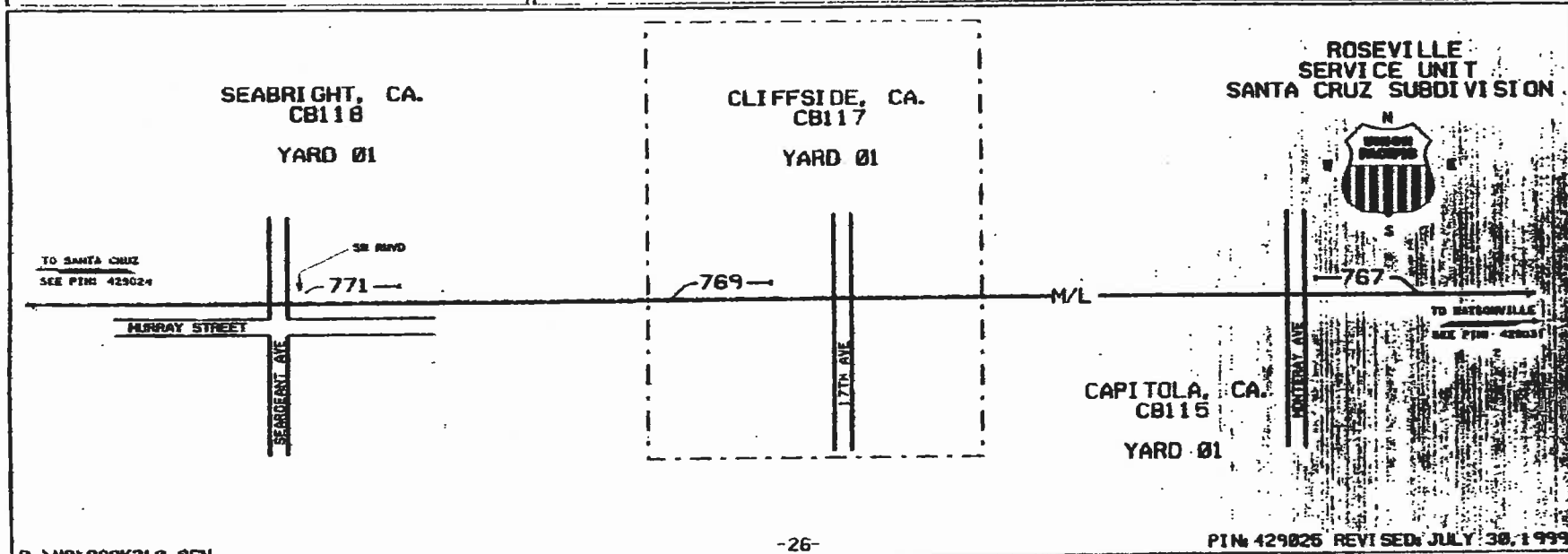
| ZTS TRK. NO. NAME  | CONTRACT NO. | ZTS TRK. NO. NAME | CONTRACT NO. | ZTS TRK. NO. NAME | CONTRACT NO. |
|--|--------------|-------------------|--------------|-------------------|--------------|
| SANTA CRUZ, CA.<br>116 INDUSTRY LEAD<br>104 SANTA CRUZ BRANCH M/L<br>601 SANTA CRUZ BIG TREE RAILROAD<br>780 SANTA CRUZ TEAM TRACK |              |                   |              |                   |              |



By: VUP\BOOK21 B. DGN  
GILROY, DGN/PHASE 4/BOOK 52

SEABRIGHT, CA.

| ZTS TRK. NO. NAME                            | CONTRACT NO. | ZTS TRK. NO. NAME                     | CONTRACT NO. | ZTS TRK. NO. NAME                        | CONTRACT NO. |
|--|--------------|---------------------------------------|--------------|--|--------------|
| SEABRIGHT, CA.<br>771 SAN LORENZO LUMBER CO. |              | CLIFFSIDE, CA.<br>769 FAVORITE BRANDS |              | CAPITOLA, CA.<br>767 PACIFIC COAST PROD. |              |

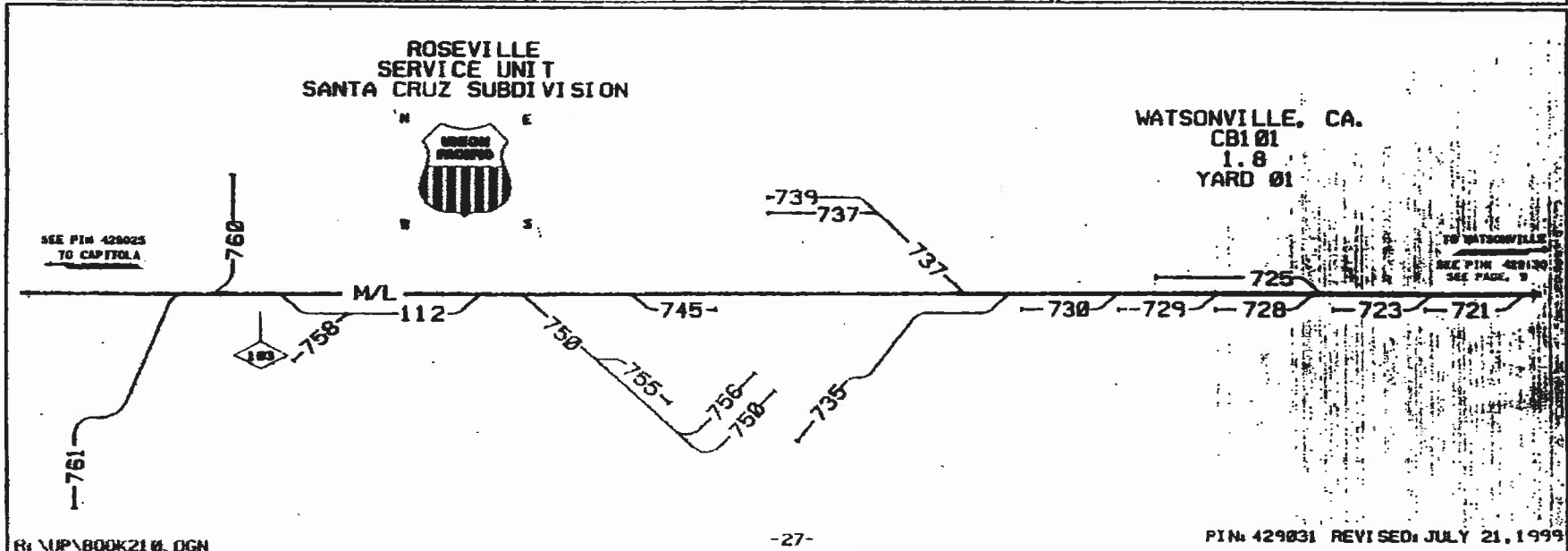


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GILROY.DGN/PHASE 4/BOOK 52

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| ZTS TRK. NO.     | NAME                     | CONTRACT NO. | ZTS TRK. NO.              | NAME                      | CONTRACT NO. | ZTS TRK. NO. | NAME | CONTRACT NO. |
|------------------|--------------------------|--------------|---------------------------|---------------------------|--------------|--------------|------|--------------|
| WATSONVILLE, CA. |                          |              | 756 DEAN FOODS VEGETABLES |                           |              | 0466         |      |              |
| 112              | RUNAROUND STORAGE        | 0400         | 758                       | LITTLE LAKE IND/BIG CREEK | 0482/0483    |              |      |              |
| 721              | VACANT                   | NEW          | 760                       | COUCH DISTRIBUTING        | 0486         |              |      |              |
| 723              | VACANT                   | NEW          | 761                       | DEL MAR FOOD PRODUCTS     | 0490         |              |      |              |
| 725              | AMERICOLD CORP.          | 0405         |                           |                           |              |              |      |              |
| 728              | VACANT                   | NEW          |                           |                           |              |              |      |              |
| 729              | NEW WEST FOODS           | 0410         |                           |                           |              |              |      |              |
| 730              | STORAGE TRACK            | 0430         |                           |                           |              |              |      |              |
| 735              | CALIFORNIA FARM PRODUCTS | 0411         |                           |                           |              |              |      |              |
| 737              | BERMAN STEEL CO.         | 0420         |                           |                           |              |              |      |              |
| 739              | WATS CANNING CO.         | 0425         |                           |                           |              |              |      |              |
| 745              | PHILLIPS DRISCO PIPE     | 0445         |                           |                           |              |              |      |              |
| 750              | CASCADE REFRIGERATION    | 0450         |                           |                           |              |              |      |              |
| 755              | PILLSBURY                | 0455         |                           |                           |              |              |      |              |



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GILROY.DGN/PHASE 4/BOOK 52

PRINTING UNIT 200 12.19  
FILE NAME: VUP\BOOK214.DGN

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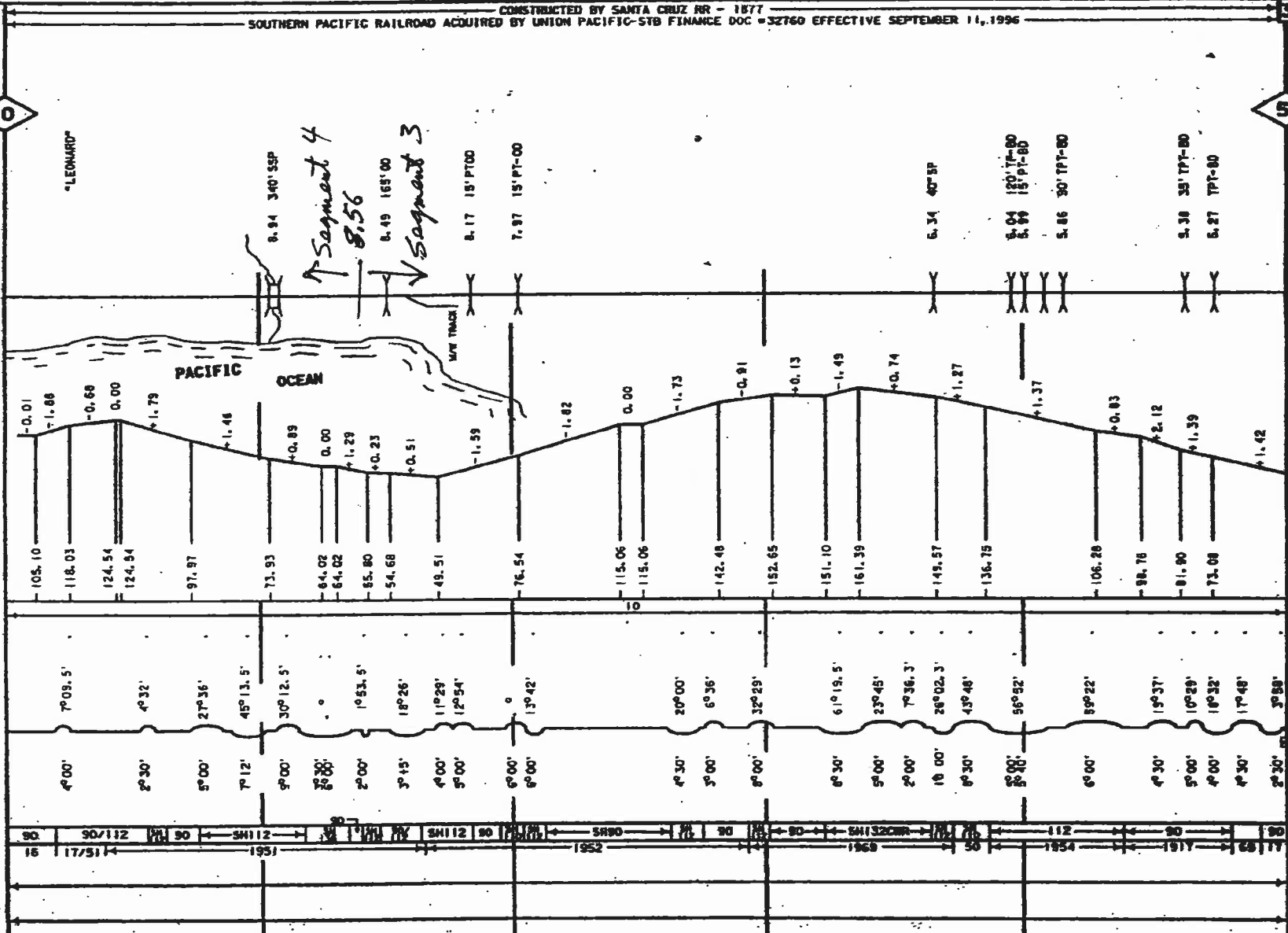




CONSTRUCTED BY SANTA CRUZ RR - 1877  
SOUTHERN PACIFIC RAILROAD ACQUIRED BY UNION PACIFIC-STB FINANCE DOC #32760 EFFECTIVE SEPTEMBER 11, 1996

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LAST REVISED  
NOVEMBER 15, 2001  
BRIDGES UPDATED  
MARCH 27, 2000  
NO KING UPDATED  
MARCH 27, 2000

- YARD LIMIT
- ABSOLUTE SIG.
- AEI DETECTOR
- CRACKER WHEEL INDICATION
- DRAG EQPT. DET.
- WOT BOX DET.
- HIGH WIDE SHIFTED LOAD DET.
- HIGH WATER DET.
- IMPACT DETECTOR
- INT. SIG. B NO.
- TEMP-WIND GAGE
- COVER SW.
- FRIC. SIG.
- DEPOT SYMBOL
- HISTORICAL MARKER
- TOPOGRAPHY
  - ELEV. TOP OF RAIL AT STATION M.P.
  - CONTROL POINTS B
  - STATION NAMES
  - CIRCULAR T RADIUS
  - MILE POST LOCATION
  - LGTH (CLEAR) OF SIDING
- MAX. GRADE PERCENT (SUB GRADE)
- SLIDE WARNING
- EL. ABOVE SEA LEVEL
- FIBER OPTICS
- C. T. C.
- A. B. S.
- SPEED ALLOWANCE
- AUTH. SUPER ELEV.
- TOTAL ANGLE
- ALIGNMENT & FLANGE LUBRICATORS
- DEGREE OF CURVE
- RAIL SIDING
- RAIL MAIN
- SURFACING & LINING
  - SIDING
  - MAIN
  - TIE GANG
  - SIDING
  - MAIN
- GRADE KING DATA
  - BRICK
  - CLASHER
  - DRIVE
  - TRAFFIC SIGNAL
  - STOP SIGN
  - CANTILEVER



- GRADE KING DATA
- BRICK
- CLASHER
- DRIVE
- TRAFFIC SIGNAL
- STOP SIGN
- CANTILEVER



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ROSEVILLE DIVISION  
SANTA CRUZ SUBDIVISION

305

SOUTHERN PACIFIC RAILROAD ACQUIRED BY UNION PACIFIC-STB FINANCE DOC #32760 EFFECTIVE SEPTEMBER 11, 1996

FILE PAGE  
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MARCH 5, 2001

- YARD LIMIT
- ABSOLUTE SIG.
- AET DETECTOR
- CRACKED WHEEL INDICATOR
- DRAG COPT. DET. NOT BOX DET.
- HIGH WIDE SHIFTED LOAD DET.
- HIGH WATER DET.
- IMPACT DETECTOR
- INT. SIG. NO.
- TEMP-WIND GAGE
- POWER SW. SIGNALING
- DEPOT SYMBOL
- HISTORICAL MARKER

TOPOGRAPHY  
ELEV. TOP OF RAIL AT STATION M.P.  
CONTROL POINTS & STATION NAMES  
CIRCULAR 7 NUMBER  
MILE POST LOCATION  
LOTH (CLEAR) OF SIKING

MAX. GRADE PERCENT (SUB GRADE)

SLIDE WARNING  
EL. ABOVE SEA LEVEL

FIBER OPTICS  
C. T. C.  
A. B. S.  
SPEED ALLOWANCE

AUTH. SUPER ELEV.

TOTAL ANGLE

ALIGNMENT & FLANGE INDICATORS

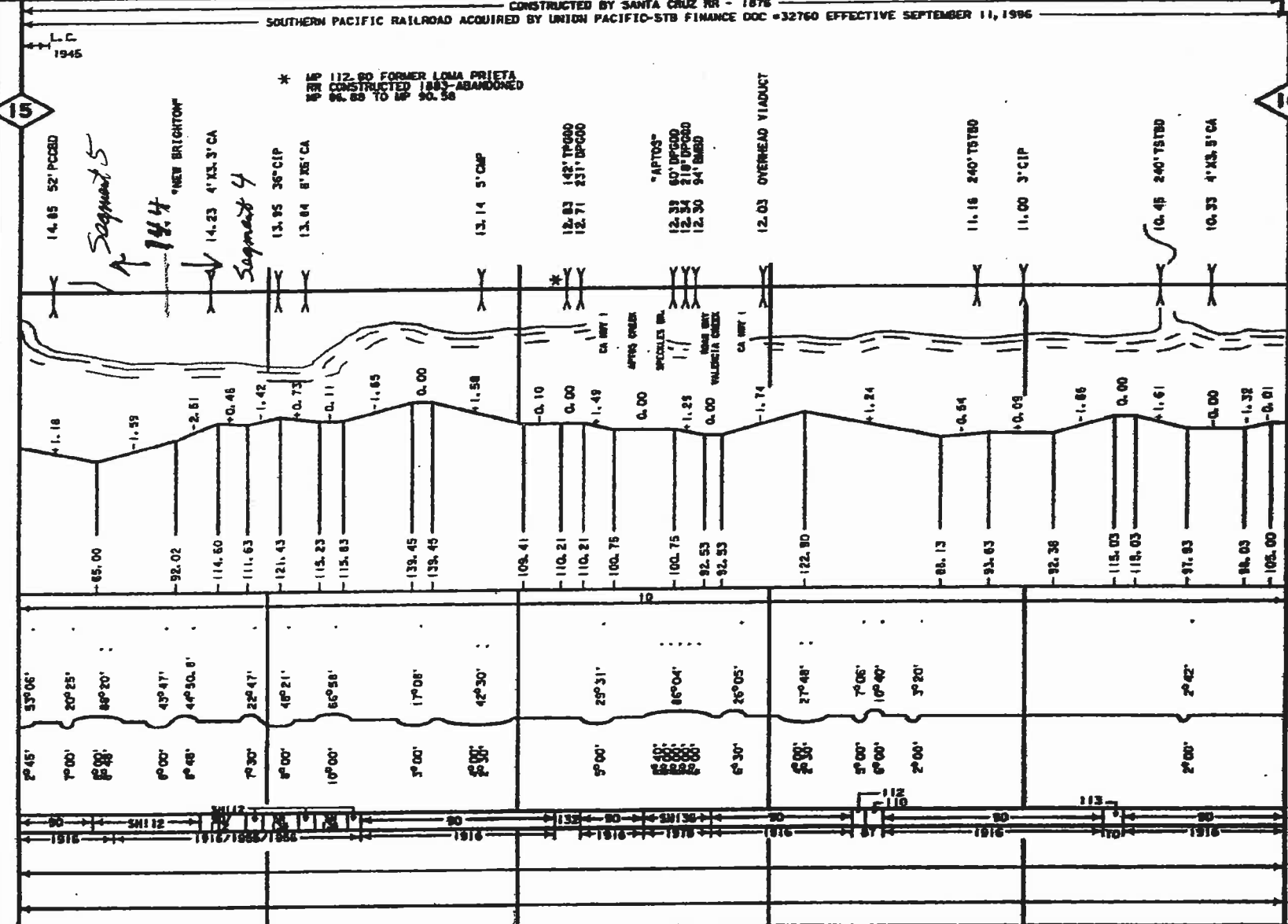
DEGREE OF CURVE

RAIL SIDING

RAIL MAIN

SURFACING & LINING  
SIDING  
MAIN  
TIE GANG  
SIDING  
MAIN

GRADE WITH DATA  
BACK  
CUT  
SIGNAL  
STOP SIGN  
RAIL LAYER



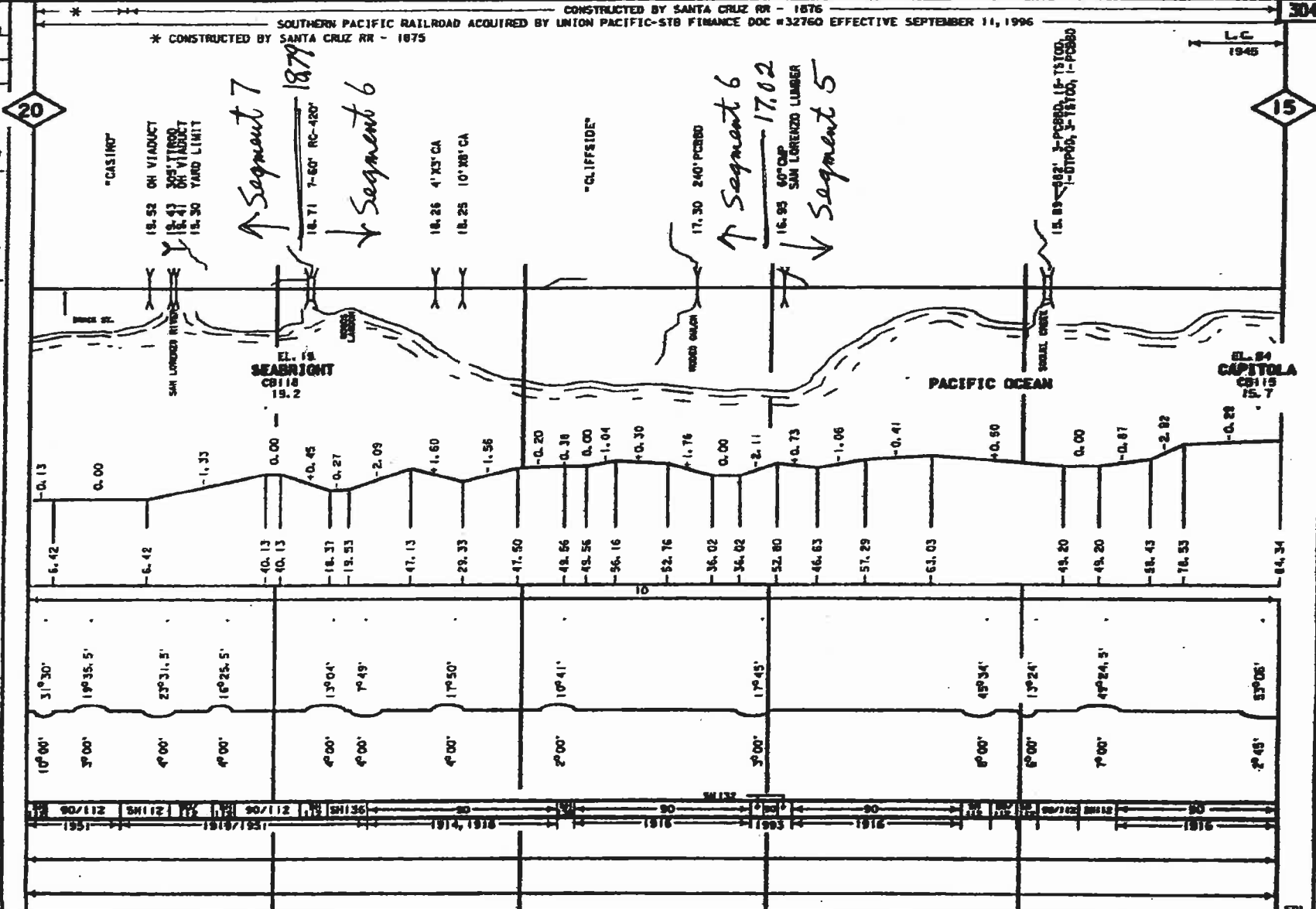
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CONSTRUCTED BY SANTA CRUZ RR - 1876  
SOUTHERN PACIFIC RAILROAD ACQUIRED BY UNION PACIFIC-STB FINANCE DOC #32760 EFFECTIVE SEPTEMBER 11, 1996  
\* CONSTRUCTED BY SANTA CRUZ RR - 1875

- YARD LIMIT
- ABSOLUTE SIG.
- AEI DETECTOR
- CRACKED WHEEL INDICATOR
- DRAG, EDPT. DET.
- HOT BOX DET.
- HIGH WIDE SHIFTED LOAD DET.
- HIGH WATER DET.
- IMPACT DETECTOR
- INT. SIG. NO.
- TEMP-WIND GADE
- TEMP. SENS.
- DEPOT SYMBOL
- HISTORICAL MARKER
- TOPOGRAPHY
- ELEV. TOP OF RAIL AT STATION M.P.
- CONTROL POINTS & STATION NAMED
- CIRCULAR TURNER MILE POINT LOCATION LGTH (CLEAR OF SIDING)
- MAX. GRADE PERCENT (SUB GRADE)
- SLIDE WARNING
- EL. ABOVE SEA LEVEL
- FIBER OPTICS
- C. T. C.
- A. B. S.
- SPEED ALLOWANCE
- ALTH. SUPER ELEV.
- TOTAL ANGLE
- ALIGNMENT & FLANGE INDICATORS
- DEGREE OF CURVE
- RAIL SIDING
- RAIL MAIN
- SURFACING & LINING
- SIDING
- MAIN
- TIE GARD
- SIDING
- MAIN



GRADE DATA  
TRACK  
CUT  
EMBANKMENT  
WATER  
SIGNAL  
CROSSING

PROPERTY OF  
MADE BY  
CHECKED BY  
DESIGNED BY  
APPROVED BY  
DATE  
SCALE  
SHEET NO.  
TOTAL SHEETS  
DATE PLOTTED  
PLOT SCALE

**ROSEVILLE DIVISIO  
SANTA CRUZ SUBDIVISIO**

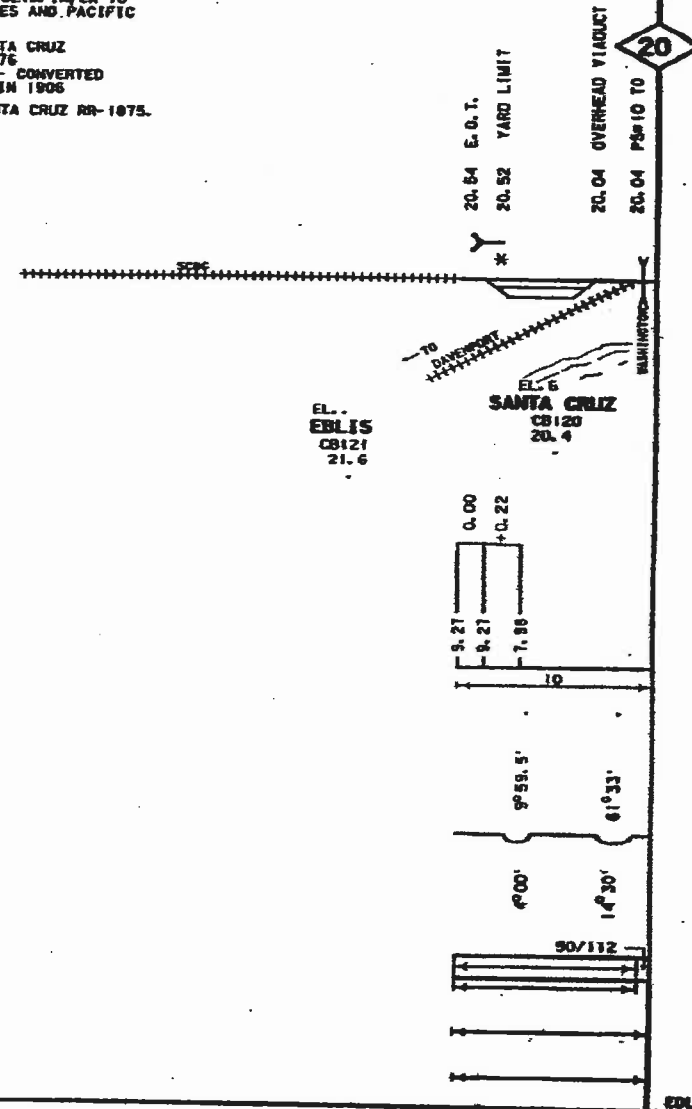
303

← SOUTHERN PACIFIC RAILROAD ACQUIRED BY UNION PACIFIC-STD FINANCE DOC #32760 EFFECTIVE SEPTEMBER 11, 1996. →

- \* ABANDONMENT APPROVED BY ICC FIN DOC #30848 DATED MAY 10, 1985 FROM MP 120.95 TO MP 123.72 (OLYMPIA) SOLD 8.8 MILES TO OLYMPIA, CA TO SANTA CRUZ, BIG TREES AND PACIFIC RY IN 1905.
- \*\* CONSTRUCTED BY SANTA CRUZ AND PELTON RR. - 1876 AS THREE PT GAUGE - CONVERTED TO STANDARD GAUGE IN 1906
- \*\*\* CONSTRUCTED BY SANTA CRUZ RR-1875.

|                                   |
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| YARD LIMIT                        |
| ABSOLUTE SIG.                     |
| AEL DETECTOR                      |
| CRACKED WHEEL INDICATOR           |
| DRAG. EOPT. DET.                  |
| HOT BOX DET.                      |
| HIGH WIDE SHIFTED LOAD DET.       |
| HIGH WATER DET.                   |
| IMPACT DETECTOR                   |
| INT. SIG. B NO.                   |
| TEMP-WIND GAGE                    |
| POWER SW. SWING. SW.              |
| DEPOT SYMBOL                      |
| HISTORICAL MARKER                 |
| TOPOGRAPHY                        |
| ELEV. TOP OF RAIL AT STATION M.P. |
| CONTROL POINTS                    |
| STATION NAMES                     |
| CIRCULAR T NUMBER                 |
| MILE POST LOCATION                |
| LOTH (CLEAR) OF SIDING            |
| MAX. GRADE PERCENT (SUB GRADE)    |
| SLIDE WARNING                     |
| E.L. ABOVE SEA LEVEL              |
| FIBER OPTICS                      |
| C.T.C.                            |
| A.B.S.                            |
| SPEED ALLOWANCE                   |
| AUTH. SUPER ELEV.                 |
| TOTAL ANGLE                       |
| ALIGNMENT & FLANGE LUBRICATORS    |
| DEGREE OF CURVE                   |
| RAIL SIDING                       |
| RAIL MAIN                         |
| SURFACING & LINING                |
| SIDING                            |
| MAIN                              |
| TIE GANG                          |
| SIDING                            |
| MAIN                              |

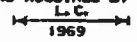
|                 |
|-----------------|
| GRADE XING DATA |
| W-BARK          |
| ELDER           |
| DAVES           |
| WIP BARK        |
| TRAFFIC SIGNAL  |
| STOP SIGN       |
| CANTILEVER      |



ROSEVILLE DIVISION  
SANTA CRUZ SUBDIVISION

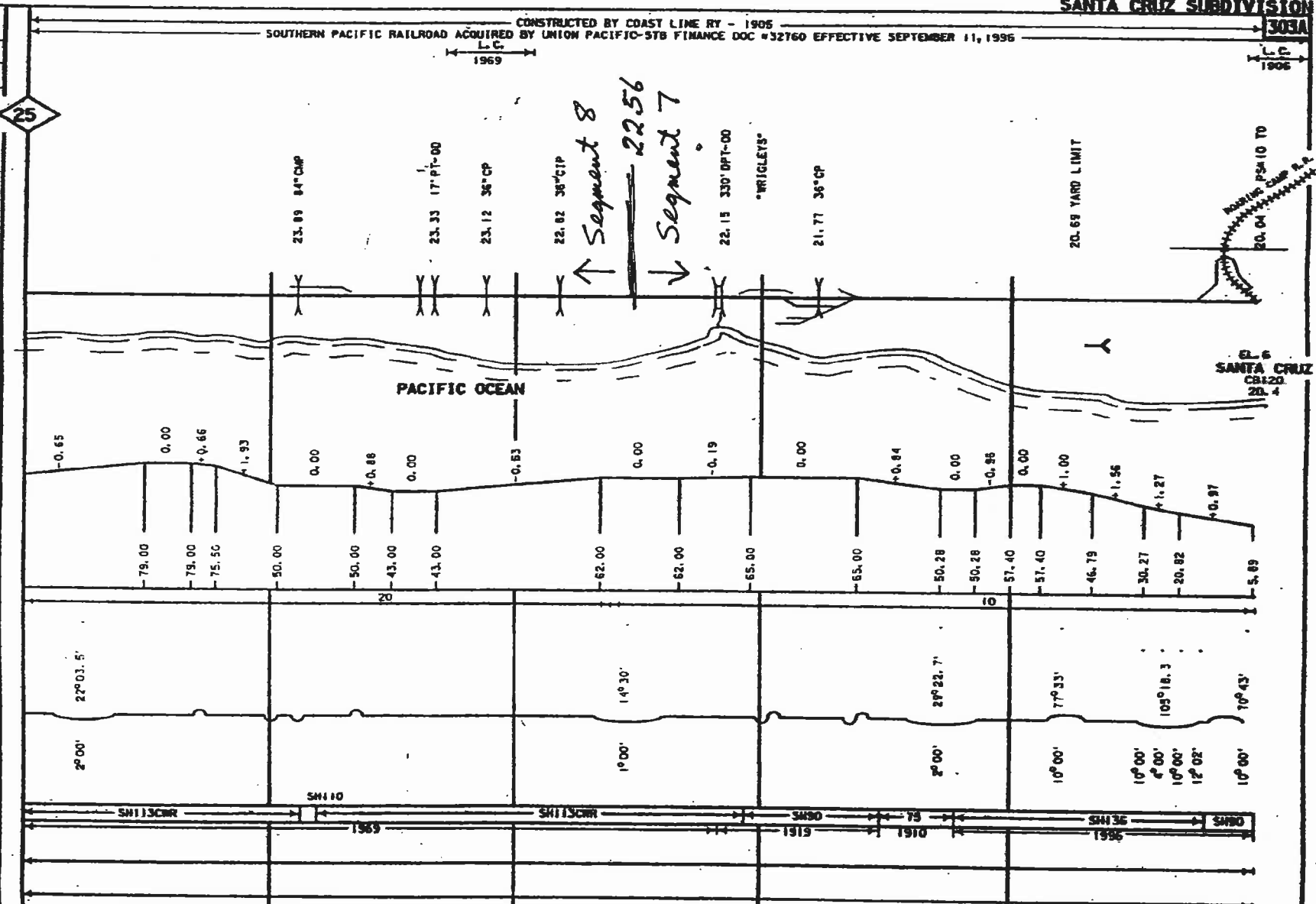
303A

SOUTHERN PACIFIC RAILROAD ACQUIRED BY COAST LINE RY - 1905  
CONSTRUCTED BY COAST LINE RY - 1905  
ACQUIRED BY UNION PACIFIC-STB FINANCE DOC #32760 EFFECTIVE SEPTEMBER 11, 1996

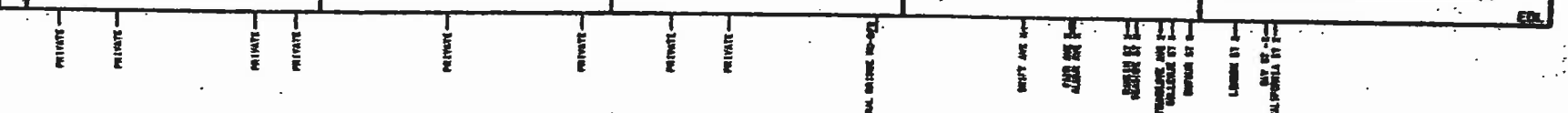


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MARCH 27, 2000  
RD KING UPDATED  
MARCH 5, 2001

- YARD LIMIT
- ABSOLUTE SIG.
- AEI DETECTOR
- GRADED WHEEL INDICATOR
- DRAG EOPT. DET.
- HOT BOX DET.
- HIGH WIDE SHIFTED LOAD DET.
- HIGH WATER DET.
- IMPACT DETECTOR
- INT. SIG. NO.
- TEMP-WIND GAGE
- SPRINKLER
- DEPOT SYMBOL
- HISTORICAL MARKER
- TOPOGRAPHY
- ELEV. TOP OF RAIL AT STATION M.P.
- CONTROL POINTS B
- STATION NAMES
- CIRCULAR 7 NUMBER
- MILE POST LOCATION
- LETH CLEARLY OF SIDING
- MAX. GRADE PERCENT (SUB GRADE)
- SLIDE WARNING
- ELEV. ABOVE SEA LEVEL
- FIBER OPTICS
- C.T.C.
- A.B.S.
- SPEED ALLOWANCE
- AUTH. SUPER ELEV.
- TOTAL ANGLE
- ALIGNMENT & FLANGE LUBRICATORS
- DEGREE OF CURVE
- RAIL SIDING
- RAIL MAIN
- SURFACING & LINING
- SIDING
- MAIN
- TIE GANG
- SIDING
- MAIN

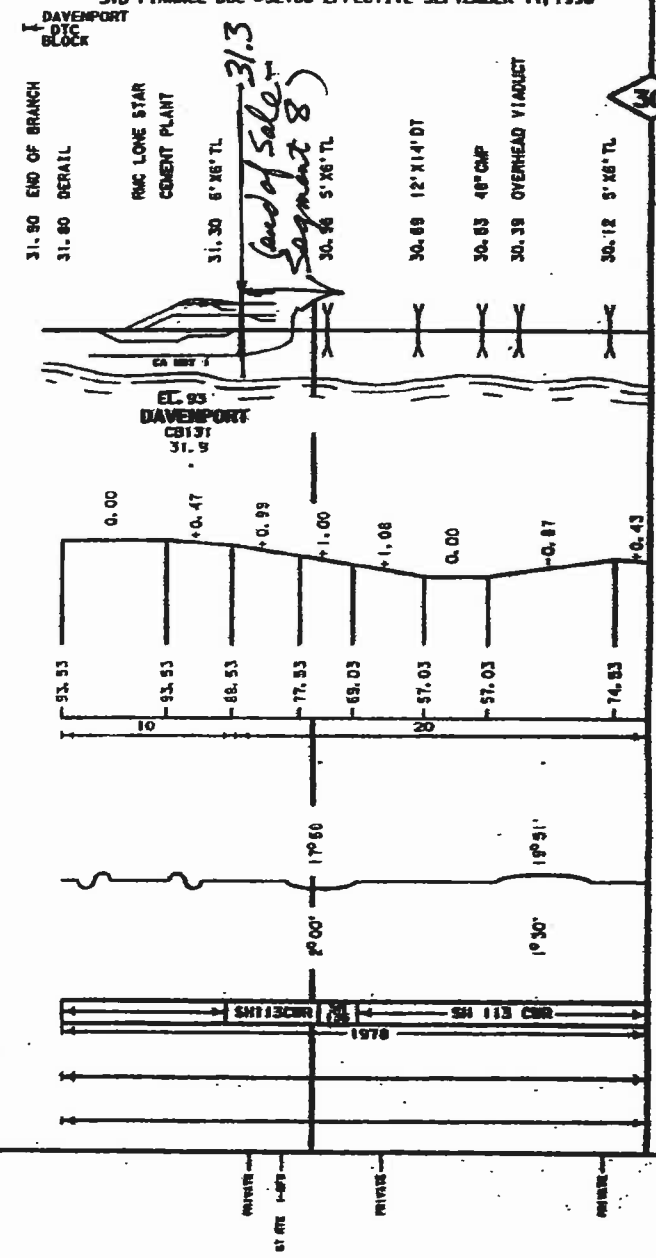


GRADE KING DATA  
T-RACK  
RAIL  
CUTBANK  
GATE  
W.C. PAC  
TRAFFIC SIGNAL  
STOP SIGN  
CANTILEVER





CONSTRUCTED BY COAST LINE RY - 1906  
SOUTHERN PACIFIC RAILROAD ACQUIRED BY UNION PACIFIC  
STD FINANCE DOC #32760 EFFECTIVE SEPTEMBER 11, 1956



*Highway 1  
not marked  
on this map.*

*Sale only to 250'  
"north of Highway 1",  
thus Mile 31.3  
(by calculation)*

FILE PAGE  
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NOVEMBER 15, 2001  
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MARCH 27, 2000  
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MARCH 27, 2000

- YARD LIMIT
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- AEI DETECTOR
- CRACKED WHEEL INDICATOR
- DRAG, EDPT, DET.
- HOT BOX DET.
- HIGH WIDE SHIFTED LOAD DET.
- HIGH WATER DET.
- IMPACT DETECTOR
- INT. SIG. B NO.
- TEMP. WIND GAGE
- POWER SW. SPRING SW.
- DEPOT SYMBOL
- HISTORICAL MARKER

TOPOGRAPHY  
ELEV. TOP OF RAIL  
AT STATION M.P.  
CONTROL POINTS B  
STATION NAMES  
CIRCULAR T NUMBER  
MILE POST LOCATION  
LGN (CLEAN) OF SIDING

MAX. GRADE PERCENT  
(SUB GRADE)

SLIDE WARNING  
E.L. ABOVE SEA LEVEL  
FIBER OPTICS  
C.T.C.  
A.B.S.  
SPEED ALLOWANCE

AUTH. SUPER ELEV.

TOTAL ANGLE

ALIGNMENT B  
FLANGE LUBRICATORS

DEGREE OF CURVE

RAIL SIDING

RAIL MAIN

SURFACING & LINING  
SIDING  
MAIN  
TIE GAUG  
SIDING  
MAIN

GRADE KING DATA  
BACK  
PUSHER  
DITCH  
W/O TAG  
TRAFFIC SIGNAL  
STOP SIGN  
CROSSING

S.T.B. Statement of "Railroad Cost  
of Capital" during 2003

Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423-0001



## News

FOR RELEASE  
06/22/2004 (Tuesday)  
No. 04-25

Contact: Dennis Watson  
(202) 565-1596  
FIRS 1 (800) 877-8339  
[www.stb.dot.gov](http://www.stb.dot.gov)

### Surface Transportation Board Announces Outcome of Matters & Results of Cases Addressed in June 22 Voting Conference

Surface Transportation Board Chairman Roger Nober today announced the outcome of preliminary matters addressed in, and the results of, the voting conference held today by the STB.

Chairman Nober began the conference by welcoming the two new STB Commissioners, W. Douglas Buttrey and Francis P. Mulvey, and the Board elected Commissioner Mulvey as the agency's Vice Chairman for the remainder of calendar year 2004.

Chairman Nober then announced that the STB would:

- Hold a **July 7, 2004 public hearing** concerning the case entitled *TTX Company, et al.-- Application for Approval of Pooling of Car Service With Respect to Flatcars*, STB Finance Docket No. 27590 (Sub-No. 3);
- Hold a **July 21, 2004 public hearing** on the subject of railroad-rate challenges in "small cases;"
- Hold a **July 27, 2004 voting conference** (on cases to be announced at a later date);
- Hold an **August 11, 2004 public hearing** in the case entitled *Class Exemption for Expedited Abandonment Procedure for Class II and Class III Railroads*, STB Ex Parte No. 647;
- Hold an **August 31, 2004 voting conference** (on cases to be announced at a later date).

After making these announcements, Chairman Nober, Vice Chairman Mulvey, and Commissioner Buttrey voted in public to adopt draft decisions in several cases. The voting results are attached as a fact sheet.

###

### ATTACHMENT

Fact Sheet

### VOTING RESULTS OF SURFACE TRANSPORTATION BOARD'S JUNE 22, 2004 VOTING CONFERENCE

<http://www.stb.dot.gov/newsrels.nsf/0/5919db1036eaff1d85256ebb0071d981?OpenDocu...> 11/19/2004



- *Buckingham Branch Railroad Company-Lease-CSX Transportation, Inc.*, STB Finance Docket No. 34495. In this case, the "Buckingham Branch Railroad" seeks STB approval to lease from CSX Transportation, Inc., an approximately 191-mile railroad line between Clifton Forge, Virginia, and a point near Richmond, Virginia. The Board voted unanimously to accept the application for consideration.
- *Railroad Cost of Capital-2003*, STB Ex Parte No. 558 (Sub-No. 7). In this proceeding, the Board determined that the railroad industry's after-tax cost of capital was 9.4 percent for the year 2003.
- *Morristown & Erie Railway, Inc.-Modified Rail Certificate*, STB Finance Docket No. 34054. The Board voted unanimously to deny a request by five New Jersey municipalities that the Board reopen its July 2002 decision permitting reactivation by the "Morristown & Erie" of certain rail lines in that state.
- *Central Michigan Railway Company-Abandonment Exemption-In Saginaw County, MN*, STB Docket No. AB-308 (Sub-No. 3X). The Board voted unanimously to clarify that a previously imposed condition to an abandonment authorization requiring "Central Michigan" to provide a per-car rebate on future shipments should be limited.
- *Union Pacific Railroad Company-Abandonment Exemption-In Rio Grande and Mineral Counties, CO*, STB Docket No. AB-33 (Sub-No. 132X). The Board voted unanimously to deny a petition filed by the City of Creede, Colorado, asking the Board to overturn its May 11, 1999 decision allowing the acquisition, through the agency's "offer of financial assistance" procedures, of a rail line proposed for abandonment.
- *City of Venice-Abandonment Exemption-In Venice, IL and St. Louis, MO*, STB Docket No. AB-863X. The Board voted unanimously to dismiss for lack of agency jurisdiction a notice filed by the City of Venice, Illinois ("City"), for authority to abandon a two-mile rail line between St. Louis, Missouri, and McKinley Junction, Illinois. The Board determined that the City is not a railroad and that the line at issue has already been lawfully abandoned.

The STB provides the above summaries as a courtesy to the public and the media. The actions of the agency in these cases, however, are its written decisions. Those decisions will be forthcoming, and will be available for viewing (under "E-Library/"Decisions & Notices") and downloading via the STB's Web site at <http://www.stb.dot.gov>. Printed copies of the decisions also will be available for a fee by contacting **ASAP Document Solutions, 9332 Annapolis Rd., Suite 103, Lanham, MD 20706, telephone (301) 577-2600**, or via [asapmd@verizon.net](mailto:asapmd@verizon.net).

###

**chuck**

---

**From:** "Luis Mendez" <lmendez@scrtc.org>  
**To:** <agi@arthurgimmy.com>; <crb@neteze.com>; <woodsideadd@aol.com>;  
 <jfox@wilbursmith.com>; <tryland@aol.com>  
**Cc:** <judy\_downer@dot.ca.gov>; <trost@hmot.com>; "Linda Wilshusen" <lwilshusen@scrtc.org>  
**Sent:** Tuesday, January 06, 2004 10:04 AM  
**Subject:** UP Retained Rights

Hello Everyone,

The following is a very general statement of the structural arrangement on the nature of the freight easement to be retained by UP under the alternative acquisition strategy.

"The Santa Cruz County Regional Transportation Commission ("SCCRTC") would purchase the right-of-way, but Union Pacific Railroad ("UP") would reserve all freight operating rights, as well as an easement for continued freight operations over the Santa Cruz Branch. UP would continue to be responsible for freight operations after acquisition and would bear any operational losses associated with such freight operations. UP would continue to be responsible for determining the schedule for freight service over the Branch Line. Ownership of the existing trackage would be subject to the terms of the actual agreements between SCCRTC and UP, but UP likely would be responsible to maintain, repair and replace the trackage as necessary for continued freight operations."



The list of information we would like to obtain from Union Pacific has been submitted. We will inform you of any results. Can you please provide us with an update of your progress on the appraisals?

\*\*\*\*\*PLEASE NOTE NEW E-MAIL ADDRESS\*\*\*\*\*

Luis Pavel Mendez, Senior Transportation Planner  
 Santa Cruz County Regional Transportation Commission  
 1523 Pacific Avenue, Santa Cruz, CA 95060  
 Phone #: (831)460-3212, Fax #: (831)460-3215  
 E-mail: [lmendez@scrtc.org](mailto:lmendez@scrtc.org)

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1/9/2004

**SANTA CRUZ COUNTY SFR SALES**  
**MONTHLY SUMMARY OF MEDIAN PRICES FOR 2003 AND 2004**  
**(by TOWN AND MARKETING AREA)**



REILweb

Web P&amp;R

Listing Management

Log Off

PROPERTY SEARCH

HELP DESK

AGENT TOOLS

TRAINING

STATISTICS

SERVICE DIRECTORY

[Statistics Main Page](#)

## January 2003 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2003 | 54      | 7                      | 95.70        | 535,000    | 585,037    | 4,095,259    | 82         | 16              |
| SZC           | AVL           | 2003 | 11      | 2                      | 96.70        | 256,000    | 256,000    | 512,000      | 85         | 7               |
| SZC           | CAP           | 2003 | 31      | 3                      | 99.00        | 557,500    | 628,166    | 1,884,500    | 83         | 9               |
| SZC           | LGM           | 2003 | 32      | 2                      | 96.70        | 757,500    | 757,500    | 1,515,000    | 79         | 6               |
| SZC           | LVO           | 2003 | 56      | 8                      | 98.90        | 545,000    | 728,812    | 5,830,500    | 62         | 28              |
| SZC           | RIO           | 2003 | 70      | 11                     | 96.90        | 587,000    | 549,870    | 6,048,575    | 92         | 23              |
| SZC           | SCF           | 2003 | 13      | 6                      | 98.80        | 560,000    | 566,666    | 3,400,000    | 106        | 3               |
| SZC           | SLV           | 2003 | 143     | 21                     | 99.60        | 370,000    | 353,257    | 7,418,400    | 68         | 49              |
| SZC           | SOQ           | 2003 | 56      | 11                     | 95.20        | 589,000    | 586,363    | 6,450,000    | 76         | 20              |
| SZC           | SV            | 2003 | 91      | 10                     | 95.20        | 694,000    | 713,897    | 7,138,975    | 118        | 28              |
| SZC           | SZ            | 2003 | 93      | 17                     | 96.70        | 580,000    | 646,823    | 10,996,000   | 78         | 27              |
| SZC           | SZE           | 2003 | 96      | 8                      | 94.30        | 404,750    | 599,312    | 4,794,500    | 70         | 25              |
| SZC           | SZW           | 2003 | 27      | 4                      | 86.30        | 672,500    | 807,250    | 3,229,000    | 210        | 3               |
| SZC           | WA            | 2003 | 48      | 12                     | 93.60        | 362,500    | 373,833    | 4,486,000    | 98         | 21              |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2003 | 821     | 122                    | 96.10        | 515,000    | 555,727    | 67,798,709   | 87         | 265             |

\* = Not Available



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Listing Management

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HELP DESK

AGENT TOOLS

TRAINING

STATISTICS

SERVICE DIRECTORY

Statistics Main Page

February 2003 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2003 | 63      | 6                      | 97.30        | 514,500    | 555,000    | 3,330,000    | 109        | 22              |
| SZC           | AVL           | 2003 | 10      | 2                      | 97.20        | 217,000    | 217,000    | 434,000      | 101        | 5               |
| SZC           | CAP           | 2003 | 36      | 4                      | 97.70        | 654,500    | 632,500    | 2,530,000    | 60         | 17              |
| SZC           | LGM           | 2003 | 33      | 5                      | 97.40        | 845,000    | 914,600    | 4,573,000    | 111        | 8               |
| SZC           | LVO           | 2003 | 59      | 14                     | 96.80        | 540,000    | 576,785    | 8,075,000    | 90         | 20              |
| SZC           | RIO           | 2003 | 80      | 6                      | 94.80        | 617,500    | 738,666    | 4,432,000    | 77         | 31              |
| SZC           | SCF           | 2003 | 14      | 4                      | 96.50        | 514,000    | 522,500    | 2,090,000    | 84         | 5               |
| SZC           | SLV           | 2003 | 154     | 21                     | 94.40        | 360,000    | 404,725    | 8,499,231    | 95         | 49              |
| SZC           | SOQ           | 2003 | 57      | 9                      | 97.10        | 580,000    | 629,777    | 5,668,000    | 69         | 19              |
| SZC           | SV            | 2003 | 98      | 14                     | 98.00        | 531,450    | 538,842    | 7,543,800    | 109        | 36              |
| SZC           | SZ            | 2003 | 106     | 26                     | 97.00        | 520,000    | 610,980    | 15,885,500   | 64         | 50              |
| SZC           | SZE           | 2003 | 95      | 12                     | 96.70        | 488,500    | 532,208    | 6,386,500    | 94         | 25              |
| SZC           | SZW           | 2003 | 22      | 2                      | 97.80        | 681,750    | 681,750    | 1,363,500    | 64         | 2               |
| SZC           | WA            | 2003 | 63      | 4                      | 99.40        | 417,250    | 413,125    | 1,652,500    | 45         | 29              |
| SZC           | UN            | 2003 | 4       | 1                      | 95.80        | 430,000    | 430,000    | 430,000      | 26         | 3               |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2003 | 894     | 130                    | 96.70        | 525,000    | 560,715    | 72,893,031   | 84         | 321             |

\* = Not Available



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## March 2003 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2003 | 68      | 9                      | 95.70        | 625,000    | 728,333    | 6,555,000    | 82         | 21              |
| SZC           | AVL           | 2003 | 11      | 7                      | 98.00        | 259,000    | 253,714    | 1,776,000    | 85         | 2               |
| SZC           | CAP           | 2003 | 33      | 10                     | 98.30        | 542,975    | 565,095    | 5,650,950    | 136        | 9               |
| SZC           | LGM           | 2003 | 39      | 1                      | 97.90        | 612,000    | 612,000    | 612,000      | 144        | 18              |
| SZC           | LVO           | 2003 | 66      | 10                     | 97.00        | 652,000    | 830,300    | 8,303,000    | 98         | 26              |
| SZC           | RIO           | 2003 | 95      | 14                     | 95.20        | 620,000    | 712,464    | 9,974,500    | 102        | 33              |
| SZC           | SCF           | 2003 | 20      | 1                      | 100.00       | 435,000    | 435,000    | 435,000      | 0          | 8               |
| SZC           | SLV           | 2003 | 160     | 27                     | 98.00        | 400,000    | 398,903    | 10,770,400   | 78         | 56              |
| SZC           | SOQ           | 2003 | 60      | 8                      | 95.20        | 767,500    | 832,500    | 6,660,000    | 95         | 25              |
| SZC           | SV            | 2003 | 101     | 8                      | 96.40        | 693,250    | 729,134    | 5,833,075    | 67         | 36              |
| SZC           | SZ            | 2003 | 119     | 26                     | 98.10        | 559,500    | 616,726    | 16,034,900   | 58         | 50              |
| SZC           | SZE           | 2003 | 91      | 18                     | 95.20        | 437,000    | 614,138    | 11,054,500   | 131        | 24              |
| SZC           | SZW           | 2003 | 25      | 3                      | 95.80        | 657,500    | 624,750    | 1,874,250    | 45         | 7               |
| SZC           | WA            | 2003 | 51      | 20                     | 98.80        | 413,000    | 409,572    | 8,191,449    | 51         | 24              |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2003 | 939     | 162                    | 96.90        | 522,500    | 578,549    | 93,725,024   | 84         | 339             |

\* = Not Available



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## April 2003 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2003 | 74      | 4                      | 96.70        | 710,000    | 889,000    | 3,556,000    | 130        | 22              |
| SZC           | AVL           | 2003 | 12      | 1                      | 99.00        | 260,000    | 260,000    | 260,000      | 12         | 4               |
| SZC           | CAP           | 2003 | 31      | 4                      | 97.40        | 560,000    | 586,250    | 2,345,000    | 76         | 9               |
| SZC           | LGM           | 2003 | 48      | 3                      | 96.40        | 392,500    | 809,166    | 2,427,500    | 272        | 15              |
| SZC           | LVO           | 2003 | 65      | 16                     | 96.50        | 547,500    | 617,562    | 9,881,000    | 36         | 24              |
| SZC           | RIO           | 2003 | 102     | 16                     | 96.60        | 593,500    | 695,008    | 11,120,130   | 82         | 39              |
| SZC           | SCF           | 2003 | 20      | 4                      | 88.30        | 531,500    | 1,440,750  | 5,763,000    | 17         | 7               |
| SZC           | SLV           | 2003 | 168     | 29                     | 98.00        | 449,000    | 453,791    | 13,159,950   | 77         | 54              |
| SZC           | SOQ           | 2003 | 60      | 14                     | 98.60        | 649,000    | 749,260    | 10,489,650   | 114        | 20              |
| SZC           | SV            | 2003 | 115     | 24                     | 94.20        | 605,000    | 804,083    | 19,298,000   | 93         | 37              |
| SZC           | SZ            | 2003 | 130     | 25                     | 96.50        | 575,000    | 609,593    | 15,239,843   | 34         | 58              |
| SZC           | SZE           | 2003 | 83      | 17                     | 96.70        | 575,000    | 671,729    | 11,419,400   | 101        | 24              |
| SZC           | SZW           | 2003 | 28      | 1                      | 95.40        | 834,750    | 834,750    | 834,750      | 15         | 7               |
| SZC           | WA            | 2003 | 54      | 26                     | 98.20        | 408,750    | 403,961    | 10,503,000   | 67         | 19              |
| SZC           | UN            | 2003 | 8       | 1                      | 99.30        | 575,000    | 575,000    | 575,000      | 9          | 2               |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2003 | 998     | 185                    | 96.20        | 541,000    | 631,741    | 116,872,223  | 76         | 341             |

\* = Not Available



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## May 2003 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2003 | 78      | 17                     | 91.30        | 582,500    | 736,500    | 12,520,500   | 81         | 21              |
| SZC           | AVL           | 2003 | 10      | 4                      | 96.30        | 251,750    | 246,500    | 986,000      | 38         | 5               |
| SZC           | CAP           | 2003 | 32      | 6                      | 96.80        | 519,500    | 537,333    | 3,224,000    | 68         | 8               |
| SZC           | LGM           | 2003 | 49      | 4                      | 98.80        | 753,500    | 793,375    | 3,173,500    | 149        | 10              |
| SZC           | LVO           | 2003 | 74      | 17                     | 96.40        | 550,000    | 768,588    | 13,065,999   | 95         | 32              |
| SZC           | RIO           | 2003 | 106     | 18                     | 98.50        | 698,000    | 725,513    | 13,059,250   | 100        | 26              |
| SZC           | SCF           | 2003 | 17      | 4                      | 85.00        | 737,500    | 2,103,750  | 8,415,000    | 156        | 4               |
| SZC           | SLV           | 2003 | 173     | 34                     | 97.90        | 402,500    | 405,614    | 13,790,882   | 81         | 64              |
| SZC           | SOQ           | 2003 | 69      | 9                      | 95.40        | 575,000    | 630,000    | 5,670,000    | 101        | 30              |
| SZC           | SV            | 2003 | 111     | 28                     | 96.00        | 614,500    | 637,921    | 17,861,800   | 83         | 30              |
| SZC           | SZ            | 2003 | 134     | 33                     | 98.40        | 545,000    | 566,287    | 18,687,500   | 46         | 53              |
| SZC           | SZE           | 2003 | 85      | 15                     | 93.50        | 530,000    | 591,566    | 8,873,500    | 80         | 26              |
| SZC           | SZW           | 2003 | 30      | 2                      | 98.40        | 587,500    | 587,500    | 1,175,000    | 116        | 5               |
| SZC           | WA            | 2003 | 47      | 11                     | 98.80        | 379,000    | 410,318    | 4,513,500    | 21         | 17              |
| SZC           | UN            | 2003 | 8       | 1                      | 114.50       | 515,000    | 515,000    | 515,000      | 92         | 0               |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2003 | 1023    | 203                    | 95.60        | 535,000    | 618,381    | 125,531,431  | 78         | 331             |

\* = Not Available





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June 2003 Santa Cruz County Single Family

| County        | Area/City | Year | Cur Inv | No. of Closed Sales | %LP Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg DOM | New Listings |
|---------------|-----------|------|---------|---------------------|-----------|------------|------------|--------------|---------|--------------|
| SZC           | APT       | 2003 | 78      | 12                  | 96.40     | 599,173    | 663,945    | 7,967,346    | 95      | 27           |
| SZC           | AVL       | 2003 | 8       | 5                   | 100.60    | 266,500    | 253,500    | 1,267,500    | 27      | 4            |
| SZC           | CAP       | 2003 | 29      | 7                   | 99.00     | 532,000    | 565,357    | 3,957,500    | 31      | 7            |
| SZC           | LGM       | 2003 | 51      | 3                   | 98.70     | 840,000    | 871,666    | 2,615,000    | 65      | 15           |
| SZC           | LVO       | 2003 | 69      | 23                  | 95.50     | 625,000    | 801,700    | 18,439,100   | 46      | 19           |
| SZC           | RIO       | 2003 | 98      | 12                  | 97.70     | 669,500    | 979,062    | 11,748,755   | 57      | 26           |
| SZC           | SCF       | 2003 | 16      | 3                   | 94.30     | 450,000    | 495,000    | 1,485,000    | 55      | 6            |
| SZC           | SLV       | 2003 | 188     | 35                  | 98.30     | 449,000    | 457,978    | 16,029,250   | 81      | 77           |
| SZC           | SOQ       | 2003 | 64      | 14                  | 97.00     | 612,500    | 769,785    | 10,777,000   | 65      | 20           |
| SZC           | SV        | 2003 | 110     | 21                  | 96.70     | 590,000    | 790,023    | 16,590,500   | 101     | 42           |
| SZC           | SZ        | 2003 | 120     | 41                  | 98.90     | 565,000    | 611,500    | 25,071,500   | 54      | 45           |
| SZC           | SZE       | 2003 | 87      | 19                  | 97.60     | 500,000    | 577,935    | 10,980,781   | 133     | 28           |
| SZC           | SZW       | 2003 | 30      | 5                   | 94.90     | 650,000    | 968,000    | 4,840,000    | 164     | 9            |
| SZC           | WA        | 2003 | 46      | 17                  | 100.00    | 449,000    | 453,552    | 7,710,400    | 57      | 22           |
| SZC           | UN        | 2003 | 7       | 3                   | 95.30     | 667,500    | 594,166    | 1,782,500    | 80      | 2            |
| <b>Totals</b> |           |      |         |                     |           |            |            |              |         |              |
|               |           | 2003 | 1001    | 220                 | 97.50     | 550,000    | 642,100    | 141,262,132  | 74      | 349          |

\* = Not Available



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## July 2003 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2003 | 65      | 10                     | 95.86        | 530,000    | 657,295    | 6,572,950    | 81         | 21              |
| SZC           | AVL           | 2003 | 7       | 4                      | 99.61        | 252,000    | 257,750    | 1,031,000    | 22         | 5               |
| SZC           | CAP           | 2003 | 15      | 6                      | 98.45        | 630,000    | 689,583    | 4,137,500    | 40         | 12              |
| SZC           | LGM           | 2003 | 49      | 11                     | 94.38        | 765,000    | 770,545    | 8,476,000    | 112        | 8               |
| SZC           | LVO           | 2003 | 45      | 13                     | 98.19        | 565,000    | 585,542    | 7,612,050    | 73         | 13              |
| SZC           | RIO           | 2003 | 86      | 21                     | 94.75        | 635,000    | 1,019,690  | 21,413,500   | 83         | 27              |
| SZC           | SCF           | 2003 | 15      | 8                      | 91.33        | 560,000    | 1,246,000  | 9,968,000    | 174        | 5               |
| SZC           | SLV           | 2003 | 193     | 44                     | 97.72        | 380,000    | 408,078    | 17,955,450   | 69         | 90              |
| SZC           | SOQ           | 2003 | 45      | 15                     | 96.16        | 545,000    | 627,167    | 9,407,500    | 58         | 14              |
| SZC           | SV            | 2003 | 91      | 20                     | 97.73        | 642,000    | 746,475    | 14,929,500   | 67         | 42              |
| SZC           | SZ            | 2003 | 115     | 35                     | 98.57        | 590,000    | 614,826    | 21,518,900   | 46         | 63              |
| SZC           | SZE           | 2003 | 88      | 18                     | 96.09        | 505,000    | 576,000    | 10,368,000   | 83         | 22              |
| SZC           | SZW           | 2003 | 28      | 2                      | 96.12        | 375,000    | 383,500    | 767,000      | 239        | 8               |
| SZC           | WA            | 2003 | 59      | 18                     | 98.49        | 480,000    | 473,139    | 8,516,500    | 55         | 12              |
| SZC           | UN            | 2003 | 5       | 1                      | 94.34        | 57,000     | 650,000    | 650,000      | 62         | 4               |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2003 | 911     | 226                    | 96.49        | 540,000    | 634,176    | 143,323,850  | 72         | 347             |

\* = Not Available



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## August 2003 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2003 | 65      | 14                     | 96.75        | 580,000    | 703,643    | 9,851,000    | 107        | 16              |
| SZC           | AVL           | 2003 | 7       | 6                      | 96.94        | 281,500    | 280,000    | 1,680,000    | 52         | 8               |
| SZC           | CAP           | 2003 | 15      | 5                      | 97.74        | 535,000    | 548,300    | 2,741,500    | 35         | 5               |
| SZC           | EST           | 2003 | 6       | *                      | *            | *          | *          | *            | *          | 4               |
| SZC           | LGM           | 2003 | 49      | 8                      | 95.10        | 900,000    | 911,172    | 7,289,375    | 117        | 9               |
| SZC           | LVO           | 2003 | 45      | 15                     | 97.97        | 535,000    | 608,258    | 9,123,868    | 40         | 15              |
| SZC           | RIO           | 2003 | 86      | 20                     | 94.28        | 560,000    | 817,675    | 16,353,498   | 104        | 30              |
| SZC           | SCF           | 2003 | 15      | 5                      | 100.82       | 599,000    | 615,400    | 3,077,000    | 29         | 5               |
| SZC           | SLV           | 2003 | 193     | 39                     | 99.04        | 424,000    | 452,808    | 17,659,500   | 65         | 64              |
| SZC           | SOQ           | 2003 | 45      | 17                     | 98.31        | 615,000    | 636,612    | 10,822,400   | 56         | 11              |
| SZC           | SV            | 2003 | 91      | 21                     | 98.19        | 602,000    | 618,114    | 12,980,400   | 65         | 32              |
| SZC           | SZ            | 2003 | 115     | 42                     | 98.13        | 560,000    | 640,460    | 26,899,339   | 51         | 49              |
| SZC           | SZE           | 2003 | 88      | 16                     | 99.18        | 498,500    | 569,688    | 9,115,000    | 77         | 21              |
| SZC           | SZW           | 2003 | 28      | 1                      | 99.26        | 535,000    | 535,000    | 535,000      | 269        | 6               |
| SZC           | WA            | 2003 | 59      | 17                     | 99.49        | 426,409    | 429,377    | 7,299,409    | 32         | 40              |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2003 | 911     | 229                    | 97.72        | 549,900    | 600,460    | 137,505,289  | 65         | 315             |

\* = Not Available



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## September 2003 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2003 | 65      | 12                     | 97.66        | 575,000    | 847,579    | 10,170,950   | 144        | 18              |
| SZC           | CAP           | 2003 | 15      | 14                     | 93.36        | 560,000    | 683,071    | 9,563,000    | 55         | 5               |
| SZC           | LGM           | 2003 | 49      | 4                      | 99.19        | 665,000    | 707,500    | 2,830,000    | 37         | 11              |
| SZC           | LVO           | 2003 | 45      | 18                     | 96.34        | 600,000    | 918,133    | 16,526,400   | 55         | 20              |
| SZC           | RIO           | 2003 | 86      | 22                     | 94.54        | 716,500    | 972,583    | 21,396,825   | 111        | 19              |
| SZC           | SCF           | 2003 | 15      | 3                      | 98.55        | 623,000    | 679,333    | 2,038,000    | 203        | 9               |
| SZC           | SLV           | 2003 | 193     | 43                     | 98.66        | 449,000    | 447,221    | 19,230,500   | 64         | 54              |
| SZC           | SOQ           | 2003 | 45      | 8                      | 97.26        | 584,000    | 718,653    | 5,749,220    | 117        | 17              |
| SZC           | SV            | 2003 | 91      | 25                     | 98.74        | 620,000    | 684,654    | 17,116,350   | 58         | 24              |
| SZC           | SZ            | 2003 | 115     | 48                     | 98.67        | 550,000    | 611,503    | 29,352,150   | 57         | 46              |
| SZC           | SZE           | 2003 | 88      | 15                     | 97.70        | 500,000    | 612,407    | 9,186,100    | 62         | 26              |
| SZC           | SZW           | 2003 | 28      | 1                      | 99.11        | 891,000    | 891,000    | 891,000      | 60         | 2               |
| SZC           | WA            | 2003 | 59      | 29                     | 99.33        | 426,000    | 409,416    | 11,873,057   | 11         | 43              |
| SZC           | UN            | 2003 | 5       | *                      | *            | *          | *          | *            | *          | 1               |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2003 | 911     | 248                    | 97.39        | 545,000    | 635,823    | 157,684,052  | 65         | 294             |

\* = Not Available



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## October 2003 Santa Cruz County Single Family

| County        | Area/City | Year | Cur Inv | No. of Closed Sales | %LP Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg DOM | New Listings |
|---------------|-----------|------|---------|---------------------|-----------|------------|------------|--------------|---------|--------------|
| SZC           | APT       | 2003 | 65      | 13                  | 97.52     | 755,000    | 771,773    | 10,033,050   | 70      | 15           |
| SZC           | AVL       | 2003 | 6       | 1                   | 96.49     | 275,000    | 275,000    | 275,000      | 45      | 1            |
| SZC           | CAP       | 2003 | 16      | 4                   | 100.04    | 594,000    | 582,123    | 2,328,490    | 10      | 10           |
| SZC           | EST       | 2003 | 5       | 1                   | 87.96     | 738,000    | 738,000    | 738,000      | 265     | 2            |
| SZC           | LGM       | 2003 | 42      | 5                   | 96.23     | 740,000    | 679,000    | 3,395,000    | 125     | 5            |
| SZC           | LVO       | 2003 | 48      | 14                  | 100.71    | 560,000    | 751,071    | 10,515,000   | 36      | 21           |
| SZC           | RIO       | 2003 | 80      | 27                  | 96.67     | 685,000    | 832,074    | 22,466,000   | 90      | 23           |
| SZC           | SCF       | 2003 | 17      | 7                   | 96.75     | 695,000    | 665,429    | 4,658,000    | 43      | 5            |
| SZC           | SLV       | 2003 | 166     | 54                  | 97.91     | 402,000    | 418,341    | 22,590,400   | 65      | 51           |
| SZC           | SOQ       | 2003 | 45      | 10                  | 97.38     | 565,000    | 551,698    | 5,516,980    | 64      | 12           |
| SZC           | SV        | 2003 | 84      | 28                  | 98.44     | 645,000    | 707,268    | 19,803,500   | 94      | 25           |
| SZC           | SZ        | 2003 | 108     | 37                  | 97.48     | 540,000    | 618,919    | 22,900,000   | 51      | 38           |
| SZC           | SZE       | 2003 | 92      | 18                  | 96.66     | 468,000    | 654,398    | 11,779,160   | 102     | 38           |
| SZC           | SZW       | 2003 | 26      | 3                   | 97.37     | 550,000    | 540,083    | 1,620,250    | 110     | 4            |
| SZC           | WA        | 2003 | 63      | 18                  | 100.31    | 431,610    | 434,381    | 7,818,853    | 27      | 37           |
| <b>Totals</b> |           |      |         |                     |           |            |            |              |         |              |
|               |           | 2003 | 866     | 239                 | 97.80     | 544,000    | 609,384    | 145,642,683  | 69      | 287          |

\* = Not Available



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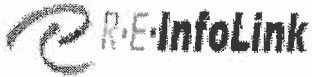
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## November 2003 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2003 | 48      | 13                     | 92.87        | 571,000    | 606,577    | 7,885,500    | 68         | 11              |
| SZC           | AVL           | 2003 | 5       | 4                      | 99.74        | 280,000    | 287,500    | 1,150,000    | 103        | 3               |
| SZC           | CAP           | 2003 | 10      | 6                      | 96.43        | 795,000    | 848,083    | 5,088,500    | 103        | 4               |
| SZC           | EST           | 2003 | 3       | 1                      | 97.43        | 375,000    | 375,000    | 375,000      | 58         | 2               |
| SZC           | LGM           | 2003 | 38      | 4                      | 92.86        | 800,000    | 864,250    | 3,457,000    | 125        | 6               |
| SZC           | LVO           | 2003 | 36      | 16                     | 94.76        | 528,000    | 613,336    | 9,813,375    | 34         | 11              |
| SZC           | RIO           | 2003 | 62      | 14                     | 97.76        | 600,000    | 693,929    | 9,715,000    | 93         | 11              |
| SZC           | SCF           | 2003 | 18      | 4                      | 99.84        | 589,000    | 643,250    | 2,573,000    | 48         | 3               |
| SZC           | SLV           | 2003 | 135     | 45                     | 98.17        | 399,000    | 427,694    | 19,246,249   | 60         | 35              |
| SZC           | SOQ           | 2003 | 35      | 11                     | 96.77        | 635,000    | 743,782    | 8,181,600    | 100        | 9               |
| SZC           | SV            | 2003 | 58      | 20                     | 94.40        | 599,000    | 663,495    | 13,269,900   | 97         | 13              |
| SZC           | SZ            | 2003 | 86      | 31                     | 96.89        | 559,999    | 624,245    | 19,351,609   | 67         | 29              |
| SZC           | SZE           | 2003 | 88      | 14                     | 92.02        | 499,900    | 951,457    | 13,320,400   | 90         | 23              |
| SZC           | SZW           | 2003 | 22      | 3                      | 98.18        | 949,000    | 865,000    | 2,595,000    | 51         | 3               |
| SZC           | WA            | 2003 | 68      | 23                     | 99.46        | 415,000    | 390,611    | 8,984,055    | 19         | 30              |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2003 | 712     | 209                    | 96.06        | 533,000    | 598,116    | 125,006,188  | 68         | 192             |

\* = Not Available

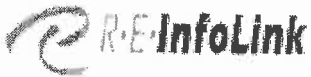


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December 2003 Santa Cruz County Single Family

| County        | Area/City | Year | Cur Inv | No. of Closed Sales | %LP Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg DOM | New Listings |
|---------------|-----------|------|---------|---------------------|-----------|------------|------------|--------------|---------|--------------|
| SZC           | APT       | 2003 | 34      | 14                  | 97.45     | 569,000    | 633,964    | 8,875,500    | 70      | 9            |
| SZC           | AVL       | 2003 | 3       | 1                   | 93.94     | 310,000    | 310,000    | 310,000      | 120     | 2            |
| SZC           | CAP       | 2003 | 8       | 8                   | 95.45     | 550,000    | 658,688    | 5,269,500    | 59      | 2            |
| SZC           | EST       | 2003 | 2       | *                   | *         | *          | *          | *            | *       | *            |
| SZC           | LGM       | 2003 | 36      | 4                   | 96.99     | 750,000    | 1,006,250  | 4,025,000    | 106     | 6            |
| SZC           | LVO       | 2003 | 27      | 16                  | 98.88     | 547,000    | 625,225    | 10,003,600   | 40      | 6            |
| SZC           | RIO       | 2003 | 47      | 19                  | 97.57     | 667,000    | 673,600    | 12,798,400   | 87      | 9            |
| SZC           | SCF       | 2003 | 12      | 3                   | 95.31     | 737,000    | 734,833    | 2,204,500    | 121     | 3            |
| SZC           | SLV       | 2003 | 109     | 38                  | 98.07     | 430,000    | 459,505    | 17,461,200   | 106     | 19           |
| SZC           | SOQ       | 2003 | 27      | 9                   | 97.75     | 598,900    | 821,767    | 7,395,900    | 119     | 8            |
| SZC           | SV        | 2003 | 49      | 25                  | 96.35     | 655,000    | 754,180    | 18,854,500   | 131     | 9            |
| SZC           | SZ        | 2003 | 78      | 32                  | 95.55     | 599,000    | 742,813    | 23,770,000   | 66      | 21           |
| SZC           | SZE       | 2003 | 65      | 20                  | 95.02     | 502,000    | 755,390    | 15,107,801   | 39      | 12           |
| SZC           | SZW       | 2003 | 14      | 2                   | 96.69     | 465,000    | 482,500    | 965,000      | 124     | *            |
| SZC           | WA        | 2003 | 51      | 35                  | 99.06     | 434,000    | 430,488    | 15,067,081   | 24      | 21           |
| SZC           | UN        | 2003 | 2       | *                   | *         | *          | *          | *            | *       | *            |
| <b>Totals</b> |           |      |         |                     |           |            |            |              |         |              |
|               |           | 2003 | 561     | 225                 | 96.95     | 547,000    | 629,442    | 141,624,482  | 75      | 126          |

\* = Not Available



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January 2004 Santa Cruz County Single Family

| County        | Area/City | Year | Cur Inv | No. of Closed Sales | %LP Rec'd | Med. Price | Avg. Price | Total \$ Voi | Avg DOM | New Listings |
|---------------|-----------|------|---------|---------------------|-----------|------------|------------|--------------|---------|--------------|
| SZC           | APT       | 2004 | 37      | 10                  | 95.61     | 837,500    | 860,540    | 8,605,400    | 92      | 11           |
| SZC           | AVL       | 2004 | 2       | 3                   | 97.55     | 305,000    | 305,000    | 915,000      | 64      | 1            |
| SZC           | CAP       | 2004 | 10      | 8                   | 97.02     | 572,500    | 693,550    | 5,548,400    | 25      | 4            |
| SZC           | EST       | 2004 | 2       | *                   | *         | *          | *          | *            | *       | *            |
| SZC           | LGM       | 2004 | 36      | 4                   | 98.68     | 707,500    | 711,250    | 2,845,000    | 96      | 15           |
| SZC           | LVO       | 2004 | 32      | 9                   | 97.88     | 645,000    | 662,398    | 5,961,583    | 63      | 14           |
| SZC           | RIO       | 2004 | 41      | 18                  | 97.61     | 679,750    | 820,093    | 14,761,675   | 109     | 19           |
| SZC           | SCF       | 2004 | 10      | 6                   | 98.68     | 742,500    | 739,167    | 4,435,000    | 39      | 4            |
| SZC           | SLV       | 2004 | 113     | 25                  | 98.13     | 430,000    | 427,002    | 10,675,049   | 61      | 50           |
| SZC           | SOQ       | 2004 | 24      | 10                  | 98.50     | 635,750    | 717,150    | 7,171,500    | 67      | 8            |
| SZC           | SV        | 2004 | 52      | 7                   | 96.21     | 745,000    | 769,129    | 5,383,900    | 68      | 18           |
| SZC           | SZ        | 2004 | 74      | 22                  | 100.39    | 614,500    | 706,941    | 15,552,700   | 50      | 30           |
| SZC           | SZE       | 2004 | 66      | 15                  | 97.55     | 609,500    | 695,700    | 10,435,500   | 93      | 16           |
| SZC           | SZW       | 2004 | 15      | 3                   | 95.20     | 668,200    | 1,013,567  | 3,040,700    | 260     | 7            |
| SZC           | WA        | 2004 | 50      | 19                  | 99.38     | 445,000    | 432,842    | 8,224,000    | 41      | 14           |
| SZC           | UN        | 2004 | 2       | 1                   | 94.56     | 220,000    | 878,500    | 878,500      | 385     | 1            |
| <b>Totals</b> |           |      |         |                     |           |            |            |              |         |              |
|               |           | 2004 | 565     | 160                 | 97.98     | 583,750    | 652,712    | 104,433,907  | 72      | 211          |

\* = Not Available





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## February 2004 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2004 | 40      | 8                      | 99.05        | 517,250    | 576,938    | 4,615,500    | 49         | 20              |
| SZC           | AVL           | 2004 | 4       | 3                      | 98.33        | 339,000    | 333,333    | 1,000,000    | 63         | 3               |
| SZC           | CAP           | 2004 | 17      | 2                      | 100.00       | 705,000    | 705,000    | 1,410,000    | 9          | 11              |
| SZC           | EST           | 2004 | 1       | 1                      | 94.74        | 900,000    | 900,000    | 900,000      | 74         | 1               |
| SZC           | LGM           | 2004 | 32      | 6                      | 97.89        | 783,000    | 764,833    | 4,589,000    | 76         | 8               |
| SZC           | LVO           | 2004 | 31      | 6                      | 98.43        | 874,975    | 1,130,658  | 6,783,950    | 46         | 17              |
| SZC           | RIO           | 2004 | 48      | 13                     | 96.80        | 655,000    | 841,385    | 10,938,000   | 84         | 22              |
| SZC           | SCF           | 2004 | 13      | 4                      | 96.67        | 1,100,000  | 1,152,250  | 4,609,000    | 192        | 8               |
| SZC           | SLV           | 2004 | 118     | 15                     | 99.24        | 480,000    | 508,104    | 7,621,557    | 67         | 37              |
| SZC           | SOQ           | 2004 | 27      | 11                     | 97.34        | 790,000    | 794,000    | 8,734,000    | 83         | 13              |
| SZC           | SV            | 2004 | 65      | 11                     | 98.04        | 560,000    | 586,636    | 6,453,000    | 137        | 26              |
| SZC           | SZ            | 2004 | 86      | 20                     | 98.24        | 632,500    | 663,345    | 13,266,900   | 54         | 45              |
| SZC           | SZE           | 2004 | 72      | 12                     | 98.40        | 477,500    | 605,580    | 7,266,956    | 62         | 25              |
| SZC           | SZW           | 2004 | 15      | 1                      | 98.63        | 650,000    | 650,000    | 650,000      | 93         | 5               |
| SZC           | WA            | 2004 | 47      | 19                     | 100.12       | 480,000    | 467,903    | 8,890,150    | 76         | 20              |
| SZC           | UN            | 2004 | 1       | *                      | *            | *          | *          | *            | *          | *               |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2004 | 616     | 131                    | 98.30        | 560,000    | 662,199    | 86,748,013   | 74         | 260             |

\* = Not Available



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## March 2004 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2004 | 56      | 14                     | 96.50        | 787,500    | 867,900    | 12,150,600   | 115        | 33              |
| SZC           | AVL           | 2004 | 2       | 2                      | 98.04        | 388,000    | 388,000    | 776,000      | 3          | *               |
| SZC           | CAP           | 2004 | 26      | 8                      | 97.43        | 639,500    | 858,125    | 6,865,000    | 76         | 23              |
| SZC           | EST           | 2004 | 1       | 1                      | 96.50        | 1,240,000  | 1,240,000  | 1,240,000    | 74         | *               |
| SZC           | LGM           | 2004 | 41      | 8                      | 92.77        | 796,000    | 871,000    | 6,968,000    | 184        | 20              |
| SZC           | LVO           | 2004 | 35      | 14                     | 100.55       | 633,500    | 660,604    | 9,248,450    | 47         | 24              |
| SZC           | RIO           | 2004 | 42      | 20                     | 96.07        | 664,000    | 938,125    | 18,762,500   | 107        | 23              |
| SZC           | SCF           | 2004 | 11      | 6                      | 97.53        | 638,750    | 685,458    | 4,112,750    | 30         | 5               |
| SZC           | SLV           | 2004 | 143     | 41                     | 99.42        | 410,000    | 445,598    | 18,269,500   | 72         | 84              |
| SZC           | SOQ           | 2004 | 26      | 9                      | 95.58        | 715,000    | 940,111    | 8,461,000    | 57         | 15              |
| SZC           | SV            | 2004 | 67      | 20                     | 97.36        | 776,500    | 796,343    | 15,926,850   | 82         | 51              |
| SZC           | SZ            | 2004 | 86      | 46                     | 98.36        | 672,500    | 717,204    | 32,991,399   | 69         | 71              |
| SZC           | SZE           | 2004 | 77      | 20                     | 98.32        | 552,000    | 565,401    | 11,308,019   | 99         | 34              |
| SZC           | SZW           | 2004 | 20      | 3                      | 99.29        | 695,000    | 651,000    | 1,953,000    | 23         | 7               |
| SZC           | WA            | 2004 | 61      | 18                     | 99.37        | 492,450    | 472,981    | 8,513,650    | 57         | 40              |
| SZC           | UN            | 2004 | 1       | *                      | *            | *          | *          | *            | *          | *               |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2004 | 695     | 228                    | 97.67        | 606,625    | 683,867    | 155,921,718  | 79         | 430             |

\* = Not Available

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## April 2004 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2004 | 55      | 18                     | 98.83        | 725,000    | 792,528    | 14,265,500   | 71         | 20              |
| SZC           | AVL           | 2004 | 1       | 1                      | 98.36        | 300,000    | 300,000    | 300,000      | 14         | 1               |
| SZC           | CAP           | 2004 | 20      | 9                      | 100.77       | 644,000    | 636,056    | 5,724,500    | 36         | 4               |
| SZC           | EST           | 2004 | 1       | *                      | *            | *          | *          | *            | *          | *               |
| SZC           | LGM           | 2004 | 43      | 6                      | 101.22       | 1,000,000  | 899,333    | 5,396,000    | 71         | 17              |
| SZC           | LVO           | 2004 | 58      | 16                     | 102.32       | 731,400    | 820,526    | 13,128,415   | 12         | 43              |
| SZC           | RIO           | 2004 | 57      | 19                     | 98.84        | 800,000    | 860,297    | 16,345,650   | 79         | 32              |
| SZC           | SCF           | 2004 | 19      | 2                      | 99.07        | 459,500    | 534,250    | 1,068,500    | 153        | 14              |
| SZC           | SLV           | 2004 | 164     | 46                     | 99.48        | 428,000    | 456,572    | 21,002,325   | 58         | 80              |
| SZC           | SOQ           | 2004 | 40      | 9                      | 100.19       | 649,000    | 697,778    | 6,280,000    | 34         | 27              |
| SZC           | SV            | 2004 | 77      | 26                     | 98.67        | 692,000    | 779,250    | 20,260,500   | 58         | 38              |
| SZC           | SZ            | 2004 | 89      | 50                     | 100.93       | 649,000    | 673,568    | 33,678,401   | 23         | 52              |
| SZC           | SZE           | 2004 | 89      | 18                     | 97.48        | 605,000    | 656,417    | 11,815,500   | 51         | 35              |
| SZC           | SZW           | 2004 | 17      | 4                      | 97.01        | 640,000    | 828,750    | 3,315,000    | 24         | 6               |
| SZC           | WA            | 2004 | 55      | 30                     | 100.32       | 475,000    | 477,100    | 14,313,000   | 44         | 26              |
| SZC           | UN            | 2004 | 1       | *                      | *            | *          | *          | *            | *          | *               |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2004 | 781     | 254                    | 99.71        | 620,000    | 659,619    | 167,543,291  | 48         | 393             |

\* = Not Available



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May 2004 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2004 | 54      | 16                     | 98.66        | 650,000    | 721,656    | 11,546,500   | 22         | 27              |
| SZC           | AVL           | 2004 | 4       | *                      | *            | *          | *          | *            | *          | 3               |
| SZC           | CAP           | 2004 | 21      | 9                      | 90.90        | 698,000    | 1,048,333  | 9,435,000    | 30         | 12              |
| SZC           | EST           | 2004 | 3       | *                      | *            | *          | *          | *            | *          | 1               |
| SZC           | LGM           | 2004 | 56      | 2                      | 109.33       | 619,000    | 884,500    | 1,769,000    | 31         | 19              |
| SZC           | LVO           | 2004 | 53      | 17                     | 100.67       | 652,500    | 721,147    | 12,259,500   | 32         | 26              |
| SZC           | RIO           | 2004 | 60      | 14                     | 97.82        | 685,000    | 885,071    | 12,391,000   | 58         | 36              |
| SZC           | SCF           | 2004 | 21      | 5                      | 99.95        | 655,000    | 641,077    | 3,205,386    | 18         | 12              |
| SZC           | SLV           | 2004 | 182     | 45                     | 99.27        | 485,000    | 506,899    | 22,810,450   | 39         | 77              |
| SZC           | SOQ           | 2004 | 46      | 14                     | 97.69        | 705,000    | 905,933    | 12,683,060   | 46         | 24              |
| SZC           | SV            | 2004 | 81      | 28                     | 98.48        | 675,000    | 739,305    | 20,700,540   | 33         | 35              |
| SZC           | SZ            | 2004 | 111     | 40                     | 100.34       | 665,000    | 689,424    | 27,576,955   | 25         | 68              |
| SZC           | SZE           | 2004 | 94      | 22                     | 95.59        | 610,000    | 742,300    | 16,330,590   | 63         | 33              |
| SZC           | SZW           | 2004 | 17      | 6                      | 96.44        | 780,000    | 1,188,192  | 7,129,150    | 261        | 7               |
| SZC           | WA            | 2004 | 52      | 29                     | 100.26       | 465,304    | 450,362    | 13,060,497   | 9          | 31              |
| SZC           | UN            | 2004 | 1       | *                      | *            | *          | *          | *            | *          | *               |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2004 | 850     | 247                    | 98.37        | 639,000    | 691,893    | 170,897,628  | 39         | 406             |

\* = Not Available



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June 2004 Santa Cruz County Single Family

| County        | Area/City | Year | Cur Inv | No. of Closed Sales | %LP Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg DOM | New Listings |
|---------------|-----------|------|---------|---------------------|-----------|------------|------------|--------------|---------|--------------|
| SZC           | APT       | 2004 | 60      | 14                  | 99.57     | 693,000    | 716,243    | 10,027,400   | 49      | 21           |
| SZC           | AVL       | 2004 | 3       | 2                   | 101.69    | 355,000    | 361,000    | 722,000      | 6       | 1            |
| SZC           | CAP       | 2004 | 24      | 3                   | 94.12     | 775,000    | 1,057,000  | 3,171,000    | 110     | 8            |
| SZC           | EST       | 2004 | 4       | *                   | *         | *          | *          | *            | *       | 3            |
| SZC           | LGM       | 2004 | 45      | 13                  | 97.71     | 890,000    | 975,904    | 12,686,750   | 117     | 12           |
| SZC           | LVO       | 2004 | 52      | 18                  | 99.23     | 615,000    | 698,248    | 12,568,460   | 17      | 21           |
| SZC           | RIO       | 2004 | 55      | 27                  | 97.69     | 772,000    | 976,064    | 26,353,738   | 33      | 27           |
| SZC           | SCF       | 2004 | 14      | 7                   | 99.54     | 650,000    | 680,571    | 4,764,000    | 43      | 5            |
| SZC           | SLV       | 2004 | 163     | 69                  | 98.88     | 510,000    | 503,802    | 34,762,349   | 40      | 64           |
| SZC           | SOQ       | 2004 | 41      | 11                  | 98.17     | 699,000    | 734,855    | 8,083,400    | 17      | 13           |
| SZC           | SV        | 2004 | 83      | 23                  | 97.89     | 705,000    | 846,783    | 19,476,000   | 43      | 35           |
| SZC           | SZ        | 2004 | 114     | 42                  | 99.99     | 685,000    | 686,214    | 28,820,980   | 21      | 56           |
| SZC           | SZE       | 2004 | 92      | 21                  | 99.07     | 599,000    | 675,895    | 14,193,800   | 57      | 34           |
| SZC           | SZW       | 2004 | 19      | 5                   | 98.23     | 671,000    | 752,200    | 3,761,000    | 56      | 9            |
| SZC           | WA        | 2004 | 46      | 40                  | 100.90    | 489,000    | 478,617    | 19,144,688   | 16      | 35           |
| SZC           | UN        | 2004 | 1       | *                   | *         | *          | *          | *            | *       | *            |
| <b>Totals</b> |           |      |         |                     |           |            |            |              |         |              |
|               |           | 2004 | 813     | 293                 | 98.86     | 599,500    | 673,999    | 197,481,565  | 37      | 344          |

\* = Not Available



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July 2004 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2004 | 64      | 14                     | 97.69        | 727,000    | 1,049,000  | 14,686,000   | 87         | 25              |
| SZC           | AVL           | 2004 | 3       | 2                      | 99.58        | 325,000    | 358,000    | 716,000      | 13         | 1               |
| SZC           | CAP           | 2004 | 20      | 7                      | 97.72        | 840,000    | 842,714    | 5,899,000    | 43         | 7               |
| SZC           | EST           | 2004 | 6       | *                      | *            | *          | *          | *            | *          | 2               |
| SZC           | LGM           | 2004 | 36      | 14                     | 97.09        | 890,000    | 966,421    | 13,529,900   | 62         | 6               |
| SZC           | LVO           | 2004 | 53      | 13                     | 100.11       | 710,000    | 749,769    | 9,747,000    | 22         | 23              |
| SZC           | RIO           | 2004 | 56      | 19                     | 98.07        | 765,000    | 810,263    | 15,395,000   | 53         | 28              |
| SZC           | SCF           | 2004 | 17      | 8                      | 98.90        | 549,000    | 639,375    | 5,115,000    | 90         | 9               |
| SZC           | SLV           | 2004 | 166     | 62                     | 99.39        | 449,000    | 475,185    | 29,461,500   | 40         | 72              |
| SZC           | SOQ           | 2004 | 41      | 17                     | 97.34        | 739,000    | 814,265    | 13,842,500   | 57         | 9               |
| SZC           | SV            | 2004 | 96      | 23                     | 100.20       | 699,000    | 754,413    | 17,351,500   | 34         | 41              |
| SZC           | SZ            | 2004 | 122     | 44                     | 100.18       | 660,000    | 691,341    | 30,419,000   | 25         | 63              |
| SZC           | SZE           | 2004 | 98      | 19                     | 98.56        | 635,000    | 756,158    | 14,367,000   | 56         | 30              |
| SZC           | SZW           | 2004 | 21      | 4                      | 99.21        | 675,000    | 873,000    | 3,492,000    | 87         | 10              |
| SZC           | WA            | 2004 | 54      | 30                     | 100.89       | 524,664    | 520,790    | 15,623,714   | 23         | 45              |
| SZC           | UN            | 2004 | 1       | *                      | *            | *          | *          | *            | *          | *               |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2004 | 852     | 274                    | 99.03        | 635,000    | 687,265    | 188,310,614  | 43         | 371             |

\* = Not Available



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August 2004 Santa Cruz County Single Family

| County        | Area/City | Year | Cur Inv | No. of Closed Sales | %LP Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg DOM | New Listings |
|---------------|-----------|------|---------|---------------------|-----------|------------|------------|--------------|---------|--------------|
| SZC           | APT       | 2004 | 52      | 15                  | 98.53     | 639,000    | 761,333    | 11,420,000   | 39      | 14           |
| SZC           | AVL       | 2004 | 5       | *                   | *         | *          | *          | *            | *       | 3            |
| SZC           | CAP       | 2004 | 22      | 10                  | 98.78     | 655,000    | 644,950    | 6,449,500    | 26      | 12           |
| SZC           | EST       | 2004 | 9       | *                   | *         | *          | *          | *            | *       | 3            |
| SZC           | LGM       | 2004 | 35      | 9                   | 96.07     | 805,000    | 1,009,778  | 9,088,000    | 70      | 14           |
| SZC           | LVO       | 2004 | 51      | 13                  | 94.38     | 839,000    | 1,018,154  | 13,236,000   | 76      | 24           |
| SZC           | RIO       | 2004 | 55      | 18                  | 96.89     | 890,000    | 965,436    | 17,377,845   | 94      | 24           |
| SZC           | SCF       | 2004 | 12      | 6                   | 99.40     | 600,000    | 630,833    | 3,785,000    | 33      | 6            |
| SZC           | SLV       | 2004 | 161     | 49                  | 99.04     | 472,000    | 507,961    | 24,890,090   | 61      | 71           |
| SZC           | SOQ       | 2004 | 37      | 15                  | 99.29     | 747,500    | 794,967    | 11,924,500   | 40      | 14           |
| SZC           | SV        | 2004 | 83      | 28                  | 97.07     | 729,950    | 913,113    | 25,567,150   | 43      | 35           |
| SZC           | SZ        | 2004 | 122     | 48                  | 96.59     | 679,000    | 807,406    | 38,755,500   | 30      | 73           |
| SZC           | SZE       | 2004 | 108     | 14                  | 97.47     | 620,000    | 813,316    | 11,386,418   | 40      | 46           |
| SZC           | SZW       | 2004 | 20      | 2                   | 94.55     | 600,000    | 649,750    | 1,299,500    | 85      | 8            |
| SZC           | WA        | 2004 | 54      | 31                  | 101.36    | 509,180    | 512,833    | 15,897,818   | 19      | 42           |
| SZC           | UN        | 2004 | 1       | *                   | *         | *          | *          | *            | *       | *            |
| <b>Totals</b> |           |      |         |                     |           |            |            |              |         |              |
|               |           | 2004 | 824     | 257                 | 97.64     | 639,000    | 740,612    | 190,337,321  | 46      | 387          |

\* = Not Available

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## September 2004 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2004 | 45      | 15                     | 97.56        | 652,500    | 725,588    | 10,883,824   | 44         | 15              |
| SZC           | AVL           | 2004 | 4       | 2                      | 100.39       | 366,000    | 385,500    | 771,000      | 66         | *               |
| SZC           | CAP           | 2004 | 18      | 5                      | 97.33        | 750,000    | 974,000    | 4,870,000    | 37         | 4               |
| SZC           | EST           | 2004 | 7       | 1                      | 100.94       | 645,000    | 645,000    | 645,000      | 4          | *               |
| SZC           | LGM           | 2004 | 35      | 4                      | 92.35        | 580,000    | 935,025    | 3,740,100    | 77         | 9               |
| SZC           | LVO           | 2004 | 45      | 17                     | 94.18        | 749,000    | 868,118    | 14,758,000   | 44         | 22              |
| SZC           | RIO           | 2004 | 53      | 15                     | 98.96        | 749,000    | 1,008,167  | 15,122,500   | 38         | 20              |
| SZC           | SCF           | 2004 | 7       | 7                      | 98.57        | 690,000    | 713,893    | 4,997,250    | 48         | 3               |
| SZC           | SLV           | 2004 | 163     | 46                     | 100.10       | 495,000    | 520,330    | 23,935,200   | 47         | 60              |
| SZC           | SOQ           | 2004 | 37      | 7                      | 99.75        | 675,000    | 694,500    | 4,861,500    | 58         | 9               |
| SZC           | SV            | 2004 | 77      | 29                     | 99.12        | 700,000    | 820,310    | 23,789,000   | 45         | 28              |
| SZC           | SZ            | 2004 | 106     | 44                     | 97.72        | 737,000    | 735,262    | 32,351,510   | 32         | 45              |
| SZC           | SZE           | 2004 | 94      | 32                     | 96.44        | 680,000    | 839,188    | 26,854,000   | 52         | 30              |
| SZC           | SZW           | 2004 | 18      | 7                      | 98.35        | 680,000    | 707,429    | 4,952,000    | 34         | 5               |
| SZC           | WA            | 2004 | 56      | 33                     | 100.82       | 545,000    | 485,115    | 16,008,793   | 23         | 36              |
| SZC           | UN            | 2004 | 1       | *                      | *            | *          | *          | *            | *          | *               |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2004 | 764     | 264                    | 98.05        | 645,000    | 714,165    | 188,539,677  | 41         | 286             |

\* = Not Available





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## October 2004 Santa Cruz County Single Family

| County        | Area/<br>City | Year | Cur Inv | No. of<br>Closed Sales | %LP<br>Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg<br>DOM | New<br>Listings |
|---------------|---------------|------|---------|------------------------|--------------|------------|------------|--------------|------------|-----------------|
| SZC           | APT           | 2004 | 38      | 9                      | 98.57        | 698,000    | 683,600    | 6,152,400    | 43         | 16              |
| SZC           | AVL           | 2004 | 2       | 1                      | 100.00       | 379,950    | 379,950    | 379,950      | 128        | 1               |
| SZC           | CAP           | 2004 | 21      | 6                      | 98.61        | 785,000    | 846,917    | 5,081,500    | 49         | 8               |
| SZC           | EST           | 2004 | 5       | 4                      | 96.42        | 804,000    | 900,375    | 3,601,500    | 62         | 3               |
| SZC           | LGM           | 2004 | 30      | 9                      | 96.42        | 825,000    | 826,000    | 7,434,000    | 175        | 5               |
| SZC           | LVO           | 2004 | 45      | 20                     | 97.31        | 750,000    | 922,974    | 18,459,488   | 48         | 17              |
| SZC           | RIO           | 2004 | 49      | 16                     | 95.44        | 829,000    | 1,164,156  | 18,626,500   | 53         | 13              |
| SZC           | SCF           | 2004 | 7       | 1                      | 99.73        | 563,500    | 563,500    | 563,500      | 5          | 7               |
| SZC           | SLV           | 2004 | 118     | 49                     | 99.04        | 479,000    | 528,074    | 25,875,602   | 47         | 36              |
| SZC           | SOQ           | 2004 | 33      | 8                      | 97.76        | 780,000    | 1,013,750  | 8,110,000    | 63         | 14              |
| SZC           | SV            | 2004 | 67      | 21                     | 98.84        | 725,000    | 776,476    | 16,306,000   | 50         | 17              |
| SZC           | SZ            | 2004 | 93      | 44                     | 99.19        | 670,000    | 718,535    | 31,615,550   | 38         | 36              |
| SZC           | SZE           | 2004 | 82      | 22                     | 99.59        | 580,000    | 622,761    | 13,700,734   | 65         | 26              |
| SZC           | SZW           | 2004 | 18      | 4                      | 96.70        | 668,000    | 716,000    | 2,864,000    | 40         | 2               |
| SZC           | WA            | 2004 | 51      | 37                     | 101.10       | 544,577    | 499,580    | 18,484,450   | 14         | 49              |
| SZC           | UN            | 2004 | 1       | *                      | *            | *          | *          | *            | *          | *               |
| <b>Totals</b> |               |      |         |                        |              |            |            |              |            |                 |
|               |               | 2004 | 657     | 251                    | 98.44        | 660,000    | 706,196    | 177,255,174  | 48         | 248             |

\* = Not Available



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November 2004 Santa Cruz County Single Family

| County        | Area/City | Year | Cur Inv | No. of Closed Sales | %LP Rec'd | Med. Price | Avg. Price | Total \$ Vol | Avg DOM | New Listings |
|---------------|-----------|------|---------|---------------------|-----------|------------|------------|--------------|---------|--------------|
| SZC           | APT       | 2004 | 31      | 14                  | 98.36     | 900,000    | 861,744    | 12,064,417   | 84      | 14           |
| SZC           | AVL       | 2004 | 4       | 2                   | 99.36     | 369,500    | 387,250    | 774,500      | 34      | 2            |
| SZC           | CAP       | 2004 | 22      | 4                   | 98.33     | 656,500    | 873,625    | 3,494,500    | 37      | 7            |
| SZC           | EST       | 2004 | 3       | *                   | *         | *          | *          | *            | *       | 1            |
| SZC           | LGM       | 2004 | 28      | 6                   | 97.76     | 850,000    | 801,000    | 4,806,000    | 59      | 4            |
| SZC           | LVO       | 2004 | 33      | 19                  | 98.91     | 682,500    | 882,500    | 16,767,500   | 35      | 14           |
| SZC           | RIO       | 2004 | 37      | 14                  | 97.75     | 775,000    | 1,130,107  | 15,821,500   | 56      | 16           |
| SZC           | SCF       | 2004 | 9       | 4                   | 101.20    | 620,000    | 655,063    | 2,620,250    | 27      | 5            |
| SZC           | SLV       | 2004 | 107     | 37                  | 99.12     | 466,000    | 479,645    | 17,746,850   | 49      | 31           |
| SZC           | SOQ       | 2004 | 31      | 15                  | 98.70     | 655,000    | 710,800    | 10,662,000   | 56      | 8            |
| SZC           | SV        | 2004 | 40      | 15                  | 99.20     | 682,500    | 710,147    | 10,652,200   | 54      | 14           |
| SZC           | SZ        | 2004 | 73      | 30                  | 99.29     | 715,000    | 755,972    | 22,679,150   | 29      | 32           |
| SZC           | SZE       | 2004 | 73      | 26                  | 98.04     | 620,000    | 682,846    | 17,754,000   | 67      | 20           |
| SZC           | SZW       | 2004 | 15      | 5                   | 94.20     | 850,000    | 950,460    | 4,752,300    | 41      | 3            |
| SZC           | WA        | 2004 | 38      | 38                  | 99.83     | 550,000    | 520,601    | 19,782,839   | 17      | 35           |
| SZC           | UN        | 2004 | *       | *                   | *         | *          | *          | *            | *       | *            |
| <b>Totals</b> |           |      |         |                     |           |            |            |              |         |              |
|               |           | 2004 | 540     | 229                 | 98.70     | 630,000    | 700,341    | 160,378,006  | 45      | 205          |

\* = Not Available



**First American Title**  
**1737 North First Street, Suite 100**  
**San Jose, CA 95112**

Madeline E. Miller  
Miller, Owen & Trost  
428 J Street, Suite 400  
Sacramento, CA 95814  
Phone: (916) 447-7933

Escrow Officer: Linda Tugade  
Phone: (408) 451-7800

Buyer: SCCRTC

Owner: Union Pacific Railroad Company

Property Reference: Santa Cruz County Rail Line

**PRELIMINARY REPORT**

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of January 09, 2005 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

CLTA Standard Owners Policy

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

Union Pacific Railroad Company, a Delaware corporation, formerly Southern Pacific Transportation Company (1998), successor by merger with Southern Pacific Company (1969) and Southern Pacific Railroad Company (1955), successor to Coast Line Railway Company by purchase (1917), and corporate successor of Pajaro and Santa Cruz Railroad Company (1888), the successor to the Santa Cruz Railroad Company by purchase from Pacific Improvement Company (1886)

The estate or interest in the land hereinafter described or referred to covered by this Report is:

Easements as to the strips, pieces or parcels numbered 8; 11 (iii); 19; 43; 45; 48; 54; 56 (ii); 57 (iii); 70; 112; and certain elements of 106, 107, 108, and 111; fee simple as to the other strips, pieces, or parcels numbered herein, particularly described in the instruments of record referred to herein.

**(The items numbered 60 and 64 herein are to be intentionally omitted for purposes of title insurance, as there is no basis of record title vested in Union Pacific Railroad Company's predecessors.)**

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

#### DEFECTS AND ENCUMBRANCES AFFECTING TITLE

NOTE: The recorded text consisting of words describing numbers are omitted in this transcription, indicated by ellipsis thus . . . , where accompanied by numerals in parentheses, or are interpolated thus [ ], where numerals are not included. Superfluous text in some instances is also omitted, so indicated by ellipsis. Punctuation and capitalizations of words are transcribed exactly. Where only initials of words indicating compass directions are used in the record text, the words are spelled fully here and the initial letters of all words indicating compass directions are capitalized here, whether or not so in the record text. Clearly inadvertent omissions are interpolated thus [ ]. Anomalous text is transcribed exactly, with an indication of caution thus [sic].

A. May affect various parcels

Rights of the public for street or highway purposes, as to any portions of the land described herein which are within the presently traveled ways of any State highways, County roads or City streets.

B. Affects various parcels

The effect, if any, of the expressed or implied intentions, presumptions, terms, or conditions of sale of certain premises described or referred to herein, upon which title was conveyed for railroad purposes to the Santa Cruz Railroad Company (i.e., for instance, "the construction, operation and maintenance of said . . . railroad," ". . . for a roadbed and right of way for said . . . railroad, and for other purposes necessary to successfully work and conduct the business of said railroad," and ". . . said parcel s of land being necessarily required by the said Santa Cruz Railroad Company for the construction, operation and maintenance of its railroad."

C. Affects various parcels

The fact that gaps or gores apparently exist between the boundaries of some of the parcels described or referred to herein, which apparently should be contiguous, adjacent, and adjoining.

D. Affects various parcels

The fact that there are certain segments along the Santa Cruz Branch Line and Davenport Branch Line where no right of way or other land title appears of record to have been granted for railroad purposes.

E. Affects various parcels

The effect of any incompleteness, indefiniteness, incongruities, and/or insufficiencies of the boundary descriptions contained in conveyances of title to the Santa Cruz Railroad Company, or others referred to herein.

1. Affects V72-6, No. 1

The "right to construct, reconstruct, maintain and operate a . . . 24 inch sewer pipe . . . beneath the tracks and property of Railroad at or near Watsonville," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of June 1, 1959, recorded in Volume 1258, Pages 478-484, Official Records of Santa Cruz County, between Southern Pacific Company and Freedom County Sanitation District of Santa Cruz County.

Reference is hereby made to the record thereof for further particulars.

2. Affects V72-6, No. 1 and No. 36

The "right to construct, reconstruct, maintain and operate one (1) 18" 14- guage corrugated metal pipe for conveying storm waters . . . beneath the tracks and property of Railroad at [or near] Watsonville," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of March 6, 1961, recorded in Volume 1386, Pages 480-488, Official Records of Santa Cruz County, between Southern Pacific Company and Pajaro Storm Drain Maintenance District.

Reference is hereby made to the record thereof for further particulars.

3. Affects V72-6, No. 1

The "right to construct, reconstruct, maintain and operate a thirty-nine (39) inch sanitary sewer pipeline . . . beneath the tracks and property of Railroad at or near Watsonville," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of October 4, 1983, recorded December 29, 1983 in Volume 3666, Pages 440-447, Official Records of Santa Cruz County, between Southern Pacific Transportation Company and City of Watsonville.

Reference is hereby made to the record thereof for further particulars.

4. Affects V72-5, No. 12

The effect of the terms or conditions set forth in the Indenture dated as of August 22, 1877, filed for record August 25, 1877 and recorded October 4, 1877 in Volume 24 of Deeds, Pages 466-468, Santa Cruz County Records, between Thomas Allen, first party, and the Santa Cruz Railroad Company, second party, viz:

"In consideration of the maintenance hereafter of, First, good and sufficient fences on both sides of its railroad, so far as said railroad passes through my land in the Pajaro Valley, and, Second, of a convenient crossing protected by cattle guards, over its said railroad at the place where a crossing over said railroad now exists on my said land, and Third, of good and sufficient water ways by ditches or culverts on both sides of said railroad, through my said land."

"The Santa Cruz Railroad Company, its successors and assigns to have and hold the said described premises, while the same are being used for the conducting and maintaining of a railroad, and when such use shall cease the said premises shall be re-conveyed to me, my heirs or assigns."

Reference is hereby made to the record thereof for further particulars.

5. Affects V72-5, No. 10; V72-5, No. 11

The effect of the terms or conditions set forth in the Indenture dated as of August 16, 1877, filed for record August 25, 1877 and recorded October 4, 1877 in Volume 24 of Deeds, Pages 468-469, Santa Cruz County Records, between A.F. Richardson, first party, and the Santa Cruz Railroad Company, second party, and also mentioned in the Indenture dated as of May 15, 1911, recorded June 1, 1911 in Volume 230 of Deeds, Pages 453-454, Santa Cruz County Records, between Mrs. J. E. Richardson and Abbie M. Richardson, first party, and Southern Pacific Railroad Company, second party, viz:

"In consideration of the maintenance hereafter of, First, good and sufficient fences on both sides of its railroad, so far as said railroad passes through my land in the Pajaro Valley, and, Second, of a convenient crossing protected by cattle guards, over its said railroad at the place where a crossing over said railroad now exists on my said land, and Third, of good and sufficient water ways by ditches or culverts on both sides of said railroad, so as to prevent the damming up of any water by said railroad to the injury of my said land."

"The said Santa Cruz Railroad Company, its successors and assigns to have and hold the said described premises, while the same are being used for the conducting and maintaining of a railroad thereon, and when such use shall cease the said premises shall be reconveyed by the said Santa Cruz Railroad Company, its successors or assigns, without consideration, to the said A.F. Richardson, his heirs or assigns."

Reference is hereby made to the record thereof for further particulars.

6. Affects V72-5, No. 2; V72-5, No. 4

The "right to install and maintain a water pipe line across . . . "Parcel 2" in such locations as may be designated by first party. Said pipe line shall be maintained at all times by second parties and third parties at their own expense and to the satisfaction of first party," as granted in the Indenture dated as of July 10, 1948, recorded August 2, 1948 in Volume 668, Pages 357-360, Official Records of Santa Cruz County, by Southern Pacific Railroad Company, first party, to Wylmer W. Warner and Cora W. Warner, second parties, and Manuel David Ferrera and Margaret Ferrera, third parties.

Reference is hereby made to the record thereof for further particulars.

7. Affects V72-5, No. 8

The easement to "construct, reconstruct, maintain and operate one 8-inch diameter cast iron, class 150, water pipeline . . . beneath the tracks and property of Railroad within or near the City of Watsonville," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of February 8, 1966, recorded March 22, 1966 in Volume 1753, Pages 256-262, Official Records of Santa Cruz County, between Southern Pacific Company, and City of Watsonville.

Reference is hereby made to the record thereof for further particulars.

8. Affects V72-5, No. 8

The right to "construct, reconstruct, maintain and use a street or highway by means of an overpass," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of February 8, 1966, recorded May 23, 1966 in Volume 1765, Pages 657-660, Official Records of Santa Cruz County, between Southern Pacific Company, and State of California.

Reference is hereby made to the record thereof for further particulars.

9. Affects V72-4, No. 1

The effect of the agreements, terms or conditions set forth in the Indenture dated as of August 25, 1874 and recorded October 27, 1879 in Volume 27 of Deeds, Pages 554-557, Santa Cruz County Records, between Thomas Leonard, first party, and the Santa Cruz Railroad Company, second party, viz:

"The Santa Cruz Railroad Company agrees to construct within three months after the railroad track shall have been laid through the said land of said Leonard, and to thereafter maintain for the use of said Leonard, 1st a railroad switch and platform of sufficient length for two cars on the farm of said Leonard at some point between stations 540 and 544, 2nd a crossing over said railroad at such switch, 3rd a crossing over said railroad by a bridge between stations 553+50 and 562+50, 4th a crossing over said railroad southeasterly from station 561+50 for a wagon road descending from Leonard's southeastern field into the gulch near the eastern boundary of said Leonard's land, provided the right to the last crossing shall cease if the Santa Cruz Railroad Company within five months from date shall cause a wagon road to be constructed from the railroad crossing near the mouth of said gulch, thence ascending up said gulch to the oak flats near station 566, 5th a crossing under said railroad near the southeastern boundary of the farm of said Leonard, 6th cattle guards on each side of said crossing where required, 7th good and sufficient fences on each side of said railroad through the entire breadth of said Leonard's land, and it is further agreed that the rates which shall be charged for freight taken at such switch shall be an average of the rates charged at the Aptos and San Andreas Stations, considering the distance from said switch to either of said stations. It is further agreed that the said Santa Cruz Railroad Company shall pay to said Leonard for what corn may be destroyed in the construction of said railroad at the rate of fifteen dollars an acre. It is further agreed that until the permanent crossings shall have been constructed, temporary crossings shall be provided by said Railroad Company so as to enable said Leonard to enter upon his land on the southwestern side of the tracks."

Reference is hereby made to the record thereof for further particulars.

10. Affects V72-4, No. 2

The effect of the agreements, terms, covenants, or conditions set forth in the Indenture dated as of October 16, 1888, filed for record November 4, 1888 and recorded November 18, 1888 in Volume 61 of Deeds, Pages 439-443, Santa Cruz County Records, between Thomas Leonard, first party, and the Southern Pacific Railroad Company, second party, viz:

". . . the said party of the second part hereby covenants and agrees to construct and maintain a crossing under its railroad track near the southeastern boundary of the farm of the said party of the first part. Nothing herein contained shall be construed to destroy or impair any of the rights of the party of the first part under that certain conveyance from said Thomas Leonard to the Santa Cruz Railroad Company dated the 25th day of August 1874."

Reference is hereby made to the record thereof for further particulars.



11. Affects V72-4, No. 3

The right to "construct, maintain and use, at its sole cost and expense, a vehicular underpass beneath Railroad's tracks and trestle and appurtenances now or hereafter constructed [etc.]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of March 7, 1949, recorded April 7, 1949 in Volume 715, Pages 379-387, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

12. Affects V72-4, No. 3

The terms of the Corporation Grant Deed by Southern Pacific Transportation Company to La Selva Beach Improvement Association dated as of December 5, 1995 and recorded December 19, 1995 in Volume 5773, Pages 589-594, Official Records of Santa Cruz County, with respect to equitable servitudes undertaken by the Grantee.  
The easements for pedestrian and private roadway purposes disclosed by and referred to in the aforementioned Corporation Grant Deed.

Reference is hereby made to the record thereof for further particulars.

13. Affects V72-4, No. 6

The right to "construct, maintain and use a street or highway" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of August 15, 1968, recorded September 6, 1968 in Volume 1902, Pages 727-731, Official Records of Santa Cruz County, between Southern Pacific Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

14. Affects V72-4, No. 8

The right to "cross the said land hereby conveyed on foot, with stock, and with vehicles at the place opposite to the gate leading to my residence, said crossing to be maintained at said place at the expense of the said Santa Cruz Railroad Company, and said crossing shall not be lowered more than two feet below its present level without my written consent thereto having been first obtained," as set forth in the Indenture dated as of November 16, 1878 and recorded November 18, 1878 in Volume 26 of Deeds, Pages 440-442, Santa Cruz County Records, between James Leonard, and the Santa Cruz Railroad Company.

15. Affects V72-3, No. 2

The right to "cross the said railroad track from the northern part of his land crossed by said railroad to the southern part thereof, at crossings protected by cattle-guards which said crossings and cattle-guards shall be constructed and maintained at the expense of said Railroad Company," as set forth in the Indenture dated as of February 16, 1877, filed for record March 1, 1877 and recorded March 31, 1877 in Volume 24 of Deeds, Pages 77-84, Santa Cruz County Records, between Claus Spreckels, and the Santa Cruz Railroad Company.

16. Affects V72-3, No. 4

The terms of the Indenture dated as of August 17, 1904 and recorded August 20, 1904 in Volume 165 of Deeds, Pages 40-41, Santa Cruz County Records, between Magaretha Wiegmann and Christian Wiegmann, first parties, and the Southern Pacific Company, second party, viz:

"The party of the second part agrees to construct a crossing under the railroad track from the property of the parties of the first part to the County road on the southerly side of said track."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

17. Affects V72-3, No. 5

The terms of the Indenture dated as of October 11, 1874, filed for record October 13, 1874 and recorded November 7, 1874 in Volume 18 of Deeds, Pages 472-473, Santa Cruz County Records, between Antonio Castro, first party, and the Santa Cruz Railroad Company, second party, viz:

"[The party of the second part] shall . . . make and maintain a crossing from said Castro's land to the County road under said railroad."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

18. Affects V72-3, No. 7

The right to "construct, maintain and use a highway over and across its right of way and beneath its tracks and appurtenances now or hereafter existing thereon, by means of a concrete and steel subway . . . near Valencia Creek" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of March 17, 1925, recorded May 2, 1925 in Volume 53, Pages 1-7, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

19. Affects V72-3, No. 8

The effect of the agreements, terms or conditions set forth in the Indenture dated as of December 30, 1876, filed for record December 30, 1876 and recorded January 27, 1877 in Volume 22 of Deeds, Pages 363-366, Santa Cruz County Records, between Jose Arano, first party, and the Santa Cruz Railroad Company, second party, viz:

"[The Santa Cruz Railroad Company] shall plank or pave and so construct and maintain its main and side tracks that they shall not be an obstruction to the said lot or from the same, and shall grade the ground hereby conveyed so as to be level with said tracks as near as may be, and shall erect, construct, and maintain its main and side tracks on and across the lands hereby conveyed so as to provide good and convenient crossings from the lot of said Jose Arano to the County road [from Santa Cruz to Watsonville], and shall keep the entire front between the said County road and said Arano's lot open and clear and shall not construct any structures of any kind on the land hereby conveyed and granted except the said main track and side track, with its switches

and a passenger platform which shall be on a level with said tracks, and that no lumber, timber, stone, earth, or any other freight shall be stored or piled upon the lands hereby conveyed and granted, provided this shall not be deemed to apply to freight or baggage brought to the tracks for immediate shipment or landed therefrom for immediate delivery."

"Said Arano reserves the full and free right of way over and across the lands hereby conveyed to and from his said lot to the north thereof, the said Railroad Company to remove and put up the fence on the line of the lands hereby granted, and further that no side track or switch shall be ever constructed so as to be nearer than twenty feet to the south line of said Arano's lot without a special consent from him had in writing for that purpose, that all the terms and conditions hereof shall apply to and bind the heirs, assigns, and successors hereto of the said parties."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

20. Affects V72-3, No. 9

The right to "cross the said railroad track at the two crossings now existing on said land, to wit, one crossing under the track near the southeast end of the Valencia bridge, the other crossing over the track on the wagon bridge near the said Spreckels' boundary line, which said bridge shall be maintained at the expense of said Santa Cruz Railroad Company" as set forth in the Indenture dated as of January 3, 1877, filed for record February 15, 1877 and recorded March 26, 1877 in Volume 24 of Deeds, Pages 7-11, Santa Cruz County Records, between B.C. Nichols, and the Santa Cruz Railroad Company.

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

21. Affects V72-3, No. 2; V72-3, No. 9

The right to "maintain and use a highway over and across its right of way and crossing its tracks and appurtenances now or hereafter existing thereon, by means of an overhead bridge [at Aptos Beach Drive]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of January 1, 1933, recorded March 27, 1933 in Volume 236, Pages 422-425, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

22. Affects V72-3, No. 1; V72-3, No. 2, V72-3, No. 3; V72-3, No. 9

The right "without cost to the State . . . to construct, and for the public generally to use a public highway under and beneath the right of way and property of Railroad and under and across its tracks and appurtenances now or hereafter existing thereon, by means of two undergrade crossings" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of August 20, 1947, recorded September 3, 1947 in Volume 593, Pages 27-29, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

Reference is hereby made to the record thereof for further particulars.

23. Affects V72-3, No. 2

The right to "construct, reconstruct, maintain and use a street or highway [at Seascaple Boulevard]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of March 9, 1965, recorded April 8, 1965 in Volume 1686, Pages 408-413, Official Records of Santa Cruz County, between Southern Pacific Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

24. Affects V72-3, No. 2

The right to "construct, reconstruct, maintain and use a street or highway [at Mar Vista Drive]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of April 11, 1968, recorded May 15, 1968 in Volume 1881, Pages 516-518, Official Records of Santa Cruz County, between Southern Pacific Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

25. Affects V72-3, No. 2

The right to "construct, reconstruct, maintain and use a street or highway [at Club House Drive]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of August 8, 1968, recorded September 16, 1968 in Volume 1904, Pages 303-309, Official Records of Santa Cruz County, between Southern Pacific Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

26. Affects V72-3, No. 2

The right to "construct, reconstruct, maintain and use a street or highway [at Club House Drive]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of August 8, 1968, recorded September 16, 1968 in Volume 1904, Pages 303-309, Official Records of Santa Cruz County, between Southern Pacific Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

27. Affects V72-3, No. 2; V72-3, No. 10

The right to "construct, reconstruct, maintain and operate four (4) storm drain pipeline connections . . . [to the Sumner Avenue drainage pipeline] at or near Aptos" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of August 28, 1968, recorded November 15, 1968 in Volume 1916, Pages 516-522, Official Records of Santa Cruz County, between Southern Pacific Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

28. Affects V72-3, No. 2

The right to "construct, reconstruct, maintain and use highway slopes . . . for highway and utility purposes [alongside Sumner Avenue]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of October 1, 1970, recorded November 16, 1970 in Volume 2055, Pages 123-126, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars

29. Affects V72-3, No. 2; V72-3, No. 6

The right to "construct, reconstruct, maintain and operate a two and one half inch (2 1/2") water pipeline beneath the tracks and property of Railroad, at or near Aptos" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of May 21, 1975, recorded June 26, 1975 in Volume 2514, Pages 613-620, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

30. Affects V72-3, No. 2

The right to "construct, reconstruct, maintain and operate a twelve (12) inch water pipeline . . . in, upon, along, across, and beneath the property and tracks of Railroad, at or near Aptos" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of October 22, 1984, recorded May 17, 1985 in Volume 3836, Pages 856-863, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Soquel Creek County Water District.

Reference is hereby made to the record thereof for further particulars.

31. Affects V72-3, No. 11

The right to "construct, reconstruct, maintain and use an emergency road/pedestrian/bicycle highway" upon the terms, conditions, agreements, rights and reservations, and a power of termination, set forth in the Indenture dated as of March 20, 1992, recorded April 21, 1992 in Volume 5018, Pages 916-919, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

32. Affects V72-2, No. 1; V72-1, No. 26

The condition providing for reversion of title set forth in the Indenture dated as of June 9, 1877, filed for record June 9, 1877 and recorded August 4, 1877 in Volume 24 of Deeds, Pages 291-294, Santa Cruz County Records, between Uriah W. Thompson and Charlotte Thompson, and the Santa Cruz Railroad Company, viz:

"The said land being necessarily required by the said grantee for the construction, operation and maintenance of its railroad and to be used only for that purpose and when the said parcel of land hereby conveyed shall cease to be used for the operation and maintenance of said railroad and for railroad purposes and passway [sic], the estate hereby granted to revert to and reinvest in the grantors or their legal representatives and successors to the general tract of land of which the premises above described are a part."

In addition, other terms, conditions, reservations, rights, and agreements set forth in said Indenture dated as of June 9, 1877, viz:

"The said grantors hereby reserve for themselves, their heirs and assigns, the right to cross the said railroad track and the granted premises at the present place of crossing at station [153+6] on said railroad, such crossing to be either flush with the track and protected by cattleguards, or, at the option of the Santa Cruz Railroad Company, on a bridge over the track, also the right to have their cattle, horses and other animals cross under the track at the Rodeo Gulch bridge, such crossings to be maintained at the cost and expense of said grantee and its successors, in such a manner as to make said crossings convenient, passable and practicable for the purposes aforesaid, and maintain a good and sufficient fence on each side of its track from the eastern end of the Rodeo Gulch bridge to the said [sic] lane leading to Lynsky's farm, and, also on each side of said track in the said Rodeo Gulch wherever required in order to prevent stock getting on the track. Said grantee shall not be required to change the line of the fences on each side of the track as at present constructed to the lines of the parcel of land hereby conveyed until a new fence shall be required, and until such time, such portion of the premises hereby conveyed outside the present fences may be used by said grantors at the annual rent of one cent, but no taxes shall be paid by grantors for any portion of the land granted situated outside of the fences as at present constructed by said grantee on either side of the track."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

33. Affects V72-2, No. 2

The "right to cross the said railroad track from the northern part of his land, crossed by said railroad, to the southern part thereof, at crossings protected by cattleguards, which said crossings and cattleguards shall be constructed and maintained at the expense of said Railroad Company," s set forth in the Indenture dated as of July 11, 1876, filed for record August 2, 1876 and recorded August 14, 1876 in Volume 21 of Deeds, Pages 377-380, Santa Cruz County Records, between F.A. Hihn, and the Santa Cruz Railroad Company.

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

34. Affects V72-2, No. 7, V72-2, No. 8

The "right to cut, remove, and take the timber growing on the land within the boundaries of the parcels of land hereby conveyed," as set forth in the Indenture dated as of August 9, 1904 and recorded August 17, 1904 in Volume 155 of Deeds, Pages 438-450, Santa Cruz County Records, between F.A. Hihn Company, and Southern Pacific Railroad Company.

In addition, other terms and agreements set forth in said Indenture dated as of August 9, 1904, viz:

"Said Grantee at its expense: To supply and place on the North side of its track, where needed, from the East side of Bay Street to the Western end of the land hereby granted, sufficient red gravel to fill Bay Avenue, and the land beyond the North line of the parcel of land herein firstly described, for a distance of ten (10) feet Northerly from the North line of said second parcel of land to a level ten (10) feet below the level of the railroad track; also to erect and maintain a new fence on the North line of the first described parcel of land."

Reference is hereby made to the record thereof for further particulars.

35. Affects V72-2, No. 10

The conditions "that the Santa Cruz Railroad Company shall cause to be constructed a good and substantial picket fence on both sides of their said Railroad so far as the same runs through my said farm and shall provide a good and convenient crossing for persons, animals and vehicles across the said Railroad," as set forth in the Indenture dated as of December 3, 1873, filed for record December 13, 1873 and recorded in Volume 15 of Deeds, Page 410, Santa Cruz County Records, between Thomas Fallon, and Santa Cruz Railroad Company.

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

36. Affects V72-2, No. 11

The "right to cross the said Railroad track from the northern part of his said farm, crossed by said railroad, to the southern part thereof, at a crossing protected by cattleguards, which said crossing and cattleguards shall be constructed and maintained at the expense of said Railroad Company," as set forth in the Indenture dated as of July 11, 1876, filed for record August 2, 1876 and recorded August 11, 1876 in Volume 21 of Deeds, Pages 367-368, Santa Cruz County Records, between B.F. Porter, and the Santa Cruz Railroad Company.

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

37. Affects V72-2, No. 12

The agreements "that the Santa Cruz Railroad Company . . . will at its own cost within six months from date construct and thereafter maintain good and sufficient fences on each side of its said Railroad, and will also provide the said party of the first part with a good and sufficient crossing over its said railroad from the Northern to the Southern side thereof over the land hereby granted with a cattle-guard and a gate on each side of said crossing," as set forth in the Indenture dated as of August 22, 1874, filed for record December 30, 1874 and recorded February 16, 1875 in Volume 1 of Agreements, Pages 500-501, Santa Cruz County Records, between John S. Ord, first party, and the Santa Cruz Railroad Company, second party.

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

38. Affects V72-2, No. 13

The condition providing for reversion of title set forth in the Indenture dated as of June 17, 1876, filed for record August 2, 1876 and recorded August 12, 1876 in Volume 21 of Deeds, Pages 372-374, Santa Cruz County Records, between S.W. Holladay and Georgiana C. Ord Holladay, and the Santa Cruz Railroad Company, viz:

"In case said railroad should be removed to a different place or line from that upon which it is now built, so that said land should be no longer required or used for said purposes, or if for any reason the land above described shall become no longer necessary for railroad purposes, then this grant shall cease and the rights therein hereby granted shall revert to the said Georgiana C. O. Holladay or to her successors in interest."

39. Affects V72-2, No. 2

The right "to construct, maintain, and use, at its sole cost and expense, a vehicular underpass beneath Railroad's tracks and trestle and appurtenances thereto, now or hereafter constructed" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of April 7, 1938, recorded May 10, 1938 in Volume 344, Pages 154-156, Official Records of Santa Cruz County, between Southern Pacific Railroad Company, and State of California.

Reference is hereby made to the record thereof for further particulars.

40. Affects V72-2, No. 5

The right "to construct, reconstruct, maintain and use a pedestrian walkway" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of December 1, 1952, recorded March 7, 1955 in Volume 1006, Pages 550-555, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and the City of Capitola.

Reference is hereby made to the record thereof for further particulars.



41. Affects V72-2, No. 5

The right "to construct, reconstruct, maintain and use a street or highway" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of April 21, 1954, recorded March 7, 1955 in Volume 1006, Pages 556-560, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and the City of Capitola.

Reference is hereby made to the record thereof for further particulars.

42. Affects V72-2, No. 2

The right "to construct, maintain and use a sidewalk" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of October 2, 1951, recorded March 11, 1955 in Volume 1007, Pages 368-373, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and the City of Capitola.

Reference is hereby made to the record thereof for further particulars.

43. Affects V72-2, No. 2; V72-2, No. 18

An easement to "construct, reconstruct, maintain and operate one (1) four (4) inch diameter sewer pipeline . . . beneath the tracks and property of Railroad at Capitola" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of November 12, 1963, recorded October 26, 1964 in Volume 1653, Pages 516-522, Official Records of Santa Cruz County, between Southern Pacific Company, and Capitola Sanitation District.

Reference is hereby made to the record thereof for further particulars.

44. Affects V72-2, No. 7; V72-2, No. 9

The right "to construct, reconstruct, maintain and use a street or highway" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of February 15, 1965, recorded March 15, 1965 in Volume 1681, Pages 83-88, Official Records of Santa Cruz County, between Southern Pacific Company, and the City of Capitola.

Reference is hereby made to the record thereof for further particulars.

45. Affects V72-2, No. 5; V72-2, No. 6

The right to "construct, reconstruct, maintain and operate a 24-inch reinforced concrete storm drain pipe . . . beneath the tracks and property of Railroad at or near Capitola" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of January 2, 1968, recorded February 13, 1968 in Volume 1864, Pages 392-399, Official Records of Santa Cruz County, between Southern Pacific Company, and City of Capitola.

Reference is hereby made to the record thereof for further particulars.

46. Affects V72-2, No. 2

The right "to construct, reconstruct, maintain and use a street or highway by means of an underpass" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of October 3, 1969, recorded December 24, 1969 in Volume 1994, Pages 343-346, Official Records of Santa Cruz County, between Southern Pacific Company, and the City of Capitola.

Reference is hereby made to the record thereof for further particulars.

47. Affects V72-2, No. 2

The right to "construct, reconstruct, maintain and operate a ten (10) inch vitrified clay sanitary sewer pipe . . . beneath the tracks and property of Railroad at or near Capitola" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of August 9, 1973, recorded October 9, 1973 in Volume 2354, Pages 665-673, Official Records of Santa Cruz County, between Southern Pacific Company, and Santa Cruz County Sanitation District.

Reference is hereby made to the record thereof for further particulars.

48. Affects V72-2, No. 1; V72-2, No. 2

The right to "construct, reconstruct, maintain and use a street or highway" at 38th Avenue, upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of September 30, 1976, recorded August 3, 1977 in Volume 2797, Pages 478-484, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

49. Affects V72-2, No. 18

The right to "construct, reconstruct, maintain and operate a 24" SCCP sanitary sewer pipeline crossing . . . in, upon, along, across, and beneath the property and tracks of Railroad, at or near Capitola" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of July 14, 1977, recorded July 20, 1977 in Volume 2791, Pages 293-300, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Santa Cruz County Sanitation District.

Reference is hereby made to the record thereof for further particulars.

50. Affects V72-2, No. 2

The right to "construct, reconstruct, maintain and operate a 30" VCP sanitary sewer pipeline crossing . . . in, upon, along, across, and beneath the property and tracks of Railroad, at or near Capitola" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of July 14, 1977, recorded July 20, 1977 in Volume 2791, Pages 301-308, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Santa Cruz County Sanitation District.

Reference is hereby made to the record thereof for further particulars.

51. Affects V72-2, No. 1

The right to "construct, reconstruct, maintain and operate two (2) six (6) inch water pipelines crossing . . . in, upon, along, across, and beneath the property and tracks of Railroad" in Thompson Avenue, upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of January 11, 1977, recorded March 3, 1978 in Volume 2881, Pages 227-234, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

52. Affects V72-2, No. 1

The right to "construct, reconstruct, maintain and operate a forty-two (42) inch reinforced concrete drain pipe . . . in, upon, along, across, and beneath the property and tracks of Railroad, at or near Cliffside" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of June 29, 1979, recorded August 23, 1979 in Volume 3098, Pages 388-394, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Santa Cruz County Flood Control and Water Conservation District.

Reference is hereby made to the record thereof for further particulars.

53. Affects V72-2, No. 10

The right to "construct, reconstruct, maintain and operate a ten (10) inch sanitary sewer line . . . in, upon, along, across, and beneath the property and tracks of Railroad, at or near Capitola" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of August 3, 1982, recorded September 24, 1982 in Volume 3486, Pages 262-271, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Santa Cruz County Sanitation District.

Reference is hereby made to the record thereof for further particulars.

54. Affects V72-2, No. 4

The right to "construct, reconstruct, maintain and operate a forty-two (42) inch storm sewer . . . in, upon, along, across, and beneath the property and tracks of Railroad, at or near [47th Avenue]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of September 3, 1982, recorded November 29, 1982 in Volume 3506, Pages 639-646, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Santa Cruz County Flood Control and Water Conservation District.

Reference is hereby made to the record thereof for further particulars.

55. Affects V72-1, No. 18

The condition providing for reversion of title set forth in the Indenture dated as of November 25, 1873, filed for record December 2, 1873 and recorded in Volume 16 of Deeds, Pages 417-418, Santa Cruz County Records, between Thomas Pilkington, first party, and the Santa Cruz Rail road Company, second party, viz:

"To have and to hold the same unto said party of the second part and its assigns for railroad purposes alone and in case of failure to use the same for such purposes the same shall revert to the present owners."

In addition, other terms, conditions, reservations, rights, and agreements set forth in said Indenture dated as of December 2, 1873, viz:

"The said party of the second part has agreed and hereby agrees to and with the said party of the first part, his heirs and assigns, for his or their accommodation and convenience to fence said land hereby conveyed . . . on the Northwesterly and Southeasterly sides of said proposed railroad across the land of said Pilkington and to make a crossing for waggons [sic] and cattle to pass at such points as may hereafter be agreed upon between said parties of the first and second part and in the event that the land of said party of the first part lying on the Southeasterly side of proposed railroad shall be subdivided into lots, every facility shall be afforded for crossing at the ends of each Street that terminates at said railroad and right angles thereto [sic] for their extension through the lands of others adjoining on the Northwesterly side of said railroad."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

56. Affects V72-1, No. 13

The condition providing for termination set forth in the Indenture dated as of December 1, 1877, filed for record December 1, 1877 and recorded December 22, 1877 in Volume 26 of Deeds, Pages 47-48, Santa Cruz County Records, between Elizabeth Liddell, first party, and the Santa Cruz Railroad Company, second party, viz:

"The right of way hereinbefore granted and the right to construct embankments upon said tract of land shall cease and determine if at any time the same shall not be used in good faith for the term of one year for the operation of said railroad."

Reference is hereby made to the record thereof for further particulars.

57. Affects V72-1, No. 14

The "right to cross the track or tracks of said railroad at any point on my front where and when said track is not necessarily occupied by cars," as set forth in the Indenture dated as of November 13, 1878 and recorded November 13, 1878 in Volume 26 of Deeds, Pages 437-438, Santa Cruz County Records, between George J. Fake, and the Santa Cruz Railroad Company.

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

The condition providing for termination set forth in said Indenture dated as of November 13, 1878, between George J. Fake, first party, and the Santa Cruz Railroad Company, second party, viz:

"The right and title hereinbefore granted shall cease and determine if at any time the said land shall not be used in good faith for the term of one year for railroad purposes."

Reference is hereby made to the record thereof for further particulars.

58. Affects V72-1, No. 9

The condition providing for reversion of title set forth in the Indenture dated as of March 17, 1892 and recorded March 18, 1892 in Volume 86 of Deeds, Pages 108-109, Santa Cruz County Records, between Mrs. Jane Lynch, first party, and the Santa Cruz Railroad Company, second party, viz:

"The land above described shall be used solely for railroad purposes and . . . in the event said second party, its successors or assigns, shall cease to use it for railroad purposes, it shall revert to the party of the first part her heirs or assigns."

Reference is hereby made to the record thereof for further particulars.

59. Affects V72-1, No. 26

The right to "construct and maintain a highway" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of August 20, 1923, recorded October 26, 1923 in Volume 4, Pages 497-502, Official Records of Santa Cruz County, between Southern Pacific Company et al, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

60. Affects V72-1, No. 13; V72-1, No. 14; V72-1, No. 15; V72-1, No. 19

The right to "construct and maintain a highway upon and across . . . and lying within the railroad right of way and property of first party" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of July 20, 1925, recorded September 15, 1925 in Volume 49, Pages 130-133, Official Records of Santa Cruz County, between Southern Pacific Company et al, first party, and City of Santa Cruz, second party.

Reference is hereby made to the record thereof for further particulars.

61. Affects V72-1, No. 15

An easement "for a flood control channel" (the San Lorenzo River outlet) upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of May 29, 1958, recorded July 28, 1958 in Volume 1196, Pages 283-291, Official Records of Santa Cruz County, between Southern Pacific Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

62. Affects V72-1, No. 23; V72-1, No. 25; V72-1, No. 26

The right to "construct, reconstruct, maintain and operate one (1) 8-inch sewer pipe line . . . one (1) 15-inch sewer pipe line . . . and two (2) 12-inch sewer pipe lines beneath the property and tracks of Railroad, at or near Cliffside" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of July 6, 1959, recorded September 16, 1959 in Volume 1271, Pages 115-125, Official Records of Santa Cruz County, between Southern Pacific Company, and East Cliff Sanitation District of Santa Cruz County.

Reference is hereby made to the record thereof for further particulars.

63. Affects V72-1, No. 20

The right to "construct, reconstruct, maintain and use a street or highway" and the right "to construct, reconstruct, maintain and use slopes for highway purposes" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of July 10, 1962, recorded October 9, 1962 in Volume 1499, Pages 725-729, Official Records of Santa Cruz County, between Southern Pacific Company, and City of Santa Cruz, and as supplemented according to the terms and provisions of the "Supplemental Agreement" by and between said parties dated as of January 30, 1967 and recorded April 13, 1967 in Volume 1813, Pages 647-651, Official Records of Santa Cruz County.

Reference is hereby made to the record thereof for further particulars.

64. Affects V72-1, No. 22; V72-1, No. 30

The right to "construct, reconstruct, maintain and use a street or highway" in Seventh Avenue, upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of October 15, 1962, recorded April 15, 1964 in Volume 1611, Pages 96-101, Official Records of Santa Cruz County, between Southern Pacific Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

65. Affects V72-1, No. 18; V72-1, No. 19; V72-1, No. 20

Easements "for public street and street improvement purposes" in or along Murray Street, upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of March 3, 1965, recorded April 15, 1964 in Volume 1611, Pages 96-101, Official Records of Santa Cruz County, between Southern Pacific Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

66. Affects V72-1, No. 23

The right to "construct, reconstruct, maintain and operate a 10" water main . . . in, upon, along, across, and beneath the tracks and property of Railroad" in Seventeenth Avenue, upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of February 2, 1977, recorded April 22, 1977 in Volume 2749, Pages 477-484, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

67. Affects V72-1, No. 20

The right to "construct, reconstruct, maintain and operate a thirty-six (36) inch reinforced concrete force main sewer pipeline . . . beneath the tracks and property of Railroad, at or near [Mott Avenue]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of July 26, 1974, recorded February 21, 1979 in Volume 3024, Pages 382-387, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and County of Santa Cruz, County Sanitation District.

Reference is hereby made to the record thereof for further particulars.

68. Affects V72-1, No. 19

The right to "construct, reconstruct, maintain and operate a ten (10) inch water main . . . in, upon, along, across, and beneath the property and tracks of Railroad, at or near [Mountain View Avenue]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of July 31, 1978, recorded June 13, 1979 in Volume 3069, Pages 215-222, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

69. Affects V72-1, No. 8; V72-1, No. 9; V89-1, No. 2; V89-1, No. 36; V89-1, No. 37

The right to "construct, reconstruct, maintain and operate storm drain facilities . . . in, upon, along, across, and beneath the property and tracks of Railroad, at or near [Neary's Lagoon]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of October 2, 1979, recorded November 19, 1979 in Volume 3135, Pages 66-72, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

70. Affects V72-1, No. 23; V72-1, No. 24

The right to "construct, reconstruct, maintain and use a street or highway" in Seventeenth Avenue, upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of April 29, 1980, recorded October 7, 1980 in Volume 3247, Pages 286-291, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

71. Affects V72-1, No. 23

The right to "construct, reconstruct, maintain and operate a twelve (12) inch sanitary sewer main . . . in, upon, along, across, and beneath the property and tracks of Railroad, at or near [Schwan Lagoon]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of February 25, 1981, recorded April 14, 1981 in Volume 3315, Pages 380-387, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Santa Cruz County Sanitation District.

Reference is hereby made to the record thereof for further particulars.

72. Affects V72-1, No. 18

The right to "construct, reconstruct, maintain and use a street or highway by means of an overpass [East Cliff Drive]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of January 6, 1988, recorded January 19, 1988 in Volume 4276, Pages 411-414, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

73. Affects V72-1, No. 23

The right to "construct, reconstruct, maintain and operate a 48-inch RCP culvert . . . in, upon, along, across, and beneath property and tracks of Railroad, at or near [Schwan Lagoon]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of December 11, 1989, recorded April 16, 1990 in Volume 4660, Pages 81-90, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Santa Cruz County Department of Public Works.

Reference is hereby made to the record thereof for further particulars.

74. Affects V72-1, No. 8; V72-1, No. 9, V89-1, No. 36; V89-1, No. 37

The right to "construct, reconstruct, maintain and operate a 66-inch storm drain and pump station . . . in, upon, along, across, and beneath property of Railroad, at or near [Neary's Lagoon]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of January 30, 1991, recorded March 14, 1991 in Volume 4804, Pages 291-310, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

75. Affects V72-1, No. 8

The license and permit to "construct, maintain and use a private roadway across the tracks and upon property of Railroad . . . at or near Santa Cruz" upon the terms, conditions, and agreements set forth in the Private Roadway Agreement dated as of January 30, 1991, recorded March 14, 1991 in Volume 4804, Pages 311-319, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.



76. Affects V89-1, No. 27

The "right to the use of a right of way twenty five (25) feet wide, for private road purposes, along the easterly line of the land herein conveyed" as reserved by the first parties in the Indenture dated as of July 26, 1905 and recorded February 5, 1906 in Volume 171 of Deeds, Pages 445-447, Santa Cruz County Records, between Ada M. Russell and William Russell, first parties, and the Southern Pacific Company, second party.

Reference is hereby made to the record thereof for further particulars.

77. Affects V89-1, No. 28

The terms or conditions providing that "Right of way to be fenced, and drainage to be taken care of by Railroad Company" as set forth in the Indenture dated as of August 26, 1905 and recorded October 17, 1905 in Volume 176 of Deeds, Pages 320-321, Santa Cruz County Records, between William T. Kerley and M.J. Kerley, first parties, and the Southern Pacific Company, second party.

Reference is hereby made to the record thereof for further particulars.

78. Affects V89-1, No. 26

The terms or conditions providing that "said party of the second party is to construct a good and substantial fence on the southerly boundary line of the lot land hereby conveyed before taking down or removing any of the fences on the northerly and westerly boundary lines of the lot of land hereby conveyed" as set forth in the Indenture dated as of October 11, 1905 and recorded October 12, 1905 in Volume 177 of Deeds, Pages 198-199, Santa Cruz County Records, between Charles P. Streator and George J. Streator, and the Coast Line Railway Company.

Reference is hereby made to the record thereof for further particulars.

79. Affects V89-1, No. 6

The terms, conditions, and agreements as set forth in the Indenture dated as of February 23, 1906 and recorded March 12, 1906 in Volume 185 of Deeds, Pages 194-197, Santa Cruz County Records, between City of Santa Cruz, and Coast Line Railway Company, viz:

"Coast Line Railway Company shall build retaining walls wherever the same may be necessary [and] . . . it shall lower and put in satisfactory shape all pipe lines and sewers now upon, in, or about said premises [and] . . . it shall lower all oil tanks wherever necessary [and] . . . it shall make all necessary fills and construct a practicable and satisfactory road from California Street in and to the said Pumping Plant."

Reference is hereby made to the record thereof for further particulars.

80. Affects V89-1, No. 25

The "right to use, occupy and enjoy for street purposes that certain parcel of land [in Seaside Avenue]" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of March 23, 1914, recorded May 8, 1914 in Volume 256 of Deeds, Pages 438-440, Santa Cruz County Records, between Coast Line Railway Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

81. Affects V89-1, No. 31

The right to "construct, reconstruct, maintain and use a 21-inch diameter drainage pipe line . . . a 24-inch diameter pipe line . . . and a 19-inch flume . . . together with necessary catch basins, in and upon that certain piece or parcel of land 6.00 feet in width" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of September 9, 1953, recorded October 15, 1953 in Volume 936, Pages 91-99, Official Records of Santa Cruz County, between Southern Pacific Railroad Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

82. Affects V89-1, No. 31

The right to "construct, reconstruct, maintain and use a street or highway" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of April 25, 1961, recorded June 12, 1961 in Volume 1400, Pages 296-300, Official Records of Santa Cruz County, between Southern Pacific Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

83. Affects V89-1, No. 1; V89-1, No.36, V89-1, No. 37

The right to "construct, reconstruct, maintain and operate a 12-inch underground power and communication conduit . . . beneath the tracks and property of Railroad at or near Santa Cruz" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of August 17, 1965, recorded September 21, 1965 in Volume 1719, Pages 45-46, and the Supplemental Agreement dated as of June 20, 1966 and recorded July 25, 1966 in Volume 1776, Pages 76-79, Official Records of Santa Cruz County, between Southern Pacific Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

84. Affects V89-1, No. 5; V89-1, No. 36; V89-1, No. 37

An easement to "construct, reconstruct, maintain and operate approximately 140 lineal feet of a 72-inch diameter reinforced concrete culvert pipe for the conveying of sewage . . . together with connecting tunnel portal box . . . beneath the tracks and/or upon property of Railroad within or near the City of Santa Cruz" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of May 25, 1965, recorded June 22, 1965 in Volume 1701, Pages 647-652, Official Records of Santa Cruz County, between Southern Pacific Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

85. Affects V89-1, No. 25; V89-1, No. 26

An easement to "construct, reconstruct, maintain and operate (a) approximately 91 lineal feet of a 36-inch diameter reinforced concrete drainage water pipeline, and (b) approximately 91 lineal feet of a 42-inch diameter reinforced concrete drainage water pipeline beneath the tracks and property of Railroad in or near the City of Santa Cruz" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of September 4, 1970, recorded September 28, 1970 in Volume 2044, Pages 134-140, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

86. Affects V89-1, No. 30

The right to "construct, reconstruct, maintain and operate a private roadway across and upon property of Railroad" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of July 7, 1978, recorded July 20, 1978 in Volume 2938, Pages 723-728, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Salvador Sandoval.

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

87. Affects V89-2, No. 1

The agreement to "build and maintain one (1) cattle-guard or gate or grade crossing, at such point as the party of the first part shall show to be necessary, provided the situation of said crossing is requested and duly accepted by said party of the first part prior to the grading of said second party's railroad," as set forth in the Indenture dated as of July 21, 1905 and recorded August 2, 1905 in Volume 165 of Deeds, Pages 418-419, Santa Cruz County Records, between Shore Line Investment Company, first party, and the Coast Line Railway Company, second party.

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

88. Affects V89-2, No. 2

The covenant and agreement to "construct and maintain a substantial fence on and along each side of said right of way for its whole length of the land hereinabove described, also proper and convenient crossings through said line of fences and across said track or tracks, protected by gates or cattle guards, for the passage of vehicles, persons, and animals," as set forth in the Indenture dated as of September 22, 1905 and recorded October 10, 1905 in Volume 175 of Deeds, Pages 296-298, Santa Cruz County Records, between Charles B. Younger, Jr., Helen M. Moore, William T. Jeter, and F.A. Hihn Company, first parties, and the Coast Line Railway Company, second party.

Also, "the right[s] to freely pass and re-pass with vehicles, on horseback, or afoot, over and across said crossings; also to use said crossings for the passage of animals across said tracks . . . [and] to construct, maintain and use under said track or tracks at said crossings, conduits for the transportation of fluids, gases, heat, steam, air and electric current under the supervision of the said party of the second part."

All of the foregoing is also set forth in the Indenture dated as of October 2, 1905 and recorded October 10, 1905 in Volume 175 of Deeds, Pages 294-295, Santa Cruz County Records, between Helen Younger Chase, first party, and the Coast Line Railway Company, second party.

All of the foregoing is also set forth in the Indenture dated as of December 1, 1905 and recorded December 20, 1905 in Volume 185 of Deeds, Pages 4-6, Santa Cruz County Records, between Stella Moore, Charles Moore, and Alice Hoffman, first parties, and the Coast Line Railway Company, second party, which provides further, "said crossings to be at least three in number and the locations of the same to be designated by agreement between the parties of the first part and the party of the second part."

All of the foregoing is also set forth in the Indenture dated as of December 13, 1905 and recorded December 20, 1905 in Volume 185 of Deeds, Pages 2-5, Santa Cruz County Records, between Charles Moore, the Administrator of the Estate of Lizzie Moore deceased, and the Coast Line Railway Company.

Reference is hereby made to the record thereof for further particulars.

89. Affects V89-2, No. 3; V89-3, No. 1

The agreement to the conditions as set forth in the Indenture dated as of July 20, 1905 and recorded August 7, 1905 in Volume 175 of Deeds, Pages 154-156, Santa Cruz County Records, between D.D. Wilder and Miranda Wilder, first parties, and the Coast Line Railway Company, second party, viz:

"the party of the second part will fence its railroad right of way and grade when required by D.D. Wilder, as soon as practicable after said railroad is constructed and that it will build suitable wagon-road crossings at such points, as said Wilder shall show to be necessary for access to and use of his lands, provided the situations of said crossings are requested and duly accepted by said Wilder prior to the grading of said second party's railroad; and said crossings shall not exceed six in number [and] said party of the second part shall construct a side track and establish a flag-station between the two Baldwin Creeks on said Wilder's ranch, where grades are practicable [and] said Wilder shall have the right to lay such pipes and flumes as may be necessary in the reasonable use and occupation of his lands, under the right of way, of said party of the second part, at a point to be agreed upon between the two bluffs approximately opposite the dairy buildings on said Wilder's ranch; said pipes and flumes to be laid under the supervision of the said party of the second part."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

90. Affects V89-2, No. 2

The right to "construct, reconstruct, maintain and operate a 10-inch water pipeline, and a 10-inch sewer pipeline . . . beneath the tracks and property of Railroad" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of June 25, 1968, recorded July 22, 1968 in Volume 1893, Pages 692-698, Official Records of Santa Cruz County, between Southern Pacific Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

91. Affects V89-2, No. 1

The right to "construct, reconstruct, maintain and use a street or highway" upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of September 19, 1968, recorded October 25, 1968 in Volume 1912, Pages 333-338, Official Records of Santa Cruz County, between Southern Pacific Company, and City of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

92. Affects V89-3, No. 2

The agreement to the conditions as set forth in the Indenture dated as of July 11, 1905 and recorded August 2, 1905 in Volume 171 of Deeds, Pages 202-204, Santa Cruz County Records, between Charles Lombardi and Lina Lombardi, first parties, and the Coast Line Railway Company, second party, viz:

"Said second party . . . shall fence said railroad right of way and grade when required by said first party as soon as practicable after said railroad is constructed, and that said second party shall build and maintain two suitable grade cattle-guard crossings, at such points as said first party shall show to be necessary for access to and use of his lands, provided the situations of said crossings are requested and duly accepted by said first party prior to the grading of said second party's railroad; and also an under-crossing in the gulch where the trestle is to be built; also said party of the first part shall have the right to lay and maintain a water pipe across said strip of land, subject to the supervision of the Engineer of the party of the second part."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

93. Affects V89-3, No. 4

The agreement to the conditions as set forth in the Indenture dated as of September 26, 1905 and recorded September 27, 1905 in Volume 173 of Deeds, Pages 365-367, Santa Cruz County Records, between May L.D. Baldwin, first party, and the Coast Line Railway Company, second party, viz:

"Said party of the second part, its successors and assigns shall fence the northerly boundary line of the lot of land hereby conveyed . . . and shall forever maintain said fence in good order and condition and shall . . . erect and forever thereafter maintain two grade crossings . . . and one cattle pass under the railway track . . . with at least seven feet headroom and also . . . construct a road in good and suitable condition for travel and at least ten feet in width and upon a grade not to exceed fourteen feet to the hundred from the southerly side of the said county road at a point thereon where the same is intersected by the first fence upon the lands of the said party of the first part east of Baldwin Gulch and upon the westerly side of and directly adjoining the said fence to and across the lot of land hereby conveyed and thence to the bottom of the gulch on the southerly side of the lot of land hereby conveyed and to erect and forever maintain a substantial and convenient gate at the beginning of the road so as to be constructed on the southerly side of the said county road and gates at the northerly side of the said lot of land hereby conveyed and to the southerly side of the right of way of the Ocean Shore Railway Company where the same are intersected by the said road to be constructed by the said party of the second part."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

94. Affects V89-3, No. 3

The agreement to the conditions as set forth in the Indenture dated as of November 7, 1905 and recorded April 14, 1906 in Volume 186 of Deeds, Pages 187-188, Santa Cruz County Records, between Charles Lombardi and Lina Lombardi, first parties, and the Coast Line Railway Company, second party, viz:

"The party of the second part . . . agrees to fence said railroad right of way and grade when required by said first parties, as soon as practicable after said railroad is constructed, and to build and maintain two suitable cattle-guard crossings, at such points as said first parties shall show to be necessary for access to and use of their lands, provided the situations of said crossings are requested and duly accepted by said first parties prior to the grading of said second party's railway. The party of the second part also agrees to build and maintain one underground crossing in the gulch where the trestle or fill is to be built. It is also agreed that the parties of the first part shall have the right to lay and maintain a water pipe across said strip of land, subject to the supervision of the Engineer of the party of the second part."

"Reserving, however, to the said parties of the first part the spring, located on the south side of the right of way, heretofore conveyed by them to the Ocean Shore Railway Company, by deed dated June 29, 1905 and recorded in the office of the County Recorder of said County of Santa Cruz, in Volume [1]76 of Deeds, at Page 62."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

95. Affects V89-4, No. 3; V89-5, No. 1

The agreement to the conditions as set forth in the Indenture dated as of November 18, 1905 and recorded January 9, 1906 in Volume 179 of Deeds, Pages 94-95, Santa Cruz County Records, between Margaret D. Enright, and the Coast Line Railway Company.

"The said party of the second part agrees to build and maintain suitable grade or gate or cattle-guard crossings, at such points as said first parties shall show to be necessary for access to and use of her lands, provided the situations of said crossings are requested and duly accepted by said first party prior to the grading of said second party's railroad; and said crossings shall not exceed two in number."

"This conveyance is made subject to that certain oil lease made by the party of the first part to John Martin."

"The said party of the second part agrees to build and maintain a run-way or cattle pass underneath the railroad at some convenient place in the ravine opposite the ranch house, for the use of cattle and other live stock, which run-way or cattle pass shall be eight feet high and eight feet wide."

The said party of the second part agrees to provide sufficient means for carrying the water from the irrigating ditch of the party of the first part, across their right of way in two places; said points of crossing to be designated by the party of the first part prior to the grading of the said second party's railroad. Said means of carrying said water across said right of way to be under the supervision of said party of the second part at all times."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

96. Affects V89-4, No. 1; V89-4, No. 2

An easement "for the construction, maintenance and use of a public highway upon the permanent way of the Coast Line Railway Company" upon the terms, conditions, agreements, reservations, and a power of termination, set forth in the Indenture dated as of June 29, 1914, recorded September 11, 1914 in Volume 258 of Deeds, Pages 279-283, Santa Cruz County Records, between Coast Line Railway Company et al, and County of Santa Cruz.

Reference is hereby made to the record thereof for further particulars.

97. Affects V89-4, No. 4; V89-4, No. 5

The agreement to the conditions as set forth in the Indenture dated as of October 18, 1918 and recorded October 19, 1918 in Volume 285 of Deeds, Pages 68-69, Santa Cruz County Records, between Pio Scaroni, and the Ocean Shore Railroad Company.

"The party of the second part agrees to keep open and maintain in good order the two wagon road grade crossings and the three crossings of sufficient size for the free passage of live stock under the railroad track of said party of the second part and to cause the name of the stations established by said party of the second part and by the Southern Pacific Railroad Company at or near Engineer's Station 338+00 to be changed from "Godola" to Gordola."

"Said party of the first part shall have the right to maintain the pipe running from the dairy buildings to the hog pens of said party of the first part and said party of the first part shall also have the right to lay down and maintain a water pipe across the above described lands from his land on the north side of said above described lands to his land on the south side of said above described lands."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

98. Affects V89-4, No. 5

Release and relinquishment of "all abutter's rights, including access rights appurtenant to . . . Grantor's remaining land in and to [the] freeway over and across [certain defined boundary lines]" as set forth in the Indenture dated as of July 20, 1959 and recorded August 28, 1959 in Volume 1268, Pages 220-224, Official Records of Santa Cruz County, between Southern Pacific Company, and State of California.

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.



99. Affects V89-5, No. 3; V89-6, No. 1; V89-7, No. 1; V89-8, No. 1

The agreement and conditions as set forth in the Indenture dated as of August 11, 1906 and recorded August 13, 1906 in Volume 184 of Deeds, Pages 242-247, Santa Cruz County Records, between Coast Dairies & Land Co., first party, and the Coast Line Railway Company, second party, viz:

"The party of the second part . . . will build and maintain crossings as follows: Station 418 - 8 x 8 cattle pass; Station 460 - 10 x 12 cattle pass; Station 464 - road crossing at grade; Station 477 - overhead road crossing; Station 500 - 8 x 8 cattle pass; Station 522 - overhead crossing; Station 541 - overhead crossing; Station 645 - crossing at grade for cattle; Station 690 - overhead crossing; and Station 698 - a drainage tunnel sufficiently large to permit passage of cattle."

"In addition to the above, said party of the second part agrees to build and maintain grade crossings not to exceed five in number, to be selected and agreed upon by both parties."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

100. Affects V89-5, No. 2; V89-5, No. 3; V89-8, No. 1

The terms and provisions set forth in the Agreement dated as of January 10, 1927 and recorded March 16, 1927 in Volume 85, Pages 487-490, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, first parties, and Coast Dairies & Land Co., second parties, viz:

"Parties of the first part shall construct one private or farm road crossing at grade over and across . . . said line of railroad . . . at each of the following Engineer's Stations of said railroad: Engineer's Station 415+00 . . . Engineer's Station 460+00 . . . Engineer's Station 507+00 . . . Engineer's Station 652+50 . . . upon receipt of written request from the party of the second part so to do, and party of the second part hereby releases said parties of the first part from the construction and/or maintenance of the four cattle passes and any and all other crossings provided to be constructed in said conveyance of August 11, 1906, except the four crossings above referred to."

Easements for pedestrian and private roadway purposes disclosed or implied thereby.

Reference is hereby made to the record thereof for further particulars.

101. Affects V89-5, No. 3

Easements "for the construction and maintenance of slopes for highway fills" and for drainage purposes and incidents thereto . . . in and upon [two] certain strip[s] of land 20 feet wide . . . and 25 feet wide," upon the terms, conditions, agreements, and a power of termination, as set forth in the Indenture dated as of October 24, 1952 and recorded April 15, 1953 in Volume 910, Pages 187-192, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

Reference is hereby made to the record thereof for further particulars.

102. Affects V89-5, No. 1; V89-5, No. 2; V89-5, No. 3

The right "to construct, reconstruct, maintain and use highway slopes and drainage" in and upon three certain strips or parcels of land, upon the terms, conditions, agreements, and a power of termination, as set forth in the Indenture dated as of June 1, 1953 and recorded December 3, 1953 in Volume 944, Pages 199-203, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

Reference is hereby made to the record thereof for further particulars.

103. Affects V89-6, No. 1; V89-7, No. 1

The rights reserved as set forth in the Indenture dated as of July 5, 1907 and recorded August 5, 1907 in Volume 195 of Deeds, Pages 272-274, Santa Cruz County Records, between Santa Cruz Portland Cement Company, first party, and the Coast Line Railway Company, second party, viz:

"Excepting and reserving, however, from this deed and unto the party of the first part hereto, its successors and assigns, a right of way over that portion of the premises herein conveyed, situate between Engineer's Stations 593.50 and 594.50, and the use of one wagon road crossing, with gates thereover; and also excepting and reserving unto said party of the first part, its successors and assigns, the right and privilege at any and all times of laying and maintaining all necessary pipes lines for oil, water, and steam under said reserved premises between said Engineer's Stations 593.50 and 594.50, subject, however, to the condition that all such pipe lines be laid and maintained under the supervision of the party of the second part hereto."

104. Affects V89-6, No. 1

The right "to construct, reconstruct, maintain and use a road upon and across that certain piece or parcel of land . . . containing an area of 0.27 acres, more or less" upon the terms and the condition subsequent, as set forth in the Indenture dated as of November 8, 1939 and recorded March 13, 1941 in Volume 406, Pages 294-295, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, first parties, and Coast Dairies & Land Co., second party.

Reference is hereby made to the record thereof for further particulars.

105. Affects V89-7, No. 1

The right "to construct, reconstruct, maintain and use a street or a highway upon and across that certain parcel of land . . . lying within the railroad right of way of first party," upon the terms, conditions, agreements, and a power of termination, as set forth in the Indenture dated as of February 23, 1939 and recorded April 10, 1939 in Volume 373, Pages 23-27, Official Records of Santa Cruz County, between Southern Pacific Company et al, and the State of California.

Reference is hereby made to the record thereof for further particulars.

106. Affects V89-7, No. 1; V89-8, No. 1

The right "to construct and maintain the slopes of embankments over, upon and across that certain parcel of land . . . containing an area of 0.289 of an acre, more or less," upon the terms and the condition subsequent, as set forth in the Indenture dated as of November 8, 1939 and recorded March 13, 1941 in Volume 373, Pages 23-27, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

Reference is hereby made to the record thereof for further particulars.

**INFORMATIONAL NOTES**

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

### LEGAL DESCRIPTION

Real property in the Cities of Santa Cruz, Capitola and Watsonville, Counties of Santa Cruz and Monterey, State of California, described as follows:

Real property partly in the unincorporated area, and partly in the Cities of Santa Cruz, Capitola, and Watsonville, Counties of Santa Cruz and Monterey, State of California, known as the Santa Cruz and Davenport Branch Lines of the former Southern Pacific Railroad, between Mile Post 0.433 on the Easterly side of Salinas Road near Pajaro Station, and Mile Post 31.39, 250 feet Northwesterly of the Highway 1 crossing at Davenport, excluding drill tracks and spurs, but including sidings within the main right of way, comprising 30.957 track miles, consisting of the following:

1. V72-6, No.1; V72-5, No. 8

(i) The strip of land described in the Indenture dated as of March 1876, filed for record August 2, 1876 and recorded August 12, 1876 in Volume 21 of Deeds, pages 375-376, Santa Cruz County Records, between Alfred Hughes, Robert T. Gallagher, Otto Stoesser, Philip Bush, Gerhard Holst, L.V. Willits, Thomas Stratton, and Bridget Leland, and the Santa Cruz Rail Road Company.

Excepting therefrom all that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Corporation Grant Deed dated as of April 26, 1993, recorded May 11, 1993 in Volume 5258, pages 510-513, Official Records of Santa Cruz County, by Southern Pacific Transportation Company, to S. Martinelli and Company.

(ii) The Grantee's covenants, equitable servitudes as set forth in said deed dated as of April 26, 1993 between S. Martinelli and Company, and Southern Pacific Transportation Company, viz:

"Grantee expressly covenants to construct and maintain, at its own expense and to Grantor's satisfaction, a wall or other type of barrier along the track side of the Property."

2. V72-6, No. 2

The parcel of land described in the Indenture dated as of November 10, 1903, recorded November 12, 1903 in Volume 152 of Deeds, pages 278-279, Santa Cruz County Records, between Emma L. Nichols, Mary R.L. Bowen, Anna L. Schwatka, Alice Leland, and Harriett L. Sheehy, and the Southern Pacific Company.

Excepting therefrom all that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of March 28, 1951, recorded April 17, 1951 in Volume 818, pages 565-567, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and Watsonville Exchange, Inc.

Also excepting therefrom all that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Grant Deed dated as of September 24, 2001, recorded September 27, 2001, Document No. 2001-0060721, Official Records of Santa Cruz County, by Union Pacific Railroad Company, to Watsonville Exchange, Inc.

3. V72-6, No. 3

The parcel of land described in the Indenture dated as of March 25, 1876, filed for record August 2, 1876 and recorded August 14, 1876 in Volume 21 of Deeds, pages 382-383, Santa Cruz County Records, between George W. Peckham and Sarah S. Peckham, and the Santa Cruz Railroad Company.

Excepting therefrom all that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Grant Deed dated as of February 12, 1981, recorded March 3, 1981 in Volume 330, pages 604-609, Official Records of Santa Cruz County, by Southern Pacific Transportation Company to Granite Rock Company, but not excepting those portions thereof included within the bounds of the land previously described in the Indenture recorded August 12, 1876 in Volume 21 of Deeds, pages 375-376, Santa Cruz County Records, between Alfred Hughes et al, and the Santa Cruz Railroad Company.

Also excepting therefrom all that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Grant Deed dated as of September 24, 2001, recorded September 27, 2001, Document No. 2001-0060721, Official Records of Santa Cruz County, by Union Pacific Railroad Company, to Watsonville Exchange, Inc.

4. V72-6, No. 4

The parcel of land described in the Indenture dated as of April 24, 1911, recorded April 27, 1911 in Volume 228 of Deeds, pages 252-253, Santa Cruz County Records, between H.J. Wood and Annie Wood, and Southern Pacific Railroad Company.

5. V72-6, No. 7

(i) The parcel of land described in the Indenture dated as of March 25, 1876, recorded August 3, 1876 in Volume "U" of Deeds, pages 193-194, Monterey County Records, between John T. Porter, and the Santa Cruz Railroad Company.

(ii) The parcel of land described in the Indenture dated as of May 7, 1931, recorded May 22, 1931 in Volume 294 of Deeds, pages 227-229, Monterey County Records, between W.F. Sechrest and Kate Sechrest, and the Southern Pacific Railroad Company.

Excepting from (i) and (ii) above, all those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Grant Deed dated as of April 12, 1977, recorded April 21, 1977 in Reel 1139, pages 36-37, Official Records of Monterey County, by Southern Pacific Transportation Company, to C & N Enterprises.

(iii) The strip of land described in the Indenture dated as of September 28, 1877, recorded October 9, 1877 in Volume "W" of Deeds, pages 259-260, Monterey County Records, between James Paterson, and the Santa Cruz Railroad Company.

6. V72-6, No. 8

The strip of land described in the Indenture dated as of March 15, 1876, recorded September 15, 1896 in Volume 48 of Deeds, pages 449-450, Monterey County Records, between P. McAllister, and the Santa Cruz Railroad Company.

7. V72-6, No. 36

The strip of land described as "PARCEL No. 1" in the Indenture dated as of September 19, 1928, recorded October 22, 1928 in Volume 144 of Deeds, pages 4-6, Santa Cruz County Records, between C.J. Rodgers and Esther Rodgers, Mitchell Resetar and Mary Resetar, M.A. Travers and Florence Travers, L.N. Kusalich, and Jasper Simunovich, and Southern Pacific Railroad Company.

8. V72-6, No. 50

The easement in a portion of Second Street described in the Grant of Easement dated as of May 12, 1988, recorded May 16, 1988 in Volume 4325, pages 815-818, Santa Cruz County Records, by the City of Watsonville, to Southern Pacific Transportation Company.

9. V72-5, No. 2

(i) The two parcels of land described in the Order upon Judgment in Taking and Condemnation dated as of June 21, 1876, recorded July 15, 1876 in Volume 21 of Deeds, pages 296-298, Santa Cruz County Records, in the Matter of Santa Cruz Railroad Company, Plaintiff vs. Abraham Cox et al, Defendants.

(ii) The two parcels of land described in the Order upon Judgment in Taking and Condemnation dated as of October 19, 1878, recorded October 28, 1878 in Volume 26 of Deeds, pages 429-431, Santa Cruz County Records, in the Matter of Santa Cruz Railroad Company, Plaintiff vs. Abraham Cox et al, Defendants.

(iii) The land referred to in the grant deed dated as of May 24, 1879, recorded May 24, 1879 in Volume 29 of Deeds, pages 133-134, Santa Cruz County Records, by Abraham Cox and R.W. Cox, to Santa Cruz Railroad Company.

(iv) The parcel of land described as "Parcel 2" in the Indenture dated as of July 10, 1948, recorded August 2, 1948 in Volume 668, pages 357-360, Official Records of Santa Cruz County, between Wilmer W. Warner and Cora W. Warner, and Manuel David Ferrera and Margaret Ferrera, and Southern Pacific Railroad Company.

10. V72-5, No. 3

The parcel of land described in the Order upon Judgment in Taking and Condemnation dated as of June 21, 1876, recorded July 28, 1876 in Volume 21 of Deeds, pages 299-301, Santa Cruz County Records, in the Matter of Santa Cruz Railroad Company, Plaintiff vs. Patrick Flynn et al, Defendants.

11. V72-5, No. 4

(i) The strip of land described as "Second" in the Indenture dated as of August 17, 1876, filed for record December 7, 1876 and recorded January 5, 1877 in Volume 22 of Deeds, pages 261-265, Santa Cruz County Records, between Titus Hale, and the Santa Cruz Railroad Company.

(ii) The land described as "Fourth" in said Indenture dated as of August 17, 1876, between Titus Hale, and the Santa Cruz Railroad Company.

Excepting from (i) and (ii) above, those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel 1" in the Indenture dated as of July 10, 1948, recorded August 2, 1948 in Volume 668, pages 357-360, Official Records of Santa Cruz County, between Southern Pacific Railroad Company, and Manuel David Ferrera and Margaret Ferrera.

(iii) The right to construct and maintain slopes of railroad embankment upon said "Parcel 1" as granted by Manuel David Ferrera and Margaret Ferrera, to Southern Pacific Railroad Company, according to said Indenture dated as of July 10, 1948.

12. V72-5, No. 6

The strip of land described in the Indenture dated as of June 28, 1876, filed for record August 2, 1876 and recorded August 14, 1876 in Volume 21 of Deeds, pages 381-382, Santa Cruz County Records, between Hans C. Struve, and the Santa Cruz Railroad Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of January 11, 1955, recorded February 1, 1955 in Volume 1001, pages 594-597, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and California Pacific Title Company.

13. V72-5, No. 7

The strip of land described in the Indenture dated as of November 21, 1876, recorded August 27, 1896 in Volume 111 of Deeds, pages 382-384, Santa Cruz County Records, between Thomas Martin, William Martin, John Martin, and James Martin, and the Santa Cruz Railroad Company.

14. V72-5, No. 8

The strip of land described in the Indenture dated as of March 31, 1884, filed for record April 8, 1884 and recorded April 12, 1884 in Volume 41 of Deeds, pages 107-110, Santa Cruz County Records, between A.J. Stratton, and the Pacific Improvement Company.

15. V72-5, No. 9

The strip of land described in the Indenture dated as of February 28, 1911, recorded March 6, 1911 in Volume 229 of Deeds, pages 409-410, Santa Cruz County Records, between Alfred Hughes, and Southern Pacific Railroad Company.

16. V72-5, No. 10

The strip of land described in the Indenture dated as of August 16, 1877, filed for record August 25, 1877 and recorded October 4, 1877 in Volume 24 of Deeds, pages 468-469, Santa Cruz County Records, between A.F. Richardson, and the Santa Cruz Railroad Company.

17. V72-5, No. 11

The strip of land described in the Indenture dated as of May 15, 1911, recorded June 1, 1911 in Volume 230 of Deeds, pages 453-454, Santa Cruz County Records, between Mrs. J.E. Richardson and Abbie M. Richardson, and Southern Pacific Railroad Company.

18. V72-5, No. 12

The strip of land described in the Indenture dated as of August 22, 1877, filed for record August 25, 1877 and recorded October 4, 1877 in Volume 24 of Deeds, pages 466-468, Santa Cruz County Records, between Thomas Allen, and the Santa Cruz Railroad Company.

19. V72-4, No. 1; V72-3, No. 12

The right of way described in the Indenture dated as of August 25, 1874 and recorded October 27, 1879 in Volume 27 of Deeds, pages 554-557, Santa Cruz County Records, between Thomas Leonard, and the Santa Cruz Railroad Company.

20. V72-4, No. 2

The strip of land described in the Indenture dated as of October 16, 1888, filed for record November 4, 1888 and recorded November 18, 1888 in Volume 61 of Deeds, pages 439-443, Santa Cruz County Records, between Thomas Leonard, and the Southern Pacific Railroad Company.



21. V72-4, No. 3

(i) The strip or parcel of land described in the Indenture dated as of March 11, 1876, filed for record September 8, 1896 and recorded September 15, 1896 in Volume 112 of Deeds, pages 406-407, Santa Cruz County Records, between Patrick Tracy, and the Santa Cruz Railroad Company.

(ii) The Grantee's covenants, equitable servitudes expressed in and upon the terms of the Corporation Grant Deed by Southern Pacific Transportation Company, to La Selva Beach Improvement Association, dated as of December 5, 1995 and recorded December 19, 1995 in Volume 5773, pages 589-594, Official Records of Santa Cruz County, viz:

"1. Grantee shall at all times maintain the bluff above and along Grantor's adjacent railroad tracks. Grantee shall use reasonable efforts to prevent erosion of such bluffs; all maintenance shall be at Grantee's sole cost and expense."

"2. Grantee expressly covenants to construct and maintain a six foot (6') high steel chain link or other substantial fence along the southern border of the real property adjacent to the railroad tracks; said fence shall have one (1) opening to accommodate established pedestrian easements across the tracks; and one (1) opening to accommodate an existing private roadway with an adjacent property owner. Grantee hereby acknowledges and agrees that such pedestrian or roadway crossings are subject to approval by Grantor and execution of Grantor's standard crossing agreement(s), all of which provide for termination by Grantor upon thirty (30) days notice."

22. V72-4, No. 7

(i) The strip or parcel of land described as "First" in the Indenture dated as of August 17, 1876, filed for record December 7, 1876 and recorded January 5, 1877 in Volume 22 of Deeds, pages 261-265, Santa Cruz County Records, between Titus Hale, and the Santa Cruz Railroad Company.

(ii) The strip or parcel of land described as "Third" in said Indenture dated as of August 17, 1876, between Titus Hale, and the Santa Cruz Railroad Company.

23. V72-4, No. 8

The strip or parcel of land described in the Indenture dated as of November 16, 1878 and recorded November 18, 1878 in Volume 26 of Deeds, pages 440-442, Santa Cruz County Records, between James Leonard, and the Santa Cruz Railroad Company.

24. V72-4, No. 9

The strip or parcel of land described in the Indenture dated as of July 1, 1876, filed for record September 8, 1896 and recorded September 15, 1896 in Volume 112 of Deeds, pages 408-409, Santa Cruz County Records, between C.F. Miller, and the Santa Cruz Railroad Company.

25. V72-3, No. 1

The strip or parcel of land described as "Second" in the Indenture dated as of May 13, 1875 and recorded June 12, 1875 in Volume 20 of Deeds, pages 30-31, Santa Cruz County Records, between Rafael Castro, and the Santa Cruz Railroad Company.

26. V72-3, No. 2

(i) The strips or parcels of land described as "First," "Second," "Fourth," and "Fifth" in the Indenture dated as of February 16, 1877, filed for record March 1, 1877 and recorded March 31, 1877 in Volume 24 of Deeds, pages 77-84, Santa Cruz County Records, between Claus Spreckels, and the Santa Cruz Railroad Company.

(ii) The strip or parcel of land described as "Third" in said Indenture dated as of February 16, 1877, between Claus Spreckels, and the Santa Cruz Railroad Company.

Excepting from (ii) above, that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of May 4, 1932, recorded July 26, 1932 in Volume 231, pages 60-61, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and Fred A. Tillman.

Also excepting from (ii) above, that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Grant Deed dated as of September 19, 1963, recorded December 6, 1963 in Volume 1583, pages 655-657, Official Records of Santa Cruz County, between Southern Pacific Railroad Company, and Central Supply Company.

27. V72-3, No. 3

The parcel of land described in the Indenture dated as of December 21, 1877, filed for record December 22, 1877 and recorded January 3, 1878 in Volume 26 of Deeds, pages 138-139, Santa Cruz County Records, between David Rice and B.F. Porter, and the Santa Cruz Railroad Company.

28. V72-3, No. 4

The parcel of land described in the Indenture dated as of August 17, 1904 and recorded August 20, 1904 in Volume 165 of Deeds, pages 40-41, Santa Cruz County Records, between Magaretha Wiegmann and Christian Wiegmann, and the Southern Pacific Company.

29. V72-3, No. 5

The strip of land described in the Indenture dated as of October 11, 1874, filed for record October 13, 1874 and recorded November 7, 1874 in Volume 18 of Deeds, pages 472-473, Santa Cruz County Records, between Antonio Castro, and the Santa Cruz Railroad Company.

30. V72-3, No. 6

The parcel of land described in the Indenture dated as of June 21, 1884, filed for record June 27, 1884 and recorded June 27, 1884 in Volume 41 of Deeds, pages 307-309, Santa Cruz County Records, between Ludwig Doeltz, and the Pajaro and Santa Cruz Railroad Company.

31. V72-3, No. 7

(i) The parcel of land described as "First" in the Indenture dated as of April 13, 1875 and recorded May 13, 1875 in Volume 20 of Deeds, pages 32-34, Santa Cruz County Records, between Antonia Bernal, and the Santa Cruz Railroad Company.

(ii) The parcel of land described as "Second" in said Indenture dated as of April 13, 1875, between Antonia Bernal, and the Santa Cruz Railroad Company.

Excepting from (ii) above, that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of May 4, 1932, recorded July 26, 1932 in Volume 231, pages 60-61, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and Fred A. Tillman.

Also excepting from (ii) above, that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Grant Deed dated as of September 19, 1963, recorded December 6, 1963 in Volume 1583, pages 655-657, Official Records of Santa Cruz County, between Southern Pacific Railroad Company, and Central Supply Company.

Also excepting from (ii) above, that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Grant Deed dated as of April 21, 1980, recorded April 23, 1980 in Volume 3189, pages 522-525, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Aptos Station.

(iii) The Grantee's covenants, equitable servitudes expressed in and upon the terms of said Grant Deed dated as of April 21, 1980, by Southern Pacific Transportation Company, to Aptos Station, viz:

"The track area of said property shall be fenced by Grantee at its own expense and to the satisfaction of Grantor, and that all driveways into the shopping center shall be at a minimum distance of 50 feet from the tracks."

32. V72-3, No. 8

The parcel of land described in the Indenture dated as of December 30, 1876, filed for record December 30, 1876 and recorded January 27, 1877 in Volume 22 of Deeds, pages 363-366, Santa Cruz County Records, between Jose Arano, and the Santa Cruz Railroad Company.

33. V72-3, No. 9

The strip or parcel of land described in the Indenture dated as of January 3, 1877, filed for record February 15, 1877 and recorded March 26, 1877 in Volume 24 of Deeds, pages 7-11, Santa Cruz County Records, between B.C. Nichols, and the Santa Cruz Railroad Company.

34. V72-3, No. 10

The strip or parcel of land described in the Indenture dated as of June 9, 1875, filed for record June 10, 1875 and recorded July 13, 1875 in Volume 19 of Deeds, pages 95-96, Santa Cruz County Records, between Conrad Bush, and the Santa Cruz Railroad Company.

35. V72-3, No. 20

The strip or parcel of land described in the Indenture dated as of July 12, 1932, recorded July 26, 1932 in Volume 231, pages 62-63, Official Records of Santa Cruz County, between Fred A. Tillman, and Southern Pacific Railroad Company.

36. V72-2, No. 1; V72-1, No. 26

The strip or parcel of land described in the Indenture dated as of June 9, 1877, filed for record June 9, 1877 and recorded August 4, 1877 in Volume 24 of Deeds, pages 291-294, Santa Cruz County Records, between Uriah W. Thompson and Charlotte Thompson, and the Santa Cruz Railroad Company.

37. V72-2, No. 2

(i) The strip or parcel of land described as "First" in the Indenture dated as of July 11, 1876, filed for record August 2, 1876 and recorded August 14, 1876 in Volume 21 of Deeds, pages 377-380, Santa Cruz County Records, between F.A. Hihn, and the Santa Cruz Railroad Company.

(ii) The strip or parcel of land described as "Second" in said Indenture dated as of July 11, 1876 between F.A. Hihn, and the Santa Cruz Railroad Company.

38. V72-2, No. 3

The strip or parcel of land described in the Order upon Judgment in Taking and Condemnation dated as of June 21, 1876, filed for record July 15, 1876 and recorded July 27, 1876 in Volume 21 of Deeds, pages 291-293, Santa Cruz County Records, in the Matter of Santa Cruz Railroad Company, Plaintiff vs. Michael J. Leonard et al, Defendants.

39. V72-2, No. 4

(i) The strip or parcel of land described in the Order upon Judgment in Taking and Condemnation dated as of June 20, 1876, filed for record July 15, 1876 and recorded July 28, 1876 in Volume 21 of Deeds, pages 293-295, Santa Cruz County Records, in the Matter of Santa Cruz Railroad Company, Plaintiff vs. Gideon C. Wardwell et al, Defendants.

(ii) The strip or parcel of land described in the Indenture dated as of June 22, 1877, filed for record August 11, 1893 and recorded August 15, 1893 in Volume 96 of Deeds, pages 195-197, Santa Cruz County Records, between Gideon C. Wardwell and Catherine L. Wardwell, and the Santa Cruz Railroad Company.

Excepting from (i) and (ii) above, those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Corporation Grant Deed dated as of June 9, 1997 and recorded June 20, 1997, Document No. 1997-0027378, Official Records of Santa Cruz County.

40. V72-2, No. 5; V72-2, No. 2

The strip or parcel of land described as "PARCEL B" in the Final Decree in Partition made June 18, 1924 in the Matter of Bay Head Land Company, Plaintiff, vs. Southern Pacific Railroad Company, et al, Defendants, a certified copy of which was recorded June 18, 1924 in Volume 27, pages 35-40, Official Records of Santa Cruz County.

41. V72-2, No. 6

The lots or parcels of land described in the Indenture dated as of March 10, 1904 and recorded March 4, 1905 in Volume 170 of Deeds, pages 186-189, Santa Cruz County Records, between Santa Cruz, Capitola and Watsonville Railway Company, and Southern Pacific Company.

42. V72-2, No. 7

The two parcels of land described as "1<sup>st</sup>" and "2<sup>nd</sup>" in the Indenture dated as of August 9, 1904 and recorded August 17, 1904 in Volume 155 of Deeds, pages 438-450, Santa Cruz County Records, between F.A. Hihn Company, and Southern Pacific Railroad Company.

43. V72-2, No. 8

The right "as a means of access to the cars and warehouses of the Southern Pacific Company . . . to use in common with said F.A. Hihn Company, its successors and assigns, the parcel of land situated in . . . Capitola" described in the Indenture dated as of August 9, 1904 and recorded August 17, 1904 in Volume 155 of Deeds, pages 438-450, Santa Cruz County Records, between F.A. Hihn Company, and Southern Pacific Railroad Company.

44. V72-2, No. 9

The parcel of land described as "2" in the Indenture dated as of July 19, 1902 and recorded August 1, 1902 in Volume 148 of Deeds, pages 129-130, Santa Cruz County Records, between F.A. Hihn Company, and Southern Pacific Railroad Company.

45. V72-2, No. 10

The right of way "over and through my farm on the Soquel Rancho . . . on the line of location for said Railroad" described in the Indenture dated as of December 3, 1873, filed for record December 13, 1873 and recorded in Volume 15 of Deeds, page 410, Santa Cruz County Records, between Thomas Fallon, and Santa Cruz Railroad Company.

46. V72-2, No. 11

The strip or parcel of land described in the Indenture dated as of July 11, 1876, filed for record August 2, 1876 and recorded August 11, 1876 in Volume 21 of Deeds, pages 367-368, Santa Cruz County Records, between B.F. Porter, and the Santa Cruz Railroad Company.

47. V72-2, No. 12

The strip or parcel of land described in the Indenture dated as of August 22, 1874, filed for record December 30, 1874 and recorded February 16, 1875 in Volume 1 of Agreements, pages 500-501, Santa Cruz County Records, between John S. Ord, and the Santa Cruz Railroad Company.

48. V72-2, No. 13

The "easement and right of way for all necessary railroad purposes" described in the Indenture dated as of June 17, 1876, filed for record August 2, 1876 and recorded August 12, 1876 in Volume 21 of Deeds, pages 372-374, Santa Cruz County Records, between S.W. Holladay and Georgiana C. Ord Holladay, and the Santa Cruz Railroad Company.

49. V72-2, No. 14

The strip or parcel of land described as "First" in the Indenture dated as of May 13, 1875 and recorded June 12, 1875 in Volume 20 of Deeds, pages 30-31, Santa Cruz County Records, between Rafael Castro, and the Santa Cruz Railroad Company.

50. V72-2, No. 17

The strip or parcel of land described as "containing an area of 2.95 acres, more or less" in the Indenture dated as of October 30, 1945 and recorded October 31, 1945 in Volume 506, pages 288-289, Official Records of Santa Cruz County, between Fred D. Hihn et al, and Southern Pacific Railroad Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "containing an area of 1.29 acres, more or less" in the Indenture dated as of November 14, 1945 and recorded April 5, 1946 in Volume 590, pages 63-64, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

The same 1.29-acre portion thereof is described in the Indenture dated as of November 14, 1945 and recorded June 7, 1948 in Volume 653, pages 168-177, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

51. V72-2, No. 18

The strip or parcel of land described as "containing an area of 1.36 acres, more or less" in the Indenture dated as of October 17, 1947 and recorded January 26, 1948 in Volume 617, pages 158-162, Official Records of Santa Cruz County, between the State of California, and Southern Pacific Railroad Company.

The same strip or parcel of land is described in the Indenture dated as of October 30, 1945 and recorded October 31, 1945 in Volume 506, pages 288-289, Official Records of Santa Cruz County, between Fred D. Hihn et al, and Southern Pacific Railroad Company.

52. V72-1, No. 8

The parcel of land described in the Indenture dated as of March 14, 1877 and recorded September 21, 1878 in Volume 26 of Deeds, pages 360-361, Santa Cruz County Records, between Thomas J. Weeks, and the Santa Cruz Railroad Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcels of land described as "First" and "Third" in the Indenture dated as of November 18, 1918 and recorded February 25, 1919 in Volume 283 of Deeds, pages 392-393, Santa Cruz County Records, between Southern Pacific Company et al, and the Ocean Shore Railroad Company.

53. V72-1, No. 9

The parcel of land described in the Indenture dated as of March 17, 1892 and recorded March 18, 1892 in Volume 86 of Deeds, pages 108-109, Santa Cruz County Records, between Mrs. Jane Lynch, and the Santa Cruz Railroad Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcels of land described as "Second" in the Indenture dated as of November 18, 1918 and recorded February 25, 1919 in Volume 283 of Deeds, pages 392-393, Santa Cruz County Records, between Southern Pacific Company et al, and the Ocean Shore Railroad Company.

54. V72-1, No. 13

The right "to construct, operate, and maintain one or two railroad tracks . . . and the right to operate said railroad tracks by steam or horse power or either and for Street Railroad purposes . . . over and across" the parcel of land described in the Indenture dated as of December 1, 1877, filed for record December 1, 1877 and recorded December 22, 1877 in Volume 26 of Deeds, pages 47-48, Santa Cruz County Records, between Elizabeth Liddell, and the Santa Cruz Railroad Company.

"Also the right to construct and maintain such embankments as may be deemed necessary for the protection of said tracks, on the South side of said railroad tracks for a distance of twelve (12) feet Southerly of the Southern boundary of the portion of said lot number seven (7) over which the right to construct, maintain, and operate said tracks is hereby granted."

55. V72-1, No. 14

The parcel of land described in the Indenture dated as of November 13, 1878 and recorded November 13, 1878 in Volume 26 of Deeds, pages 437-438, Santa Cruz County Records, between George J. Fake, and the Santa Cruz Railroad Company.

56. V72-1, No. 15

(i) The parcel of land described in the Indenture dated as of September 7, 1878 and recorded September 7, 1878 in Volume 27 of Deeds, pages 200-203, Santa Cruz County Records, between C. Cappelmann and George Otto, and the Santa Cruz Railroad Company.

Excepting from (i) above, that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 1" in the Indenture dated as of June 9, 1926 and recorded October 26, 1928 in Volume 138, pages 276-278, Official Records of Santa Cruz County, between Southern Pacific Company et al, and Santa Cruz Seaside Company.



Also excepting from (i) above, those portions thereof within the bounds of, and at all depths beneath, the parcels of land described in the two Quitclaim Deeds dated as of November 1, 1962 and November 29, 1962, and recorded November 30, 1962 in Volume 1509, pages 255-256 and pages 257-259, Official Records of Santa Cruz County, between Southern Pacific Company, and Santa Cruz Seaside Company.

Also excepting from (i) above, those portions thereof within the bounds of, and at all depths beneath, the land described in the Corporation Grant Deed dated as of December 23, 1992 and recorded December 30, 1992 in Volume 5178, pages 702-706, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Santa Cruz Seaside Company.

(ii) The “perpetual easement in, on, under, over, and through . . . the Railroad Easement property, in which areas Grantor (and its lessees, sublessees, licensees, successors or assigns) shall have the right to own, construct, reconstruct, maintain, operate, use and/or remove existing and/or future railroad, rail and railroad-related equipment, facilities, transportation systems, pipelines, communication systems, lines and facilities of every kind and nature, including, but not limited to, all existing facilities, telephone, telegraph, television, and fiber optic lines and related equipment and appurtenances,” as reserved and upon the terms, conditions, and agreements set forth in said Corporation Grant Deed dated as of December 23, 1992, between Southern Pacific Transportation Company, and Santa Cruz Seaside Company.

57. V72-1, No. 16

(i) The parcel of land described as “Township Eleven South, Range One West of Mount Diablo Meridian . . . The Lot numbered five, of Section nineteen containing nine acres and twenty five hundredths of an acre” in the Patent dated as of March 21, 1892 and recorded July 29, 1892 in Volume 4 of Patents, pages 1-70, Santa Cruz County Records, by the United States of America, to the Southern Pacific Railroad Company.

(ii) The parcel of land described in the Indenture dated as of February 14, 1906 and recorded July 26, 1906 in Volume 172 of Deeds, pages 320-321, Santa Cruz County Records, between E.O. Corrigan and Jennie C. Corrigan, and the Southern Pacific Railroad Company.

Excepting from (i) and (ii) above those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as “Parcel No. 2” in the Indenture dated as of June 9, 1926 and recorded October 26, 1928 in Volume 138, pages 276-278, Official Records of Santa Cruz County, between Southern Pacific Company et al, and Santa Cruz Seaside Company.

Excepting from (i) and (ii) above, those portions thereof within the bounds of, and at all depths beneath, the parcels of land described in the two Quitclaim Deeds dated as of November 1, 1962 and November 29, 1962, and recorded November 30, 1962 in Volume 1509, pages 255-256 and pages 257-259, Official Records of Santa Cruz County, between Southern Pacific Company, and Santa Cruz Seaside Company.

Also excepting from (i) and (ii) above, those portions thereof within the bounds of, and at all depths beneath, the land described in the Corporation Grant Deed dated as of December 23, 1992 and recorded December 30, 1992 in Volume 5178, pages 702-706, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Santa Cruz Seaside Company.

(iii) The “perpetual easement in, on, under, over, and through . . . the Railroad Easement property, in which areas Grantor (and its lessees, sublessees, licensees, successors or assigns) shall have the right to own, construct, reconstruct, maintain, operate, use and/or remove existing and/or future railroad, rail and railroad-related equipment, facilities, transportation systems, pipelines, communication systems, lines and facilities of every kind and nature, including, but not limited to, all existing facilities, telephone, telegraph, television, and fiber optic lines and related equipment and appurtenances,” as reserved and upon the terms, conditions, and agreements set forth in said Corporation Grant Deed dated as of December 23, 1992, between Southern Pacific Transportation Company, and Santa Cruz Seaside Company.

58. V72-1, No. 18

The parcel of land described in the Indenture dated as of November 25, 1873, filed for record December 2, 1873 and recorded in Volume 16 of Deeds, pages 417-418, Santa Cruz County Records, between Thomas Pilkington, and the Santa Cruz Railroad Company.

59. V72-1, No. 19

The parcel of land described in the Indenture dated as of December 2, 1873, filed for record December 13, 1873 and recorded in Volume 15 of Deeds, pages 409-410, Santa Cruz County Records, between Louisa C. Vincent, and the Santa Cruz Railroad Company.

60. V72-1, No. 20

The Grantee’s covenants, equitable servitudes with respect to “an easement for street or highway purposes and for highway slopes,” as set forth in the Supplemental Agreement by and between Southern Pacific Company and City of Santa Cruz, dated as of January 30, 1967 and recorded April 13, 1967 in Volume 1813, pages 647-651, Official Records of Santa Cruz County.

61. V72-1, No. 23

The parcel of land described in the Indenture dated as of September 16, 1874, filed for record September 16, 1874 and recorded September 30, 1874 in Volume 17 of Deeds, pages 89-90, Santa Cruz County Records, between Hanly B. Doane, and the Santa Cruz Railroad Company.

62. V72-1, No. 25

The parcel of land described in the Indenture dated as of August 29, 1874, filed for record April 12, 1875 and recorded April 19, 1875 in Volume 18 of Deeds, pages 628-629, Santa Cruz County Records, between Martin Kinsley, and the Santa Cruz Railroad Company.

63. V72-1, No. 24

The parcel of land described in the Indenture dated as of August 29, 1874, filed for record April 12, 1875 and recorded April 20, 1875 in Volume 18 of Deeds, pages 630-631, Santa Cruz County Records, between James Corcoran, and the Santa Cruz Railroad Company.

64. V22-11, No. 12

The perpetual reservation of rights in and as to the parcel of land described in the Indenture dated as of September 22, 1939 and recorded March 22, 1940 Volume 382, pages 367-368, Official Records of Santa Cruz County, between Southern Pacific Company, and City of Santa Cruz, viz:

“The right to reconstruct, maintain and use that certain 4-foot concrete arch drainage structure which is located upon and across the northeasterly portion of the above described parcel of land” and “the right to construct, reconstruct, maintain and use a roadway 40 feet in width across said parcel of land and such additional land as may be necessary for the slopes for said roadway in event of the future abandonment or removal of the Bay Street bridge”

65. V89-1, No. 1

The strip or parcel of land described in the Bargain and Sale Deed dated as of January 29, 1907 and recorded February 4, 1907 in Volume 183 of Deeds, pages 466-467, Santa Cruz County Records, between James Neary and Martin Neary, and the Southern Pacific Company.

66. V89-1, No. 2

The strip or parcel of land described in the Indenture dated as of June 5, 1905 and recorded July 7, 1905 in Volume 177 of Deeds, pages 26-27, Santa Cruz County Records, between James Neary and Martin Neary, and the Southern Pacific Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as “Third” in the Indenture dated as of November 18, 1918 and recorded February 25, 1919 in Volume 283 of Deeds, pages 392-395, Santa Cruz County Records, between Southern Pacific Company et al, and Ocean Shore Railroad Company.

67. V89-1, No. 3

The lot or parcel of land described in the Indenture dated as of June 5, 1905 and recorded July 7, 1905 in Volume 177 of Deeds, pages 28-29, Santa Cruz County Records, between Laura C. Redden Searing, and the Coast Line Railway Company.

68. V89-1, No. 4

The lot or parcel of land described in the Indenture dated as of June 5, 1905 and recorded July 7, 1905 in Volume 177 of Deeds, pages 24-25, Santa Cruz County Records, between Timothy Castro and Soledad C. Castro, and the Southern Pacific Company.

69. V89-1, No. 5

The strip or parcel of land described in the Indenture dated as of June 12, 1905 and recorded July 7, 1905 in Volume 177 of Deeds, pages 22-23, Santa Cruz County Records, between James Neary and Martin Neary, and the Southern Pacific Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of January 11, 1906 and recorded March 19, 1906 in Volume 186 of Deeds, pages 100-101, Santa Cruz County Records, between Southern Pacific Company, and City of Santa Cruz.

Also excepting therefrom, that portion thereof within the bounds of, and at all depths beneath, the parcel of land "excepting therefrom a strip of land 40 feet in width," described in the Final Order of Condemnation dated as of July 14, 1993, a certified copy of which was recorded July 21, 1993 in Volume 5306, pages 949-952, Official Records of Santa Cruz County, in the Matter of City of Santa Cruz, Plaintiff vs. Southern Pacific Transportation Company et al, Defendants.

70. V89-1, No. 6

The "right of way only" over and across the strip or parcel of land described as "containing an area of . . . [0.38 acres] more or less," in the Indenture dated as of February 23, 1906 and recorded March 12, 1906 in Volume 185 of Deeds, pages 194-197, Santa Cruz County Records, between City of Santa Cruz, and Coast Line Railway Company.

Excepting therefrom, that portion thereof within the bounds of, and at all depths beneath, the parcel of land "excepting therefrom a strip of land 40 feet in width," described in the Final Order of Condemnation dated as of July 14, 1993, a certified copy of which was recorded July 21, 1993 in Volume 5306, pages 949-952, Official Records of Santa Cruz County, in the Matter of City of Santa Cruz, Plaintiff vs. Southern Pacific Transportation Company et al, Defendants.

71. V89-1, No. 7

The parcel of land described in the Indenture dated as of October 17, 1905 and recorded October 17, 1905 in Volume 177 of Deeds, pages 208-209, Santa Cruz County Records, between C.A. Whipple and Jennie E. Whipple, and the Coast Line Railway Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indentures (i) dated as of January 11, 1906 and recorded March 19, 1906 in Volume 186 of Deeds, pages 101-102, and (ii) dated December 26, 1916 and recorded August 21, 1917 in Volume 278 of Deeds, pages 79-80, Santa Cruz County Records, between Coast Line Railway Company, and City of Santa Cruz.

Also excepting therefrom, that portion thereof within the bounds of, and at all depths beneath, the parcel of land "excepting therefrom a strip of land 40 feet in width," described in the Final Order of Condemnation dated as of July 14, 1993, a certified copy of which was recorded July 21, 1993 in Volume 5306, pages 949-952, Official Records of Santa Cruz County, in the Matter of City of Santa Cruz, Plaintiff vs. Southern Pacific Transportation Company et al, Defendants.

72. V89-1, No. 8

The land described in the Indenture dated as of July 17, 1905 and recorded August 2, 1905 in Volume 176 of Deeds, pages 166-167, Santa Cruz County Records, between Isabella Anderson and Robert Charles Anderson, and the Southern Pacific Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcels of land described as "First" and "Second" in the Indenture dated as of November 18, 1918 and recorded February 25, 1919 in Volume 283 of Deeds, pages 392-395, Santa Cruz County Records, between Southern Pacific Company et al, and Ocean Shore Railroad Company.

Also excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 1" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

73. V89-1, No. 9

The lots or parcels of land described in the Indenture dated as of July 6, 1905 and recorded July 24, 1905 in Volume 175 of Deeds, pages 108-109, Santa Cruz County Records, between F.A. Hihn Company, and Southern Pacific Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcels of land described as "Parcel No. 2" and "Parcel No. 3" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume

530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcels of land described as "Parcel No. 1" and "Parcel No. 4" in the Indenture dated as of February 27, 1947 and recorded March 29, 1947 in Volume 539, pages 176-178, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

74. V89-1, No. 10

The lots or parcel of land described in the Indenture dated as of May 12, 1905 and recorded May 13, 1905 in Volume 170 of Deeds, pages 320-322, Santa Cruz County Records, between F.A. Hihn Company and O.F. Hart, and the Southern Pacific Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 4" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 2" in the Indenture dated as of February 27, 1947 and recorded March 29, 1947 in Volume 539, pages 176-178, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

75. V89-1, No. 11

The lots or parcel of land described in the Indenture dated as of August 10, 1905 and recorded August 21, 1905 in Volume 177 of Deeds, pages 94-95, Santa Cruz County Records, between Catherine Griffin and Frederick E. Griffin, and the Southern Pacific Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 5" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 3" in the Indenture dated as of February 27, 1947 and recorded March 29, 1947 in Volume 539, pages 176-178, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

76. V89-1, No. 12

The parcel of land described in the Indenture dated as of August 10, 1905 and recorded August 21, 1905 in Volume 177 of Deeds, pages 96-97, Santa Cruz County Records, between Myrtie L. Griffin and William Griffin, and the Southern Pacific Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 5" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

Also excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 3" in the Indenture dated as of February 27, 1947 and recorded March 29, 1947 in Volume 539, pages 176-178, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

77. V89-1, No. 13

The parcel of land described in the Indenture dated as of August 10, 1905 and recorded August 21, 1905 in Volume 177 of Deeds, pages 92-93, Santa Cruz County Records, between Frank J. Medina, and the Southern Pacific Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 5" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

Also excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 3" in the Indenture dated as of February 27, 1947 and recorded March 29, 1947 in Volume 539, pages 176-178, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

78. V89-1, No. 14

The parcel of land described in the Indenture dated as of August 11, 1905 and recorded August 21, 1905 in Volume 177 of Deeds, pages 102-103, Santa Cruz County Records, between Charles W. Hammer and Marion Goodwin Hammer, and the Coast Line Railway Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcels of land described as "Parcel No. 6" and "Parcel No. 7" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume

530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

79. V89-1, No. 15

The parcel of land described in the Indenture dated as of August 11, 1905 and recorded August 21, 1905 in Volume 177 of Deeds, pages 100-101, Santa Cruz County Records, between F.E. Ward, and the Coast Line Railway Company.

80. V89-1, No. 16

The lots or parcel of land described in the Final Order of Condemnation dated as of December 29, 1905, a certified copy of which was recorded January 22, 1906 in Volume 184 of Deeds, pages 91-92, Santa Cruz County Records, in the Matter of Coast Line Railway Company, Plaintiff vs. Ernest Haquette, as Administrator et al, Defendants.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 8" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

81. V89-1, No. 17

The lots of land described in the Indenture dated as of August 10, 1905 and recorded August 21, 1905 in Volume 174 of Deeds, pages 110-111, Santa Cruz County Records, between Carrie Kendall Hanson and Thomas A. Hanson, and Southern Pacific Company.

Excepting therefrom, those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of September 17, 1945 and recorded October 23, 1945 in Volume 506, pages 463-464, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and Merle Baker and Vesta Baker.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 9" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

82. V89-1, No. 18

The lots of land described in the Indenture dated as of August 12, 1905 and recorded August 23, 1905 in Volume 174 of Deeds, pages 112-113, Santa Cruz County Records, between John Morrow, and Southern Pacific Company.



Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 10" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

83. V89-1, No. 19

The lots of land described in the Indenture dated as of July 10, 1905 and recorded July 24, 1905 in Volume 176 of Deeds, pages 154-155, Santa Cruz County Records, between Lillie Manning, and the Southern Pacific Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 11" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

84. V89-1, No. 20

The lots of land described in the Indenture dated as of August 11, 1905 and recorded August 21, 1905 in Volume 177 of Deeds, pages 98-99, Santa Cruz County Records, between Elizabeth Eliza Tracy and Thomas Tracy, and the Southern Pacific Company.

Excepting therefrom, that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of September 4, 1945 and recorded October 17, 1945 in Volume 506, pages 436-437, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and Penniman Title Company, Inc.

85. V89-1, No. 21

The lots of land described in the Indenture dated as of July 3, 1905 and recorded July 24, 1905 in Volume 174 of Deeds, pages 56-57, Santa Cruz County Records, between Elizabeth Miller and Frank Miller, and Southern Pacific Company.

Excepting therefrom, that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of September 4, 1945 and recorded October 17, 1945 in Volume 506, pages 436-437, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and Penniman Title Company, Inc.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 11" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

86. V89-1, No. 22

The lot of land described in the Indenture dated as of November 4, 1905 and recorded December 14, 1905 in Volume 179 of Deeds, pages 40-41, Santa Cruz County Records, between H.R. Stephens and Ethel B. Stephens, and the Southern Pacific Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 12" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

87. V89-1, No. 23

The lots of land described in the Indenture dated as of July 10, 1905 and recorded July 24, 1905 in Volume 176 of Deeds, pages 152-153, Santa Cruz County Records, between John B. Maher and Zena A. Maher, and the Southern Pacific Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 12" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

88. V89-1, No. 24

The lot of land described in the Indenture dated as of July 6, 1905 and recorded August 2, 1905 in Volume 172 of Deeds, pages 136-137, Santa Cruz County Records, between George Robertson and Charlotte Robertson, and Southern Pacific Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 13" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

Also excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of March 18, 1981 and recorded April 29, 1981 in Volume 3321, pages 24-25, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Patricia Vomvolakis.

89. V89-1, No. 25

The parcel of land described in the Final Order of Condemnation dated as of December 29, 1905, a certified copy of which was recorded December 30, 1905 in Volume 173 of Deeds, pages 450-453, Santa Cruz County Records, in the Matter of Coast Line Railway Company, Plaintiff vs. Annie M. Richards et al, Defendants.

The same parcel of land was described in the Indenture dated as of January 8, 1906 and recorded January 9, 1906 in Volume 181 of Deeds, pages 8-9, Santa Cruz County Records, between Annie M. Richards, and the Coast Line Railway Company.

90. V89-1, No. 26

The parcel of land described in the Indenture dated as of October 11, 1905 and recorded October 12, 1905 in Volume 177 of Deeds, pages 198-199, Santa Cruz County Records, between Charles P. Streator and George J. Streator, and the Coast Line Railway Company.

91. V89-1, No. 27

The parcel of land described in the Indenture dated as of July 26, 1905 and recorded February 5, 1906 in Volume 171 of Deeds, pages 445-447, Santa Cruz County Records, between Ada M. Russell and William Russell, and the Southern Pacific Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel Three" in the Indenture dated as of November 7, 1945 and recorded December 7, 1945 in Volume 530, pages 123-124, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and Andrew Majors and Eugenie Majors.

Also excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, page 170, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

92. V89-1, No. 28

The parcel of land described in the Indenture dated as of August 26, 1905 and recorded October 17, 1905 in Volume 176 of Deeds, pages 320-321, Santa Cruz County Records, between William T. Kerley and M.J. Kerley, and the Southern Pacific Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel Two" in the Indenture dated as of November 7, 1945 and recorded December 7, 1945 in Volume 530, pages 123-124, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and Andrew Majors and Eugenie Majors.

93. V89-1, No. 29

The parcel of land described in the Indenture dated as of August 10, 1905 and recorded August 21, 1905 in Volume 177 of Deeds, pages 90-91, Santa Cruz County Records, between Joseph Pereira and Anna Pereira, and the Southern Pacific Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel One" in the Indenture dated as of November 7, 1945 and recorded December 7, 1945 in Volume 530, pages 123-124, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and Andrew Majors and Eugenie Majors.

94. V89-1, No. 31

The parcel of land described in the Indenture dated as of August 28, 1905 and recorded October 17, 1905 in Volume 171 of Deeds, pages 274-276, Santa Cruz County Records, between Emma Stanley Pope Hall Swanton and F.W. Swanton, and Pearl Hall Swanton, and the Southern Pacific Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "containing an area of 2.411 acre, more or less" in the Indenture dated as of May 25, 1940 and recorded June 13, 1940 in Volume 393, pages 109-110, Official Records of Santa Cruz County, between Southern Pacific Company, and The Union Ice Company.

Also excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "containing an area of 2.727 acre, more or less" in the Indenture dated as of May 12, 1942 and recorded June 8, 1942 in Volume 431, page 191, Official Records of Santa Cruz County, between Southern Pacific Company, and Fred Physter.

Also excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of December 21, 1950 and recorded December 29, 1950 in Volume 804, pages 497-499, Official Records of Santa Cruz County, between Southern Pacific Company and Wm. Wrigley, Jr. Company.

95. V89-1, No. 32

The parcel of land described in the Indenture dated as of July 26, 1905 and recorded August 7, 1905 in Volume 177 of Deeds, pages 44-45, Santa Cruz County Records, between C.A. Whipple and Jennie E. Whipple, and the Coast Line Railway Company.

Excepting therefrom, that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indentures (i) dated as of January 11, 1906 and recorded March 19, 1906 in Volume 186 of Deeds, pages 101-102, and (ii) dated December 26, 1916 and recorded August 21, 1917 in Volume 278 of Deeds, pages 79-80, Santa Cruz County Records, between Coast Line Railway Company, and City of Santa Cruz.

Also excepting therefrom, that portion thereof within the bounds of, and at all depths beneath, the parcel of land "excepting therefrom a strip of land 40 feet in width," described in the Final Order of Condemnation dated as of July 14, 1993, a certified copy of which was recorded July 21, 1993 in Volume 5306, pages 949-952, Official Records

of Santa Cruz County, in the Matter of City of Santa Cruz, Plaintiff vs. Southern Pacific Transportation Company et al, Defendants.

96. V89-1, No. 33

The parcel of land described as "First" in the Indenture dated as of January 16, 1906 and recorded January 26, 1906 in Volume 183 of Deeds, pages 97-98, Santa Cruz County Records, between Charles W. Hammer and Marion Goodwin Hammer, and the Coast Line Railway Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 6" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

97. V89-1, No. 34

The parcel of land described as "Second" in the Indenture dated as of January 16, 1906 and recorded January 26, 1906 in Volume 183 of Deeds, pages 97-98, Santa Cruz County Records, between Charles W. Hammer and Marion Goodwin Hammer, and the Coast Line Railway Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 7" in the Indenture dated as of November 15, 1945 and recorded December 28, 1945 in Volume 530, pages 171-173, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and A.G. Finn and C.G. Finn.

98. V89-1, No. 37

The five parcels of land comprising an "aggregate area of . . . 2.957 acres, more or less," described in the Indenture dated as of February 11, 1919 and recorded February 13, 1919 in Volume 283 of Deeds, pages 336-339, Santa Cruz County Records, between Ocean Shore Railroad Company, and Southern Pacific Railroad Company.

99. V89-1, No. 38

The parcel of land described in the Judgment in Condemnation dated as of April 15, 1927, a certified copy of which was recorded January 25, 1949 in Volume 704, pages 491-493, Official Records of Santa Cruz County, in the Matter of Southern Pacific Company, Plaintiff vs. A.G. Mack and M.C. McPherson, Defendants.

100. V89-2, No. 1

The strip or parcel of land described in the Indenture dated as of July 21, 1905 and recorded August 2, 1905 in Volume 165 of Deeds, pages 418-419, Santa Cruz County

Records, between Shore Line Investment Company, and the Coast Line Railway Company.

101. V89-2, No. 2

The strip or parcel of land described in the Indenture dated as of September 22, 1905 and recorded October 10, 1905 in Volume 175 of Deeds, pages 296-298, Santa Cruz County Records, between Charles B. Younger, Jr., Helen M. Moore, William T. Jeter, and F.A. Hihn Company, and the Coast Line Railway Company.

The same parcel of land is described in the Indenture dated as of October 2, 1905 and recorded October 10, 1905 in Volume 175 of Deeds, pages 294-295, Santa Cruz County Records, between Helen Younger Chase, and the Coast Line Railway Company.

The same parcel of land is described in the Indenture dated as of December 1, 1905 and recorded December 20, 1905 in Volume 185 of Deeds, pages 4-6, Santa Cruz County Records, between Stella Moore, Charles Moore, and Alice Hoffman, and the Coast Line Railway Company.

The same parcel of land is described in the Indenture dated as of December 13, 1905 and recorded December 20, 1905 in Volume 185 of Deeds, pages 2-5, Santa Cruz County Records, between Charles Moore, the Administrator of the Estate of Lizzie Moore deceased, and the Coast Line Railway Company.

102. V89-2, No. 3; V89-3, No. 1

The strip or parcel of land described in the Indenture dated as of July 20, 1905 and recorded August 7, 1905 in Volume 175 of Deeds, pages 154-156, Santa Cruz County Records, between D.D. Wilder and Miranda Wilder, and the Coast Line Railway Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of December 23, 1905 and recorded January 3, 1906 in Volume 184 of Deeds, pages 48-50, Santa Cruz County Records, between Coast Line Railway Company, and Ocean Shore Railway Company.

103. V89-3, No. 2

The strip or parcel of land described in the Indenture dated as of July 11, 1905 and recorded August 2, 1905 in Volume 171 of Deeds, pages 202-204, Santa Cruz County Records, between Charles Lombardi and Lina Lombardi, and the Coast Line Railway Company.

104. V89-3, No. 3

The strip or parcel of land described in the Indenture dated as of November 7, 1905 and recorded April 14, 1906 in Volume 186 of Deeds, pages 187-188, Santa Cruz County Records, between Charles Lombardi and Lina Lombardi, and the Coast Line Railway Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of November 7, 1905 and recorded January 2, 1906 in Volume 183 of Deeds, pages 33-34, Santa Cruz County Records, between Coast Line Railway Company, and Ocean Shore Railway Company.

105. V89-3, No. 4

The strip or parcel of land described in the Indenture dated as of September 26, 1905 and recorded September 27, 1905 in Volume 173 of Deeds, pages 365-367, Santa Cruz County Records, between May L.D. Baldwin, and the Coast Line Railway Company.

106. V89-4, No. 2

The strip or parcel of land described in the Indenture dated as of July 30, 1906 and recorded July 30, 1906 in Volume 184 of Deeds, pages 225-226, Santa Cruz County Records, between Victor Scaroni, and the Coast Line Railway Company.

Excepting therefrom (subject to a reservation regarding the right to use a certain drainage structure) those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of December 28, 1944 and recorded March 19, 1945 in Volume 494, pages 324-326, Official Records of Santa Cruz County, between Southern Pacific Railroad Company, and State of California.

107. V89-4, No. 3; V89-5, No. 1

The strip or parcel of land described in the Indenture dated as of November 18, 1905 and recorded January 9, 1906 in Volume 179 of Deeds, pages 94-95, Santa Cruz County Records, between Margaret D. Enright, and the Coast Line Railway Company.

Excepting therefrom that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of November 7, 1905 and recorded January 2, 1906 in Volume 183 of Deeds, pages 36-37, Santa Cruz County Records, between Coast Line Railway Company, and Ocean Shore Railway Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of January 5, 1942 and recorded March 5, 1942 in Volume 426, pages 432-434, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of June 1, 1953 and

recorded December 3, 1953 in Volume 944, pages 194-198, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

108. V89-4, No. 4; V89-4, No. 5

The strip or parcel of land described in the Indenture dated as of November 2, 1918 and recorded November 6, 1918 in Volume 281 of Deeds, pages 164-165, Santa Cruz County Records, between Ocean Shore Railroad Company, and Southern Pacific Railroad Company.

Excepting therefrom (subject to a reservation regarding the right to use a certain drainage structure) those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of December 28, 1944 and recorded March 19, 1945 in Volume 494, pages 324-326, Official Records of Santa Cruz County, between Southern Pacific Railroad Company, and State of California.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of July 20, 1959 and recorded August 28, 1959 in Volume 1268, pages 220-224, Official Records of Santa Cruz County, between Southern Pacific Company, and State of California.

109. V89-5, No. 2

The strip or parcel of land described in the Indenture dated as of October 4, 1905 and recorded November 10, 1905 in Volume 170 of Deeds, pages 437-440, Santa Cruz County Records, between Osceola J. Cook, William R. Cook, Frederick D. Cook, Albert B. Cook, Martha E. De Ruchie, Mary G. Guinn, Eva Meilandt, and Estella Cook, and the Southern Pacific Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the three parcels of land described in the Indenture dated as of January 10, 1927 and recorded March 8, 1927 in Volume 85, pages 435-437, and in the Indenture dated as of June 8, 1928 and recorded June 27, 1928 in Volume 130, pages 253-255, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and Coast Dairies & Land Co.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of May 11, 1945 and recorded June 6, 1945 in Volume 501, pages 328-329, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and Coast Dairies & Land Company, Inc.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of June 1, 1953 and recorded December 3, 1953 in Volume 944, pages 194-198, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.



110. V89-5, No. 3; V89-6, No. 1; V89-7, No. 1; V89-8, No. 1

The strip or parcel of land described in the Indenture dated as of August 11, 1906 and recorded August 13, 1906 in Volume 184 of Deeds, pages 242-247, Santa Cruz County Records, between Coast Dairies & Land Co., and the Coast Line Railway Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of November 7, 1905 and recorded January 29, 1906 in Volume 183 of Deeds, pages 104-106, Santa Cruz County Records, between Coast Line Railway Company, and Ocean Shore Railway Company.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 1" and "Parcel No. 2" in the Indenture dated as of November 8, 1939 and recorded March 13, 1941 in Volume 406, pages 289-292, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of January 5, 1942 and recorded March 5, 1942 in Volume 426, pages 432-434, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of October 24, 1952 and recorded April 15, 1953 in Volume 910, pages 183-186, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of June 1, 1953 and recorded December 3, 1953 in Volume 944, pages 194-198, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

111. V89-6, No. 1; V89-7, No. 1

The strip or parcel of land described as "containing an area of . . . 6.719 acres, more or less" in the Indenture dated as of July 5, 1907 and recorded August 5, 1907 in Volume 195 of Deeds, pages 272-274, Santa Cruz County Records, between Santa Cruz Portland Cement Company, and the Coast Line Railway Company.

Excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of November 7, 1905 and recorded January 29, 1906 in Volume 183 of Deeds, pages 104-106, Santa Cruz County Records, between Coast Line Railway Company, and Ocean Shore Railway Company.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "Parcel No. 1" in the Indenture dated as of November 8, 1939 and recorded March 13, 1941 in Volume 406, pages 289-292, Official

Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described in the Indenture dated as of January 5, 1942 and recorded March 5, 1942 in Volume 426, pages 432-434, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al, and State of California.

Also excepting therefrom those portions thereof within the bounds of, and at all depths beneath, the parcel of land described as "containing an area of 3.14 acres, more or less" (subject to the reservation of an easement for railroad, transportation and communication purposes over and across the southwesterly 33.5 feet thereof) in the Grant Deed dated as of December 15, 1987 and recorded December 31, 1987 in Volume 4269, pages 270-273, Official Records of Santa Cruz County, between Southern Pacific Transportation Company, and Fred Bailey and Bren Bailey, and Bonnie Bassett and Greg Steltenpohl.

112. V89-6, No. 3

The "right to maintain and operate its right of way at or near Davenport, California, where it crosses San Vicente Creek; together with the right to maintain the culvert or culverts used in connection with said right of way, in the place and in the manner in which said right of way and said culvert or culverts are now being operated and used; and to obstruct the natural flow of San Vicente Creek, by means of said right of way and culvert or culverts, and to cause said creek to overflow upon the properties of Coast Dairies and Land Company," as granted upon the terms set forth in the Indenture dated as of December 30, 1912 and recorded January 24, 1913 in Volume 248 of Deeds, pages 296-297, Santa Cruz County Records, between Coast Dairies and Land Company, and Southern Pacific Company.

END OF DESCRIPTION

**NOTICE I**

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

**NOTICE II**

As of January 1, 1991, if the transaction which is the subject of this report will be a sale, you as a party to the transaction, may have certain tax reporting and withholding obligations pursuant to the state law referred to below:

In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to three and one-third percent of the sales price in the case of the disposition of California real property interest by either:

1. A seller who is an individual with a last known street address outside of California or when the disbursement instructions authorize the proceeds be sent to a financial intermediary of the seller, OR
2. A corporate seller which has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000), OR
2. The seller executes a written certificate, under the penalty of perjury, certifying that the seller is a resident of California, or if a corporation, has a permanent place of business in California, OR
3. The seller, who is an individual, executes a written certificate, under the penalty of perjury, that the California real property being conveyed is the seller's principal residence (as defined in Section 1034 of the Internal Revenue Code).

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis.

The parties to this transaction should seek an attorney's, accountant's, or other tax specialist's opinion concerning the effect of this law on this transaction and should not act on any statements made or omitted by the escrow or closing officer.

The Seller May Request a Waiver by Contacting:  
Franchise Tax Board  
Withhold at Source Unit  
P.O. Box 651  
Sacramento, CA 95812-0651  
(916) 845-4900

## Privacy Policy

### **We Are Committed to Safeguarding Customer Information**

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

### **Applicability**

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at [www.firstam.com](http://www.firstam.com).

### **Types of Information**

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

### **Use of Information**

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

### **Former Customers**

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

### **Confidentiality and Security**

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

**EXHIBIT A  
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990  
SCHEDULE B**

**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:  
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;  
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;  
(c) resulting in no loss or damage to the insured claimant;  
(d) attaching or created subsequent to Date of Policy; or  
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970  
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

**3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970  
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE  
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the Insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

**Part One**

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992  
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE  
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:  
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;  
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;  
(c) resulting in no loss or damage to the insured claimant;  
(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or  
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:  
(i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or  
(ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or  
(iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:  
(a) to timely record the instrument of transfer; or  
(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992  
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:  
(a) created, suffered, assumed or agreed to by the insured claimant;  
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;  
(c) resulting in no loss or damage to the insured claimant;  
(d) attaching or created subsequent to Date of Policy; or  
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:  
(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or  
(ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:  
(a) to timely record the instrument of transfer; or  
(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.



**9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:  
Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL  
TITLE INSURANCE POLICY - 1987  
EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
  - \* land use
  - \* land division
  - \* improvements on the land
  - \* environmental protectionThis exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
  - \* a notice of exercising the right appears in the public records on the Policy Date
  - \* the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
  - \* that are created, allowed, or agreed to by you
  - \* that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
  - \* that result in no loss to you
  - \* that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
  - \* to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
  - \* in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

**11. EAGLE PROTECTION OWNER'S POLICY**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998  
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998**

**Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability**

**EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
  - a. building
  - b. zoning
  - c. land use
  - d. improvements on the land
  - e. land division
  - f. environmental protectionThis exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.  
This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
  - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
  - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.This exclusion does not limit the coverage described in Covered Risk 11 or 18.

**12. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE  
WITH EAGLE PROTECTION ADDED**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under insuring provisions 14, 15, 16 and 24 of this policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under insuring provisions 14, 15, 16 and 24 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) created, suffered, assumed or agreed to by the Insured Claimant;
  - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (this paragraph (d) does not limit the coverage provided under insuring provisions 7, 8, 16, 17, 19, 20, 21, 23, 24 and 25); or
  - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the Indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.

5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon:
  - (a) usury, except as provided under insuring provision 10 of this policy; or
  - (b) any consumer credit protection or truth in lending law.
6. Taxes or assessments of any taxing or assessment authority which become a lien on the Land subsequent to Date of Policy.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
  - (a) the transaction creating the interest of the Insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
  - (b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
  - (c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
    - (i) to timely record the instrument of transfer; or
    - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.
8. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided under insuring provision 7.
9. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting title, the existence of which are Known to the Insured at:
  - (a) The time of the advance; or
  - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than **it would have** been before the modification.This exclusion does not limit the coverage provided under insuring provision 7.

**SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Environmental protection liens provided for by the following existing statutes, which liens will have priority over the lien of the Insured Mortgage when they arise: NONE.

**13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992  
WITH EAGLE PROTECTION ADDED  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:  
Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

Part Two:

1. Environmental protection liens provided for by the following existing statutes, which liens will have priority over the lien of the Insured Mortgage when they arise: NONE

**FIRST AMERICAN TITLE GUARANTY COMPANY**

1737 North First Street

San Jose, CA 95112

(408) 451-7800

SUPPLEMENTAL TO TITLE REPORT DATED: January 9, 2005  
AMENDED 1

Escrow No. NCS-138073-SC

Madeline E. Miller, Esq.  
Miller, Owen & Trost  
428 J Street, Suite 400  
Sacramento, CA 95814-2394

Phone: (916) 447-7933

Escrow Officer: Linda Tugade  
Phone: (408) 451-7800

Property Reference: Santa Cruz County Rail Line

SUPPLEMENTAL REPORT

SUPPLEMENTAL PRELIMINARY TITLE REPORT

Text for use in supplemental First American preliminary title report – SPRR Santa Cruz Branch line industrial spurs, UPRRC to SCCRTC

Title search and examination dated as of January 9, 2005

[The following text has been drafted and assembled very carefully to include all the real property properly capable of being disposed of by UPRRC, and intended for purchase by SCCRTC.]

[NONE OF THE FOLLOWING SHOULD BE ALTERED IN ANY WAY, EITHER FOR PURPOSES OF TITLE INSURANCE OR FOR CONVEYANCING.]

THE ESTATES OR INTERESTS IN THE LAND described or referred to herein, are fee simple as to the strips or parcels numbered 1, 3, and 5; and easements as to the strips or parcels numbered 2, 4, 6, 7, 8, 9, 10, 11, and 12, particularly described in the instruments of record referred to herein.

#### TITLE IS VESTED IN

Union Pacific Railroad Company, a Delaware corporation, formerly Southern Pacific Transportation Company (1998), successor by merger with Southern Pacific Company (1969) and Southern Pacific Railroad Company (1955), corporate successor of Pajaro and Santa Cruz Railroad Company (1888), the successor to the Santa Cruz Railroad Company by purchase from Pacific Improvement Company (1886).

#### DESCRIPTION

Real property in the City of Watsonville, County of Santa Cruz, State of California, portions of the railroad system formerly known as the Santa Cruz Branch Line of the former Southern Pacific Railroad, comprising industrial drill tracks and/or spurs, not within the main right of way, consisting of the following:

1. V72-6, No.32

The strips or parcels of land described as "PARCEL 1," "PARCEL 2," AND "PARCEL 3" in the Indenture dated as of March 3, 1924 and recorded April 12, 1924 in Volume 27, pages 20-24, Official Records of Santa Cruz County, between Hammond Lumber Company, and Southern Pacific Railroad Company et al.

The same strips or parcels of land are described in the Indenture dated as of March 25, 1924 and recorded April 12, 1924 in Volume 27, pages 24-31, Official Records of Santa Cruz County, between Spreckels Sugar Company, and Southern Pacific Railroad Company et al.

The same strips or parcels of land are described in the Indenture dated as of September 4, 1924 and recorded September 10, 1924 in Volume 30, pages 435-437, Official Records of Santa Cruz County, between Pajaro Valley Consolidated Railroad Company, and Southern Pacific Railroad Company et al.

Excepting therefrom all that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Grant Deed dated as of May 14, 1980, recorded August 7, 1980 in Volume 3222, pages 534-535, Official Records of Santa Cruz County, by Southern Pacific Transportation Company, to Redevelopment Agency of the City of Watsonville.

2. V72-6, No. 3

The easements for railroad, transportation, and communication purposes, and for the operation and maintenance of track switching mechanisms, described as reserved in the Grant Deed dated as of February 12, 1981, recorded March 3, 1981 in Volume 3300, pages 604-609, Official Records of Santa Cruz County, by Southern Pacific Transportation Company to Granite Rock Company, in and as to portions of the parcel of land described in the Indenture dated as of March 25, 1876 and recorded August 14, 1876 in Volume 21 of Deeds, pages 382 et seq., Santa Cruz County Records, by and between George W. Peckham, and the Santa Cruz Railroad Company.

3. V72-6, No. 36

The strip of land described as containing 0.644 acres, more or less, in the Indenture dated as of September 19, 1928, recorded October 22, 1928 in Volume 144 of Deeds, pages 4-6, Santa Cruz County Records, between C.J. Rodgers and Esther Rodgers, Mitchell Resetar and Mary Resetar, M.A. Travers and Florence Travers, L.N. Kusalich, and Jasper Simunovich, and Southern Pacific Railroad Company.

Excepting therefrom all that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as containing an area of 3,424 square feet, more or less, in the Quitclaim Deed dated as of July 16, 1980, recorded August 8, 1980 in Volume 3223, pages 132-134, Official Records of Santa Cruz County, by Southern Pacific Transportation Company, to Granite Construction Company.

4. V72-6, No. 38; V72-6, No. 39

The "right to construct, maintain, and operate spur and/or industrial tracks upon and across . . . strips of land" described as "PARCEL NO. 1," "PARCEL NO. 2," "PARCEL NO. 3," and "PARCEL NO. 4" in the Indenture dated as of September 19, 1928, recorded November 15, 1928 in Volume 141 of Deeds, pages 176-181, Santa Cruz County Records, between C.J. Rodgers, Mitchell Resetar, M.A. Travers, L.N. Kusalich, Jasper Simunovich, and Southern Pacific Railroad Company et al.

Excepting therefrom all that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as containing an area of 2,849 square feet, more or less, in the Quitclaim Deed dated as of July 16, 1980, recorded August 8, 1980 in Volume 3223, pages 129-131, Official Records of Santa Cruz County, by Southern Pacific Transportation Company, to Granite Construction Company.

5. V72-6, No. 40

The strip of land described as containing 0.2575 acres, more or less, in the Indenture dated as of June 6, 1930, recorded August 19, 1930 in Volume 183, pages 139-141, Santa Cruz County Records, between John C. Mello and Margarete Mello, and Manuel A. Travers and Florence Travers, and Southern Pacific Railroad Company.

Excepting therefrom all that portion thereof within the bounds of, and at all depths beneath, the parcel of land described as containing 0.595 acres, more or less, in the Quitclaim Deed dated as of November 29, 1963, recorded December 23, 1963 in Volume 1586, pages 613-614, Official Records of Santa Cruz County, by Southern Pacific Company, to John C. Mello and Raymond L. Travers.

6. V72-6, No. 41; V72-6, No. 42

The "right to construct, maintain, and operate spur and/or industrial tracks upon and across . . . strips of land" described as "PARCEL NO. 1" and "PARCEL NO. 2" in the Indenture dated as of June 6, 1930, recorded February 2, 1931 in Volume 190, pages 462-466, Official Records of Santa Cruz County, between John C. Mello and Margarete Mello, and Manuel A. Travers and Florence Travers, and Southern Pacific Railroad Company et al.

Excepting therefrom all those portions thereof within the bounds of, and at all depths beneath,

the parcel of land described as containing 0.595 acres, more or less, in the Quitclaim Deed dated as of November 29, 1963, recorded December 23, 1963 in Volume 1586, pages 613-614, Official Records of Santa Cruz County, by Southern Pacific Company, to John C. Mello and Raymond L. Travers.

7. V72-6, No. 44

An easement “for railroad purposes and for transportation purposes upon” the parcel of land described as containing 0.14 acres, more or less, in the Indenture dated as of May 28, 1962, recorded June 22, 1962 in Volume 1478, pages 178-180, Official Records of Santa Cruz County, between Elmer Pybrum, and Southern Pacific Company.

8. V72-6, No. 46

Easements “for railroad purposes and for transportation purposes upon” the parcels or strips of land of land “fifty feet in width” and “thirty feet in width” described in the Indenture dated as of January 24, 1966, recorded July 20, 1966 in Volume 1775, pages 359-361, Official Records of Santa Cruz County, between Elmer Pybrum, and Southern Pacific Company.

9. V72-6, No. 47

An easement “for railroad purposes and for transportation purposes upon” the parcel of land of land described in the Indenture dated as of March 20, 1974, recorded April 25, 1974 in Volume 2404, pages 302-304, Official Records of Santa Cruz County, between Penniman Title Company, Inc. and Southern Pacific Transportation Company.

10. V72-6, No. 47

An easement “for railroad purposes and for transportation purposes upon” the parcel of land of land described in the Indenture dated as of August 7, 1974, recorded September 4, 1974 in Volume 2440, pages 6-7, Official Records of Santa Cruz County, between Colendich Farms, Inc., Vukasovich Farms, Inc., Sakata Ranches, Inc., and Raymond L. Travers, and Southern Pacific Transportation Company.

11. V72-6, No. 48

An easement “for railroad purposes and for transportation purposes upon” the parcel of land of land described in the Indenture dated as of August 16, 1974, recorded September 24, 1974 in Volume 2445, pages 110-111, Official Records of Santa Cruz County, between Granite Construction Company, and Southern Pacific Transportation Company.

Excepting therefrom all that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Quitclaim Deed dated as of March 28, 1991, recorded May 10, 1991 in Volume 4833, pages 107-111, Official Records of Santa Cruz County, by Southern Pacific Company, to Granite Construction Company.

12. V72-6, No. 49

An easement “for railroad purposes and for transportation purposes upon” the parcel of land of land described in the Indenture dated as of August 16, 1974, recorded September 24, 1974 in Volume 2445, pages 112-114, Official Records of Santa Cruz County, between City of Watsonville, and Southern Pacific Transportation Company.

Excepting therefrom all that portion thereof within the bounds of, and at all depths beneath, the parcel of land described in the Quitclaim Deed dated as of March 28, 1991, recorded May 10, 1991 in Volume 4833, pages 100-103, Official Records of Santa Cruz County, by Southern Pacific Company, to Richard A. Shaw, Inc.

END OF DESCRIPTION

DEFECTS AND ENCUMBRANCES AFFECTING TITLE

NOTE: The recorded text consisting of words describing numbers are omitted in this transcription, indicated by ellipsis thus . . . , where accompanied by numerals in parentheses, or are interpolated thus [ ], where numerals are not included. Superfluous text in some instances is also omitted, so indicated by ellipsis. Punctuation and capitalizations of words are transcribed exactly. Where only initials of words indicating compass directions are used in the record text, the words are spelled fully here and the initial letters of all words indicating compass directions are capitalized here, whether or not so in the record text. Clearly inadvertent omissions are interpolated thus [ ]. Anomalous text is transcribed exactly, with an indication of caution thus [sic].

A. May affect various parcels

Rights of the public for street or highway purposes, as to any portions of the land described herein which are within the presently traveled ways of any State highways, County roads or City streets.



1. Affects V72-6, No. 32

The effect, if any, of the terms and provisions of that certain agreement, dated November 20, 1923, between Spreckels Sugar Company and Hammond Lumber Company, recorded January 14, 1924 in Volume 19, pages 506 et seq., Official Records of Santa Cruz County, "by the terms of which agreement, said Spreckels Sugar Company did grant the said Hammond Lumber Company certain rights of way and the right to construct, reconstruct, maintain and operate plank roadways to and from any lands owned by said Hammond Lumber Company upon the date of said agreement, which are contiguous to and touching and bordering upon the above described lands of said Spreckels Sugar Company," as described in the Indenture dated as of March 3, 1924 and recorded in April 12, 1924 in Volume 27, pages 20-24, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al and Hammond Lumber Company, and also in the Indenture dated as of March 25, 1924 and recorded in April 12, 1924 in Volume 27, pages 24-31, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al and Spreckels Sugar Company.

Reference is hereby made to the record thereof for further particulars.

2. Affects V72-6, No. 32

The effect, if any, of the "certain of the rights granted by that certain deed, dated May 2, 1911, from said Spreckels Sugar Company . . . to Hihn-Hammond Lumber Company . . . recorded August 10, 1911 in Volume 233 of Deeds, page 379, Santa Cruz County Records, which are described in paragraph 2 thereof . . . as follows, to wit: '2: The perpetual right of way for all the uses and purposes of an open street along the sixty (60) foot strip of land intervening between the northerly boundary of the first and second tracts herein described and the southerly boundary of the third and fourth [sic] tracts herein described and the right to construct and use sewers therein and thereon,'" as set forth in the Indenture dated as of Mach 3, 1924 and recorded in April 12, 1924 in Volume 27, pages 20-24, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al and Hammond Lumber Company, and also in the Indenture dated as of March 25, 1924 and recorded in April 12, 1924 in Volume 27, pages 24-31, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al and Spreckels Sugar Company.

Reference is hereby made to the record thereof for further particulars.

3. Affects V72-6, No. 32

The effect, if any, of the agreement and understanding that "Spreckels Sugar Company . . . Hammond Lumber Company . . . Garcia & Maggini Company . . . Santa Cruz County Farm Bureau Exchange, Crown Fruit and Extract Company, Inc., Shell Oil Company of California, and F.A. Morehead, and their respective heirs, executors, administrators, successors and assigns and all other parties locating adjacent to or abutting the above described land, shall be entitled to use said tracks and shall also be entitled to load and unload from such tracks as long as such loading or unloading does not interfere with the proper use of said tracks as railroad facility tracks" as set forth in the Indenture dated as of Mach 3, 1924 and recorded in April 12, 1924 in Volume 27, pages 20-24, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al and Hammond Lumber Company, and also in the Indenture dated as of March 25, 1924 and recorded in April 12, 1924 in Volume 27, pages 24-31, Official Records of Santa Cruz County, between Southern Pacific Railroad Company et al and Spreckels Sugar Company.

Also, the agreement set forth in said Indentures, "to repair the railroad tracks (excepting and reserving to [Spreckels Sugar Company] the . . . middle or third rail upon the premises hereby conveyed; and [Spreckels Sugar Company] agrees to remove, at its sole cost and expense, such third rail from an doff the premises prior to the performance of any work upon said tracks by [Southern Pacific Railroad Company] in rehabilitating said tracks) now upon said real properties, and to put and keep the same in good condition; [and to] maintain railroad tracks upon said parcels of real property hereinabove described, and to operate freight cars over the same, which will connect with the main right of way and railroad tracks . . . in order to furnish track facilities to persons and corporations owning and/or occupying real properties along and adjacent to the real properties hereinabove described."

Reference is hereby made to the record thereof for further particulars.

4. Affects V72-6, No. 36

A "right of way to cross and recross the said strip, at two points . . . to be selected . . . upon demand of second parties" as reserved by first parties in the Indenture dated as of June 27, 1928, recorded June 30, 1928 in Volume 137, pages 27-28 (corrected by the instrument dated as of September 19, 1928 and recorded October 22, 1928 in Volume 144, pages 2-4), Official Records of Santa Cruz County, between John C. Mello and Margarete Mello, first parties, and C.J. Rodgers, L.N. Kusalich, Jasper Simunovich, Mitchell Resetar, and M.A. Travers, second parties.

Reference is hereby made to the record thereof for further particulars.

5. Affects V72-6, No. 38; V72-6, No. 39

Terms, conditions, and agreements, including but not limited to "the right of second party, and the like right of third party, to construct, use and maintain at their own cost and expense, a fifteen (15) foot road crossing over and across the said parcels 2, 3, and 4, such crossings to be at such locations as they may select" as set forth in the Indenture dated as of September 19, 1928, recorded November 15, 1928 in Volume 141, pages 176-181, Official Records of Santa Cruz County, between C.J. Rodgers, Mitchell Resetar, M.A. Travers, L.N. Kusalich, Jasper Simunovich, and Southern Pacific Railroad Company et al.

Reference is hereby made to the record thereof for further particulars.

6. Affects V72-6, No. 41; V72-6, No. 42

Terms, conditions, and agreements as set forth in the Indenture dated as of June 6, 1930, recorded February 2, 1931 in Volume 190, pages 462-466, Official Records of Santa Cruz County, between John C. Mello and Margarete Mello, and Manuel A. Travers and Florence Travers, and Southern Pacific Railroad Company et al.

Reference is hereby made to the record thereof for further particulars.

END OF REPORT

THIS IS A SUPPLEMENTAL REPORT, following the title search and examination report prepared March 8, 2005 (dated as of January 9, 2005) for use in First American preliminary title report and conveyancing deed – SPRR Santa Cruz and Davenport Branch lines, UPRRC to SCCRTC.

The matters described or referred to as follows are the subjects of documents provided by Union Pacific Railroad Company from its archives, which were not found recorded in the public records of Santa Cruz County. These matters will not appear in the preliminary title report and title insurance policy to be issued by First American Title.

Some of these matters represent interests or estates in real property, title to which would be vested in Union Pacific Railroad Company if the original documents had been properly recorded. They are pertinent to the railroad parcels identified in Part I.

Some of these matters represent interests or estates in real property, title to which would be vested in certain grantees of a predecessor in title to Union Pacific Railroad Company if the original documents had been properly recorded. They are pertinent to the railroad parcels identified in Part I.

Some of these matters represent easements or other encumbrances created by the predecessors in title of Union Pacific Railroad Company, which may affect the railroad parcels identified in Part I.

It appears there are no muniments of title known to Union Pacific for some of the railroad parcels, which are listed in Part II.

PART I: UNRECORDED DOCUMENTATION

1. Pertains to V72-2, No. 5

The stipulation and agreement “that judgment shall be entered . . . for the condemnation of so much . . . land as the plaintiff shall require for the use of its Railroad,” upon the terms set forth in the instrument, apparently filed in the District Court, dated as of January 13, 1874, by and between Dennis C. Feeley, Defendant, and the Santa Cruz Railroad Company, Plaintiff, a copy of which has been provided by Union Pacific Railroad Company from its archives, Cust’d No. 1597, to which reference is hereby made for further particulars.

A similar stipulation and agreement is inscribed in an undated instrument apparently filed in the District Court, a copy of which has been provided by Union Pacific Railroad Company from its archives, Cust’d No. 1645, to which reference is hereby made for further particulars.

2. Pertains to V72-4, No. 6; V72-4, No. 7

The conveyance of title to “a right of way for a Railroad,” upon certain conditions, as set forth in the instrument, apparently dated as of January 31, 1874, by and between Titus Hale and Ezekiel Tripp, and the Santa Cruz Railroad Company, a copy of which has been provided by Union Pacific Railroad Company from its archives, Cust’d No. 1598, to which reference is hereby made for further particulars.

3. Pertains to V72-3, No. 11

The conveyance of title to “a strip of land not more than forty feet in width,” upon certain conditions, as set forth in the instrument, apparently dated as of August 24, 1874, by and between Patrick Leonard, and the Santa Cruz Railroad Company, a copy of which has been provided by Union Pacific Railroad Company from its archives, Cust’d No. 1600, to which reference is hereby made for further particulars.

4. Pertains to V72-5, No. 8; V72-6, No. 1

The agreement “to give the right of way for a Railroad . . . [and] to make good [and] sufficient deeds for the conveying [and] assigning to the said Railroad Company the said right of way [and] the right [and] title thereto,” upon certain conditions, as set forth in the instrument, apparently dated as of February 25, 1876, by and between Robert Gallagher, Gustave A. Belser, Gerhard Holst, Otto Stoesser, L.V. Willits, Thomas Stratton, and Philip Bush, and the Santa Cruz Railroad Company, a copy of which has been provided by Union Pacific Railroad Company from its archives, Cust’d No. 1612, to which reference is hereby made for further particulars.

5. Pertains to V72-6, No. 7

The conveyance of title upon no conditions, as set forth in the Abstract of an instrument, apparently dated as of March 25, 1876, by and between John T. Porter and the Santa Cruz Railroad Company, a copy of which has been provided by Union Pacific Railroad Company from its archives, Cust’d No. 30868, to which reference is hereby made for further particulars.

6. Pertains to V72-2, No. 4

The conveyance of title or Quit Claim Deed by which “S.P.R.R.CO releases track . . . [at] Opal Station” upon no conditions, as set forth in the Abstract of an instrument, apparently dated as of August 19, 1904, by and between Southern Pacific Railroad Company, and Santa Cruz, Capitola & Watsonville Railway Company, a copy of which has been provided by Union Pacific Railroad Company from its archives, Cust’d No. 30351, to which reference is hereby made for further particulars.

7. Affects V89-4, No. 1

The “easement for the construction, maintenance and use of a public highway at grade,” upon the terms, conditions, agreements, and a power of termination, as set forth in the Indenture dated as

of May 12, 1913, by and between Coast Line Railway Company and Southern Pacific Company, and County of Santa Cruz, a copy of which has been provided by Union Pacific Railroad Company from its archives, Cust'd No. 13247, to which reference is hereby made for further particulars.

8. Affects V89-6, No. 1

The "right to construct and maintain a highway," upon the terms, conditions, agreements, and a power of termination, set forth in the Road or Highway Agreement dated as of August 25, 1925, by and between Southern Pacific Railroad Company et al, and County of Santa Cruz, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 35667, to which reference is hereby made for further particulars.

9. Pertains to V89-1, No. 31

The conveyance of title upon no conditions, as set forth in the Indenture, dated as of June 17, 1938, by and between Southern Pacific Company, and B. Lorenzi, a copy of which has been provided by Union Pacific Railroad Company from its archives, Cust'd No. 20860, to which reference is hereby made for further particulars.

10. Pertains to V89-1, No. 31

The conveyance of title upon no conditions, as set forth in the Indenture, dated as of June 17, 1938, by and between Southern Pacific Company, and Half Moon Bay Drum & Box Company, a copy of which has been provided by Union Pacific Railroad Company from its archives, Cust'd No. 20867, to which reference is hereby made for further particulars.

11. Affects V72-3, No. 1

The "right to construct, maintain and use a street or highway," upon the terms, conditions, agreements, and a power of termination, set forth in the Street or Highway Agreement dated as of January 30, 1950, by and between Southern Pacific Railroad Company, and County of Santa Cruz, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 44821, to which reference is hereby made for further particulars.

12. Affects V72-2, No. 4

The "right to construct, maintain and use a street or highway," upon the terms, conditions, agreements, and a power of termination, set forth in the Street or Highway Agreement dated as of March 14, 1951, by and between Southern Pacific Railroad Company, and County of Santa Cruz, a copy of which has been provided, along with related documentation, by Union Pacific Railroad Company, from its archives, Cust'd No. 45189, to which reference is hereby made for further particulars.

13. Affects V72-6, No. 1; V72-6, No. 36; V72-6, No. 38

The “right to construct, reconstruct, maintain and operate two (2) 6" water pipe lines . . . at or near Watsonville,” upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of February 13, 1957, by and between Southern Pacific Company, and City of Watsonville, a copy of which has been provided by Union Pacific Railroad Company from its archives, Cust’d No. 24593, to which reference is hereby made for further particulars.

14. Affects V89-6, No. 1; V89-5, No. 3

The license or permit to “use two (2) private road crossings at grade and two (2) private roads . . . upon and across the property and tracks of Railroad at or near Davenport,” upon the terms, conditions, and provisions of the Agreement dated as of March 27, 1958, by and between Southern Pacific Company, and Coast Dairies & Land Co., a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust’d No. 108176, to which reference is hereby made for further particulars.

15. Affects V89-4, No. 3

The license or permit to “use a private road crossing at grade and a private road . . . upon and across the property and tracks of Railroad at or near Gordola,” upon the terms, conditions, and provisions of the Agreement dated as of May 14, 1958, by and between Southern Pacific Company, and B. Lorenzi, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust’d No. 25527, to which reference is hereby made for further particulars.

16. Affects V72-5, No. 8

The “right to construct, reconstruct, maintain and operate an 8-inch water pipe . . . beneath the tracks and property of Railroad at or near Watsonville,” upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of August 11, 1959, by and between Southern Pacific Company, and City of Watsonville, a copy of which has been provided by Union Pacific Railroad Company from its archives, Cust’d No. 26469, to which reference is hereby made for further particulars.

17. Affects V72-2, No. 12; V72-2, No. 13; V72-3, No. 1; V72-3, No. 2; V72-3, No. 9

The “right to construct, reconstruct, maintain and operate nine sanitary sewer pipeline crossings . . . beneath the tracks and property of Railroad, at or near Aptos,” upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of May 22, 1961, by and between Southern Pacific Company, and Aptos Sanitation District, a copy of which has been provided, along with related documentation, by Union Pacific Railroad Company, from its archives, Cust’d No. 27877, to which reference is hereby made for further particulars.

18. Affects V72-3, No. 2

The “right to construct, reconstruct, maintain and use a street or highway,” upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of July 9, 1962, by and between Southern Pacific Company, and County of Santa Cruz, a copy of which has been provided, along with related documentation, by Union Pacific Railroad Company, from its archives, Cust’d No. 28639, to which reference is hereby made for further particulars.

19. Affects V72-4, No. 15

The license or permit to “use a private roadway across the tracks and upon property of Railroad at or near Ellicott,” upon the terms, conditions, and provisions of the Private Roadway Agreement dated as of August 16, 1962, by and between Southern Pacific Company, and Harry B. Xanthus, a copy of which has been provided, along with related documentation, by Union Pacific Railroad Company, from its archives, Cust’d No. 1601, to which reference is hereby made for further particulars.

20. Affects V72-3, No. 2

The “right to construct, reconstruct, maintain and operate a twenty-one (21) inch sewer pipe . . . beneath the tracks and property of Railroad at or near Aptos,” upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of October 15, 1964, by and between Southern Pacific Company, and County of Santa Cruz, a copy of which has been provided, along with related documentation, by Union Pacific Railroad Company, from its archives, Cust’d No. 47152, to which reference is hereby made for further particulars.

21. Affects V72-2, No. 2; V72-2, No. 7

The “easement to construct, reconstruct, maintain and operate one 8-inch diameter water pipeline . . . beneath the tracks and property of Railroad, in the City of Capitola,” upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of January 15, 1965, by and between Southern Pacific Company, and Soquel Creek County Water District, a copy of which has been provided, along with related documentation, by Union Pacific Railroad Company, from its archives, Cust’d No. 47324, to which reference is hereby made for further particulars.

22. Affects V72-2, No. 2; V72-2, No. 18

The “right to construct, reconstruct, maintain and operate a 4-inch water pipeline . . . beneath the tracks and property of Railroad, at or near Capitola,” upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of March 22, 1965, by and between Southern Pacific Company, and Soquel Creek County Water District, a copy of which has been provided, along with related documentation, by Union Pacific Railroad Company, from its archives, Cust’d No. 47476, to which reference is hereby made for further particulars.

23. Affects V72-2, No. 5

The "right to construct, reconstruct, maintain and operate an 8-inch water pipeline . . . beneath the tracks and property of Railroad, at or near Capitola," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of October 5, 1965, by and between Southern Pacific Company, and Soquel Creek County Water District, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 47897, to which reference is hereby made for further particulars.

24. Affects V72-2, No. 2

The "easement to construct, reconstruct, maintain and operate two 18-inch diameter reinforced concrete pipelines for the conveying of storm drainage water . . . beneath the property and between the bents of Railroad's Structure No. 116.12 in or near the City of Capitola," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of February 14, 1966, by and between Southern Pacific Company, and City of Capitola, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 48266, to which reference is hereby made for further particulars.

25. Affects V72-3, No. 2

The "right to construct, reconstruct, maintain and operate a 36-inch RCP storm drain . . . beneath the tracks and property of Railroad, at or near Aptos," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of January 23, 1968, by and between Southern Pacific Company, and County of Santa Cruz, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 50269, to which reference is hereby made for further particulars.

26. Affects V72-3, No. 10

The "right to construct, reconstruct, maintain and operate an 8-inch water main . . . beneath the tracks and property of Railroad, at or near Aptos," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of February 21, 1968, by and between Southern Pacific Company, and Soquel Creek County Water District, a copy of which has been provided, along with related documentation, by Union Pacific Railroad Company, from its archives, Cust'd No. 50307, to which reference is hereby made for further particulars.

27. Affects V72-3, No. 2

The "right to construct, reconstruct, maintain and operate an 8-inch water main . . . beneath the tracks and property of Railroad, at or near Aptos," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of April 15, 1968, by and between Southern Pacific Company, and Soquel Creek County Water District, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 50463, to which reference is hereby made for further particulars.



28. Affects V89-4, No. 3

The license or permit to “maintain and use a private roadway across the tracks and upon property of Railroad at Mile Post 86.51 at or near Majors,” upon the terms, conditions, and provisions of the Private Roadway Agreement dated as of July 1, 1968, by and between Southern Pacific Company, and Gino and Bernice Lorenzi and Lena O. and Kurt Zeiher, a copy of which has been provided, along with related documentation, by Union Pacific Railroad Company, from its archives, Cust’d No. 157272, to which reference is hereby made for further particulars.

29. Affects V72-1, No. 22; V72-1, No. 30

The “easement for purposes of construction, reconstruction, maintenance and operation of a 12-foot wide service road, a public boat channel, and a 5-foot wide foot path . . . all within the bounds of a strip of land extending . . . between Station 991+58 and Station 995+78,” upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of February 19, 1970, by and between Southern Pacific Transportation Company, and Santa Cruz Port District, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust’d No. 52282, to which reference is hereby made for further particulars.

30. Affects V72-2, No. 2

The “right to construct, reconstruct, maintain and operate a 4-inch water pipeline . . . beneath the property and tracks of Railroad at or near Capitola,” upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of July 12, 1971, by and between Southern Pacific Transportation Company, and State of California, Department of Parks and Recreation, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust’d No. 53479, to which reference is hereby made for further particulars.

31. Affects V72-5, No. 8

The “right to construct, reconstruct, maintain and operate two (2) 27-inch reinforced concrete storm drain pipes . . . beneath the tracks and property of Railroad, at or near Watsonville,” upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of December 7, 1971, by and between Southern Pacific Transportation Company, and County of Santa Cruz, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust’d No. 53999, to which reference is hereby made for further particulars.

32. Affects V72-3, No. 8

The “right to construct, reconstruct, maintain and operate an eight (8) inch vitrified clay sewer pipe . . . beneath the tracks and property of Railroad, at or near Aptos,” upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of July 10, 1972, by and between Southern Pacific Transportation Company, and Aptos Sanitary District, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust’d No. 54429, to which reference is hereby made for further particulars.

33. Affects V72-5, No. 8

The "right to construct, reconstruct, maintain and operate 38" by 60" elliptical reinforced concrete storm drain pipe . . . beneath the tracks and property of Railroad, at or near Watsonville," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of June 4, 1974, by and between Southern Pacific Transportation Company, and County of Santa Cruz, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 55995, to which reference is hereby made for further particulars.

34. Affects V72-1, No. 23

The "right to construct, reconstruct, maintain and operate a 10-inch drainage pipeline . . . in, upon, along, across, and beneath the property of Railroad, at or near Cliffside," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of November 21, 1974, by and between Southern Pacific Transportation Company, and Moreland Johnson, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 56377, to which reference is hereby made for further particulars.

35. Affects V89-1, No. 8

The "right to construct, reconstruct, maintain and operate a 54" RCP storm drain in, upon, along, across, and beneath property and tracks of Railroad, at or near Santa Cruz," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of September 21, 1977, by and between Southern Pacific Transportation Company, and City of Santa Cruz, a copy of which has been provided, along with related documentation, by Union Pacific Railroad Company, from its archives, Cust'd No. 58339, to which reference is hereby made for further particulars.

36. Affects V72-1, No. 18

The "right to construct, reconstruct, maintain and use a pedestrian walkway, including handrails and vehicle barrier . . . and a ten (10) inch water pipeline, in, upon, along, and across that certain existing bridge located at Mile Post 119.65," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of April 18, 1979, by and between Southern Pacific Transportation Company, and City of Santa Cruz, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 59567, to which reference is hereby made for further particulars.

37. Affects V72-4, No. 15

The "right to construct, reconstruct, maintain and operate drain, sewer, and water facilities in, upon, along, across, and beneath the property and tracks of Railroad, at or near Aptos," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of August 21, 1980, by and between Southern Pacific Transportation Company, and Trestle Beach Associates, a copy of which has been provided, along with related documentation, by Union

Pacific Railroad Company, from its archives, Cust'd No. 60604, to which reference is hereby made for further particulars.

38. Affects V72-4, No. 1; V72-4, No. 2; V72-4, No. 15

The "right to construct, reconstruct, maintain and use a private roadway across the tracks and upon property of Railroad, at or near Aptos," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of August 26, 1980, by and between Southern Pacific Transportation Company, and Trestle Beach Associates, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 60625, to which reference is hereby made for further particulars.

39. Affects V72-2, No. 5

The "right to construct, reconstruct, maintain and operate a retaining wall . . . in, upon, along, and across the property of Railroad opposite Engineer's Station 840+35," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of April 26, 1983, by and between Southern Pacific Transportation Company, and City of Capitola, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 62386, to which reference is hereby made for further particulars.

40. Affects V72-2, No. 12

The "right to construct, reconstruct, maintain and operate a[n] 8-inch water pipeline . . . in, upon, along, across, and beneath property and tracks of Railroad, at or near Aptos," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of June 20, 1989, by and between Southern Pacific Transportation Company, and Soquel Creek County Water District, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 66920, to which reference is hereby made for further particulars.

41. Affects V89-1, No. 4; V89-1, No. 36; V89-1, No. 37

The "right to construct, reconstruct, maintain and operate underground utilities in, upon, along, across, and beneath property and tracks of Railroad, at or near Santa Cruz," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of April 17, 1989, by and between Southern Pacific Transportation Company, and City of Santa Cruz, a copy of which has been provided, along with related documentation, by Union Pacific Railroad Company, from its archives, Cust'd No. 66656, to which reference is hereby made for further particulars.

42. Affects V72-2, No. 4

The "right to construct, reconstruct, maintain and operate a 10-inch sewer pipeline . . . and a connecting 8-inch sewer pipeline . . . in, upon, along, across, and beneath property and tracks of Railroad, at or near Capitola," upon the terms, conditions, agreements, and a power of termination, set forth in the Indenture dated as of July 30, 1991, by and between Southern Pacific

Transportation Company, and Santa Cruz County Sanitation District, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 68228, to which reference is hereby made for further particulars.

43. Affects V72-3, No. 2

The "right to construct, reconstruct, maintain and use a street or highway," upon the terms, conditions, agreements, and a power of termination, set forth in the Street or Highway Easement dated as of March 20, 1992, by and between Southern Pacific Transportation Company, and County of Santa Cruz, a copy of which has been provided by Union Pacific Railroad Company, from its archives, Cust'd No. 68649, to which reference is hereby made for further particulars.

PART II: MISSING DOCUMENTATION

V72-6, No. 12

V72-5, No. 1; V72-5, No. 5

V72-4, No. 5; V72-5, No. 10; V72-4, No. 11; V72-5, No. 12; V72-4, No. 13; V72-5, No. 14

V72-3, No. 16

V72-1, No. 21; V72-1, No. 22; V72-1, No. 30

V22-11, No. 12

V89-1, No. 35; V89-1, No. 36; V89-1, No. 40

V89-3, No. 5

END OF REPORT

Attachment 5  
**MILLER, OWEN & TROST**  
A PROFESSIONAL CORPORATION

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PHILLIP L. ISENBERG  
OF COUNSEL

**MEMORANDUM**

To: Santa Cruz County Regional Transportation Commission

From: Kirk E. Trost,  
Miller, Owen & Trost

Date: May 11, 2005

Re: *Santa Cruz Branch: Preliminary Title Report*

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The following title reports were delivered by First American Title Company on May 3, 2005:

1. Preliminary Report (Amended 1), dated as of January 9, 2005. The Preliminary Report is organized as follows:
  - a. Exceptions to Title. (See pp. 2-31.) This section identifies and describes the various exceptions to the Railroad's title (e.g. easements and other third-party rights) in the Santa Cruz Branch.
  - b. Legal Description for each parcel. (See pp. 32-62.) This section identifies and describes the parcels to be insured.
  
2. Supplement to Title Report Dated January 9, 2005 (Amended 1) (See pp. S1-1 to S1-7). This Supplement encompasses industrial drill tracks and/or spurs not within the main right-of-way, and is organized as follows:
  - a. Description (This corresponds to the Legal Description section of the Preliminary Report.)
  - b. Defects and Encumbrances Affecting Title (This corresponds to the Exceptions to Title section of the Preliminary Report.)

Attached is a summary of First American's conclusions as to the state of the Railroad's title to the Santa Cruz Branch, prepared by this firm. The order of parcel numbers in this summary corresponds to the order used in the Legal Description sections of the Preliminary Report and the Supplement.

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Also attached is a second Supplemental Report dated March 25, 2005, prepared by Mr. Jim Weller on behalf of First American Title Company (See pp. S2-1 to S2-10). This report lists unrecorded vesting instruments (see Items 1-5 of Part I) and conveyances to third parties (see Items 6-43 of Part I). The report also lists various parcels for which there exists no documentary evidence of title (see Part II). The matters covered in this report will not be part of the title insurance policy.

Due to a number of factors (including the length of time since the original conveyances were made to the Railroad), there are still a few remaining questions concerning title to various parcels and we are working with the title company to answer those questions. Also, with respect to the Preliminary Report (Amended 1), the numbering system for exceptions to title (set forth on pp. 2-31) has problems and will need to be corrected. The description of the various parcels begins on page 32 of the Preliminary Report. Please note that the parcel references in the Preliminary Report and Supplement correspond to the Railroad's valuation maps and are not references to Assessor's Parcel Numbers.

You will note two basic forms of title covered by the Preliminary Report and Supplement:

**Fee Title:** The majority of the Santa Cruz Branch is held by the Railroad in fee. This means that the Railroad is the owner of the property and can use the property for any purpose, subject to the rights of third parties holding easements, licenses, or other interests. Some of the fee parcels were granted to the Railroad subject to the condition that the Railroad continue to use the parcels for railroad purposes. Normally, such conditions would give the grantor the right to terminate the Railroad's interest in the property, should the Railroad cease to use the property for railroad purposes and use it for other purposes instead. However, the California Marketable Record Title Act (Civil Code section 880.020 *et seq.*) provides for the expiration of such powers of termination 30 years after (i) the date the deed is recorded, or (ii) the date a notice of intent to preserve the power of termination is recorded, if the notice is recorded within the foregoing 30-year period. (Civil Code section 885.030.) All of the deeds containing the "railroad purposes" condition were recorded in the 19<sup>th</sup> Century and the title search has not turned up any recorded notices of intent to preserve the powers of termination. Therefore, it appears that any such powers of termination should have expired pursuant to the terms of the Marketable Record Title Act. We will explore with the title company the possibility of insuring title on that basis.

**Easements:** Some of the Santa Cruz Branch is held by the Railroad as easement for railroad purposes. Such easements will continue in effect as long as rail service is conducted over the Branch. The Railroad's interest in the easement parcels may be extinguished if and when the Railroad abandons rail service over the Branch. Federal law, however, provides a method by which such easement interests may be preserved, even after cessation of rail service. Section 8(d) of the National Trails System Act (16 U.S.C. section 1247(d) – otherwise known as the "Rails-to-Trails Act"), provides that such property interests will not be extinguished upon cessation of rail service if a public

agency assumes full ownership responsibility for the property, subject to potential future reactivation of rail service.

**No Recorded Deeds:** There are also a number of parcels for which the Railroad has only copies of unrecorded deeds, as well as parcels for which there is no documentary evidence of title. These parcels are listed at the end of the enclosed Summary and are discussed in greater detail in the second enclosed Supplemental Report dated March 25, 2005. These parcels will not be covered by the title insurance policy. However, given the Railroad's use of this right-of-way for more than a century, it appears that the Railroad should have at least a prescriptive easement over those parcels. As with the recorded easements discussed above, prescriptive easements are also subject to extinguishment upon abandonment of rail service. However, prescriptive easements also can be preserved under the Rails-to-Trails Act, as discussed above.

We look forward to discussing this with you further at the May 19, 2005 Transportation Policy Workshop meeting.

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**Date:** Wed, 11 Jan 2006 15:32:21 -0800

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**To:** 1baumbach@sbcglobal.net

*Friday, the 13<sup>th</sup>*

**From:** Angela Adame  
**Sent:** Wednesday, January 11, 2006 3:31 PM  
**To:** '1baumbach@sbcglobal.net'  
**Cc:** Paul Chrisman; Kirk Trost; 'Luis Mendez'  
**Subject:** SCCRTC Conference Call Information

Chuck:

Please find below the conference call information for Friday afternoon's conference call (1/13/06) at 3:00 p.m., with Kirk, Paul and Santa Cruz County Regional Transportation Commission:

1. Dial the Access Number: 877-526-3010
2. Enter the Meeting Number: \* 6536887 \*

You MUST enter the asterisks before and after the numbers as specified above. Participants will access the audio portion of the meeting by dialing the ACCESS NUMBER and entering the MEETING NUMBER and will hear music on hold until the moderator (Kirk Trost) joins the call.

If you have any questions, please call me at 916-447-7933.  
Sincerely,

MILLER, OWEN & TROST  
A Professional Corporation

Angela M. Adame, Legal Assistant to Kirk E. Trost

\*\*\*\*\*

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## MEMORANDUM

TO: Chuck Baumbach, Arthur Gimmy International

FROM: Kirk E. Trost  
Paul J. Chrisman

DATE: September 29, 2005

RE: *Santa Cruz Branch:*  
*Status of Union Pacific Parcels under Subdivision Map Act*

*Newbaunbaum  
Analysis (waiting  
for confirmation  
from Kevin Shea @  
US Dept. in Wash DC,*

*3-23 Kirk Trost (Paul Chrisman)*

---

This memorandum responds to the issues raised in the draft Report of Appraisal Review prepared by Thomas Ryland and dated as of February 22, 2005, at page 3:

"An important element of the appraised NLV is the concept that there are 225 'legal parcels' within the line right-of-way. If the land were vacant and available for development to its highest and best uses, such parcels (many pre-dating the current Subdivision Map Act) would greatly facilitate and accelerate the marketing of the land. If available, this greatly enhances value to an assumed private buyer ('developer') seeking a maximum net return of investment with warranted profit.

"The status of these parcels is complicated. Some were created prior to the 1893 original Map Act. Many other parcels fall into subsequent years, thus subject to amendment and new statutory law as well as case law modifications of the interpretation of the statutes. There is also a question of whether merger has taken place."

### Short Answer

Given the number of parcels involved, and the volume of information that would need to be gathered and analyzed to make an absolute determination as to each parcel's status under the Subdivision Map Act, this memorandum is limited to a general analysis of the various parcels under the current Subdivision Map Act using only the vesting deeds and Railroad valuation maps for the Santa Cruz Branch. As a result, the only

parcels that we believe definitely can be considered "legal parcels" under the Subdivision Map Act are those parcels that were granted to the Railroad prior to the enactment of the first Map Act in 1893 and from which the Railroad did not make subsequent conveyances to third parties. Other parcels we have listed as "probable" legal parcels and "questionable" legal parcels. The question of whether a local agency might require merger of one or more parcels requires a very fact-specific analysis of each parcel, based primarily on factors that should have been (and, we assume, were) part of the primary appraiser's evaluation of the developability of each parcel. We have, therefore, set forth the general criteria applicable to such mergers under the Santa Cruz County Code and noted our assumption that these matters were considered as part of the primary appraisal.

As used in this memorandum, the term "parcel" means a parcel conveyed to the Railroad, as described in the vesting deed and not necessarily a "parcel" as defined by the preliminary title report ("PTR") or the Railroad's valuation maps. Such "conveyed parcels" are also sometimes denoted with the abbreviation "CP." For the sake of convenience, however, the Summary of Subdivision Map Act Findings set forth in Appendix A is organized according to the PTR's parcel numbering system. In addition, we use the term "Railroad" generically, recognizing that a number of different railroads have operated over the Santa Cruz Branch for the past 100+ years.

We have divided this analysis into several categories of parcels as follows:

- A. Parcels granted to the Railroad prior to 1893, which the Railroad continues to own in their entirety. For the reasons stated below, it is our opinion that these parcels should be considered "legal parcels" under the Subdivision Map Act. The parcels for which we have reached this conclusion are as follows:

Legal Parcels: PTR Pcl. Nos. 5 (CP 3), 6, 9 (CP 1-5), 10, 13, 14, 16, 18-20, 22, 23, 25, 26 (CP 1, 2, 4, & 5), 27, 29, 30, 31 (CP 1), 32-34, 36-38, 45-49, 54, 55, 58, 59, & 60-63.

Probable Legal Parcels: PTR Pcl. No. 24. (Note: This parcel is denoted as "probable" only because the deed is dated prior to 1893, but was recorded in 1896.)

- B. Parcels granted to the Railroad prior to 1893 from which the Railroad subsequently conveyed portions to third parties. For the reasons stated below, it is our opinion that these parcels can be considered legal parcels only if (i) the subsequent conveyances to third parties are themselves entitled to the "grandfather" provisions of Government Code sections 66412.6(a) or 66499.30(d), (ii) were conveyed to adjacent landowners, such that only a lot line adjustment would be needed, or (iii) were conveyed pursuant to all of the applicable provisions of the Subdivision Map Act, as it existed at the time of such conveyances. Subject to possible redesignation upon review of additional information, we have designated most of such parcels as "questionable" legal parcels:

Legal Parcels: PTR Pcl. Nos. 1 & 39 (Note: These parcels merit the more certain status of legal parcels since the subsequent conveyances by the Railroad evidence actual lot line adjustments on the face of the conveying instrument.)

Probable Legal Parcels: PTR Pcl. No. 5 (CP 1 & 2) (Note: These two parcels merit the status of "probable legal parcels" because (i) the first parcel was granted to the Railroad prior to 1893, (ii) the second parcel was granted to the Railroad in 1931, but appears to be eligible for a simple lot line adjustment, and (iii) the Railroad's subsequent conveyance from these parcels in 1977 appears, on its face, to have complied with the Subdivision Map Act.)

Questionable Legal Parcels: PTR Pcl. Nos. 3, 11, 12, 21, 26 (CP 3), 31 (CP 2), 52, 53, 56 & 57.

- C. Parcels granted to the Railroad between 1893 and 1972. These parcels fall into two broad categories: (i) Parcels that were contiguous with, and added to, existing legal parcels in the right-of-way granted to the Railroad prior to 1893; and (ii) Parcels that were granted to the Railroad apparently to extend the right-of-way northward to Davenport in the early 20th-century. For the reasons stated below, it is our opinion that the first category of such parcels may require lot line adjustments, but should not be subject to the Map Act requirements and that the second category of such parcels are of questionable legality.

Probable Legal Parcels: PTR Pcl. Nos. 7, 9 (CP 6), 15, 17, 28, 35, 44 & 51.

Questionable Legal Parcels: PTR Pcl. Nos. 2, 4, 40-43, 50 & 60-112.

- D. Parcels for which there is no evidence of title in the Railroad. While such parcels may have been the subject of vesting deeds given to the Railroad and, in fact, may have complied with the Map Act requirements of the time, we have no way of making a determination that such parcels are legal parcels and, in our opinion, the legality of these parcels under the Map Act is, at best, highly questionable. Such parcels were not referenced in the PTR.

A list of parcels referenced in the PTR, along with Subdivision Map Act notes and conclusions for each parcel, is attached to this Memorandum as **Appendix A.**

## Discussion

1. Parcels granted to the Railroad prior to 1893 from which the Railroad made no subsequent conveyances to third parties.

The requirements of the Subdivision Map Act do not apply to parcels that were conveyed to the Railroad prior to the enactment of the earliest Map Act in 1893. (Government Code §§ 66412.6(a) and 66499.30(d); *Lakeview Meadows Ranch v. Co. of Santa Clara* (1994) 27 Cal.App.4<sup>th</sup> 593, 599.) Since the parcels listed under “Paragraph A,” above, were all conveyed to the Railroad prior to 1893, and since the Railroad apparently has not conveyed any portion of such parcels to third parties since that time, it is our opinion that such parcels should be considered legal parcels under the Subdivision Map Act by virtue of the “grandfather” provisions in the above-referenced authorities.

2. Parcels granted to the Railroad prior to 1893 from which the Railroad made subsequent conveyances to third parties.

While the original conveyances to the Railroad occurred prior to 1893, the Railroad conveyed portions of these parcels to third parties, thus raising the question of whether the remainder parcel owned by the Railroad is still entitled to the legal parcel status granted by the grandfather provisions discussed in Paragraph 1, above. If the subsequent conveyances by the Railroad (i) are themselves “grandfathered,” or (ii) were conveyances to adjacent landowners that would require only a lot line adjustment, or (iii) complied with the then-current Map Act, the remainder parcel should also be a legal parcel. The reason for this conclusion is that the remainder parcel either (a) is “grandfathered” along with the conveyed parcels, (b) can be defined with a lot line adjustment, or (c) is subject to the provisions of Government Code section 66424.6(d), which provides that, for a remainder parcel that results from a valid subdivision under the Subdivision Map Act, “[a] designated remainder or any omitted parcel may subsequently be sold without any further requirement of the filing of a parcel map or final map, but the local agency may require a certificate of compliance or conditional certificate of compliance.”

All of the Railroad's conveyances to third parties occurred after 1893, so none of the parcels conveyed to third parties, nor the remainder parcels retained by the Railroad, are entitled to the sweeping presumption of legal status accorded to parcels conveyed prior to 1893.

The Subdivision Map Act does, however, contain a more limited “grandfather” provision for parcels created between 1893 and 1972. Government Code section 66412.6(a) reads as follows:

“(a) For purposes of this division or of a local ordinance enacted pursuant thereto, any parcel created prior to March 4, 1972, shall be conclusively presumed to have been lawfully created *if the parcel resulted from a division of land in which fewer than five parcels were created and if at the time of the creation of the parcel, there was no local ordinance in effect which regulated divisions of land creating fewer than five parcels.*” (Emphasis added.)

Santa Cruz County’s subdivision regulations affecting minor land divisions (divisions creating fewer than five parcels) became effective on January 21, 1972. Prior to that time, the County did not regulate divisions creating fewer than five parcels. While we have not researched the incorporated areas along the Santa Cruz Branch, it is likely that they also did not regulate divisions creating fewer than five parcels during the years in question here. Therefore, it is reasonable to assume that Railroad conveyances including fewer than five parcels between 1893 and 1972 should be legal parcels under the foregoing “grandfather” provision of Section 66412.6(a). However, as discussed below, given the information presently available, it is difficult to determine whether any of the Railroad conveyances to third parties between 1893 and 1972 would qualify for this “grandfather” provision.

Government Code section 66424 defines the term “subdivision,” in part, as follows:

“‘Subdivision’ means the division, *by any subdivider*, of any unit or units of improved or unimproved land, or any portion thereof, shown on the latest equalized county assessment roll as a unit or as contiguous units, for the purpose of sale, lease or financing, whether immediate or future.” (Emphasis added.)

Thus, a “subdivision” subject to the Map Act may occur when a single subdivider (in this case, the Railroad) creates five or more new contiguous parcels, regardless of the number of parcels conveyed by any one deed. With the information presently available to us, it would be very difficult, if not impossible, to determine conclusively which conveyances by the Railroad resulted in the creation of five or more new contiguous parcels. Recognizing that this is a possibility in all such cases, we cannot state conclusively that any of the parcels conveyed by the Railroad to third parties are entitled to the grandfather provision of Section 66412.6(a).

Even if the conveyances from the Railroad to third parties are not entitled to be “grandfathered” under Section 66412.6(a), there is still a possibility that such conveyances would require only a lot line adjustment, or that they complied with the then-existing Map Act requirements. If either possibility is true, then the parcels conveyed to third parties would be legal parcels, along with the remainder parcels retained by the Railroad. We have noted, in a few cases, parcels that seem to qualify for a lot line adjustment. Verifying compliance with the then-existing Map Act requirements, however, is a different matter. With few exceptions, all of the conveyances to third parties were made by metes and bounds descriptions and not by reference to any recorded parcel map. This is an indicator that such conveyances may not have complied with the then-existing requirements of the Map Act.

In view of the foregoing, we have listed most of these remainder parcels retained by the Railroad as “questionable” legal parcels. However, further review of the actual location and factual circumstances of third-party conveyances by the Railroad may permit some of such remainder parcels to be redesignated as “probable” legal parcels.

3. Parcels granted to the Railroad between 1893 and 1972, which parcels were contiguous with, and added to, existing legal right-of-way parcels previously granted to the Railroad.

A number of deeds given to the Railroad between 1893 and 1972 (particularly south of the City of Santa Cruz) contain evidence on the face of the deeds that they conveyed parcels that were contiguous with, and added to, existing legal right-of-way parcels granted to the Railroad prior to 1893. That is, they were added to an existing operating rail corridor and probably could be handled with simple lot line adjustments instead of requiring review and approval of the lot under the Subdivision Map Act. The Subdivision Map Act does not apply to “a lot line adjustment between four or fewer existing adjoining parcels, where the land taken from one parcel is added to an adjoining parcel, and where a greater number of parcels than originally existed is not thereby created . . .” (Government Code section 66412(d).) Local agency approval of lot line adjustments is still required, but the local agency is prohibited from imposing the same conditions, exactions, etc., as may be imposed on lot splits subject to the Map Act.

Since these conveyances likely can be treated as mere lot line adjustments, which are not subject to the Subdivision Map Act, we have listed these parcels as “probable” legal parcels requiring only a lot line adjustment to merge them with the previously-existing parcels to which they were added.

4. Parcels granted to the Railroad between 1893 and 1972, which parcels were apparently granted to the Railroad to extend the right-of-way northward to Davenport in the early 20<sup>th</sup>-Century.

As discussed in Paragraph 2, above, Government Code section 66412.6(a) provides that “. . . any parcel created prior to March 4, 1972, shall be conclusively presumed to have been lawfully created if the parcel resulted from a division of land in which fewer than five parcels were created . . .” Many of the deeds granted to the Railroad by certain landowners during this period appear to convey fewer than four parcels. Also as discussed above, for a given parcel to fall under the provisions of the Subdivision Map Act, it must be part of five or more contiguous parcels subdivided *by a single subdivider*.

Government Code section 66423 defines the term “subdivider” as follows:

“‘Subdivider’ means a person, firm, corporation, partnership or association who proposes to divide, divides or causes to be divided real property into a subdivision for himself or for others except that employees and consultants of such persons or entities, acting in such capacity, are not ‘subdividers.’”

The usual concept of a “subdivider” is that of an owner of real property who divides it in order to sell the newly-created parcels to third parties. The statutory definition of “subdivider,” however, is broad enough to encompass persons other than the owner of real property. (*Bright v. Board of Supervisors* (1977) 66 Cal.App.3d 191.) “Common examples of subdividers who are not owners include a person having a contractual right to lease or purchase and the holder of an option.” (*California Subdivision Map Act and the Development Process*, Second Edition, CEB, Daniel J. Curtin, Jr. and Robert E. Merritt, Section 2.7.)

Given the foregoing broad definition of “subdivider,” the Railroad may well be deemed to have been a subdivider under the provisions of the Subdivision Map Act. As noted above, some of the parcels granted to the Railroad between 1893 and 1972 appear to have been simple additions to the existing Railroad right-of-way that was created prior to 1893. However, in the early part of the 20<sup>th</sup>-Century (mostly between 1903-1907), the Railroad appears to have commenced acquiring new right-of-way parcels to extend the rail line northward to Davenport. Judging from the title report, this northward extension appears to have commenced in the vicinity of Valuation Map Parcel V89-1, No. 1. If the Railroad is deemed to have been the subdivider, these parcels may constitute a subdivision of far more than five contiguous parcels and, if so, would not be entitled to the grandfather provisions of Government Code section 66412.6(a).

Even if the conveyances to the Railroad are not entitled to be “grandfathered” under Section 66412.6(a), there is still a possibility that such conveyances



complied with the then-existing Map Act requirements. If that is the case, then the parcels conveyed to the Railroad would be legal parcels. However, with few exceptions, all of the conveyances to the Railroad were made by metes and bounds descriptions and not by reference to any recorded parcel map. As discussed above, this is an indicator that such conveyances may not have complied with the then-existing requirements of the Map Act. There are a few conveyances to the Railroad that reference parcel maps that were recorded prior to 1893. However, parcels shown on maps that were recorded prior to the enactment of the first Map Act in 1893 are not considered to be legal parcels, unless they were actually conveyed to a third party prior to 1893. (*Gardner v. County of Sonoma* (2003) 29 Cal.4<sup>th</sup> 990.) Therefore, unless such parcels were actually conveyed to the Railroad's grantors (or their predecessors in interest) prior to 1893, references to recorded parcel maps in the deeds are of no avail and the parcels would not be deemed legal parcels. Additional research by the title company (beyond the current scope of work) would be required to determine whether any such conveyances were made prior to 1893.

In view of the foregoing, we have designated these parcels as "questionable" legal parcels under the Subdivision Map Act.

5. The Issue of Merger.

Mr. Ryland's Review Appraisal raised the issue of whether individual parcels held by the Railroad may be deemed to have merged, or whether a local government may require merger of certain parcels prior to development. Government Code section 66451.10(a) states that:

"Notwithstanding Section 66424, except as is otherwise provided for in this article, two or more contiguous parcels or units of land which have been created under the provisions of this division, or any prior law regulating the division of land, or a local ordinance enacted pursuant thereto, or which were not subject to those provisions at the time of their creation, *shall not be deemed merged by virtue of the fact that the contiguous parcels or units are held by the same owner*, and no further proceeding under the provisions of this division or a local ordinance enacted pursuant thereto shall be required for the purpose of sale, lease, or financing of the contiguous parcels or units, or any of them.

"(b) This article [i.e., Sections 66451.10 – 66451.23] shall provide the sole and exclusive authority for local agency initiated merger of contiguous parcels. On and after January 1, 1984, parcels may be merged by local agencies only in accordance with the authority and procedures prescribed by this article. . ." (Emphasis added.)

Under the foregoing section, the Railroad's legal parcels cannot be deemed to have merged solely because of their common ownership by the Railroad. However, merger may still be required by the local governmental entities in Santa Cruz County. Government Code sections 66451.10 – 66451.23 set forth various reasons for which a local governmental entity may require merger, along with notice and hearing procedures by which merger may be accomplished. Reasons for which merger may be required include, among other things, lots that: are less than 5,000 sq.ft., do not meet current standards for sewage disposal and domestic water supply, do not meet slope stability standards, do not have legal access adequate for vehicular and safety equipment, or, subject to certain additional criteria, are located within the coastal zone and have been identified as being of insufficient size to support residential development. Santa Cruz County has adopted a local ordinance that incorporates these merger criteria and procedures. (See Santa Cruz County Code Section 14.01.111, attached as **Appendix B**).

There is no evidence in the Official Records of Santa Cruz County that the County or any city has previously caused the merger of any of the parcels in the Santa Cruz Branch. Also, as noted above, any future attempt by the local public agencies to require merger of any of these parcels prior to development must include proper notice and an opportunity to be heard, and must be based on one or more of the criteria listed above. These criteria (e.g., lot size, access to sewer and water facilities, slope stability, etc.) include, for the most part, factors that would normally be considered by the appraiser and we assume that these factors were, in fact, considered in arriving at the appraised value.

This legal opinion is given to you solely to facilitate an appraisal of the Santa Cruz Branch right-of-way for purposes of acquisition from Union Pacific Railroad Company and may not be relied upon for any other purpose, or by any other person or entity.

**APPENDIX A**





**Santa Cruz Branch  
Summary of  
Subdivision Map Act Findings**


**Parcels Referenced in  
Preliminary Title Report (Amended 1), dated January 9, 2005  
Received on 5-13-05**

**Notes Concerning the Following Table:**

1. There are three different types of "parcels" referred to in the following table. The parcels referenced in the left-hand column are the parcels referenced in the preliminary title report and are denoted as "PTR parcels." The following table also references "VM parcels," which are parcels referenced in the Railroad's valuation maps. The most important parcels, however, are the parcels with which this opinion is concerned -- the parcels originally conveyed to the Railroad and defined in the vesting deeds. These parcels are often simply denoted as "parcels," or are given the abbreviation "CP" (for "conveyed parcel").

2. The color coding in the following table relates to the Subdivision Map Act conclusions expressed in the foregoing legal opinion as follows:

|   |   |
|---|---|
| <b>Legal Parcel</b>   |  |
| <b>Probable Legal Parcel</b>                                |  |
| <b>Probable Legal Parcel (May Need Lot Line Adjustment)</b> |  |
| <b>Questionable Parcel</b>                                  |  |

| <b>PTR Pcl. No.</b>   | <b>Val Map Parcel No. (Ordered as shown in PTR)</b> | <b>Title</b> | <b>Area</b>   | <b>Comments</b>   |
|---|---|--------------|---|---|
|  | V72-6, No. 1; V-72-5, No.8                          | Fee          | 4.099 Acres (VM Parcel 1);<br>[ ] Acres (VM Parcel 8) | OK, pre-1893 conveyance.<br><br>1993 conveyance to Martinelli appears to have involved only a lot line adjustment; application for adjustment referenced in deed. |

|                    |              |                                |             |  |
|--------------------|--------------|--------------------------------|-------------|--|
| 2                  | V72-6, No. 2 | Fee +<br>Reserved<br>Easement? | 0.700 Acres | <p>Single parcel conveyed by Nichols, et al., in 1903. (Legal description is metes &amp; bounds but references existing SP ROW. Most likely would involve only a lot line adjustment.)</p> <p>SP sold portion (single parcel) in 1951. (Legal description is metes &amp; bounds.)</p> <p>SP sold portion (single parcel) in 2001.<br/>Note: This deed reserves a RR easement. Legal description is metes &amp; bounds.</p> <p>May be OK if 2001 conveyance by RR conformed to then-current SMA requirements or involved only lot line adjustment.</p>  |
| 3                  | V72-6, No. 3 | Fee                            | 0.269 Acres | <p>Pre-1893 conveyance.</p> <p>SP sold portion (single parcel) in 1981. Legal description is by metes &amp; bounds.</p> <p>UP sold portion in 2001 (single parcel). (See notes on PTR Pcl. 2)</p> <p>May be OK if subsequent conveyances by SP/UP conformed to then-current SMA requirements or involved only lot line adjustments.</p>  |
| 4                  | V72-6, No. 4 | Fee                            | 0.029 Acres | <p>Single parcel conveyed by Wood in 1911. Legal description is metes &amp; bounds; no reference to existing ROW.</p> <p>Questionable.</p>   |
| 5<br>(CP 1<br>& 2) | V72-6, No. 7 | Fee                            | 2.115 Acres | <p>This "parcel" consists of three separate conveyances: Single parcel from Porter in 1876; single parcel from Sechrest in 1931 (Legal description is metes &amp; bounds but references existing SP ROW – portion conveyed by Porter. Most likely would involve only a lot line adjustment); and single parcel from Paterson in 1877.</p> <p>SP conveyed single parcel affecting the first two parcels in 1977. (Legal description is by reference to parcel map recorded in 1977.)</p> <p>First Two Parcels: Probably OK, since it appears subsequent conveyance by SP conformed to then-current SMA requirements.<br/>Third Parcel: OK, pre-1893 conveyance.</p> |

|        |               |   |             |   |
|--------|---------------|---|-------------|---|
|        | V72-6, No. 8  | Fee   | 1.770 Acres | OK, pre-1893 conveyance.  |
| 7      | V72-6, No. 36 | Fee   | [ ] Acres   | Two parcels from Rodgers, et al., in 1928. (Legal description is metes & bounds but first parcel references existing ROW conveyed by Gallagher-Stroesser, et al. (PTR Pcl. #1).) Most likely would involve only a lot line adjustment.<br><br>Probably OK.  |
| 8      | V72-6, No. 50 | Easement  | [ ] Acres   | N/A This is a 1988 crossing bell easement.  |
| (CP 6) | V72-5, No 2   | Fee   | 9.667 Acres | This apparently consists of six different parcels:<br>Two parcels condemned in 1876.<br>Two parcels condemned in 1878.<br>Single parcel conveyed by Cox in 1879.<br>Single parcel conveyed by Warner, et al., in 1948.<br>(Legal description is metes & bounds but references existing SP ROW –land condemned from Cox in 1878 (see above). Most likely would involve only a lot line adjustment.)<br><br>First Five Parcels: OK, pre-1893 conveyances.<br>Sixth Parcel: Probably OK. |
|        | V72-5, No. 3  | Fee   | 1.406 Acres | OK, pre-1893 conveyance.  |
| 11     | V72-5, No. 4  | Fee;<br>Easement<br>w/r to parcel<br>(iii) only | 3.021 Acres | Two parcels conveyed by Titus Hale in 1876.<br><br>Third parcel is slope easement conveyed to Railroad in 1948.<br><br>SP conveyed portions of first two parcels to Ferrera in 1948. (Legal description is metes & bounds.)<br><br>First Two Parcels: OK only if 1948 sale also grandfathered or would only involve a lot line adjustment.<br><br>Third Parcel: OK only if Railroad not deemed subdivider of 5 or more contiguous parcels.  |

|    |                                |          |  |  |
|----|--------------------------------|----------|--|--|
| 12 | V72-5, No. 6                   | Fee      | 2.591 Acres  | <p>Single parcel conveyed by Hans Struve in 1876.</p> <p>SP conveyed a portion (single parcel) to California Pacific Title Company in 1955. (Legal description is metes &amp; bounds.)</p> <p>OK only if Railroad not deemed subdivider of 5 or more contiguous parcels.</p>                 |
|    | V72-5, No. 7                   | Fee      | 2.509 Acres  | OK, pre-1893 conveyance.   |
|    | V72-5, No. 8                   | Fee      | [ ] Acres  | OK, pre-1893 conveyance.   |
| 15 | V72-5, No. 9                   | Fee      | 0.566 Acres  | <p>Single parcel conveyed by Hughes in 1911. (Legal description is metes &amp; bounds but references land previously conveyed to RR in 1877 by Richardson (see PTR Pcl. #16).) Most likely would involve only a lot line adjustment.</p> <p>Probably OK.</p>                                 |
|    | V72-5, No. 10                  | Fee      | 0.670 Acres  | OK, pre-1893 conveyance.   |
| 17 | V72-5, No. 11                  | Fee      | 0.200 Acres  | <p>Single parcel conveyed by Richardson in 1911. (Legal description is metes &amp; bounds but references land previously conveyed to RR in 1877 (see PTR Parcel 16, which was also conveyed by Richardson).)</p> <p>Probably OK as most likely would involve only a lot line adjustment.</p> |
|    | V72-5, No. 12                  | Fee      | 0.670 Acres  | OK, pre-1893 conveyance.   |
|    | V72-4, No. 1;<br>V72-3, No. 12 | Easement | 4.072 Acres (VM Parcel 1);<br>1.144 Acres (VM Parcel 12) | OK, pre-1893 conveyance.   |
|    | V72-4, No. 2                   | Fee      | 0.330 Acres  | OK, pre-1893 conveyance.   |
| 21 | V72-4, No. 3                   | Fee      | 3.306 Acres  | <p>Single parcel from Patrick Tracy in 1876.</p> <p>SP conveyed a single portion of this parcel to La Selva Beach Improvement Association in 1995. (Legal description is metes and bounds.)</p> <p>Questionable.</p>   |
|    | V72-4, No. 7                   | Fee      | 9.164 Acres  | OK, pre-1893 conveyance.   |
|    | V72-4, No. 8                   | Fee      | 1.175 Acres  | OK, pre-1893 conveyance.   |

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| 24     | V72-4, No. 9 | Fee | 1.837 Acres  | Single parcel from Miller. (The Indenture was dated as of 1876, but was not recorded until 1896.)<br><br>Probably OK.  |
|        | V72-3, No. 1 | Fee | 1.231 Acres  | OK, pre-1893 conveyance.   |
|        | V72-3, No. 2 | Fee | 16.489 Acres | This consists of five parcels conveyed by Claus Spreckles in 1877.<br><br>SP conveyed a portion (single parcel) of the third parcel to Tillman in 1932.<br><br>SP conveyed another portion of the third parcel (as well as portions of at least five other ROW pcls) to Central Supply Company in 1963.<br><br>Parcels 1, 2, 4 and 5: OK, pre-1893 conveyances.<br><br>Parcel 3: Questionable. |
| (CP 3) |              |     |              |  |
|        | V72-3, No. 3 | Fee | 0.073 Acres  | OK, pre-1893 conveyance.   |
| 28     | V72-3, No 4  | Fee | 0.094 Acres  | Single parcel conveyed by Wiegman in 1904. (Legal description is metes and bounds, but appears to add property to RR's existing ROW; probably would involve only a lot line adjustment.)<br><br>Probably OK.   |
|        | V72-3, No. 5 | Fee | 0.251 Acres  | OK, pre-1893 conveyance.   |
|        | V72-3, No. 6 | Fee | 0.041 Acres  | OK, pre-1893 conveyance.   |

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|        | V72-3, No. 7                   | Fee | 1.048 Acres  | Two parcels conveyed by Bernal in 1875.<br><br>SP conveyed portions of the second parcel (single pcl.) to Tillman (1932), Central Supply Company (1963) (see note on PTR Pcl. 26), and Aptos Station (1980) (Legal description is metes & bounds).<br><br>First Parcel: OK, pre-1893 conveyance<br><br>Second Parcel: Questionable.             |
| (CP 2) |                                |     |  |   |
|        | V72-3, No. 8                   | Fee | 0.264 Acres  | OK, pre-1893 conveyance.  |
|        | V72-3, No. 9                   | Fee | 2.288 Acres  | OK, pre-1893 conveyance.  |
|        | V72-3, No. 10                  | Fee | 1.910 Acres  | OK, pre-1893 conveyance.  |
| 35     | V72-3, No. 20                  | Fee | 0.086 Acres  | Single parcel from Tillman in 1932. (Legal description is metes & bounds but references existing SP ROW (PTR Pcl. 30). Most likely would involve only a lot line adjustment.)<br><br>Probably OK.   |
|        | V72-2, No. 1;<br>V72-1, No. 26 | Fee | 1.844 Acres<br>(VM Parcel 1);<br>1.193 Acres<br>(VM Parcel<br>26)                    | OK, pre-1893 conveyance.  |
|        | V72-2, No. 2                   | Fee | 10.773 Acres   | OK, pre-1893 conveyance.  |
|        | V72-2, No. 3                   | Fee | 0.817 Acres  | OK, pre-1893 judgment in eminent domain proceeding.   |
|        | V72-2, No. 4                   | Fee | 0.946 Acres  | Two vesting documents for this parcel:<br>First, an Order in Eminent Domain (defendant was Wardwell) dated 1876; Second, an indenture from Wardwell dated 1877, but not recorded until 1893.<br><br>SP conveyed a portion of this parcel to Robert & Ronald Reed in 1997. (This was a lot line adjustment – no new parcels created.)<br><br>OK. |
| 40     | V72-2, No. 5;<br>V72-2, No. 2  | Fee | 2.452 Acres<br>(VM Parcel 5);<br>(See acreage<br>listed above<br>for VM Parcel<br>2) | Single parcel described in Final Decree in Partition dated 1924. (Legal description is by metes & bounds. May have created five or more lots among several parties. May not comply with SMA.)<br><br>Questionable.  |



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| 41 | V72-2, No. 6  | Fee      | 1.317 Acres | Indenture from Santa Cruz, Capitola and Watsonville Railway in 1904. (Legal description is by reference to lots on parcel map recorded in 1887.)<br><br>Questionable.   |
| 42 | V72-2, No. 7  | Fee      | 0.462 Acres | Two parcels conveyed by FA Hihn Company in 1904. (Legal description is metes and bounds. See also PTR Pcl. No. 43.)<br><br>Questionable.  |
| 43 | V72-2, No. 8  | Easement | 0.186 Acres | One parcel conveyed by FA Hihn Company in 1904. (Legal description is metes and bounds. See also PTR Pcl. No. 42.)<br><br>Questionable.   |
| 44 | V72-2, No. 9  | Fee      | 0.015 Acres | Depot parcel and ROW parcel conveyed by FA Hihn Company in 1902. (Legal description is metes & bounds but references existing SP ROW. Likely would involve only a line adjustment.)<br><br>Probably OK.   |
|    | V72-2, No. 10 | Easement | 2.958 Acres | OK, pre-1893 conveyance.  |
|    | V72-2, No. 11 | Fee      | 1.771 Acres | OK, pre-1893 conveyance.  |
|    | V72-2, No. 12 | Fee      | 0.804 Acres | OK, pre-1893 conveyance.  |
|    | V72-2, No. 13 | Easement | 0.900 Acres | OK, pre-1893 conveyance.  |
|    | V72-2, No. 14 | Fee      | 0.100 Acres | OK, pre-1893 conveyance.  |
| 50 | V72-2, No. 17 | Fee      | 1.660 Acres | Two parcels (2 <sup>nd</sup> pcl. is PTR Pcl. 51, below) conveyed by Fred D. Hihn, et al., in 1945. (Legal description is metes & bounds but references existing SP ROW. Likely would involve only a lot line adjustment.)<br><br>SP conveyed portion to State of California in 1945. (Legal description is metes & bounds.)<br><br>Questionable. |
| 51 | V72-2, No. 18 | Fee      | 1.360 Acres | Single parcel conveyed by <u>either</u> the State of California or Fred D. Hihn in 1945. (Legal description is metes & bounds but references existing SP ROW. Likely would involve only a lot line adjustment.)<br><br>Probably OK.   |

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| 52 | V72-1, No. 8  | Fee  | [ ] Acres   | <p>Single parcel conveyed by Weeks in 1877.</p> <p>SP conveyed two portions of this parcel to Ocean Shore Railroad Company in 1918. (This conveyance was part of a total of three parcels conveyed to Ocean Shore. Legal descriptions were metes &amp; bounds.)</p> <p>Questionable.</p>  |
| 53 | V72-1, No. 9  | Fee  | [ ] Acres   | <p>Single parcel conveyed by Lynch in 1892.</p> <p>SP conveyed a portion of this parcel to Ocean Shore Railroad Company in 1918 (this is an additional parcel to the deed referenced in No. 52, above). (Legal descriptions were metes &amp; bounds.)</p> <p>Questionable.</p>  |
|    | V72-1, No. 13 | Easement   | 0.073 Acres | OK, pre-1893 conveyance.  |
|    | V72-1, No. 14 | Fee  | 0.113 Acres | OK, pre-1893 conveyance.  |
| 56 | V72-1, No. 15 | Fee as to area (i);<br>Reserved easement as to area (ii)                               | [ ] Acres   | <p>Single parcel conveyed by Cappelmann, et al., in 1878.</p> <p>SP conveyed a total of four parcels from this area to Santa Cruz Seaside Company in 1926 (two parcels), 1962 and 1992.</p> <p>Questionable.</p>  |
| 57 | V72-1, No. 16 | Fee as to areas (i) and (ii);<br>Reserved easement as to area (iii)                    | [ ] Acres   | <p>Two parcels conveyed to Railroad:<br/>First, single parcel conveyed by USA to SP in 1892.<br/>Second, single parcel conveyed by Corrigan to SP in 1906. (Legal description is metes &amp; bounds but references existing SP ROW. Likely would involve only a lot line adjustment.)</p> <p>SP conveyed portions of both parcels to Santa Cruz Seaside Company in 1926, 1962 and 1992. (See PTR Pcl. 56.)</p> <p>Questionable.</p> |
|    | V72-1, No. 18 | Fee  | 0.802 Acres | OK, pre-1893 conveyance.  |
|    | V72-1, No. 19 | Fee  | 0.595 Acres | OK, pre-1893 conveyance.  |
| 60 | V72-1, No.20  | Removed from Main Title Report now listed as part of Parcels with No Evidence of Title |             |   |

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|    | V72-1, No. 23 | Fee  | 1.617 Acres | OK, pre-1893 conveyance.  |
|    | V72-1, No. 25 | Fee  | 1.739 Acres | OK, pre-1893 conveyance.  |
|    | V72-1, No. 24 | Fee  | 1.364 Acres | OK, pre-1893 conveyance.  |
| 64 | V22-11, No.12 | Removed from Main Title Report now listed as part of Parcels with No Evidence of Title |             |   |
| 65 | V89-1, No. 1  | Fee  | [ ] Acres   | Single parcel conveyed by Neary in 1907. Legal description is by metes & bounds.<br><br>Questionable.   |
| 66 | V89-1, No.2   | Fee  | [ ] Acres   | Single parcel conveyed by Neary in 1905. (This conveyance does reference existing railway, but not clear that this would be suitable for lot line adjustment.)<br><br>SP conveyed a portion of this parcel to Ocean Shore Railroad Company in 1918.<br><br>Questionable.  |
| 67 | V89-1, No.3   | Fee  | [ ] Acres   | Single parcel conveyed by Redden Searing in 1905. (Legal description is by metes & bounds.)<br><br>Questionable.  |
| 68 | V89-1, No.4   | Fee  | [ ] Acres   | Single parcel conveyed by Castro in 1905. (Legal description is metes & bounds.)<br><br>Questionable.   |
| 69 | V89-1, No. 5  | Fee  | 1.087 Acres | Single parcel conveyed by Neary in 1905. (Legal description is by metes & bounds.)<br><br>SP conveyed portion to City of Santa Cruz in 1906. (Legal description is metes & bounds.)<br><br>City of Santa Cruz condemned additional portions of this parcel in 1993. (Legal description is metes & bounds.)<br><br>Questionable. |
| 70 | V89-1, No.6   | Easement   | 0.137 Acres | Single parcel conveyed by City of Santa Cruz in 1906. (Legal description is metes and bounds.)<br><br>City of Santa Cruz condemned portions of this parcel in 1993. (See notes under PTR Pcl. 69)<br><br>Questionable.  |

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| 71 | V89-1, No.7  | Fee | 0.294 Acres | <p>Single parcel conveyed by Whipple in 1905. (Legal description is metes &amp; bounds.)</p> <p>Coast Line Ry. conveyed portions of this parcel to City of Santa Cruz in 1906 and 1916. (Legal description is metes &amp; bounds.)</p> <p>City of Santa Cruz condemned portions of this parcel in 1993. (See notes under PTR Pcl. 69.)</p> <p>Questionable.</p>   |
| 72 | V89-1, No. 8 | Fee | 0.734 Acres | <p>Single parcel conveyed by Anderson in 1905. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed two portions of this parcel to Ocean Shore Railroad in 1918. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed another portion of this parcel to A.G. Finn, et al., in 1945. (13 parcels conveyed in all. Legal description is metes &amp; bounds, but does reference existing lots and parcel maps.)</p> <p>Questionable.</p>         |
| 73 | V89-1, No.9  | Fee | 0.321 Acres | <p>Four parcels conveyed by FA Hihn Company in 1905. (Legal description is by reference to existing lots shown on "Hihn's Bay View Tract." Not clear whether this was recorded map.)</p> <p>SP conveyed two parcels to A. G. Finn, et al., in 1945. (See notes under PTR Pcl. 72.)</p> <p>SP conveyed another two parcels to A. G. Finn, et al., in 1947. (Deed was issued to correct description of several lots in 1945 conveyance.)</p> <p>Questionable.</p> |
| 74 | V89-1, No.10 | Fee | 0.155 Acres | <p>Four parcels conveyed by FA Hihn Company, et al., in 1905. (Legal description is by reference to existing lots shown on "Hihn's Bay View Tract." Not clear whether this was recorded map.)</p> <p>SP conveyed a portion of this parcel to A. G. Finn, et al., in 1945. (See notes under PTR Pcl. 72.)</p> <p>SP conveyed another portion of this parcel to A. G. Finn, et al., in 1947. (See notes under PTR Pcl. 73.)</p> <p>Questionable.</p>              |

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| 75 | V89-1, No.11 | Fee | 0.546 Acres | <p>Two parcels conveyed by Griffin in 1905. (Conveys all of Lots 9 &amp; 10 of Hihn's Bay View Tract, but does so by metes &amp; bounds and no information as to if/when Bay View Tract was recorded.)</p> <p>SP conveyed portions of this parcel to A. G. Finn, et al., in 1945 and 1947. (See notes under PTR Pcls. 72 &amp; 73.)</p> <p>Questionable.</p> |
| 76 | V89-1, No.12 | Fee | 0.086 Acres | <p>Single parcel conveyed by Griffin in 1905. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed portions of this parcel to A. G. Finn, et al., in 1945 and 1947. (See notes under PTR Pcls. 72 &amp; 73.)</p> <p>Questionable.</p>   |
| 77 | V89-1, No.13 | Fee | 0.222 Acres | <p>Single parcel conveyed by Medina in 1905. (Legal description is by metes &amp; bounds.)</p> <p>SP conveyed portions of this parcel to A. G. Finn, et al., in 1945 and 1947. (See notes under PTR Pcls. 72 &amp; 73.)</p> <p>Questionable.</p>   |
| 78 | V89-1, No.14 | Fee | 0.297 Acres | <p>Single parcel conveyed by Hammer in 1905. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed portions of this parcel (two parcels) to A. G. Finn, et al., in 1945. (See notes under PTR Pcl. 72.)</p> <p>Questionable.</p>   |
| 79 | V89-1, No.15 | Fee | 0.529 Acres | <p>Single parcel conveyed by Ward in 1905. (Legal description is metes &amp; bounds.)</p> <p>Questionable.</p>   |
| 80 | V89-1, No.16 | Fee | 0.056 Acres | <p>Two parcel condemned by Coast Line Railway in 1905. (Legal description is of two lots shown on a parcel map recorded in 1889.)</p> <p>SP conveyed a portion of this land to A. G. Finn, et al., in 1945. (See notes under PTR Pcl. 72.)</p> <p>Questionable.</p>  |

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| 81 | V89-1, No.17 | Fee | 0.419 Acres | <p>Six parcels conveyed by Hanson in 1905. (Legal description is of lots shown on a parcel map recorded in 1889.)</p> <p>SP conveyed a portion to Baker in 1945. (Legal description is of portions of three of the lots shown in the 1889 parcel map.)</p> <p>SP conveyed a portion to A. G. Finn, et al., in 1945. (See notes under PTR Pcl. 72.)</p> <p>Questionable.</p>   |
| 82 | V89-1, No.18 | Fee | 0.083 Acres | <p>Three parcels conveyed by Morrow in 1905. (Legal description is of lots shown on a parcel map recorded in 1887.)</p> <p>SP conveyed a portion to A. G. Finn, et al., in 1945. (See notes under PTR Pcl. 72.)</p> <p>Questionable.</p>  |
| 83 | V89-1, No.19 | Fee | 0.140 Acres | <p>Two and a half parcels conveyed by Manning in 1905. (Legal description is of lots shown on a parcel map recorded in 1887.)</p> <p>SP conveyed a portion to A. G. Finn, et al., in 1945. (See notes under PTR Pcl. 72.)</p> <p>Questionable.</p>  |
| 84 | V89-1, No.20 | Fee | 0.002 Acres | <p>Two parcels conveyed by Tracy in 1905. (Legal description is of lots shown on a parcel map recorded in 1887.)</p> <p>SP conveyed a portion to Penniman Title Company in 1945. (See notes under PTR Pcl. 85.)</p> <p>Questionable.</p>  |
| 85 | V89-1, No.21 | Fee | 0.221 Acres | <p>Two and a half parcels conveyed by Miller in 1905. (Legal description is of lots shown on a parcel map recorded in 1887.)</p> <p>SP conveyed a portion to Penniman Title Company in 1945. (Conveyance included all of one lot and portions of three other lots; except for the reference to the one whole lot, the legal description is by metes &amp; bounds.)</p> <p>SP conveyed a portion to A. G. Finn, et al., in 1945. (See notes under PTR Pcl. 72.)</p> <p>Questionable.</p> |

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| 86 | V89-1, No.22 | Fee | 0.072 Acres | <p>Single parcel conveyed by Stephens in 1905. (Legal description is of lot shown on a parcel map recorded in 1887.)</p> <p>SP conveyed a portion to A. G. Finn, et al., in 1945. (See notes under PTR Pcl. 72.)</p> <p>Questionable.</p>  |
| 87 | V89-1, No.23 | Fee | 0.215 Acres | <p>Three parcels conveyed by Maher in 1905. (Legal description is of lots shown on a parcel map recorded in 1887.)</p> <p>SP conveyed a portion to A. G. Finn, et al., in 1945. (See notes under PTR Pcl. 72.)</p> <p>Questionable.</p>  |
| 88 | V89-1, No.24 | Fee | 0.007 Acres | <p>Single parcel conveyed by Robertson in 1905. (Legal description is of lot shown on a parcel map recorded in 1887.)</p> <p>SP conveyed a portion to A. G. Finn, et al., in 1945. (See notes under PTR Pcl. 72.)</p> <p>SP conveyed another portion to Patricia Vomvolakis in 1981. (Legal description is metes &amp; bounds.)</p> <p>Questionable.</p> |
| 89 | V89-1, No.25 | Fee | 0.587 Acres | <p>Single parcel condemned by Coast Line Railway in 1905. Indenture delivered by defendant (Richards) in 1906. (Legal description is metes &amp; bounds.)</p> <p>Questionable.</p>   |
| 90 | V89-1, No.26 | Fee | 0.164 Acres | <p>Single parcel conveyed by Streator in 1905. (Legal description is metes and bounds.)</p> <p>Questionable.</p>   |
| 91 | V89-1, No.27 | Fee | 0.901 Acres | <p>Single parcel conveyed by Russell in 1906. (Legal description is metes and bounds.)</p> <p>SP conveyed a portion to Majors in 1945 (see also PTR Pcl. Nos. 92 and 93). (Legal description is metes and bounds.)</p> <p>SP conveyed another portion to A. G. Finn, et al., in 1945. (See notes at PTR Pcl. 72.)</p> <p>Questionable.</p>               |

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| 92 | V89-1, No.28 | Fee | 0.363 Acres | <p>Single parcel of land conveyed by Kerley in 1905. (Legal description is metes and bounds.)</p> <p>SP conveyed a portion to Majors in 1945 (see also PTR Pcl. Nos. 91 and 93). (Legal description is metes and bounds.)</p> <p>Questionable.</p>  |
| 93 | V89-1, No.29 | Fee | 0.436 Acres | <p>Single parcel conveyed by Periera in 1905. (Legal description is metes and bounds.)</p> <p>SP conveyed a portion to Majors in 1945 (see also PTR Pcl. Nos. 91 and 92). (Legal description is metes and bounds.)</p> <p>Questionable.</p>   |
| 94 | V89-1, No.31 | Fee | 4.919 Acres | <p>Single parcel conveyed by Swanton in 1905. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed a portion to the Union Ice Company in 1940. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed another portion to Phyffer in 1942. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed another portion to William Wrigley Jr. Company in 1950. (Legal description is metes &amp; bounds.)</p> <p>Questionable.</p> |
| 95 | V89-1, No.32 | Fee | [ ] Acres   | <p>Single parcel conveyed by Whipple in 1905. (Legal description is metes &amp; bounds.)</p> <p>Coast Line Railway conveyed portions to the City of Santa Cruz in 1906 (legal description is metes &amp; bounds) and 1916 (see notes on PTR Pcl. 71).</p> <p>The City of Santa Cruz condemned a portion of the land in 1993. (See notes on PTR Pcl. 69.)</p> <p>Questionable.</p>   |
| 96 | V89-1, No.33 | Fee | [ ] Acres   | <p>Two parcels conveyed by Hammer in 1906. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed a portion to A. G. Finn, et al., in 1945. (See notes on PTR Pcl. 72.)</p> <p>Questionable.</p>   |



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| 97  | V89-1, No.34                | Fee | [ ] Acres   | <p>Single parcel conveyed by Hammer in 1906. (See notes on PTR Pcl. 96.)</p> <p>SP conveyed a portion to A. G. Finn, et al, in 1945. (See notes on PTR Pcl. 72.)</p> <p>Questionable.</p>   |
| 98  | V89-1, No.37                | Fee | [ ] Acres   | <p>Five parcels conveyed by Ocean Shore Railroad Company in 1919. (Legal description is metes &amp; bounds.)</p> <p>Questionable.</p>   |
| 99  | V89-1, No.38                | Fee | 0.551 Acres   | <p>Single parcel condemned by SP in 1927. (Legal description is metes &amp; bounds.)</p> <p>Questionable.</p>   |
| 100 | V89-2, No.1                 | Fee | 1.865 Acres   | <p>Single parcel conveyed by Shore Line Investment Company in 1905. (Legal description is metes and bounds.)</p> <p>Questionable.</p>   |
| 101 | V89-2, No.2                 | Fee | 8.131 Acres   | <p>Single parcel conveyed by multiple parties (Including FA Hihn Co.) by four different indentures, in 1905. (Legal descriptions are all metes and bounds.)</p> <p>Questionable.</p>  |
| 102 | V89-2, No.3;<br>V89-3, No.1 | Fee | 10.28 Acres<br>(VM Parcel 3);<br>9.471 Acres<br>(VM Parcel 1) | <p>Single parcel conveyed by Wilder in 1905. (Legal description is metes and bounds.)</p> <p>Coast Line Railway conveyed a portion to Ocean Shore Railroad Company in 1905. (Legal description is metes &amp; bounds.)</p> <p>Questionable.</p> |
| 103 | V89-3, No.2                 | Fee | 7.287 Acres   | <p>Single parcel conveyed by Lombardi in 1905. (Legal description is metes and bounds.)</p> <p>Questionable.</p>  |
| 104 | V89-3, No.3                 | Fee | 6.396 Acres   | <p>Single parcel conveyed by Lombardi in 1905. (Legal description is metes and bounds.)</p> <p>Coast Line Railway conveyed a portion to Ocean Shore Railroad Company in 1905. (Legal description is metes and bounds.)</p> <p>Questionable.</p> |

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| 105 | V89-3, No.4                 | Fee                              | 7.491 Acres   | <p>Single parcel conveyed by Baldwin in 1905. (Legal description is metes and bounds.)</p> <p>Questionable.</p>   |
| 106 | V89-4, No.2                 | Fee +<br>Reserved<br>Easement    | 2.215 Acres   | <p>Single parcel conveyed by Scaroni in 1906. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed portions of this parcel to the State of California in 1945. (Legal description is metes &amp; bounds.)</p> <p>Questionable.</p>   |
| 107 | V89-4, No.3;<br>V89-5, No.1 | Fee +<br>Reserved<br>Easement(?) | 6.441 Acres<br>(VM Parcel 3);<br>0.168 Acres<br>(VM Parcel 1) | <p>Single parcel conveyed by Enright in 1905. (Legal description is metes and bounds.)</p> <p>Coast Line Railway conveyed a portion to Ocean Shore Railroad Company in 1905. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed portions to the State of California in 1942. (Legal description is metes and bounds. See also PTR Pcls. Nos. 110 &amp; 111.)</p> <p>SP conveyed another portion to the State of California in 1953. (Legal description is metes and bounds. See also PTR Pcls. Nos. 109 &amp; 110.)</p> <p>Questionable.</p> |
| 108 | V89-4, No.4;<br>V89-4, No.5 | Fee +<br>Reserved<br>Easement    | 1.39 Acres<br>(VM Parcel 4);<br>4.565 Acres<br>(VM Parcel 5)  | <p>Single parcel conveyed by Ocean Shore Railroad Company in 1918. (Legal description is metes and bounds.)</p> <p>SP conveyed portions of this parcel to the State of California in 1945. (See notes under PTR Pcl. 106.)</p> <p>SP conveyed another portion to the State of California in 1959. (Legal description is metes and bounds. Conveyance was for a freeway.)</p> <p>Questionable.</p>   |

|     |   |     |   |   |
|-----|---|-----|---|---|
| 109 | V89-5, No.2   | Fee | 3.838 Acres   | <p>Single parcel conveyed by Cook, et al., in 1905. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed portions (three parcels) to the Coast Dairies &amp; Land Company in 1927 and 1928. (Both deeds describe the same parcels; the second was recorded to correct a legal description.) (Legal description is metes &amp; bounds.)</p> <p>SP conveyed another portion (single parcel) to the Coast Dairies &amp; Land Company in 1945. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed another portion (single parcel) to the State of California in 1953. (Legal description is metes &amp; bounds. See also PTR Pcls. Nos. 107 &amp; 110)</p> <p>Questionable.</p> |
| 110 | V89-5, No.3;<br>V89-6, No.1;<br>V89-7, No.1;<br>V89-8, No.1 | Fee | 10.943 Acres<br>(VM Parcel 89-5-3);<br>14.741 (VM Parcel 89-6-1);<br>9.927 Acres<br>(VM Parcel 89-7-1); [ ]<br>Acres (VM Parcel 89-8-1) | <p>Single parcel conveyed by Coast Dairies &amp; Land Company in 1906. (Legal description is metes and bounds.)</p> <p>Coastline Railway Company conveyed a portion (at least two parcels) to Ocean Shore Railroad Company in 1905. (Legal description is metes &amp; bounds.)</p> <p>SP conveyed several parcels to the State of California in 1939 (two parcels, legal description is metes &amp; bounds), 1942 (One parcel. Legal description is metes and bounds. See also PTR Pcls. Nos. 107 &amp; 111.), 1952 (one parcel, legal description is metes &amp; bounds) and 1953 (Legal description is metes and bounds. See also PTR Pcls. Nos. 107 &amp; 109.)</p> <p>Questionable.</p>     |

|     |                             |                               |  |  |
|-----|-----------------------------|-------------------------------|--|--|
| 111 | V89-6, No.1;<br>V89-7, No.1 | Fee +<br>Reserved<br>Easement | [ ] Acres<br>(VM Parcel<br>89-6-1); [ ]<br>Acres (VM<br>Parcel 89-7-1) | <p>Two parcel conveyed by Santa Cruz Portland Cement Company in 1907. (Legal description is metes &amp; bounds.)</p> <p>Coastline Railway Company conveyed portions to Ocean Shore Railroad Company in 1905. (See comments on PTR Pcl. 110.)</p> <p>SP conveyed portions to the State of California in 1939 (see comments on PTR Pcl. 110) and 1942 (see comments on PTR Pcl. 110).</p> <p>SP conveyed additional portions to Bailey, et al., in 1987. (Legal description is metes &amp; bounds.)</p> <p>Questionable.</p> |
| 112 | V89-6, No.3                 | Easement                      | 18.786 Acres   | <p>Single parcel railroad easement granted by Coast Dairies &amp; Land Company in 1912. (Legal description is metes &amp; bounds.)</p> <p>Questionable.</p>  |

## APPENDIX B

### Santa Cruz County Code

#### **14.01.111 Merger.**

Two or more contiguous parcels or units of land held by the same owner shall be subject to merger if any one of the contiguous parcels or units held by the same owner does not conform to standards for minimum parcel size under the Santa Cruz County Zoning Ordinance applicable to the parcels or units of land, and if all of the following requirements are satisfied. For purposes of determining whether contiguous parcels are held by the same owner, ownership shall be determined as of the date that a Notice of Intention to Determine Status is recorded.

(a) At least one of the affected parcels is undeveloped by any structure for which a building permit was issued or for which a building permit was not required at the time of construction or is developed only with an accessory structure or accessory structures, or is developed with a single structure, other than an accessory structure, that is also partially sited on a contiguous parcel or unit.

(b) One or more of the following conditions exist with respect to the parcel to be merged:

1. It comprises less than 5,000 square feet in area at the time of determination of merger;
2. It was not created in compliance with applicable laws and ordinances in effect at the time of its creation; or
3. It does not meet current standards for sewage disposal or domestic water supply, and it is determined by the Director of Environmental Health that such parcel or unit will not be able to meet the minimum criteria for sewage disposal or water supply in the reasonably foreseeable future; or
4. It has been determined by the Planning Director from a geologic investigation or other geologic report to have slope stability or other geologic hazards which cannot be mitigated to an acceptable degree for development; or
5. It has been determined by the Planning Director to have no legal access which is adequate for vehicular and safety equipment access and maneuverability; or
6. It has been determined by the Planning Director to be incapable of being developed because of conflicts with applicable General Plan provisions, other than minimum lot size or density standards.

(c) The requirements of subsection (b) above need not be satisfied, and the parcels in question shall be merged, if the other requirements of this Section are satisfied and if one of the following conditions exists:

1. On or before July 1, 1981, one or more of the contiguous parcels or units of land is enforceably restricted open space land pursuant to a contract, agreement, scenic

restriction, or open-space easement, as defined and set forth in Section 421 of the Revenue and Taxation Code.

2. On July 1, 1981, one or more of the contiguous parcels or units of land is timberland as defined in subdivision (f) of Section 51104 of the Government Code, or is land devoted to an agricultural use as defined in subdivision (b) of Section 51201 of the Government Code.

3. On July 1, 1981, one or more of the contiguous parcels or units of land are located within 2,000 feet of the site on which an existing commercial mineral resource extraction use is being made, whether or not the extraction is being made pursuant to a use permit issued by a local agency.

4. On July 1, 1981, one or more of the contiguous parcels or units of land are located within 2,000 feet of a future commercial mineral extraction site as shown on a plan for which a use permit or other permit authorizing commercial mineral resource extraction has been issued by a local agency.

5. Within the Coastal Zone, as defined in Section 30103 of the Public Resources Code, one or more of the contiguous parcels or units of land have been identified or designated as being of insufficient size to support residential development and where the identification or designation has either (1) been included in the Land Use Plan portion of a Local Coastal Program prepared and adopted pursuant to the California Coastal Act of 1976 (Division 20 of the Public Resources Code), or (2) prior to the adoption of a Land Use Plan, been made by formal action of the California Coastal Commission pursuant to the provisions of the California Coastal Act of 1976 in a coastal development permit decision or in an approved Land Use Plan work program or an approved issue identification on which the preparation of a Land Use Plan pursuant to the provisions of the California Coastal Act is based.

6. For purposes of subparagraphs 3 and 4 of this subsection, "mineral resource extraction" means gas, oil, hydrocarbon, gravel or sand extraction, geothermal wells, or other similar commercial mining activity.

(d) Procedure to Determine Merger Status of Parcels.

1. Notice of Intention to Determine Merger Status. Whenever a designee of Planning Director believes that real property is subject to merger pursuant to the provisions of this section, the designee of the Planning Director shall cause to be mailed by certified mail (return receipt requested) to the then current record owner of the property a Notice of Intention to Determine Merger Status notifying the owner that the affected parcels can be merged pursuant to standards set forth in this section and advising the owner of the opportunity to request a hearing on the determination of status and to present evidence at the hearing that the property does not meet the criteria for merger. The designee of the Planning Director shall cause the Notice of Intention to Determine Merger Status to be filed for record with the County Recorder on the date that the notice is mailed to the property owner.

2. Hearing to Determine Merger Status of Parcels. At any time within 30 days after recording of the Notice of Intention to Determine Merger Status, the owner of the affected property may file with the County Planning Department a request for a hearing on determination of merger status. Upon receiving a request for hearing on determination of merger status, the Director shall set a hearing not more than 60 days

of the receipt of the property owner's request and advise the property owner by certified mail of the time, date, and place of the hearing. The hearing may be postponed or continued with the mutual consent of the Director and the property owner. At the conclusion of the hearing, the Director shall make a determination whether the affected parcels are to be merged or are not to be merged and shall so notify the owner of the determination. Any determination of merger shall be recorded within 30 days after conclusion of the hearing.

3. Determination of Status Without a Hearing. If within the 30 day period provided, the owner does not file request for a hearing in accordance with subsection (d)2 above, the Director may, at any time thereafter, make a determination that the affected parcels are to be merged or are not to be merged. Any determination of merger shall be recorded by the Director no later than 90 days following the mailing of the Notice of Intention to Determine Status.

4. Release of Notice of Intention to Determine Merger Status. If in accordance with subsections (d)2 or (d)3 above, the Director determines that the subject property shall not be merged, the Planning Director shall cause to be recorded a Release of the Notice on Intention Status, and shall mail a clearance letter to the then current owner of the property.

# MILLER, OWEN & TROST

A PROFESSIONAL CORPORATION

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## MEMORANDUM

PHILLIP L. ISENBERG  
OF COUNSEL

To: Chuck Baumbach,  
Arthur Gimmy International

From: Kirk E. Trost

Date: October 14, 2005

Re: *Santa Cruz Branch: Analysis of Ability to Abandon Freight Service*

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As you know, the Santa Cruz County Regional Transportation Commission's review appraiser, Tom Ryland, has asked for an analysis of the likelihood that freight rail service over the Santa Cruz Branch Line could be abandoned. The reason for Mr. Ryland's request is to determine whether the NLV method or the Going Concern method of valuation is appropriate for this Branch Line. Enclosed for your review please find a memorandum from Kevin Sheys of Kirkpatrick & Lockhart outlining the legal standards and procedures for freight service abandonment. In addition, please find enclosed a memorandum from John Williams of Woodside Consulting applying the legal standards for abandonment to the present freight operations on the Branch Line and analyzing the likelihood that that Surface Transportation Board would approve the abandonment of such operations.

Notwithstanding the content of the attached memoranda, we want to emphasize that the SCCRTC has no intention of abandoning freight service over the Santa Cruz Branch. The enclosed memoranda are provided to you solely to facilitate the appraisal of the Santa Cruz Branch and should be read in that light.

Please contact me if you have any questions, or wish to discuss the content of the enclosed memoranda.

Enclosures

cc w/Encl.: Pat Dellin, Acting Director, SCCRTC



**MEMORANDUM**

**TO:** Kirk Trost  
**FROM:** Kevin Sheys  
**DATE:** October 13, 2005  
**SUBJECT:** Santa Cruz Branch Abandonment

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**I. INTRODUCTION**

The Santa Cruz County Regional Transportation Commission ("SCCRTC") is contemplating the acquisition of the Santa Cruz Branch<sup>1</sup> from Union Pacific Railroad Company ("UP"). The appraised value of the Santa Cruz Branch is a net liquidation value ("NLV") of \$19,255,000, under certain stated assumptions.<sup>2</sup> Surface Transportation Board ("STB") authorization for abandonment of common carrier service on the Santa Cruz Branch would be a prerequisite to liquidation. 49 U.S.C. § 10903.

**II. SUMMARY**

In light of the foregoing facts, you have asked us to outline the legal standard and procedural rules under which abandonment of the Santa Cruz Branch could be accomplished. As discussed below, the legal standard governing an abandonment of service on any rail line is whether the present or future public convenience and necessity permit the proposed abandonment. In implementing this standard, the STB balances the potential harm to affected shippers and communities against the present

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<sup>1</sup> Defined herein to include the Santa Cruz Branch Line and the Davenport Branch Line, the rail line generally located between Watsonville, CA and Davenport, CA, a distance of approximately 31 route miles.

<sup>2</sup> Draft Appraisal Report, at p. 94, Arthur Gimmy International, December 1, 2004.

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October 13, 2005  
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and future burden that continued operations could impose on the railroad and on interstate commerce.

A common carrier has several procedural avenues to accomplish an abandonment of service. As discussed below, the two most likely procedures in the case of the Santa Cruz Branch are (i) filing an abandonment application with the STB, and (ii) filing a petition for exemption. Assuming that on-line shippers do not oppose the abandonment, and further assuming that no party files an offer of financial assistance, the STB would decide the abandonment case within approximately three to six months of its submission. If on-line shippers oppose the abandonment, or a party files an offer of financial assistance, the STB's decision could take up to twelve months and possibly longer.

### **III. ABANDONMENT OF RAILROAD LINES SUBJECT TO STB JURISDICTION**

#### **A. The Statutory Standard**

Pursuant to 49 U.S.C. § 10903, a common carrier who intends to abandon any part of its railroad lines must obtain authority from the STB before abandoning such railroad lines. The statutory standard governing an abandonment of service is whether the present or future public convenience and necessity permit the proposed abandonment. 49 U.S.C. § 10903(d). In implementing this standard, the STB balances the potential harm to affected shippers and communities against the present and future burden that continued operations could impose on the railroad and on interstate commerce. See Wisconsin Central, Ltd. – Abandonment – In Ozaukee, Sheboygan and

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Manitowoc Counties, WI, STB Docket No. AB-303 (Sub-No. 27) (STB served Oct. 18, 2004) (citing *Colorado v. United States*, 271 U.S. 153 (1926)); see also Camas Prairie Railnet, Inc. - Abandonment - in Lewis, Nez Perce, and Idaho Counties, ID, STB Docket No. AB-564 (STB served Sept. 13, 2000) (citation omitted)).

**B. Procedural Requirements for Seeking Abandonment Authority**

A common carrier would have two options for seeking STB approval to abandon rail service over the Santa Cruz Branch: (1) file an abandonment application; or (2) file a petition for exemption.<sup>3</sup> A summary of both of these options is provided below.

1. Abandonment Application

A common carrier may seek abandonment authority from the STB by filing an abandonment application. An abandonment application is the most onerous of the abandonment filing options. Generally speaking, a common carrier must present a comprehensive case for abandonment of the subject rail lines, including financial evidence regarding revenue costs and return on investment.

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<sup>3</sup> As an alternative to filing an abandonment application, or a petition for exemption, a common carrier may, under certain circumstances, elect to pursue the expedited procedure of filing a notice of exemption ("NOE"). An NOE would become effective within 30 days after publication in the Federal Register, unless stayed, or a third party files a formal expression of intent to file an offer of financial assistance ("OFA"). However, a common carrier may not file an NOE unless it meets the specific requirements for exempt abandonment proceedings set forth in 49 C.F.R. § 1152.50(b), *including the absence of rail traffic for at least two years*. Given the present rail service in the Santa Cruz Branch, this expedited procedure would not be available, absent a significant change in circumstances.

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An abandonment application must include all of the information required by 49 C.F.R. § 1152.22.<sup>4</sup> Although the regulations state that the STB will serve a decision on the merits of the abandonment application within 110 days after the application is filed, in some cases, the STB may take more time to issue a decision. See 49 C.F.R. § 1152.26.

## 2. Petition for Exemption

A common carrier also may seek abandonment authority from the STB by filing a petition for exemption. Usually, a common carrier will prefer to file a petition for exemption (assuming a NOE is inapplicable, as discussed in Footnote 4) because it is considerably less burdensome than a full-blown abandonment application.

Although 49 U.S.C. § 10903 requires a common carrier to obtain STB authority before abandoning a line of railroad, 49 U.S.C. § 10502 requires the STB to exempt a person, transaction or service from the statutory and regulatory requirements otherwise applicable to a common carrier when the STB determines: (1) application of those requirements is not necessary to carry out the rail transportation policy of 49 U.S.C. §

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<sup>4</sup> Among other things, an abandonment application must include (i) a map of the subject line, (ii) a statement of reasons for filing the application, (iii) a description of the present physical condition of the line, including any operating restrictions and an estimate of deferred maintenance and rehabilitation costs, (iv) a description of the service performed on the line, (v) revenue and cost data, (vi) a discussion of rural and community impacts, and (vii) information regarding the environmental impact of the proposed abandonment in compliance with 49 CFR §§ 1105.7 and 1105.8. (40 CFR § 1152.22.) The application also must comply with the requirements concerning the form of notice in 49 C.F.R. § 1152.21 and the filing and service requirements in 49 C.F.R. § 1152.24.

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10101; and (2) either (a) the transaction is of limited scope or (b) regulation is not needed to protect shippers from an abuse of market power. A petition for exemption generally includes a description of the rail line proposed for abandonment and arguments regarding why the STB should exempt the common carrier from the requirements of 49 U.S.C. § 10903 (and the accompanying regulations).<sup>5</sup> Although a petition for exemption permits a common carrier to seek abandonment pursuant to a much more streamlined process, the STB still often takes three to six months to issue a decision and sometimes even longer. However, a party may petition the STB for expedited consideration of the petition for exemption.

**C. Filings by Interested Third Parties in Conjunction with Abandonment and Exemption Proceedings.**

Apart from opposition filings, other filings by interested third parties, such as rail customers, other common carriers, or public agencies, may delay or affect the outcome of abandonment applications or petitions for exemption. Such filings include offers of financial assistance, requests for public use condition, or requests for interim trail use. These filings are discussed below.

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<sup>5</sup> A petition for exemption also must comply with the environmental/historic reporting and notice requirements of 49 CFR 1105, to the extent applicable. Generally speaking, 49 CFR 1105 requires the preparation and service of an environmental/historic report.

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1. Offers of Financial Assistance

Of the three types of potential filings by interested third parties, discussed above, an offer of financial assistance ("OFA") (assuming an OFA were even practical in this case) probably has the most potential to delay an abandonment.

A person may submit an OFA to continue existing rail service on a line of railroad proposed for abandonment within 120 days of the filing of an application for abandonment or petition for exemption, or 10 days after service of an STB decision granting the abandonment or exemption, whichever occurs sooner. See 49 C.F.R. § 1152.27(b)(1)&(2). If the STB determines that a financially responsible person has offered assistance, it will postpone the effective date of its decision granting an application for abandonment or petition for exemption and, in the case of a petition for exemption, partially revoke the exemption (or, if no decision has been issued, postpone the issuance of a decision). See 49 C.F.R. § 1152.27(e)(1)&(2). Once the STB postpones the abandonment, or postpones and revokes the exemption, the parties are permitted to negotiate a subsidy agreement for continued rail service. If the parties reach an agreement, the STB will postpone the effective date of the decision granting the application for abandonment, or petition for exemption, for as long as the subsidy agreement is in effect. See 49 C.F.R. § 1152.27(f)(1). If the parties fail to reach agreement, either party may petition the STB to establish the conditions and set the terms of compensation, within thirty (30) days after the OFA is made. See 49 C.F.R. § 1152.27(g)(1). The STB will issue a decision within thirty (30) days after the request is

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due. See 49 C.F.R. § 1152.27(h)(1). If the parties fail to reach agreement within thirty (30) days after the offer is made, and neither party requests the STB to set the conditions and terms of compensation, the STB will serve a decision vacating the prior decision postponing the effective date of the decision granting the application for abandonment, or petition for exemption. The STB will issue the decision to vacate within ten (10) days of the due date for requesting the STB to set the conditions and amount of compensation. See 49 C.F.R. § 1152.27(g)(2).

2. Requests for Public Use Condition

A party may file a request for a public use condition within 45 days after the filing of the application for abandonment, or 20 days after publication of notice of the filing of the petition for exemption, as applicable. See 49 U.S.C. § 10905; see also 49 C.F.R. § 1152.28(a)(3). If the STB finds in favor of the abandonment or exemption, the Board will determine if the subject rail properties are appropriate for other public uses. See 49 C.F.R. § 1152.28(a). If the Board determines that the subject rail properties are appropriate for other public uses, the Board may impose conditions on the sale, lease, exchange, or other disposal, of such properties. The conditions may include a prohibition on any such disposal for not more than 180 days, unless the properties have first been offered for sale, on reasonable terms, for public purposes. See 49 U.S.C. § 10905; 49 C.F.R. § 1152.28(a)(2)(iii).

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3. Requests for Interim Trail Use (Railbanking)

A state, political subdivision, or qualified private organization, may file a request for interim trail use (railbanking) pursuant to 49 C.F.R. § 1152.29. As with requests for public use condition, a request for interim trail use must be filed within 45 days after the filing of the application for abandonment, or 20 days after publication of notice of the filing of the petition for exemption, as applicable. See 49 CFR § 1152.29(b)(1)&(2). However, interim trail use is voluntary on the part of the abandoning common carrier and thus it would not be required to negotiate an interim trail use agreement with an interested party.



**THE  
WOODSIDE  
CONSULTING  
GROUP**

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**PRIVILEGED AND CONFIDENTIAL  
MEMORANDUM**

**Date:**           **October 13, 2005**

**To:**             **Kirk Trost**

**Cc:**             **Paul Chrisman**

**From:**          **John Williams**

**Subject:**       **Potential Abandonment of the Santa Cruz Subdivision**

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**I.     Introduction**

Woodside has been asked to assess the probability that the Santa Cruz Subdivision (“SCS”) could be abandoned immediately after its acquisition assuming that the line had been purchased by SCCRTC (or by another purchaser similarly situated) and, we have assumed, that it would be operated by a short line.

As an employee of the Southern Pacific, I was involved in and/or managed the abandonment of numerous SP Lines over a ten-year period in the 1960s and 1970s. As a part of my duties, I prepared and presented testimony before both the California Public Utilities Commission and the Interstate Commerce Commission. On July 18, 1975, I testified before the Subcommittee on Surface Transportation to propose changes to the economic standards that were contained in Senate Bill Number 863 for determining railroad abandonment cost calculations and the subsidies for the continued operation of unprofitable rail lines. Subsequently, my proposed economic standards were, for the most part, incorporated into the Surface Transportation Board’s

("STB") regulations that today govern railroad abandonments. More recently, during 2005, I advised the Amador County Transportation Commission with regard to the abandonment of the Amador Foothills Railroad between Ione and Martell, CA.

## **II. Conclusions**

Based on the analyses contained in this Memorandum of the public interest, as determined by the STB, the economic standards that the STB employs to weigh a railroad's losses against the public's need for continuing operations, and of the rail customers located on the SCS, it is Woodside's opinion that there is no chance that the STB would deny an application by SCCRTC and its short line operator for abandonment of the Santa Cruz Subdivision.

Further, it is Woodside's opinion that none of the rail customers, including Cemex and the connecting railroad, the Santa Cruz, Big Trees and Pacific Railway Co. ("Big Trees"), would be willing to provide the amount of financial assistance required by the STB in order to either continue operations of the SCS or to purchase it, subsequent to a STB grant of authority to abandon the line.

## **III. The Public Interest**

As required by 49 U.S.C. § 10903, no line of railroad may be abandoned and no rail service may be discontinued unless the STB finds that the present or future public convenience and necessity require or permit the abandonment or discontinuance. As a practical matter, the STB's application of this standard under its current regulations will result in authorization of an abandonment application if continuation of rail service over a line does not permit a rail carrier to cover all of its costs, including the opportunity costs of using its physical properties for other purposes.

If authority for abandonment were granted, only an Offer of Financial Assistance (“OFA”), that would permit the rail carrier to remove the financial burden of continued operation of a line or an offer to purchase the line, would prevent abandonment. Although the carrier seeking to abandon a line and the financially responsible person providing the OFA are encouraged to reach agreement on the amount and duration of financial assistance, the STB, if requested to do so, will determine the amount and terms of the subsidy required for continued operation based on the revenues on the line, the avoidable costs of providing continued rail transportation on the line, plus a reasonable return on the value of the line. Alternatively, if requested to do so, the STB will determine the price and other terms of sale, which must be at a price not below the fair market value of the line; such fair market value is defined by the STB as the greater of the net liquidation value of the line or the going concern value of the line. For the SCS, the net liquidation value is clearly the greater of the two values.

When determining the extent to which the avoidable costs of providing continued rail transportation plus a reasonable return on the value of a line exceed the revenue generated by a line, the STB gives little consideration to hypothetical future traffic projections that are not grounded in the historic traffic base of the line. Moreover, the STB gives little if any consideration to either the environmental or highway impacts of shifting rail traffic to trucks that would occur if the line were abandoned.

#### **IV. The STB’s Economic Standards**

The standards for determining the relevant revenues, avoidable costs, and required return on value of a line in an abandonment proceeding are found in 49 C.F.R. § 1152.30 – 1152.37. This Subpart D of Part 1152 contains the methodology and the standards for presenting the abandonment submissions that are used in the STB’s determinations.

**A. Revenues Attributable to the Line**

The revenues attributable to a rail line are defined by the STB to be those that would cease upon the discontinuance of rail service on a line. For a short line whose operation was limited to the SCS, only the revenues (including switching charges, demurrage, etc.) that the carrier receives for the movement of traffic between Watsonville and Davenport would be relevant. As calculated in Wilbur Smith Associates' Draft *Going Concern Valuation* submitted March 15, 2004, total revenues for the short line operator of the SCS were projected to be \$1.1 million.

**B. Avoidable Costs**

The costs that are relevant to the STB's determination are defined to be those which are "avoidable," that is, those costs which would no longer be incurred if rail service on the SCS were halted. Such avoidable costs are categorized in the usual functional operating expense groups of:

- Maintenance of Way;
- Maintenance of Equipment;
- Transportation; and
- General And administrative.

For a short line operating only the SCS, all of its costs would be avoidable. In its Draft *Going Concern Valuation* Report, Wilbur Smith estimated the costs of a short line operator of the SCS at \$1.0 million, all of which would be avoidable.

The STB also provides rules for apportioning costs between branch lines if more than one line were operated by a short line. The relative use of the assets or personnel on the several lines is the primary basis for such apportionments. For the SCS, we doubt any apportionments would be

pertinent with the possible exception of any General and Administrative costs that might be incurred if the short line operator used the same resources to manage other lines in addition to the SCS.

In theory, according to the STB's regulations, the depreciation and return on the value of all freight cars and locomotives owned and operated on the SCS would be calculated at their depreciated current replacement costs and the short line's cost of capital. This provision does not apply to privately owned cars. Most likely, however, if the short line leases from others and pays car hire to the Union Pacific, the short line would probably calculate its avoidable freight car and locomotive ownership costs based on the amounts it actually paid in freight car hire and in lease payments for freight cars and locomotives.

The STB does allow the inclusion of any required rehabilitation expenditures as avoidable costs, and the amounts to be included are defined to be those necessary to permit efficient operations over a line. In future years, such rehabilitation costs may become relevant and significant to the SCS for the rehabilitation of one or more of its bridges and/or for portions of its track structure. Assuming for illustrative purposes only that a rehabilitation cost to the SCS of \$0.5 million was projected in an abandonment application, then the applicant's submission to the STB would increase the short line operator's avoidable costs from the \$1.0 million level projected in the Draft *Going Concern Valuation Report* by Wilbur Smith to a total of \$1.5 million, including the rehabilitation costs.

C. **Return on Investment**

This is an element of great importance to a SCS abandonment application because of the high value of the SCS land. In addition to an allowance for working capital, the STB's regulations require that the net liquidation value of the road properties is the relevant investment base upon which the short line is entitled to earn a reasonable return. The STB's definition of the net

liquidation value of both the land and the track and structures parallels the definitions used in the net liquidation value studies that have been performed for SCCRTC by Arthur Gimmy International for the land and by Woodside for the track and structures. For the purposes of this Memorandum, we assume the total net liquidation value of the SCS would be about \$19.0 million today, although that value will undoubtedly increase in future years as the value of the land in the SCS Corridor increases.

The owner of the road property who proposes to withdraw it from common carrier rail service is entitled to earn a reasonable return on the net liquidation value of the road properties. Although the STB provides alternative methodologies for calculating a reasonable return in accordance with a rail carrier's cost of capital, the default reasonable return is defined to be the cost of capital as calculated by the STB in its most recent *Determination of Adequate Railroad Revenues*. This is an annual calculation made by the STB that in recent years has ranged between 10% and 12%. Applying the lower end of the range, a 10% return on the current net liquidation value of the road properties on the SCS amounts to \$1.9 million, annually.

It is this single economic element, the reasonable return on the value of the road properties of some \$1.9 million annually, that we believe over-powers all of the other economic factors that the STB would consider when deciding whether or not the SCS would be permitted to be abandoned. It is why SCCRTC and its short line operator would, we believe with absolute certainty, be permitted to abandon the SCS in future years. The \$1.9 million annual return on value also creates an economic barrier that would, in our opinion, preclude an OFA by any rail customer located on the SCS, just as the \$1.9 million net liquidation value would preclude purchase of the SCS by any rail customer located on the SCS.

Even assuming hypothetically that the net liquidation value of the road properties on the SCS was substantially lower than the \$19.0 million value that we have used in this Memorandum (say only \$10.0 million), then a 10% return would amount to \$1.0 million annually. Even if the reasonable return on the value of the road properties were only \$1.0 million annually, however,

we believe that amount would still over-power all of the other factors that the STB would consider when deciding whether or not the SCS would be permitted to be abandoned. Similarly, even a \$1.0 million annual return would, in our opinion, preclude an OFA by any rail customer located on the SCS, just as a \$10.0 million net liquidation value would preclude the purchase of the SCS by any rail customer located on the SCS.

To summarize, an application to abandon the SCS would show the following economics, excluding any rehabilitation costs:

|                       | <u>Millions</u> |
|-----------------------|-----------------|
| Attributable Revenues | \$1.1           |
| Avoidable Costs       | (1.0)           |
| Return on Value       | <u>(1.9)</u>    |
| Net Loss              | \$(1.8)         |

The net loss of \$1.8 million is the economic burden which must be removed from the applicant if rail service is to be continued.

**V. Rail Customers on the Santa Cruz Subdivision**

According to the Draft *Santa Cruz Branch Line Business Plan* dated August 4, 2004, prepared by Systra Consulting, there are eight rail customers who are now rail served on the Santa Cruz Subdivision. Six shippers are located in Watsonville, one in Santa Cruz, and one at Davenport. In addition, Big Trees handles occasional freight shipments via an interchange at Santa Cruz.

Also according to the Draft *Business Plan*, the SCS generated 4,767 carloads annually, of which 3,550 were generated by Cemex in Davenport. Of the remaining 1,217 carloads of traffic, 852 carloads were generated in Watsonville and 365 carloads were generated in Santa Cruz.

Woodside believes, based on information provided by Cemex, that the more likely volume of traffic moving on the SCS is in the range of 3,500 to 4,000 carloads instead of the 4,767 carloads stated in Systra Consulting's Draft *Business Plan*.

Based on experience, Woodside believes that if abandonment of the SCS occurred, then all of the rail customers located in Watsonville would load and unload their perishable commodities at other rail facilities located on the Union Pacific within the Watsonville area, that the lumber customers located in Watsonville and Santa Cruz would also accept their inbound lumber traffic at transload facilities located elsewhere on Union Pacific's trackage, and that final delivery to their destination facilities would be converted to truck.

Therefore, we conclude that because of the relatively small economic impacts that abandonment of the SCS would create for the Watsonville and Santa Cruz rail customers (including Big Trees), their willingness to provide funding through an OFA for either the continued operation of the SCS or its purchase in accordance with the STB's economic standards is highly unlikely and is also probably beyond their financial capabilities. Accordingly, although several of the smaller rail customers located in Watsonville or Santa Cruz may protest before the STB a proposal to abandon the SCS, it is Woodside's opinion that none of them generate sufficient traffic in order to assure the STB that continued operation of the SCS would not be at a loss, nor would any of the same rail customers be willing to put up the large amount of hard cash required in order to continue rail service.

Unlike the smaller rail customers on the SCS, Cemex is an international company with substantial financial resources and wide-spread rail operations. Given Cemex's mix of products that are traditionally moved by rail, including coal, slag, gypsum, and cement, the added economic costs of handling the large volume of Cemex traffic through transload facilities and by truck and, therefore, the adverse impacts of the abandonment of the SCS on Cemex, are judged to be substantial. Moreover, Cemex's use permit for its Davenport Plant requires that a portion



of its outbound cement traffic move by rail. Thus, we would expect Cemex to oppose any application for abandonment of the SCS.

Despite Cemex's opposition, however, it is Woodside's opinion that the STB would authorize abandonment of the SCS in accordance with its economic standards that would show the revenues attributable to the SCS are less than the avoidable expenses plus a reasonable return on the value of the SCS by \$1.8 million annually. Given such an STB decision, Cemex would probably consider the use of an OFA to fund the continued operation of the SCS line at a cost of \$1.8 million annually. Divided by Cemex's traffic volume of 2,800 carloads annually, the funding of an OFA would increase Cemex's transportation costs by \$643 per carload, on average, an amount that we believe would be unacceptable to Cemex, given its lack of interest in operating the SCS that Cemex has stated to us in our discussions. Alternatively, Cemex could request that the STB permit it to purchase the SCS at its fair market value, which is currently estimated at about \$19.0 million. Such a large expenditure (whether \$19.0 million or, hypothetically, \$10.0 million), if made, would still require either Cemex or the short line that it selected, to operate the marginally profitable SCS. Thus, it also seems highly improbable to us that Cemex would take such an action.

It is our opinion that, faced with a STB decision authorizing abandonment of the SCS, Cemex would most likely seek to negotiate away from its use permit the mandated percentage use of rail service. Alternatively, and perhaps in combination, Cemex would seek to negotiate the continued use of the same number of outbound truck movements in future years as were used in the most recent year prior to abandonment of the SCS. Further, Cemex could adjust the Davenport Plant's production to those markets that it could continue to reach economically by truck. Thus, although the overall economic impact on Cemex of the abandonment of the SDS would be substantial because of the substitution of transload facilities and truck service for rail service, it is Woodside's opinion that neither none nor all of these economic impacts are substantial enough to cause Cemex to prevent the abandonment of the SCS either by funding an

OFA for its continued operation or by purchasing the SCS at its fair market value and participating with its selected short line in the future operation of the SCS.