

**PURCHASE AND SALE AGREEMENT  
AND ESCROW INSTRUCTIONS**

**Between**

**UNION PACIFIC RAILROAD COMPANY,  
a Delaware corporation**

**SELLER**

**and**

**SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION,  
a public agency created under California law**

**BUYER**



First American Title Company ("Escrow Holder")  
100 Spear Street, Suite 1600  
San Francisco, California 94105  
Attention: Kimberleigh Toci  
Telephone: (415) 837-2251  
Facsimile: (415) 398-1750

Escrow No. NCS-138073-SF

Date of Opening of  
Escrow: Aug. 23, 2010

## PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the "Agreement") is made as of August 20, 2010 ("Execution Date"), by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Seller"), and SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, a public agency created under California law ("Buyer").

### ARTICLE I – DEFINITIONS

The following capitalized terms are used in this Agreement with the following meanings:

"Agreement" is defined in the introductory paragraph above.

"Assignment and Assumption Agreement" is defined in Section 8.3.2.

"Buyer" means the Santa Cruz County Regional Transportation Commission.

"Buyer's Title Notice" is defined in Section 6.1.

"Close of Escrow" is defined Section 8.2.1.

"Closing" is defined in Section 8.2.1.

"Closing Date" is defined in Section 8.2.1.

"Confidentiality Agreement" is defined in Section 12.22.

"Condition of the Property" is defined in Section 4.1.1.

"Cost of Cancellation of Escrow" is defined in Section 6.1.2.

"Deed" is defined in Section 5.1.

"Disapproved Items" is defined in Section 6.1.1.

"Environmental Remediation" is defined in Section 4.1.3.

“**Escrow Holder**” means First American Title Company.

“**Execution Date**” is defined in the introductory paragraph on page 1 above.

“**Feasibility Review Period**” is defined in Section 6.2.

“**Governmental Requirements**” is defined in Section 8.7.

“**Grantee**” is defined in **Exhibit D**.

“**Grantor**” is defined in **Exhibit D**.

“**Leases and Other Agreements**” means those leases, licenses and other agreements described in Schedule 2 of **Exhibit E**.

“**Line**” is defined in Section 2.1.

“**Notices**” is defined in Section 12.9.

“**Opening of Escrow**” is defined in Section 8.1.

“**Permitted Exceptions**” is defined in Section 5.1.

“**Property**” is defined in Section 2.3.

“**Property Materials**” is defined in Section 4.1.1.

“**Purchase Price**” is defined in Section 3.1.

“**Rail Improvements**” is defined in Section 2.3.

“**Retained Rights**” is defined in Section 2.1.

“**Seller**” means Union Pacific Railroad Company.

“**Seller’s Affiliates**” is defined in Section 4.1.2.

“**Seller’s Cure Period**” is defined in Section 6.1.1.

“**Short Line Operator**” means the short line railroad operator selected by Seller and approved by Buyer to provide freight rail service to customers on the Line.

“**STB**” means the Surface Transportation Board.

“**Surviving Obligations**” is defined in Section 6.1.2.

“**Title Contingency Date**” is defined in Section 6.1.1.

“**Title Company**” means First American Title Company.

“**Title Policy**” is defined in Section 5.1.

“**Title Report**” is defined in Section 6.1.1.

## **ARTICLE II – PROPERTY**

2.1 Agreement to Sell and Purchase. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller all of Seller’s right, title and interest in and to Seller’s railroad right-of-way in Santa Cruz and Monterey Counties, California, extending from Santa Cruz Branch Milepost 0.433 (east boundary of Salinas Road) to Milepost 31.39, located two hundred fifty feet (250’) north of the Highway 1 crossing at Davenport, all as shown on **Exhibit A** attached hereto (the “**Line**”), subject to the terms and conditions in this Agreement, any and all applicable federal, state and local laws, orders, rules and regulations, any and all outstanding rights of record or open and obvious on the ground, and all Permitted Exceptions as defined in Section 5.1, including, without limitation, the reservations described in Section 2.2 (the “**Retained Rights**”).

2.2 Retained Rights. In the Deed (as defined in Section 5.1), Seller will except and reserve to itself and its successors and assigns, forever (except as otherwise provided in the easement reserved for freight railroad purposes), the following:

2.2.1 Freight Easement. An easement for freight railroad purposes upon, over, under, and across, the Line, as more particularly set forth in the Deed;

2.2.2 Strong Agreements.

(a) The existing eight inch (8") sanitary sewer pipeline and appurtenant facilities referred to in the following sentence, whether owned by Seller or any third party, and a perpetual easement upon, over, along, under and across the portion of the Line that lies five feet (5') on each side of the centerline of such existing eight inch (8") sanitary sewer pipeline and appurtenant facilities (the "Easement Area"), for the purposes of constructing, maintaining, repairing, operating, renewing, replacing, using and/or removing the eight inch (8") sanitary sewer pipeline and appurtenant facilities (whether now or hereafter installed, and including facilities which are the technological successor to any existing or hereafter installed facilities); together with (a) the right of ingress and egress to and from the Easement Area, and (b) the right to collect the rents, issues and profits therefrom, and from any existing contracts. In addition to and not in limitation of Seller's rights under the foregoing reservation of easement, Buyer, for itself, its successors and assigns, hereby covenants and agrees that Buyer shall not interfere with the rights of Seller's Licensee under that certain License Agreement between Southern Pacific Transportation Company (predecessor in interest to Seller) and Holcomb Corporation dated July 27, 1990, identified in the records of Seller as Audit Number S211235,

and granting certain rights to said Licensee to use a portion of the Line for eight inch (8") sanitary sewer pipeline purposes. This reserved right is intended solely to permit Seller to honor its obligations under said License Agreement and does not constitute a reservation of rights for any other purpose.

(b) The existing eight inch (8") sanitary sewer pipeline and appurtenant facilities referred to in the following sentence, whether owned by Seller or any third party, and a perpetual easement upon, over, along, under and across the portion of the Line that lies five feet (5') on each side of the centerline of such existing eight inch (8") sanitary sewer pipeline and appurtenant facilities (the "Easement Area"), for the purposes of constructing, maintaining, repairing, operating, renewing, replacing, using and/or removing the eight inch (8") sanitary sewer pipeline and appurtenant facilities (whether now or hereafter installed, and including facilities which are the technological successor to any existing or hereafter installed facilities); together with (a) the right of ingress and egress to and from the Easement Area, and (b) the right to collect the rents, issues and profits therefrom, and from any existing contracts. In addition to and not in limitation of Seller's rights under the foregoing reservation of easement, Buyer, for itself, its successors and assigns, hereby covenants and agrees that Buyer shall not interfere with the rights of Seller's Licensee under that certain License Agreement between Southern Pacific Transportation Company (predecessor in interest to Seller) and Holcomb Corporation dated July 27, 1990, identified in the records of Seller as Audit Number S211236, and granting certain rights to said Licensee to use a portion of the Line for eight inch (8") sanitary sewer pipeline purposes. This reserved right is intended solely to permit Seller to honor its obligations under said License Agreement and does not constitute a reservation of rights for any other purpose.

(c) The existing four inch (4") VCP sewer and four inch (4") copper water pipelines and appurtenant facilities referred to in the following sentence, whether owned by Seller or any third party, and a perpetual easement upon, over, along, under and across the portion of the Line that lies five feet (5') on each side of the centerline of such existing four inch (4") VCP sewer and four inch (4") copper water pipeline and appurtenant facilities (the "Easement Area"), for the purposes of constructing, maintaining, repairing, operating, renewing, replacing, using and/or removing the four inch (4") VCP sewer and four inch (4") copper water pipeline and appurtenant facilities (whether now or hereafter installed, and including facilities which are the technological successor to any existing or hereafter installed facilities); together with (a) the right of ingress and egress to and from the Easement Area, and (b) the right to collect the rents, issues and profits therefrom, and from any existing contracts. In addition to and not in limitation of Seller's rights under the foregoing reservation of easement, Buyer, for itself, its successors and assigns, hereby covenants and agrees that Buyer shall not interfere with the rights of Seller's Licensee under that certain License Agreement between Southern Pacific Transportation Company (predecessor in interest to Seller) and James G. Speth dated March 19, 1980, identified in the records of Seller as Audit Number S204567, and granting certain rights to said Licensee to use a portion of the Line for four inch (4") VCP sewer and four inch (4") copper water pipeline purposes. This reserved right is intended solely to permit Seller to honor its obligations under said License Agreement and does not constitute a reservation of rights for any other purpose.

(d) The existing twenty-four inch (24") storm drain pipelines and appurtenant facilities referred to in the following sentence, whether owned by Seller or any third party, and a perpetual easement upon, over, along, under and across the portion of the Line that lies five feet (5') on each side of the centerline of such existing twenty-four inch (24") storm drain pipeline and appurtenant facilities (the "Easement Area"), for the purposes of constructing, maintaining, repairing, operating, renewing, replacing, using and/or removing the twenty-four inch (24") storm drain pipeline and appurtenant facilities (whether now or hereafter installed, and including facilities which are the technological successor to any existing or hereafter installed facilities); together with (a) the right of ingress and egress to and from the Easement Area, and (b) the right to collect the rents, issues and profits therefrom, and from any existing contracts. In addition to and not in limitation of Seller's rights under the foregoing reservation of easement, Buyer, for itself, its successors and assigns, hereby covenants and agrees that Buyer shall not interfere with the rights of Seller's Licensee under that certain License Agreement between Southern Pacific Transportation Company (predecessor in interest to Seller) and Phillips Driscopipe, Inc. dated April 20, 1995, identified in the records of Seller as Audit Number S715469, and granting certain rights to said Licensee to use a portion of the Line for twenty-four inch (24") storm drain pipeline purposes. This reserved right is intended solely to permit Seller to honor its obligations under said License Agreement and does not constitute a reservation of rights for any other purpose.

2.3 Ownership of Rail Improvements. Ownership of all rail improvements on the Line that are owned by Seller, including without limitation, rails, ties, ballast, signals, switches and trestles and other rail appurtenances to the Line, if any ("**Rail Improvements**"), will be transferred to Buyer at the Closing by Bill of Sale in the form attached to this Agreement as **Exhibit B**. The Line and the Rail Improvements are collectively called the "**Property**".

2.4 Acquisition Under Threat of Condemnation. Buyer deems that it is necessary and proper, pursuant to California law, to acquire the Property for public purposes. Buyer represents that it is authorized and empowered to initiate proceedings under its power of eminent domain if necessary to acquire the Property for public purposes. The parties agree that in lieu of such proceedings, and to avoid the cost and uncertainty of litigation, the Property will be acquired by Buyer pursuant to the terms and conditions of this Agreement.

### ARTICLE III – PURCHASE PRICE

3.1 Purchase Price. The purchase price for the Property is FOURTEEN MILLION TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (\$14,200,000.00) (the "**Purchase Price**").

3.2 Payment of Purchase Price. At least one business day prior to the Closing Date (as defined in Section 8.2.1), Buyer shall deliver to Escrow Holder a sum equal to the Purchase Price, together with Buyer's share of prorations and costs of Escrow as provided in Sections 8.6 through 8.8. Buyer shall pay such sum by confirmed wire transfer of U.S. funds for immediate credit.

3.3 Structural Rehabilitation Work. Prior to the Closing Date, Buyer will request its funding agencies to program and allocate, and use Buyer's best efforts to effect such

programming and allocating by the funding agencies, the sum of Five Million Dollars (\$5,000,000.00) to perform the rehabilitation work listed in **Exhibit I** attached hereto and incorporated herein by reference (the "**Rehabilitation Work**"). Following the Close of Escrow, Buyer shall continue to use its best efforts to obtain such programming and allocating by its funding agencies, and shall perform the Rehabilitation Work up to the amount programmed and allocated for such Rehabilitation Work by Buyer's funding agencies. If Buyer completes all of the Rehabilitation Work for less than the amounts programmed and allocated for such Rehabilitation Work, Buyer may use any remaining amounts to perform additional repair and maintenance work on the Line for the benefit of the freight rail operations on the Line, or to purchase certain property of Seller located north of the Line, subject to Buyer and Seller reaching agreement on the terms of any such purchase and sale, at each party's sole discretion. Notwithstanding any other provision in this Agreement to the contrary, Buyer's obligations under this Section shall not be deemed satisfied or waived by the occurrence of the Close of Escrow but instead shall survive the Close of Escrow. As used in this Section, the term "costs" means all hard and soft costs related to the Rehabilitation Work, including without limitation, the costs for Buyer's consultants and/or staff to monitor, manage, and audit the Rehabilitation Work.

#### **ARTICLE IV – "AS IS" SALE; RELEASE; INSPECTION; ALLOCATION OF ENVIRONMENTAL RESPONSIBILITY**

##### **4.1 As Is Sale and Release.**

4.1.1 "As Is" Sale. Buyer and its representatives, during the Feasibility Review Period, will have been afforded the opportunity to make such inspections of the Property and matters related thereto as Buyer and its representatives desire, including, without limitation, governmental laws and regulations to which the Property is subject. Buyer shall accept the Property upon the basis of its review and determination of the applicability and effect of such laws and regulations. Buyer acknowledges and agrees that, except for the Granite Construction Contamination (as defined in Section 4.1.4, below), the Property is to be sold and conveyed to and accepted by Buyer in an "as is" condition with all faults, and that the Property has been used for, among other things, railroad purposes. Buyer further acknowledges that Buyer has received and reviewed, and/or is knowledgeable of all of the matters described in **Exhibit C** to be attached hereto by Seller on or before August 13, 2010 and made a part hereof (collectively, the "**Property Materials**"). Seller makes no representation or warranty as to the accuracy or completeness of said Property Materials. Except as expressly set forth in this Agreement, Seller does not make any representations or warranties of any kind whatsoever, either express or implied, with respect to the Property or any of such related matters; in particular, but without limitation, Seller makes no representations or warranties with respect to the use, condition, title, occupation or management of the Property, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdivision, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements (collectively, "**Condition of the Property**"). Buyer acknowledges that it is entering into this Agreement on the basis of Buyer's own investigation of the physical and environmental conditions of the Property, including the subsurface conditions and Buyer assumes the risk that adverse physical and environmental conditions may not have been revealed by its investigation.

4.1.2 RELEASE. EXCEPT FOR ANY BREACH OF SELLER'S EXPRESS OBLIGATIONS UNDER SECTIONS 9.4.1, 9.4.2., 9.4.3., OR ANY BREACH OF SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES IN SECTIONS 4.3 OR 9.1, BUYER, FOR ITSELF, ITS SUCCESSORS AND ASSIGNS, HEREBY WAIVES, RELEASES, REMISES, ACQUITS AND FOREVER DISCHARGES SELLER, ANY CORPORATION WHICH DIRECTLY OR INDIRECTLY CONTROLS OR IS CONTROLLED BY OR IS UNDER COMMON CONTROL WITH SELLER, AND THEIR RESPECTIVE EMPLOYEES, AGENTS, OFFICERS, DIRECTORS, SHAREHOLDERS, SERVANTS, SUCCESSORS AND ASSIGNS, (COLLECTIVELY "SELLER'S AFFILIATES") OF AND FROM ANY CLAIMS, ACTIONS, CAUSES OF ACTION, DEMANDS, RIGHTS, DAMAGES, COSTS, EXPENSES, PENALTIES, FINES OR COMPENSATION WHATSOEVER, DIRECT OR INDIRECT, WHICH BUYER NOW HAS OR WHICH BUYER MAY HAVE IN THE FUTURE ON ACCOUNT OF OR IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THE CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE KNOWN OR UNKNOWN PHYSICAL AND ENVIRONMENTAL CONDITION OF THE PROPERTY OR ANY FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION APPLICABLE THERETO.

SELLER:



BUYER:



4.1.3 General Allocation of Environmental Responsibility. From and after Closing, Buyer, at no cost to Seller, is responsible for conducting any investigation, monitoring, remediation, removal, response or other action required by any governmental agency, court order, law or regulation with respect to any existing or future environmental contamination of the Property (collectively, "**Environmental Remediation**"). The provisions of this Section shall survive the Close of Escrow.

4.1.4 Granite Construction Contamination. Provided, however, notwithstanding the provisions set forth in Sections 4.1.1 and 4.1.2 above, Seller acknowledges that Buyer has not waived, released, remised, acquitted or discharged Seller or Seller's Affiliates from claims, actions, causes of action, demands, rights, damages, costs, expenses, penalties, fines or compensation, if any, on account of or in any way arising out of or in connection with any contamination in, under and emanating from the drainage ditch west of and adjacent to the Granite Construction facility in Watsonville, California, to the extent such contamination is located on the Property on the date of Closing (the "**Granite Construction Contamination**"). Provided, further, notwithstanding the provisions of Section 4.1.3 above, Buyer shall not be responsible to Seller to complete the Environmental Remediation of the Granite Construction Contamination. If during the Feasibility Review Period, either party determines in such party's sole discretion, the costs associated with any potential Environmental Remediation of the Granite Construction Contamination are unacceptable, the party may terminate this Agreement upon written notice to the other. After Closing, Seller shall use commercially reasonable efforts to cause Granite Construction to complete any Environmental Remediation that may be required by federal, state or local regulatory agencies of the Granite Construction Contamination and to obtain the applicable agency's written acknowledgment that the required Environmental Remediation has been completed. Provided, however, Seller's commercially reasonable efforts to cause Granite Construction to complete any such Environmental Remediation shall be limited to the Property, and Seller shall have no obligation to use any efforts to cause Granite



Construction to complete any remediation on, or take any other action with respect to, any property other than the Property. Concurrently with the Closing, Buyer shall grant to Seller a license to access the Property in order for Seller or (if Seller assigns such license to such owner) the owner of such Granite Construction facility to complete any required Environmental Remediation of the Granite Construction Contamination. The license will be in a form reasonably acceptable to both parties and, among other things, will not unreasonably interfere with the use of the Property as an industrial railway corridor. If Granite Construction has not completed such Environmental Remediation by December 31, 2011, Seller shall, within a reasonable time thereafter, commence and work diligently to complete such Environmental Remediation and shall obtain the applicable regulatory agency's written acknowledgment that the required Environmental Remediation has been completed. Also, Buyer and Seller acknowledge that any Environmental Remediation of the Granite Construction Contamination on the Property by Seller shall be proposed to be based on the use of the Property as an industrial railway corridor, and Buyer shall restrict the use of, or accept a use restriction on, the applicable area of the Property accordingly in order to obtain agency approval of any such proposed remediation plan and then to obtain such written acknowledgement following cleanup to a standard acceptable for such use. If Buyer later elects to use the Property for some other purpose, which requires further remediation of the Property, then Buyer, and not Seller, shall have responsibility for such further remediation. Absent Buyer's subsequent change in use of the Property, Buyer assumes no responsibility for the Granite Construction Contamination other than accepting a restriction on the use of the subject portion of the Property, as needed to obtain the regulatory agency's written acknowledgment that the required Environmental Remediation has been completed. Provided, however, at such time as Seller or Granite Construction has obtained such written acknowledgement that the required Environmental Remediation has been completed, Seller shall be deemed to have performed all its obligations under this Section 4.1.4. Provided, however, Seller shall have no responsibility to obtain such written acknowledgment for any property other than the Property. The provisions of this Section shall survive the Close of Escrow.

#### 4.2 Inspection.

4.2.1 Prior to the Execution Date and during the term of the Feasibility Review Period (as defined in Section 6.2), Buyer and its representatives (including architects and engineers) have had and will have the right to enter upon and inspect the Property and conduct such boundary and topographic surveys, soil and engineering tests and environmental assessments with engineers or consultants licensed in the State of California as Buyer may reasonably require; provided that such inspections and tests must not materially damage the Property in any respect; provided, further, that such tests and inspections are conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations; provided, still further, that Buyer notifies Seller in writing at least forty-eight (48) hours prior to the date that each and every of such testing or inspections are to be conducted on the Property and provides evidence, satisfactory to Seller, of the availability of adequate public liability and other insurance, which insurance must name Seller as an additional insured. Following each entry by Buyer on the Property, Buyer shall promptly restore the Property to its original condition as existed prior to any such inspections and/or tests. If Buyer, its agents, representatives or employees undertakes any boring or other

disturbance of the soil, the soil so disturbed must be recompact to the original condition of the Property. Buyer agrees to indemnify, hold harmless and defend (with counsel acceptable to Seller) Seller and Seller's affiliates ("Seller's affiliates" means any corporation which directly or indirectly controls or is controlled by or is under common control with Seller), its and their officers, agents, servants and employees against and from any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees) of whatsoever nature growing out of or in connection with personal injury to or death of persons whomsoever (including, without limitation, exposure to hazardous or toxic substances), or loss or destruction of or damage to property whatsoever (including, without limitation, contamination by hazardous or toxic substances and any required testing, removal or cleanup thereof), where such personal injury, death, loss, destruction or damage arises in any way in connection with or incident to the occupation or use of the Property by, or the presence thereon of, Buyer, its officers, agents or employees and occurs from any such cause; provided, however, that this indemnity expressly excludes (i) any loss due to the diminution in value of the Property due to the discovery of any hazardous materials or conditions during the inspection of the Property by Buyer, its officers, agents or employees, and (ii) any liability arising from the exposure of any existing hazardous materials on the Property to the extent such exposure occurs in the course of inspection activities by Buyer, its officers, agents or employees, except to the extent such liability is caused by the negligence or willful misconduct of Buyer, its officers, agents or employees. If Buyer discovers any hydrocarbon substances or any other hazardous or toxic substances, asbestos or asbestos-bearing materials, waste or materials subject to legal requirements or corrective action, Buyer shall immediately notify Seller of the same. The indemnity obligations of Buyer under this Section will survive any termination of this Agreement or the Close of Escrow. As a material consideration for Seller entering into this Agreement, Buyer shall, upon request by Seller, promptly deliver to Seller, without charge therefor, the results and copies of any and all surveys, reports, tests, studies or assessments made by or for Buyer, development approvals and correspondence with governmental entities with respect to the Property.

4.2.2 Mechanics' Liens. Buyer agrees to pay in full for all materials joined or affixed to the Property and to pay in full all persons who perform labor upon the Property, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Property, for any work done or materials furnished thereon at the instance or request or on behalf of Buyer; and Buyer agrees to indemnify, hold harmless and defend (with counsel acceptable to Seller) Seller and Seller's affiliates, its and their officers, agents, servants and employees against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed or materials furnished prior to Closing.

4.3 Seller's Deliveries. Seller represents and warrants that Seller has delivered to Buyer copies of all agreements covering the Property that are disclosed by Seller's Standard Real Estate Search. Seller's Standard Real Estate Search means the following procedure: Seller's Real Estate Department (i) determines the location of the property in question and converts the information into a data base inquiry which is run against Seller's Real Estate Management System data base of over 300,000 agreements to generate a list of documents affecting the property in question as revealed by the data base, and (ii) searches for the listed documents in the Real Estate Department records in Omaha, Nebraska, which location is where documents in

Seller's Real Estate Management System data base are stored and maintained in the ordinary course of Seller's business. Seller makes no representations or warranties with respect to the accuracy or completeness of the list of agreements generated by Seller's Standard Real Estate Search.

#### ARTICLE V – TITLE TO LINE

5.1 Closing. At the Closing (as defined in Section 8.2.1), Seller shall execute and deliver to Buyer a Quitclaim Deed (the “**Deed**”) to the Line in the form of **Exhibit D** attached hereto. Title must be evidenced by the issuance by First American Title Company (the “**Title Company**”), at Buyer’s cost, of a CLTA owner’s policy of title insurance in the full amount of the Purchase Price (the “**Title Policy**”), insuring sufficient title to the Line in Buyer to allow the use of the Line for rail operations and other transportation purposes, subject only to the following (the “**Permitted Exceptions**”):

5.1.1 a lien to secure payment of real property taxes and assessments, not delinquent;

5.1.2 matters affecting the condition of title created by, or permitted to be created by or with the written consent of, Buyer;

5.1.3 those Property Materials identified in **Exhibit C** attached hereto, except for the environmental documents listed in part I thereof;

5.1.4 standard exceptions in the Title Policy, and exceptions which are disclosed by the Title Report described in Section 6.1 or any supplementary report and which are approved or deemed approved by Buyer in accordance with Section 6.1;

5.1.5 matters which would be disclosed by a survey of the Line;

5.1.6 all of the licenses, permits, easements and agreements affecting the Property that have been disclosed in writing to Buyer pursuant to this Agreement, including without limitation, the agreements listed on **Exhibit E** attached hereto; and

5.1.7 the Retained Rights.

#### ARTICLE VI – BUYER’S CONDITIONS TO CLOSING

The following are conditions precedent to Buyer’s obligation to purchase the Property:

##### 6.1 Approval of Title.

6.1.1 Buyer acknowledges receipt of a preliminary title report on the Property issued by Title Company, dated as of January 9, 2005, Order No. NCS138073-SC, as supplemented March 8, 2005, and September 1, 2009 (“**Title Report**”), together with copies of the documents underlying the exceptions contained therein. On or before forty-five (45) days prior to Closing (“**Title Contingency Date**”), Buyer shall have the right to obtain an update or supplement to the Title Report and then deliver written notice to Seller (“**Buyer’s Title Notice**”)

of all matters of title to the Property, which are shown on the update or supplement to the Title Report and not shown on the Title Report and which are disapproved by Buyer ("**Disapproved Items**"). Buyer's failure to deliver Buyer's Title Notice by the Title Contingency Date will be deemed to be Buyer's approval of the legal description and all existing title matters as shown in all updates to the Title Report. (Buyer acknowledges its approval of the matters of Title to the Property disclosed on the Title Report, except for the right of first refusal referenced in Section 6.10, below.) If Buyer timely notifies Seller of Disapproved Items and all or some of the Disapproved Items (except for those Disapproved Items, if any, which will be removed upon the Close of Escrow in accordance with the terms of this Agreement) are not cured or deleted as exceptions to title on or before twenty (20) days prior to Closing ("**Seller's Cure Period**"), Buyer will have the option of either waiving its disapproval of such Disapproved Items and proceeding to the Close of Escrow or terminating this Agreement, in which event the provisions of Section 6.1.3 will govern. In the event Buyer elects to terminate this Agreement pursuant to this Section 6.1, Buyer shall notify Seller of its election by written notice on or before Closing. Buyer's failure to timely deliver written notice to Seller of its election will be deemed to be Buyer's election to waive its disapproval of such Disapproved Items. In no event will Seller's failure to cure or delete as exceptions to the Title Policy any Disapproved Items be deemed to be a breach of this Agreement by Seller or entitle Buyer to any offset against the Purchase Price.

6.1.2 Title Company's willingness to issue a CLTA title insurance policy in the amount of the Purchase Price, subject only to such exceptions to title as have been approved by Buyer as provided in Section 6.1.1, above, shall be a condition precedent to Buyer's obligation to purchase the Property.

6.1.3 If this Agreement is terminated pursuant to Section 6.1, Buyer shall pay one-half of the Cost of Cancellation of the Escrow, and neither party will have any further rights or obligations under this Agreement other than the obligations of and indemnity by Buyer in Section 4.2, the confidentiality provisions of Section 12.22 and the provisions of Sections 8.2.3, 9.4 and 12.21 (collectively, the "**Surviving Obligations**"). The term "**Cost of Cancellation of the Escrow**", as used herein shall be limited to the costs accrued and charged by Escrow Holder and the Title Company for the cancellation of Escrow.

6.2 Feasibility Review. Buyer will have approved on or before October 15, 2010, ("**Feasibility Review Period**"), the condition of the Property and the feasibility of Buyer's plan therefor. Buyer's feasibility review pertains to Buyer's review of and satisfaction with the following:

- (i) Buyer's engineering studies, soils investigations, environmental assessments, surveys and physical inspection of the Property; and
- (ii) all other matters Buyer determines necessary to evaluate the Property.

Buyer may elect, no later than the expiration of the Feasibility Review Period, to terminate this Agreement as a result of Buyer's disapproval of any of the foregoing matters; provided, however, that if Buyer fails to notify Seller and Escrow Holder of Buyer's disapproval by written notice delivered to Seller no later 5:00 p.m. Pacific Time on the date three (3)

business days after expiration of the Feasibility Review Period, Buyer will be deemed to have approved its evaluation of the Property and this condition will be deemed satisfied. If this Agreement is terminated pursuant to the foregoing provisions of this Section 6.2, Buyer shall pay one-half of the Cost of Cancellation of the Escrow, and neither party will have any further rights or obligations under this Agreement (except for the Surviving Obligations). If Buyer identifies the existence of hazardous materials on or under the Property that were not previously disclosed to Buyer in writing and that have a material and adverse effect on Buyer's valuation of the Property, then Buyer shall deliver to Seller detailed information regarding such findings, but Buyer shall otherwise hold such information in confidence in accordance with the terms of the Right of Entry Agreement.

6.3 Compliance by Seller. Seller will have substantially complied with each and every condition and material covenant of this Agreement to be kept or complied with by Seller.

6.4 Approval. Buyer will have approved the condition of the Property and the feasibility of Buyer's plan therefor in accordance with Section 6.2 on or before the end of the Feasibility Review Period.

6.5 Buyer's Approval of Settlement Statement. Buyer will have approved the Buyer's settlement statement.

6.6 Financing. Buyer will have received funding from the California Transportation Commission and other funding agencies sufficient to meet its financial obligations under this Agreement.

6.7 Labor Notice. Seller, not fewer than sixty (60) days before the Closing Date, will have given to the Brotherhood of Maintenance of Way Workers notice of the sale of the Line and the transfer of Seller's freight common carrier obligations to the Short Line Operator.

6.8 Short Line Operator.

6.8.1 On or before the Closing, (a) Buyer will have entered into an Administration and Coordination Agreement with the Short Line Operator, which Administration and Coordination Agreement shall provide, notwithstanding its other provisions, that in the event that Buyer does not (i) secure funding of Five Million Dollars (\$5,000,000.00) to perform the Rehabilitation Work by February 1, 2011 or (ii) complete all Rehabilitation Work by March 1, 2013, then in either event Buyer acknowledges the Short Line Operator, or its successors and assigns, shall have the right, but not the obligation, to request at any time from the STB authority (or an exemption therefrom) to discontinue or abandon freight common carrier obligations on the Line or any portion thereof, and further that in the event Short Line Operator makes such a request to discontinue or abandon to the STB, Buyer shall not make any objection to the STB related to Short Line Operator's request or otherwise make any filing with the STB which could delay Short Line Operator's obtaining the requested relief from the STB, and further that Short Line Operator shall be released from any obligation under the Administration and Coordination Agreement with respect to or in any way arising out of the physical condition of the Line; and (b) Seller and the Short Line Operator will have entered into (i) an Interchange Agreement covering the interchange of freight car equipment at Watsonville Junction, (ii) a

Cooperative Marketing Agreement covering allocation of routing, rates and tariffs for rail shipments over the Line, (iii) an agreement approved by Buyer by which Seller transfers its retained easement for freight railroad purposes to the Short Line Operator, and (iv) a track lease (the "**Track Lease**") on Seller's customary form of track lease covering any and all trackage owned by Seller north of the Property that Short Line Operator requires in order to provide freight rail service to the property adjacent to such trackage and served over such trackage. The Track Lease shall provide that, beginning on January 1, 2011, if Short Line Operator does not provide at least [150] rail carloads of freight rail service to or from such property in any twelve (12) month period, which provide road haul revenue, then Seller shall have the right to terminate the Track Lease. The Track Lease shall further provide that it shall be assigned to any successor Short Line Operator designated by the Buyer and approved by the STB to be the freight rail operator on the Line, provided that the Track Lease is then still in effect. The Interchange Agreement and the Cooperative Marketing Agreement between Seller and the Short Line Operator shall be confidential and shall not be assignable by the Short Line Operator or disclosed to any other person without the prior written consent of Seller, which consent could be withheld by Seller in its sole discretion.

6.8.2 Buyer shall file with the Surface Transportation Board ("**STB**") either a Petition for declaratory order that Buyer's proposed acquisition of the assets of the Property does not require STB authorization under 49 U.S.C. 10901 because the transaction comports with Maine, DOT - Acq. Exemption, ME Central R. Co., 8 I.C.C.2d 835 (1991) and its progeny or a Notice or Petition seeking an exemption for the approval of the Buyer's purchase of the Property with a Motion to Dismiss requesting that the STB confirm the Buyer will not, upon Closing, be a "**Rail Carrier**" as that term is defined in 49 U.S.C. Section 10102(5) on the Line, provided that the Short Line Operator shall file its Notice or Petition for Exemption under 49 U.S.C. 10502 with the STB seeking an exemption from 49 U.S.C. 10902 permitting the Short Line Operator to acquire and operate the permanent exclusive freight operating easement. The Closing hereunder is also to be conditioned upon the Buyer, the Short Line Operator and/or the Seller, as applicable, obtaining from the STB all decisions necessary for the Short Line Operator to acquire and operate the freight operating easement on the Line, and for Seller to be satisfied that Seller has no further freight common carrier obligation on the Line or on Seller's trackage north of the Line, whether through abandonment or change of the status of Seller's trackage north of the Line from mainline to spur trackage, and for the Buyer that consummation of the transactions contemplated by this Agreement shall not make Buyer a Rail Carrier on the Line. Buyer and Seller shall cooperate with any reasonable request made by Buyer, Seller or Short Line Operator in connection with the filings to be made with the STB in connection with this transaction. If any person objects at the STB to any or all of the filings made by the parties hereto or the decisions of the STB related to such filings, Buyer and Seller shall coordinate with the Short Line Operator and undertake commercially reasonable efforts to satisfy and overcome any and all such objections of any such persons in order to obtain the above-referenced decisions sought by the parties from the STB. If applicable, Buyer shall not file a Statement of Willingness to Assume Financial Responsibility or make an Offer of Financial Assistance in connection with Seller's abandonment of, or change in status of, such trackage north of the Property, and any transaction between Buyer and Seller for Seller's property north of the Property shall be an arms length transaction outside of STB jurisdiction or proceedings.

6.8.3 In the event the STB determines prior to the Closing Date that it has jurisdiction over the transactions contemplated by this Agreement and imposes a material adverse condition (such as labor protection) on Seller, and Buyer does not agree to meet such condition or to indemnify Seller for the costs and expenses of meeting such condition (or does not reasonably demonstrate its ability to meet such condition(s) or to indemnify Seller), then Seller shall have the right to terminate this Agreement by providing written notice thereof to Buyer prior to Closing. In the event of such termination by Seller, neither party shall have any further rights or obligations under this Agreement, except for the Surviving Obligations.

6.9 No Litigation. No court or agency shall have issued a legally binding order restraining the consummation of the transactions contemplated by this Agreement, and no litigation materially affecting the Property shall have been commenced.

6.10 Satisfaction or Waiver of Right of First Refusal. Seller shall have satisfied the requirements of the right of first refusal held by Santa Cruz Big Trees & Pacific Railway Company ("Big Trees"), which right of first refusal is memorialized in the Memorandum of Right of First Refusal Agreement, recorded in the Official Records of Santa Cruz County in Book 3877, Page 97. Big Trees either shall have failed to exercise its right to acquire the Property, or shall have expressly waived its right of first refusal. Satisfaction or waiver of said right of first refusal shall be evidenced by the Title Company's issuance of a title insurance policy pursuant to Section 6.1.2 that does not include said right of first refusal as an exception to title.

6.11 Hazardous Materials Insurance. Buyer shall have obtained a commitment for hazardous materials insurance coverage acceptable to Buyer.

## ARTICLE VII – SELLER'S CONDITIONS TO CLOSING

The following are conditions precedent to Seller's obligation to sell the Property:

7.1 Seller's Management Approval. The terms and conditions of this transaction will have been approved in accordance with Seller's Management Policy Statement. Notice of approval or disapproval shall be given by Seller to Buyer on or before ten (10) business days after the execution of this Agreement by both parties and failure to give such notice within said time period will be deemed notice of disapproval. In the event, within said time period, the terms of this Agreement are not approved in accordance with Seller's Management Policy Statement for any reason whatsoever (except for Buyer's default or a termination of this Agreement by Buyer), this Agreement will be deemed terminated forthwith. If this Agreement is terminated pursuant to the foregoing provisions of this Section 7.1, Seller will pay the Cost of Cancellation of the Escrow, and neither party will have any further rights or obligations under this Agreement (except for the Surviving Obligations).

7.2 Compliance by Buyer. Buyer will have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Buyer.

7.3 Seller's Approval of Settlement Statement. Seller will have approved Seller's settlement statement.

7.4 Short Line Operator. The conditions of Section 6.8 of this Agreement shall have been satisfied.

7.5 Financing. The conditions of Section 6.6 of this Agreement shall have been satisfied.

7.6 Labor Issues. Seller will have assured itself, in its sole discretion, that the sale of the Line to Buyer will not result in a work stoppage on Seller or any of its affiliate's lines of railroad, and that there are no other labor issues which might jeopardize the anticipated benefits to Seller of the sale of the Line.

7.7 No Litigation. No court or agency shall have issued a legally binding order restraining the consummation of the transactions contemplated by this Agreement, and no litigation materially affecting the Property shall have been commenced.

7.8 Satisfaction or Waiver of Right of First Refusal. The conditions of Section 6.10 of this Agreement shall have been satisfied.

#### **ARTICLE VIII – OPENING AND CLOSING OF ESCROW**

8.1 Opening of Escrow and Escrow Instructions. Upon execution of this Agreement, the parties shall deposit one executed counterpart of this Agreement with Escrow Holder and this instrument will serve as the instructions to Escrow Holder for consummation of the purchase and sale contemplated hereby, including Escrow Holder's general provisions which are contained in **Exhibit F** attached hereto to the extent said general provisions do not conflict with the provisions contained in this Agreement. Escrow Holder shall insert the date of the Opening of Escrow on the upper right hand corner of the first page of this Agreement on each counterpart. The "**Opening of Escrow**" is the date upon which Escrow Holder has received executed counterparts of this Agreement from both Buyer and Seller. Escrow Holder is only responsible for undertaking such matters in connection with the Closing as are specifically provided for herein or in any additional or supplementary escrow instructions delivered by the parties. If the Opening of Escrow has not occurred within five (5) business days after the Execution Date, this Agreement, and the terms and conditions contained herein, will be null and void and of no further force and effect.

#### 8.2 Closing.

8.2.1 Closing Date. The consummation of the transaction contemplated by this Agreement and recording of the Deed (the "**Closing**" or "**Close of Escrow**") will occur and delivery of all items to be made at the Closing under the terms of this Agreement will be made on or before November 12, 2010 (the "**Closing Date**").

8.2.2 Preclosing Conditions. Neither party will have any obligation to Close on the Property unless each and every condition set forth in Sections 8.3 and 8.4 below has occurred on or before the Closing Date. Provided that (a) Escrow Holder can comply with these



instructions, (b) Escrow Holder has received the deliveries described in Sections 8.3 and 8.4 below, (c) Escrow Holder has not received prior written notice from a party that any condition to such party's obligations has not been fulfilled, (d) Buyer has not elected to terminate its rights and obligations hereunder pursuant to Article IV or Article VI, (e) Seller has not elected to terminate its rights and obligations hereunder pursuant to Article IV or Article VII, and (f) the Title Company has issued or is unconditionally prepared to issue to Buyer, as of the Closing Date, the Title Policy, then Escrow Holder is authorized and instructed to: (i) record the Deed, (ii) deliver the Purchase Price to Seller, as adjusted pursuant to the approved settlement statements, (iii) deliver a conformed copy of the recorded Deed and fully executed counterparts of all other closing documents to Buyer and Seller, and (iv) deliver the settlement statements to Buyer and Seller in accordance with Section 8.2.4 below.

**8.2.3 Failure to Close.** If the Closing does not occur on or before the Closing Date, then either party not then in default may elect to terminate this Agreement and cancel Escrow by giving written notice of such termination and cancellation to the other party and to Escrow Holder. In the event of such termination and cancellation, neither party will have any further obligations hereunder (other than the Surviving Obligations) and all documents and other instruments must be returned to the party depositing the same into Escrow. In the event neither party is in default, then Buyer and Seller shall share equally the Cost of Cancellation of the Escrow. In the event only one of the parties hereto is in default or if this Agreement expressly so provides, then such defaulting party shall pay for the entire Cost of Cancellation of the Escrow. The termination of this Agreement and cancellation of Escrow, as provided herein, will be without prejudice to whatever legal rights, as said rights may be limited by the terms contained in this Agreement, that Buyer or Seller may have against each other arising out of this Agreement and the Escrow. If neither party so elects to terminate this Agreement and cancel Escrow, Escrow Holder shall close the Escrow as soon as possible.

**8.2.4 Notification: Settlement Statements.** If Escrow Holder cannot comply with the instructions herein and to be provided, Escrow Holder is not authorized to cause the recording of the Deed or close this Escrow. If Escrow Holder is unable to cause the recording of the Deed, Escrow Holder shall notify Rick Gooch at (415) 439-5345 and Luis Mendez at (831) 460-3212, without delay. If Escrow Holder is able to comply with the instructions herein and to be provided, at the Closing Escrow Holder shall deliver to Seller a true, correct and complete copy of the Seller's settlement statement, and shall deliver to Buyer at the Closing a true, correct and complete copy of Buyer's settlement statement.

**8.3 Deliveries by Seller.** Not later than one business day prior to the Closing Date, Seller shall deposit with Escrow Holder the following items:

**8.3.1 Deed.** The Deed in the form of **Exhibit D** duly executed and acknowledged by Seller;

**8.3.2 Assignment.** The Assignment and Assumption Agreement in the form of **Exhibit E** duly executed by Seller, whereby Seller assigns to Buyer, and Buyer assumes, the Leases and Other Agreements (to the extent noted in **Exhibit E**);

8.3.3 Non-Foreign Status Certificate. A Non-Foreign Status Certificate pursuant to Internal Revenue Code Section 1445 duly executed by Seller in the form of **Exhibit G**;

8.3.4 California Form 593-C. California Form 593-C duly executed by Seller in the form of **Exhibit H**;

8.3.5 Bill of Sale. The Bill of Sale duly executed by Seller in the form of **Exhibit B** attached hereto; and

8.3.6 Other Documents. Any other documents, instruments, data, records, correspondence or agreements reasonably necessary for the Closing which have not previously been delivered.

8.4 Deliveries by Buyer. Not later than one business day prior to the Closing Date, Buyer shall deposit with Escrow Holder the following items:

8.4.1 Purchase Price. Immediately available funds in an amount sufficient to satisfy Buyer's obligations under this Agreement, including payment of the Purchase Price, payment of those costs described in Sections 8.6, 8.7 and 8.8 below, and any other amounts included in Buyer's approved settlement statement;

8.4.2 Deed. An executed acceptance of the Deed;

8.4.3 Assignment. The Assignment and Assumption Agreement described in Section 8.3.2 above, duly executed by Buyer;

8.4.4 Tax Letter. A threat of condemnation letter in the form attached hereto as **Exhibit J**; and

8.4.5 Other Documents. Any other documents, instruments, data, records, correspondence or agreements reasonably necessary for the Closing which have not been previously delivered.

8.5 Other Instruments. Seller and Buyer shall each deposit such other instruments and take such other actions as are reasonably required by Escrow Holder or otherwise required to close the Escrow and consummate the purchase of the Property in accordance with the terms of this Agreement.

8.6 Prorations. All revenues and expenses of the Property, including, without limitation, real property taxes, special taxes, assessments and utility fees and/or deposits, and rentals under the Lease(s), will be prorated and apportioned between Buyer and Seller as of the Closing Date, so that Seller bears all expenses with respect to the Property and has the benefit of all income with respect to the Property through and including the Closing Date. Seller and Buyer agree that any of the aforesaid prorations which cannot be calculated accurately as of the Closing Date will be prorated on the basis of the parties' reasonable estimates.

8.7 Special Taxes, Bonds or Assessments. If, at the time of Closing, any portion of the Property is affected by an assessment or other charge, whether for taxes or bonds, or interest thereon, which is or may become payable in installments, and an installment payment of such assessment is then a lien, then such installment will be prorated as the Closing Date. All installments not then yet due whether or not the same have been prepaid will not be prorated and Buyer shall assume such bonds or assessments. Any prepaid assessments made in advance of its due date will be credited to Seller. In addition, Buyer shall assume any and all future bonds, assessments, special taxes, fees or charges applicable to the Property for liabilities now or hereafter imposed by any governmental authority (collectively referred to as “**Governmental Requirements**”) including, without limitation, any such Governmental Requirements imposed by Santa Cruz County or any municipality with jurisdiction over a portion of the Property, and those for (a) common area improvements, whether or not specifically set forth in this Agreement, (b) local assessment or improvement districts, (c) any special tax assessments, (d) traffic mitigation improvements (e) park and recreation fees, and/or (f) any other public facility infrastructure or traffic mitigation required or imposed by Santa Cruz County or any municipality with jurisdiction over a portion of the Property. Buyer shall assume all such bonds or future assessments without offset or adjustment.

8.8 Costs and Expenses. Notwithstanding any other allocation of costs and expenses set forth in this Agreement that applies in the event the Closing does not occur, the costs and expenses of Escrow upon Close of Escrow will be allocated as follows: Buyer shall pay the premium for the Title Policy and the cost of any documentary or other transfer taxes applicable to the sale. Buyer shall pay all other closing costs, except that Buyer and Seller shall share equally the charges of the Escrow Holder.

8.9 Disbursement of Funds. On the Close of Escrow, Escrow Holder shall disburse the full amount due to Seller pursuant to the settlement statement in immediately available funds, and, unless otherwise instructed by Seller, Escrow Holder shall cause such funds to be sent by wire transfer as follows:

US Bank  
Omaha, Nebraska 68102  
ABA Routing #104000029  
For Credit Union Pacific Railroad Company  
Account No. 148744571164

Such funds are to be wired on or before 11:00 a.m. Central Daylight Time on such date in order that such funds may be received by Seller on the Close of Escrow; provided, however, that if such funds cannot be wired to Seller on the Close of Escrow, Escrow Holder shall, unless otherwise directed in writing by Seller, invest the funds overnight in an interest-bearing account.

8.10 Delivery of Documents. Upon the Close of Escrow, Escrow Holder shall promptly deliver all instruments and documents to such party’s attorney specified in Section 12.9. Escrow Holder shall promptly deliver to the party entitled thereto the recorded originals of such instruments or documents upon Escrow Holder’s receipt of the same.

## ARTICLE IX – REPRESENTATIONS, WARRANTIES AND COVENANTS

9.1 Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as of the date of this Agreement, as follows:

9.1.1 Organization. Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware and qualified to do business in California and has the authority to own and convey the Property.

9.1.2 Enforceability. This Agreement and all documents executed by Seller which are to be delivered to Buyer at the Closing are intended, provided Buyer has duly executed those documents requiring Buyer's signature, to be legal, valid, and binding obligations of Seller, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

9.1.3 Litigation; Condemnation. Except as disclosed on Exhibit C or noted in Section 9.1.5 below, Seller has no actual, current knowledge of receiving any written notice of any pending actions, suits, proceedings, governmental investigations (including environmental investigations) or claims, or of any judgments, orders or decrees entered in any lawsuits or governmental proceedings against or involving the Property (including, without limitation, any condemnation or eminent domain proceedings).

9.1.4 Senior Rights. To Seller's actual knowledge, no tenant or other third party has any agreement or right granted by Seller to purchase all or any part of the Property that is senior to Buyer's rights hereunder, except for the right of first refusal granted to Big Trees (as evidenced by that certain Memorandum of Right of First Refusal Agreement, recorded in the Official Records of Santa Cruz County in Book 3877, Page 97).

9.1.5 Violations of Law. Except as set forth in the following sentence or disclosed on Exhibit C, Seller has no actual knowledge that Seller has received any written notice from any governmental entity or representative thereof of any violation of any applicable law, ordinance, rule, regulation or requirement of any governmental agency relating to the Property. There is petroleum contamination on the Property originating from Granite Construction's facility located at 580 W. Beach St., Watsonville, CA. Seller has notified Granite Construction of the contamination by letter dated October 23, 2009. Buyer acknowledges its receipt of a copy of said letter.

9.1.6 Hazardous Materials. Except as stated in Sections 4.1 and 9.1.5 of this Agreement, Seller has no actual knowledge of (a) any material release of a Hazardous Material, as defined below, on or beneath the Property; (b) receipt of any written governmental notice that any of the Property is in violation, in any material respect, under any law, or other governmental or judicial requirement, relating to Hazardous Materials; (c) any existing, pending or threatened investigation by any governmental authority under or in connection with any law, or other governmental or judicial requirement, relating to Hazardous Materials; or (d) environmental assessment reports concerning the Property other than those prepared by Buyer.

As used in this Section 9.1, the term "Hazardous Materials" shall mean any hazardous or toxic substance, material or waste regulated by or subject to any local governmental authority, any agency of the State of California, or any other agency of the United States Government, including, without limitation, any material or substance which is (A) defined as a "hazardous waste", "extremely hazardous waste", "restricted hazardous waste", "hazardous substance", "hazardous material", "toxic material" or "toxic substance" under any federal, state or local governmental rule, regulation, ordinance, statute or act; (B) petroleum and any petroleum by-products; (C) asbestos; (D) urea-formaldehyde foam insulation; or (E) polychlorinated biphenol.

9.1.7 No Material Noncompliance with Leases and Other Agreements. To Seller's actual knowledge, except as disclosed in the Property Materials, there is no outstanding material noncompliance with Seller's obligations under the Leases and Other Agreements.

9.1.8 Seller's Knowledge. The term "Seller's actual knowledge" as used in this Section 9.1 means and is limited to the actual (not constructive) knowledge of Richard L. Gooch, Director-Special Properties, Jerry Wilmoth, General Manager-Network Infrastructure, James Levy, Program Manager-Site Remediation of Seller, Chris Goble, General Director - Real Estate, James Diel, Manager Environmental Site Remediation, and Tanya Spratt, Manager - Real Estate Sales, without any duty to make any investigation or inquiry.

9.2 Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller as of the date of this Agreement, as follows:

9.2.1 Organization. Buyer is a public agency, duly organized, validly existing and in good standing under the laws of the State of California, with full power and authority to enter into and comply with the terms of this Agreement.

9.2.2 Enforceability. This Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing are intended, provided Seller has duly executed those documents requiring Seller's signature, to be legal, valid, and binding obligations of Buyer, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

9.3 Survival. The foregoing representations and warranties of Seller and Buyer shall survive the Close of Escrow.

9.4 Covenants of Seller.

9.4.1 No Compensation Claims. Seller acknowledges and agrees that it has offered to sell the Property to Buyer and that it is not entitled to any claims related to the acquisition and development of real property by a governmental agency, including without limitation, just compensation claims, takings claims, constitutional claims, nor claims for assistance under the provisions of the Uniform Relocation Assistance and Real Easement Property Acquisition Policies Act (42 U.S.C. § 4601, *et seq.*), the California Relocation Assistance Act (California Government Code § 7260, *et seq.*) or any other federal, state or local law, ordinance or regulation requiring the provision of relocation assistance to persons displaced

by action of public agencies by reason of the transactions contemplated by this Agreement (collectively, "Compensation Claims"). Seller further acknowledges and agrees that the transaction contemplated by this Agreement is intended to settle all Compensation Claims for this transaction.

9.4.2 Leases, Licenses, and Other Agreements. Prior to the Closing Date, Seller shall not enter into any new lease, license, or other agreement affecting the Property, or modify any existing such lease, license, or other agreement, in any material way adverse to Buyer's intended use of the Property without Buyer's prior written consent, which consent shall not be unreasonably withheld.

9.4.3 Encumbrances. Prior to the Closing Date, Seller shall not encumber any part of the Property, or otherwise materially impair (except as otherwise contemplated by or permitted under this Agreement) the state of title to the Property.

9.4.4 Cooperative Marketing Agreement and Interchange Agreement. If requested by Buyer, Seller will enter into a Cooperative Marketing Agreement and Interchange Agreement with Buyer or Buyer's designee. The terms and conditions of such Cooperative Marketing Agreement and Interchange Agreement shall be in accordance with the then standard Seller form of such agreements and shall follow all then applicable laws, regulations and standards including, but not limited to, all applicable FRA, STB and AAR laws, regulations and standards, provided, however, that commercial terms covering division of revenues and expenses for serving shippers on the Line ("Commercial Terms") shall be substantially equivalent to the Commercial Terms that would then be applicable to the Short Line Operator if the Short Line Operator continued to operate on the Line.

9.5 Accuracy of Representations and Warranties as of Closing. All representations and warranties by the respective parties contained herein are intended to remain true and correct as of the Closing, and are deemed to be restated at Closing except with respect to variances of which written notice are given as provided below in this Section. If a party (or Seller's Representative(s), in the case of the representations limited to the knowledge of such persons) has knowledge that a representation and warranty in this Article IX is no longer true, such party shall immediately give the other party written notice of such variance. The party benefited by the representation and warranty may elect to terminate this Agreement, or may waive the variance by giving the other party written notice of such election (i) within ten (10) days after such written notice of variance is given or (ii) prior to Closing in the event such notice is given within ten (10) days of Closing. If the benefited party does not give timely notice of termination or waiver, then the benefited party will be deemed to have waived the variance. If this Agreement is terminated pursuant to this Section, neither party shall have any further rights or obligations under this Agreement except for the Surviving Obligations.

9.6 Mutual Representations and Covenants, Brokers and Finders. Each party is responsible for all broker's fees or other commissions payable to any broker or any other person engaged by it in connection with the transaction contemplated hereby. No broker's fee, finder's fee, commission or similar compensation will be paid to principals of Buyer or Seller in connection with this Agreement. In the event of a claim for broker's fee, finder's fee,

commission or other similar compensation in connection herewith other than as set forth above, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, agrees to indemnify and hold Seller harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Seller may sustain or incur by reason of such claim; and Seller, if such claim is based upon any agreement alleged to have been made by Seller, agrees to indemnify and hold Buyer harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Buyer may sustain or incur by reason of such claim. The provisions of this section will survive the Close of Escrow or termination of this Agreement.

9.7 Freight Operations. At Closing, Seller will transfer the freight rail operations on the Line to the Short Line Operator.

## ARTICLE X – CONDEMNATION AND CASUALTY

10.1 Condemnation. If, prior to the Close of Escrow, a governmental agency other than Buyer commences or imminently threatens in writing to commence any eminent domain proceedings to take any material portion of the Property that would adversely affect Buyer's ability to use the Property for rail operations or other transportation purposes, Buyer and Seller each will have the unilateral right, exercisable by giving notice of such decision to the other party within thirty (30) days after receiving written notice of such actual or threatened condemnation proceedings (but before the Closing Date), to terminate this Agreement, in which case Buyer and Seller each shall pay one-half of the Cost of Cancellation of the Escrow and neither party will have any further rights or obligations under this Agreement (other than the Surviving Obligations). If neither party elects to terminate pursuant to this Section 10.1, the net proceeds of condemnation awards payable to Seller by reason of such condemnation will be paid or assigned to Buyer upon the Close of Escrow.

10.2 Casualty. If, before the Close of Escrow, the Property is damaged by fire, flood, earthquake or other insured casualty to a material degree, that is, if the cost of restoration of the damaged Property exceeds One Hundred Thousand Dollars (\$100,000), Buyer will have the option either to (a) elect not to acquire the Property, in which case this Agreement will terminate, and the parties will be relieved of all further rights and obligations with respect thereto or (b) acquire the Property, subject to such casualty, without adjustment in the Purchase Price and otherwise in accordance with the terms and provisions of this Agreement, but Buyer will be entitled to all insurance proceeds paid by an insurer on account of such casualty which would otherwise accrue to Seller as compensation for losses to the Property. Buyer shall give written notice to Seller of any election pursuant to this Section 10.2 within thirty (30) business days following receipt by Buyer of any written notice of such casualty. Failure of Buyer to make such election within said period will be deemed an election to proceed to purchase the Property pursuant to clause (b) above. If, before the Close of Escrow, the Property suffers a casualty other than to an extent entitling Buyer to elect not to acquire the Property pursuant to this Section 10.2, Buyer shall Close the transaction contemplated by this Agreement in accordance with the terms hereof as though such casualty had not occurred, except that Seller shall, at Closing, pay or assign to Buyer any net insurance proceeds paid or payable to Seller in respect thereof. Risk of physical loss to the Property on and after the Closing shall be borne by Buyer.

## ARTICLE XI – LABOR PROTECTION

11.1 Seller's Responsibilities. Seller is solely responsible for all of its obligations to its employees, whether represented or not represented, including such obligations arising out of any federal or state labor law or regulation and all collective bargaining agreements between Seller and any third party. Seller is solely responsible, at its expense, for resolution of any claims or grievances asserted against it and Buyer with respect to Seller's employees, whether represented or not represented, including claims or grievances asserted pursuant to collective bargaining agreements or otherwise. Buyer does not assume any obligation to Seller's employees or any obligation arising from any collective bargaining agreements between Seller and any third party.

11.2 Buyer's Responsibilities. Buyer is solely responsible for all of its obligations to its employees, whether represented or not represented, including such obligations arising out of any federal or state labor law or regulation and all collective bargaining agreements between Buyer and any third party. Buyer is solely responsible, at its expense, for resolution of any claims or grievances asserted against it and Seller with respect to Buyer's employees, whether represented or not represented, including claims or grievances asserted pursuant to collective bargaining agreements or otherwise. Seller does not assume any obligation to Buyer's employees or any obligation arising from any collective bargaining agreements between Buyer and any third party.

11.3 Indemnity. Each party shall indemnify, defend and hold harmless the other party from and against any and all claims, losses, fines, assessments and other damages suffered by the other party arising from obligations assumed by the indemnifying party pursuant to this Article XI.

## ARTICLE XII – MISCELLANEOUS

12.1 Agreement Expenses. The parties agree to bear their respective expenses, incurred or to be incurred in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

12.2 Satisfaction or Waiver of Contingencies. The consummation of the Closing will be conclusive evidence that the contingencies and conditions to Closing have been fully satisfied or waived.

12.3 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. Buyer's interest under this Agreement may not be assigned, encumbered or otherwise transferred, whether voluntarily, involuntarily, by operation of law or otherwise. Any assignment, encumbrance or other transfer in violation of the foregoing will be void and Buyer will be deemed in default hereunder.

12.4 Parties in Interest. Except as expressly provided in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the



obligation or liability of any third persons to any party to this Agreement, nor will any provision give any third persons any right to subrogation or action against any party to this Agreement.

12.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior or contemporaneous oral or written agreements, representations, statements, documents, or understandings of the parties.

12.6 Amendment. No supplement, modification, or amendment of this Agreement will be binding unless executed in writing by the party to be bound.

12.7 Waiver. No waiver of any of the provisions of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

12.8 Timeliness. Seller and Buyer acknowledge and agree that time is of the essence with respect to each and every term, condition, obligation and provision of this Agreement.

12.9 Notices. Any notice or other communication required or permitted to be given under this Agreement (“Notices”) must be in writing and must be (a) personally delivered; (b) delivered by a reputable overnight courier; or (c) delivered by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid. Telecopy notices are valid only to the extent they are (i) actually received by the individual to whom addressed and (ii) followed by delivery of actual notice in the manner described above within three business days thereafter. Notices will be deemed received at the earlier of actual receipt or (a) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (b) three business days following deposit in the U.S. Mail, as evidenced by a return receipt. Notices must be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other in the manner described above:

If to Seller:                   UNION PACIFIC RAILROAD COMPANY  
   ATTN: Richard L. Gooch  
   50 California Street, Suite 1563  
   San Francisco, CA 94111  
   Telephone: 415-439-5345  
   Facsimile: 402-997-3014

with copy to:                   UNION PACIFIC RAILROAD COMPANY  
   ATTN: Patrick McGill, Senior Counsel-Real Estate  
   1400 Douglas Street, Mail Stop 1580  
   Omaha, Nebraska 68179  
   Telephone: (402) 544-5761  
   Facsimile: (402) 997-3603

If to Buyer: SANTA CRUZ COUNTY REGIONAL TRANSPORTATION  
COMMISSION  
Attn: Luis Mendez  
1523 Pacific Avenue  
Santa Cruz, CA 95060  
Telephone: (831) 460-3212  
Facsimile: (831) 460-3215

with copy to: MILLER, OWEN & TROST  
Attn: Kirk E. Trost  
428 J Street, Suite 400  
Sacramento, CA 95814  
Telephone: (916) 447-7933  
Facsimile: (916) 447-5195

12.10 Governing Law and Venue. This Agreement is to be construed in accordance with, and governed by, the laws of the State of California and any action or proceeding, including arbitration, brought by any party, shall be brought in Santa Cruz County, CA, or in an adjacent county.

12.11 Effect of Headings. The headings of the paragraphs of this Agreement are included for purposes of convenience only, and will not affect the construction or interpretation of any of its provisions.

12.12 Intentionally Omitted.

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

12.14 Number and Gender. When required by the context of this Agreement, each number (singular and plural) will include all numbers, and each gender will include all genders.

12.15 Joint and Several Liability. In the event either party hereto now or hereafter consists of more than one person, firm, or corporation, then and in such event, all such persons, firms, or corporations will be jointly and severally liable as parties under this Agreement.

12.16 Recording. Neither party may record this Agreement or any memorandum thereof.

12.17 Further Assurances. Each party to this Agreement agrees to execute, acknowledge, and deliver such further instruments as may be necessary or desirable to accomplish the intent and purpose of this Agreement, provided that the party requesting such further action bears all costs and expenses related thereto.

12.18 Advice of Professionals. Each party has had the opportunity to be advised by legal counsel and other professionals in connection with this Agreement, and each party has obtained such advice as each party deems appropriate.

12.19 Negotiated Terms. The parties agree that the terms and conditions of this Agreement are the result of negotiations between the parties and that this Agreement will not be construed in favor of or against any party by reason of the extent to which any party or its professionals participated in the preparation of this Agreement.

12.20 Recitals and Exhibits. The recitals and contents of all Exhibits to this Agreement are incorporated by reference and constitute a material part of this Agreement.

12.21 Professional Fees and Costs. If any legal or equitable action, arbitration, bankruptcy, reorganization, or other proceeding, whether on the merits, application, or motion, are brought or undertaken, or an attorney retained, to enforce this Agreement or any closing document, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement or any closing document, then the successful or prevailing party or parties in such undertaking (or the party that would prevail if an action were brought) will be entitled to recover reasonable attorneys' and other professional fees, expert witness fees, court costs and other expenses incurred in such action, proceeding, or discussions, in addition to any other relief to which such party may be entitled. The parties intend this provision to be given the most liberal construction possible and to apply to any circumstances in which such party reasonably incurs expenses. The provisions of this Section will survive the Close of Escrow or the termination of this Agreement.

12.22 Confidentiality. The Parties hereby incorporate by reference the confidentiality provisions of the following agreements between the parties: (a) Right of Entry Agreement dated January 17, 2005, as amended on January 5, 2006, as amended on December 15, 2008, as amended on February 23, 2009, and March 25, 2009; and (b) Confidentiality Agreement dated June 1, 2005.

12.23 Not an Offer. The submission of this Agreement to Buyer for review or signature does not constitute an offer to sell the Property to Buyer or the granting of an option or other rights with respect to the Property to Buyer. No agreement with respect to the purchase and sale of the Property will exist, and this writing will have no binding force or effect, until executed and delivered by both Seller and Buyer.

12.24 Severability. Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable will be invalid or unenforceable only to the extent of such determination, which will not invalidate or otherwise render ineffective any other provision of this Agreement.

12.25 Merger/Survival. Except as otherwise expressly provided herein, the covenants, representations and warranties of Buyer and Seller herein will merge into the Deed to be delivered by Seller to Buyer at Closing and will not survive the Close of Escrow. The following provisions will survive the Close of Escrow: Section 3.3, Article IV, Article IX, Article XI and 12.22.


12.26 Tax-Deferred Exchange. Seller may arrange for the exchange upon the Closing of Escrow of one or more parcels of property for the Property in order to effect a tax-deferred exchange within the meaning of Section 1031 of the Internal Revenue Code of 1986, as

amended, and comparable provisions of state statutes. Buyer agrees, at no cost to Buyer, to cooperate with Seller in connection with any such exchange. Such cooperation by Buyer shall include, but is not limited to, executing documents as reasonably may be required by Seller.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Execution Date.


**SELLER:**

**UNION PACIFIC RAILROAD COMPANY,  
a Delaware corporation**

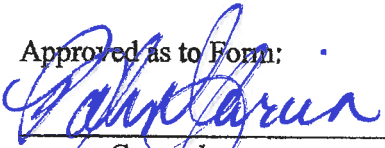
By:   
Title: DIRECTOR  
**SPECIAL PROPERTIES**

**BUYER:**

**SANTA CRUZ COUNTY REGIONAL  
TRANSPORTATION COMMISSION,  
a public agency created under California law**

By:   
Title: EXECUTIVE DIRECTOR

Approved as to Form:

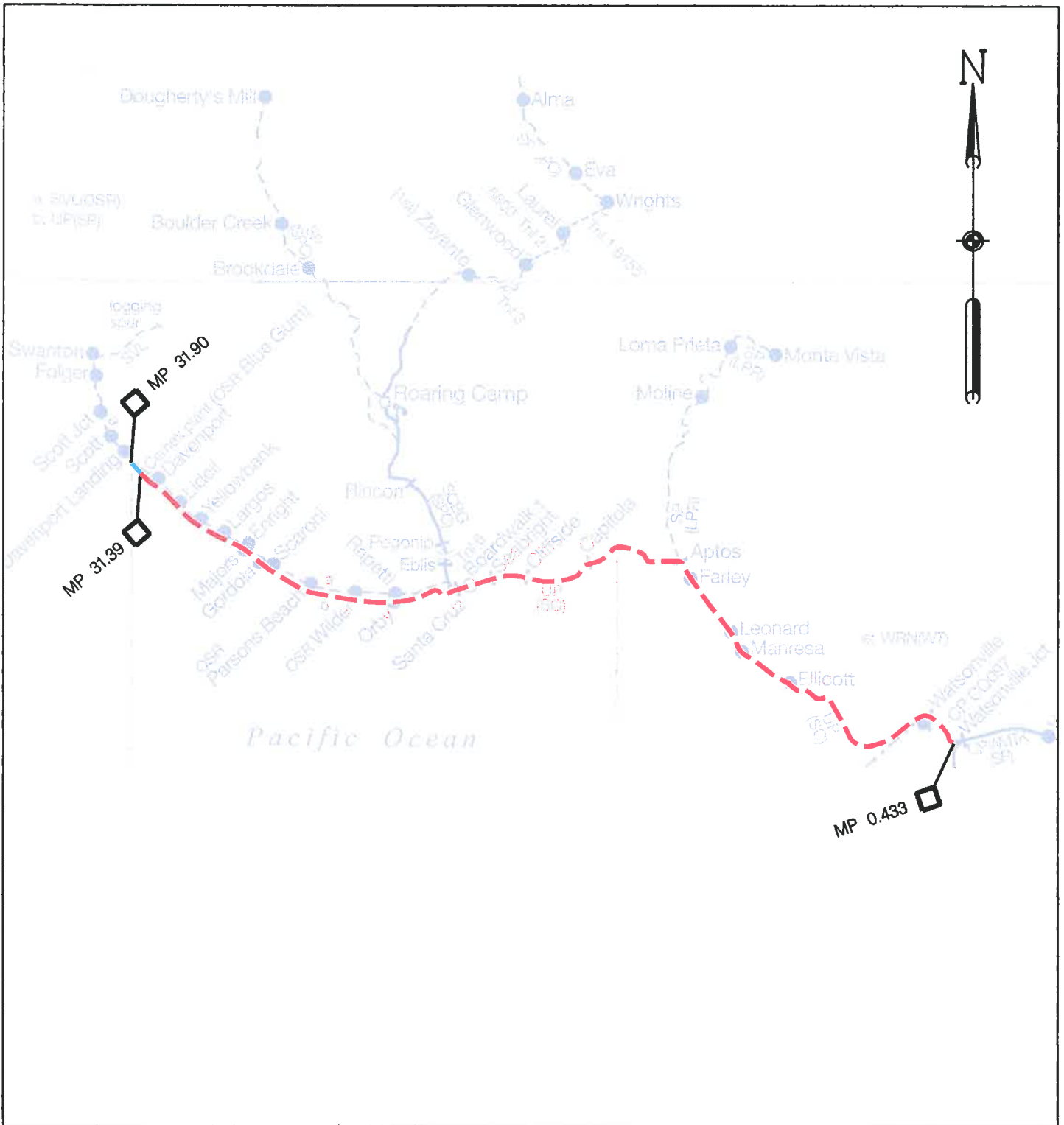
  
Counsel

THE UNDERSIGNED ESCROW HOLDER ACKNOWLEDGES ITS RECEIPT OF ONE EXECUTED COPY OF THIS AGREEMENT AND AGREES TO ACT IN ACCORDANCE THEREWITH.

**ESCROW HOLDER:**

**FIRST AMERICAN TITLE COMPANY**

By:   
Kimberleigh Toci, Escrow Officer



NOT TO SCALE

LEGEND

LINE SALE SHOWN  
MP 0.433 - 31.39 

RIGHT OF WAY LICIENCE  
MP 31.39 - 31.90 

EXHIBIT "A"  
**UNION PACIFIC RAILROAD CO.**

TO ACCOMPANY AGREEMENT WITH

WATSONVILLE JCT - DAVENPORT, CA.  
M.P. 0.433 - 31.90+- SANTA CRUZ SUB.  
SP CA V72 /1-6 & V89 /1-7

REAL ESTATE DEPARTMENT OMAHA NE.  
FILE #1728-03 DATE: 11-2-2009 T.D.A.

**EXHIBIT B**

**BILL OF SALE**

UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Seller"), for and in consideration of One Dollar (\$1.00) and other valuable consideration, does hereby sell, transfer and deliver to SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, a public agency created under California law ("Buyer"), its successors and assigns, all of Seller's right, title and interest in and to the following described personal property ("**Personal Property**"):

All rail improvements on the real property described in Schedule 1 attached hereto and hereby made a part hereof, including without limitation, rails, ties, ballast, signals, switches and trestles and other rail appurtenances.

SELLER, BY THIS INSTRUMENT, MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AND FURTHER MAKES NO WARRANTY AS TO THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING UNDERSTOOD THAT THE BUYER IS PURCHASING THE PERSONAL PROPERTY IN AN "AS IS" AND "WHERE IS" CONDITION WITH ALL FAULTS. BUYER AND SELLER AGREE TO SIGN **SCHEDULE 2** HERETO ATTACHED AND HEREBY MADE A PART HEREOF.

IN WITNESS WHEREOF, Seller and Buyer have each duly executed this instrument as of the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

**UNION PACIFIC RAILROAD COMPANY,  
a Delaware corporation**

By \_\_\_\_\_  
Title: \_\_\_\_\_

**SANTA CRUZ COUNTY REGIONAL  
TRANSPORTATION COMMISSION, a public  
agency created under California law**

By \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE 1 TO EXHIBIT B**

**LEGAL DESCRIPTION OF REAL PROPERTY**

**SCHEDULE 2 TO EXHIBIT B**

1. The attached **Attachment 1** contains consumer information concerning the proper handling and distribution of creosote pressure-treated wood.

2. Buyer shall provide information on the safe and proper handling of chemically treated ties to each person or company to whom it sells or otherwise conveys ties purchased hereunder. Such information shall include, but not be limited to, delivery to each and every worker and to all persons and companies of a copy of the MSDS Data Sheet Creosote PressureTreated Wood that is attached hereto and marked Attachment 1, in such translations and along with such other information as may be necessary, to allow such workers, persons and companies to understand and employ safe and proper methods of use, handling and disposal.

3. In addition to providing information, Buyer shall dispose of (and/or store if ties are removed and stored) any and all ties purchased hereunder in a safe manner and in accordance with all applicable federal, state and local laws and regulations and the lawful requirements of responsible government agencies.

4. Buyer shall require the same commitments by contract with any person or company to which it sells ties for resale which are purchased hereunder.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

**UNION PACIFIC RAILROAD COMPANY,  
a Delaware corporation**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**SANTA CRUZ COUNTY REGIONAL  
TRANSPORTATION COMMISSION,  
a public agency created under California law**

By: \_\_\_\_\_  
Title: \_\_\_\_\_



**MSDS DATA**

**CHEMICAL: Creosote Treated Wood  
UP-05323**

**General Information**

**File Name: UP-05323.msd**

**Prepared to U. S. OSHA, CMA, ANSI, and Canadian WHMIS Standards (1)**

- (1) **NOTE: all WHMIS required information is included. It is located in appropriate sections based on the ANSI Z400.1-1993 format.**

Information contained in this MSDS refers only to the specific material designated and does not relate to any process or to use with any other materials. This information is furnished free of charge and is based on data believed to be reliable as of the date hereof. It is intended for use by persons processing technical knowledge at their own discretion and risk. Since actual use is beyond our control, no guarantee, expressed or implied, and no liability is assumed by J.H. Baxter in conjunction with the use of this information. Nothing herein is to be construed as a recommendation to infringe any patents.

**PART I: What is the material and what do I need to know in an emergency?****1. PRODUCT IDENTIFICATION**

**TRADE NAME IS (as labeled):** Creosote Treated Wood

**CHEMICAL CLASS:** Treated Wood

**MANUFACTURER'S NAME:** J.H. Baxter  
**ADDRESS:** 1700 South El Camino Real  
San Mateo, CA 94401-0902

**EMERGENCY PHONE:** CHEMTREC: 1-800-424-9300

**BUSINESS PHONE:** 1-415-349-0201

**DATE OF PREPARATION:** June 14, 1994

**2. COMPOSITION & INFORMATION ON INGREDIENTS**

Chemical Name	CAS#	% w/w	Exposure Limits in Air	
			ACGIH	STEL
			TLV	mg/m3
Creosote	8001-58-9	<15	NE	NE
Wood	Not Applicable	>85	1 (hardwood)	10 (softwood)

Chemical Name	CAS #	% w/w	Exposure Limits in Air			
			OSHA PEL mg/m <sup>3</sup>	OSHA STEL mg/m <sup>3</sup>	OSHA IDLH	OTHER

Creosote

NE NE NE NIOSH REL: TWA 1 mg/m<sup>3</sup>

Wood

2.5 (Western Red Cedar)

10 (All woods except Western Red Cedar)

NE NE

5 (All other)

NE = Not Established

**3. HAZARD IDENTIFICATION**

EMERGENCY OVERVIEW:

This product consists of dark brown to black lumber or wood poles. It presents limited hazards in an emergency situation. Dusts from this product can be irritating to exposed tissue. It is a combustible material, which will decompose to produce acrid smoke and toxic gases (i.e. carbon monoxide and carbon dioxide).

HAZARDOUS MATERIAL INFORMATION SYSTEM:

HEALTH (BLUE)	1
FLAMMABILITY (RED)	1
REACTIVITY (YELLOW)	0
PROTECTIVE EQUIPMENT	
EYES	
RESPIRATORY:	SEE SECTION 8
HANDS	
BODY:	SEE SECTION 8

For machining wood products.

**SYMPTOMS OF OVER EXPOSURE BY ROUTE OF EXPOSURE:**

INHALATION:

Inhalation of finely divided dusts of this product may cause irritation of the nose, throat, and other tissues of the respiratory system.

CONTACT WITH SKIN OR EYES:

Dusts which may contaminate the eyes can cause irritation and scratching of eye tissues. Prolonged and/or repeated skin contact can cause mild irritation which

disappears after exposure ends. Coal tar products, such as the creosote, can react with sunlight to produce compounds which promote sunburns.

**SKIN ABSORPTION:**

There is currently no evidence that any component of this product absorbs into the skin.

**INGESTION:**

Ingestion of this product can irritate the mouth, throat, stomach, and other tissues of the digestive system. Symptoms of ingestion may include nausea, vomiting, and irritation.

**INJECTION:**

The only way injection of this material could occur is by wood splinters puncturing the skin. The main symptoms associated with such an exposure would be redness and irritation at the point of injection.

**HEALTH EFFECTS OR RISKS FROM EXPOSURE:**

An Explanation in Lay Terms.

**ACUTE:**

The main health hazard presented by this product would be irritation of contaminated tissues — especially the skin and eyes.

**CHRONIC:**

The symptoms of long-term exposure would be similar to those for acute exposure, described above. Additionally, some individuals can become sensitized to wood dusts and develop allergy-like symptoms upon repeated exposures. Studies have been conducted focusing on employees who routinely work with wood products. The International Agency for Research on Cancer reports that there is sufficient evidence that exposure to wood dust from hardwood species may lead to an increased risk of nasal/paranasal sinus cancer.

**PART II: What should I do if a hazardous situation occurs?**

**4. FIRST-AID MEASURES**

**SKIN EXPOSURE:**

Immediately begin cleansing affected area with running water. Remove exposure or contaminated clothing, taking care to not irritate the eyes.

EYE EXPOSURE:

Open victim's eyes while under gentle running water. Use sufficient force to open eye lids. Have victim "roll" eyes. Minimum flushing is for 15 minutes. Victims with wood splinters in the eye must receive immediate medical attention.

INHALATION:

Remove victim to fresh air. If necessary, use artificial respiration to support vital functions. Remove or cover gross contamination to avoid exposure to rescuers.

INGESTION:

CALL PHYSICIAN OR POISON CONTROL CENTER FOR MOST CURRENT INFORMATION. If professional advice is not available, do not induce vomiting.

Victims of chemical exposure must be taken for medical attention if signs of irritation or other symptoms develop. Rescuers should be taken for medical attention, if necessary. Take copy of label and MSDS to physician or health professional with victim.

**5. FIRE-FIGHTING MEASURES**

NFPA RANKING:              FLAMMABILITY 2  
   HEALTH 1  
   REACTIVITY 0

OTHER:

FLASH POINT, Deg. C (method):	Not Applicable.
AUTOIGNITION TEMPERATURE, Deg. C:	Not Applicable.
FLAMMABLE LIMITS (in air by volume, %):	Lower: Not available. Upper: Not available.
FIRE EXTINGUISHING MATERIALS:	Water Spray: YES Dry Chemical: YES Carbon Dioxide: YES Halon: NO Foam: YES Other: Any "A" Class.

UNUSUAL FIRE AND EXPLOSION HAZARDS:

This product is combustible. Dusts of this product may form explosive mixture with air. When involved in a fire, this material may decompose and produce irritating fumes and toxic gases (carbon monoxide and carbon dioxide).

Explosion Sensitivity to Mechanical Impact:	Not applicable.
Explosion Sensitivity to Static Discharge:	Not applicable.

#### SPECIAL FIRE FIGHTING PROCEDURES:

Incipient fire responders should wear eye protection. Structural fire fighters must wear self-contained breathing apparatus and full protective equipment.

### **6. ACCIDENTAL RELEASE MEASURES**

#### SPILL AND LEAK RESPONSE:

This product can not spill or leak because the chemicals are fixed in the wood. In the event of a release of dust or chips of this product, safety goggles, mechanically-resistant gloves, and coveralls should be worn by clean-up personnel. In particularly dusty areas, use a MSHA/NIOSH approved dustmask. Sweep-up or vacuum dust and chips. If necessary, rinse the area with soap and water.

### **PART III: How can I prevent hazardous situations from occurring?**

### **7. HANDLING & STORAGE**

#### WORK PRACTICES AND HYGIENE PRACTICES:

Avoid getting dusts ON YOU or IN YOU. Wash hands after handling this product. If work generates significant amounts of dust, shower and change clothes at the end of such operations. Do not eat or drink in areas where there are dusts of this product. Individuals prone to sunburns should wear sun screen (protection factor 15 or higher) when handling large quantities of this product or working in areas where there are significant quantities of product dust.

#### STORAGE AND HANDLING PRACTICES:

Keep in cool, dry place away from open flame. Avoid contaminating food, feed, and water with dusts of this product. Always, use this product in areas where adequate ventilation is provided.

#### PROTECTIVE PRACTICES DURING MAINTENANCE OF CONTAMINATED EQUIPMENT:

Follow practices indicated in Section 6 (Accidental Release Measures).

## 8. EXPOSURE CONTROLS - PERSONAL PROTECTION

### VENTILATION AND ENGINEERING CONTROLS:

Use with adequate ventilation. Use a mechanical fan or vent area to outside.

### RESPIRATORY PROTECTION:

If it is anticipated that the exposure limits for dust may be exceeded during work with this product, wear a MSHA/NIOSH approved dustmask.

### EYE PROTECTION:

Splash goggles or safety glasses.

### HAND PROTECTION:

Mechanically resistant gloves.

### BODY PROTECTION:

Use body protection appropriate for task (i.e. coveralls).

## 9. PHYSICAL & CHEMICAL PROPERTIES

### VAPOR DENSITY:

Not applicable.

### SPECIFIC GRAVITY:

Not available.

### SOLUBILITY IN WATER:

Insoluble.

### VAPOR PRESSURE:

mm Hg @ 20 Deg. C: Not applicable.

### EVAPORATION RATE:

(water=1): Not applicable.

### MELTING POINT or RANGE:

Not applicable.

**BOILING POINT:**

Not applicable.

**pH:**

Not applicable.

**APPEARANCE AND COLOR:**

Dark brown to black lumber or wood poles with tar-like odor.

**HOW TO DETECT THIS SUBSTANCE:**

(warning properties): There are no unusual warning properties associated with this product besides the tar-like odor.

**10. STABILITY & REACTIVITY**

**STABILITY:**

Stable.

**DECOMPOSITION PRODUCTS:**

Carbon monoxide, carbon dioxide and other toxic compounds will be released upon combustion of this product.

**MATERIALS WITH WHICH SUBSTANCE IS INCOMPATIBLE:**

This product is incompatible with strong oxidizing agents.

**HAZARDOUS POLYMERIZATION:**

Will not occur.

**CONDITIONS TO AVOID:**

Avoid contact with open flame and other sources of extreme high temperatures.  
Avoid contact with incompatible materials.

**PART IV: Is there any other useful information about this material?**

## 11. TOXICOLOGICAL INFORMATION

### TOXICITY DATA:

There is currently no toxicology information available on this product. The following information is available on creosote:

TDLo (oral, rat) = 52416 mg/kg; reproductive effects  
TDLo (skin, mouse) = 99 g/kg; carcinogenic effects  
LD50 (oral, rat) 755 mg/kg  
LD50 (oral, mouse) = 433 mg/kg  
LDLo (oral, dog) = 600 mg/kg  
LDLo (oral, cat) = 600 mg/kg  
LDLo (oral, rabbit) = 600 mg/kg

### SUSPECTED CANCER AGENT:

Creosote is listed in the NTP Fifth Annual Report on Carcinogens and as an IARC Group 2A Compound (probably carcinogenic to humans).

### IRRITANCY OF PRODUCT:

This product is slightly irritating to contaminated tissue.

### REPRODUCTIVE TOXICITY INFORMATION:

Listed below is information concerning the effects of this product and its components on the human reproductive system.

#### Mutagenicity:

While no data exists for the product, it is not expected to cause any fetal toxicity problems related to mutagenicity. Animal studies indicate some experimental mutagenic effects for creosote at relatively high doses.

#### Teratogenicity:

While no data exists for the product, it is not expected to cause any fetal toxicity problems related to teratogenicity.

#### Reproductive Toxicity:

While no data exists for the product, it is not expected to have an adverse effect on the male or female reproductive system or to cause any fetal toxicity problems. Animal studies indicate some experimental reproductive effects for creosote at relatively high doses.



**MEDICAL CONDITIONS AGGRAVATED BY EXPOSURE:**

Disorders involving the skin, eyes, liver, or respiratory tracts may be aggravated by occupational exposures to dusts of this product.

**RECOMMENDATIONS TO PHYSICIANS:**

Treat symptoms.

**12. ECOLOGICAL INFORMATION**

**ENVIRONMENTAL STABILITY:**

This product is treated so it will not decompose.

**EFFECT OF MATERIAL ON PLANTS OR ANIMALS:**

Do not use treated wood under circumstances where the preservative may become a component of food or animal feed. Examples of such sites would be structure or containers for storing silage of food.

**EFFECT OF CHEMICAL ON AQUATIC LIFE:**

There is currently no information available on this product's effects on aquatic life; however, it is anticipated that if large enough quantities of product dusts contaminate a water system, exposed aquatic life may experience adverse health effects.

**13. DISPOSAL CONSIDERATIONS**

**PREPARING WASTES FOR DISPOSAL:**

Waste disposal must be in accordance with appropriate Federal, State, and local regulations. Waste disposal must be done in accordance with Federal, State and local regulations.

**EPA WASTE NUMBER:**

Not applicable for wastes consisting only of this product.

**14. TRANSPORTATION INFORMATION**

**THIS MATERIAL IS NOT HAZARDOUS** as defined by 49 CFR 172.101 by the U.S. Department of Transportation.

**PROPER SHIPPING NAME:**

Not applicable.

HAZARD CLASS NUMBER & DESCRIPTION:

Not applicable.

UNIDENTIFICATION NUMBER:

Not applicable.

PACKING GROUP:

Not applicable.

DOT LABEL(S) REQUIRED:

Not applicable.

EMERGENCY RESPONSE GUIDE NUMBER:

Not applicable.

MARINE POLLUTANT:

Creosote is defined as a marine pollutant under 49 CFR 172.101, Appendix B; however, the creosote treated wood is not so defined.

CTC DANGEROUS GOODS SHIPPING REGULATIONS:

THIS MATERIAL IS NOT CONSIDERED AS DANGEROUS GOODS.

**15. REGULATORY INFORMATION (+++)**

NOTE: The regulatory information is provided on this sheet is for the creosote component contained in the treated wood. Chemical components of the treated wood are fixed into the wood and are not reportable under SARA or CERCLA.

SARA REPORTING REQUIREMENTS:

Creosote solution is subject to the reporting requirements of Section 313 of Title III of the Superfund Amendments and Reauthorization Act; however, the creosote treated wood is not.

TSCA INVENTORY STATUS:

The chemical in this product are listed on the TSCA Inventory.

CERCLA REPORTABLE QUANTITY

(RQ):Creosote = 1 pound.

**STATE REGULATORY INFORMATION:**

Chemicals in this product are covered under specific State regulations, as denoted below:

- Alaska - Designated Toxic and Hazardous Substances: None.
- California - Permissible Exposure Limits for Chemical Contaminants: None.
- Florida - Substance List: Creosote.
- Illinois - Toxic Substance List: None.
- Kansas - Section 302/313 List: None
- Massachusetts - Substance List: Creosote.
- Minnesota - List of Hazardous Substances: None.
- Missouri - Employer Information/Toxic Substance List: None.
- New Jersey - Right to Know Hazardous Substance List: None.
- North Dakota - List of Hazardous Chemicals, Reportable Quantities: Creosote.
- Pennsylvania - Hazardous Substance List: Creosote.
- Rhode Island - Hazardous Substance List: None.
- Texas - Hazardous Substance List: None.
- West Virginia - Hazardous Substance List: None.
- Wisconsin - Toxic and Hazardous Substances: None.

**CALIFORNIA PROPOSITION 65:**

Creosote is on the California Proposition 65 lists as a chemical known to the State of California to cause cancer.

**LABELING** (Precautionary Statements):

**CAUTION!** Dusts of this product can irritate the skin, eyes, nose, throat, on other tissues of the respiratory system. Dusts can also scratch the eyes, and splinters of this product can puncture the skin. Avoid contact with skin and eyes. Avoid breathing dust.

**TARGET ORGANS:**

(For Dusts of Product) Skin, Eyes, Respiratory System.

WHMIS SYMBOL:

Not applicable.

**16. OTHER INFORMATION**

PREPARED BY: CHEMICAL SAFETY ASSOCIATES, Inc.  
9163 Chesapeake Drive, San Diego, CA 92123-1002  
619/565-0302

DISTRIBUTED BY: Pennington Crossarm Co., Po Box 2236, Eugene, Or 97402

**MATERIAL SAFETY DATA SHEET**  
**Chemical: Pentachlorophenol Treated Wood**

**GENERAL INFORMATION**

**Chemical Name / Synonym / Trade Name:**

Pentachlorophenol Treated Wood

Pentachlorophenol Treated Wood (063191)

**Manufacturer Name:**

KOPPERS INDUSTRIES, INC.

**Chemical Family Name:**

**CAS Number:**

**DOT Classification:**

**NA Number:**

**UN Number:**

**MATERIAL SAFETY DATA SHEET**

**KOPPERS INDUSTRIES, INC.**

**436 SEVENTH AVENUE**

**PITTSBURGH, PA. 15219-1800**

**MEDICAL EMERGENCIES:**

1 800 553-5631

**OUTSIDE U.S.A.:**

412 227-2001

**GENERAL INFORMATION:**

412 227-2884

**CHEMTREC ASSISTANCE**

1 800 424-9300

**CANUTEC:**

1 613 996-6666

**Prepared By:**

Occupational Health and Product Safety Department

**REVISION DATE:**

06/91

**SPECIFICATION SHEET NUMBER:**

**COMMODITY NUMBER:**

00000034

**CODE NUMBER:**

WPR00097JU9109

**REPLACES SHEET:**

WPR00097JL8908

**SUPPLIER INFORMATION:**

Same as manufacturer.

**NOTICE:**

While the information and recommendations set forth herein are believed to be accurate as of the date hereof, Koppers Industries makes no warranty with respect thereto and disclaims all liability from reliance thereon.

## SECTION I — PRODUCT IDENTIFICATION

**PRODUCT NAME:** Pentachlorophenol Treated Wood  
**COMMODITY NUMBER:** 00000034  
**SYNONYM:** None  
**PRODUCT USE:** Treated Wood  
**CHEMICAL FAMILY:** NA  
**FORMULA:** Preserved Wood  
**CAS NUMBER:** None  
**DOT PROPER SHIPPING NAME:** None  
**DOT HAZARD CLASS:** None  
**UN/NA NUMBER:** None  
**CANADIAN PRODUCT CLASSIFICATION:** Exempted - wood product

## SECTION II—HEALTH/SAFETY ALERT

### CAUTION:

Handling may cause splinters.  
Preservative treatment may cause eye and skin irritation.  
Observe good hygiene and safety practices when handling this product.  
Do not use this product until MSDS has been read and understood.

### WARNING:

This product contains a chemical known to the state of California to cause cancer.  
Do not burn in open fires, stoves, fireplace or residential boilers.

## SECTION III - HEALTH HAZARD INFORMATION

**EYE:** Treated or untreated wood dust or preservative may cause irritation.  
**SKIN:** Prolonged and/or repeated direct contact with treated or untreated wood may cause mild, transient irritation. See Section XII for additional information.

**INHALATION:**

Finely divided wood dust, treated or untreated, may cause nose, throat or lung irritation and other respiratory effects. Preservative vapor may cause respiratory tract irritation. If exposed in a closed space, vapors may produce headache, drowsiness, and possible weakness and incoordination. See Section XII - COMMENTS.

**INGESTION:**

Eating treated sawdust may cause mouth, throat and stomach irritation. Nausea, vomiting and diarrhea can occur.

**SECTION IV - EMERGENCY AND FIRST AID PROCEDURES**

**EYE CONTACT:**

Gently flush any particles from the eye with large amounts of cold water. **DO NOT RUB EYES.** Flush with clean, cool water for 15 minutes.

**SKIN CONTACT:**

Rinse skin free of material with water to avoid abrasion of skin. **DO NOT RUB** until skin is free of material then wash thoroughly with soap and water.

**INHALATION:**

Remove from exposure. If breathing has stopped or is difficult, administer artificial respiration or oxygen as indicated. Seek medical aid.

**INGESTION:**

Wipe material from mouth and lips. If symptoms appear, seek medical aid.

**NOTE TO PHYSICIAN:**

There is no specific antidote for effects from overexposure to this material. Treatment should be directed at the control of symptoms and the clinical condition.

**SECTION V — FIRE AND EXPLOSION HAZARD INFORMATION**

**FLASH POINT & METHOD:**

NA

**AUTOIGNITION TEMP:**

NA

**FLAMMABLE LIMITS (% BY VOLUME/AIR):**

LOWER: NA

UPPER: NA

**TDG FLAMMABILITY CLASSIFICATION:** None

**EXTINGUISHING MEDIA:** Use water stream/spray/fog.

**FIRE-FIGHTING PROCEDURES:**

Wear complete fire service protective equipment, including full-face MSHA/NIOSH approved self-contained breathing apparatus. Use water to cool fire-exposed container/structure/protect personnel.

**FIRE AND EXPLOSION HAZARDS:**

Dust (powder) may form explosive mixture in air. When heated (fire conditions), vapors/decomposition products may be released forming flammable/explosive mixtures in air.

**SENSITIVITY TO MECHANICAL IMPACT:** ND

**SENSITIVITY TO STATIC DISCHARGE:** ND

**SECTION VI - SPILL, LEAK AND DISPOSAL INFORMATION**

**SPILL OR LEAK PROCEDURES (PRODUCT):** Not applicable

**WASTE DISPOSAL:**

Dispose of treated wood by ordinary trash collection or burial. Treated wood should not be burned in open fires or in stoves, fireplaces or residential boilers because toxic chemicals may be produced as part of the smoke and ashes. Treated wood from commercial or industrial use (e.g., construction sites) may be burned only in commercial or industrial incinerators or boilers in accordance with state and federal regulations.

**SECTION VII - RECOMMENDED EXPOSURE LIMIT/HAZARDOUS INGRED. EXPOSURE LIMIT (PRODUCT):**

(\*) (hard wood dust)

(\*\*) (soft wood dust)

(\*\*\*) Based on treatment at a level of 0.6 lbs/ft<sup>3</sup> and wood density of 36 lbs/ft<sup>3</sup> actual percentage may vary due to differences in wood stock treatment.

<b>HAZARDOUS INGREDIENTS</b>	<b>CAS NUMBER</b>	<b>%BY WT.</b>	<b>EXPOSURE LIMIT (PPM;MG/M3)</b>
Pentachlorophenol	87-86-5	<0.01	ACGIH-TWA - 0.5skin OSHA-PEL - 0.5skin OSHA-TWA - 0.5



Fuel Oil	68476-34-6	<0.02	ACGIH-TWA -	5
			ACGIH-STEL -	10
Wood		>99.9	ACGIH-TWA -	1(*)
			-	5(**)
			ACGIH-STEL -	10(**)

SARA TITLE III SECTION 313 CHEMICALS  
(SEE SECTION VII FOR CAS NUMBERS AND PERCENTAGES)  
Pentachlorophenol

## SECTION VIII - PERSONAL PROTECTION INFORMATION

### EYE PROTECTION:

Industrial safety glasses, minimum. As necessary to comply with 29 CFR 1910.133 and work area conditions: use side shields, goggles or face shield. When power-sawing and machining, wear goggles.

### SKIN PROTECTION:

Industrial resistant heavy duty-type flexible gloves required for prolonged or frequent contact. For dusty operations (areas) wear necessary resistant protective apparel to include required head, hand and safety-type footwear items. Wear tightly woven coveralls or long sleeved shirts and long pants.

### RESPIRATORY PROTECTION:

When existing conditions, OSHA regulations, and manufacturer "Instructions" and "Warnings" permit, Organic vapor/acid gas cartridges or canisters may be used. When sawing or machining treated wood, wear a MSHA/NIOSH approved dustmask (TC-21C).

### VENTILATION:

Provide sufficient general/local exhaust ventilation in pattern/volume to control inhalation exposures below current exposure limits and areas below explosive dust concentrations.

## SECTION IX - PERSONAL HANDLING INSTRUCTIONS

### HANDLING:

Avoid prolonged or repeated contact with skin or breathing of dusts. Observe good personal hygiene practices and recommended procedures. Avoid prolonged or repeated contact with skin or eyes. Do not wear contaminated clothing. Launder separately from household clothing before reuse, or discard.

**STORAGE:** No special storage is required.

**OTHER:**

Showering and clothing change recommended at the end of each shift. If oily preservatives/sawdust soil clothes, launder before reuse. Urethane, shellac, latex epoxy enamel, and varnish are acceptable sealers for pentachlorophenol-treated wood. Whenever possible, sawing/machining treated wood should be performed outdoors to avoid accumulations of airborne treated wood sawdust.

**SECTION X — REACTIVITY DATA**

**CONDITIONS CONTRIBUTING TO INSTABILITY:**

Stable under normal conditions.

**INCOMPATIBILITY:**

Open flame.

**HAZARDOUS REACTIONS/DECOMPOSITION/COMBUSTION PRODUCTS:**

Combustion of this product may produce/release chlorinated dibenzodioxins and dibenzofurans.

**CONDITIONS CONTRIBUTING TO HAZARDOUS POLYMERIZATION:**

None

**SECTION XI — PHYSICAL DATA**

<b>BOILING POINT:</b>	NA
<b>MELTING POINT:</b>	NA
<b>VAPOR PRESSURE:</b>	NA
<b>VAPOR DENSITY (AIR=1):</b>	NA
<b>SOLUBILITY (WATER):</b>	NA
<b>VOC:</b>	ND
<b>COEFFICIENT OF WATER/OIL DISTRIBUTION:</b>	ND
<b>APPEARANCE/ODOR:</b>	Light tan to brown wood with fuel oil odor.
<b>SPECIFIC GRAVITY:</b>	NA
<b>% VOLATILE BY VOL:</b>	NA

<b>EVAPORATION RATE (ETHER=1):</b>	NA
<b>VISCOSITY:</b>	NA
<b>pH:</b>	NA

## **SECTION XII — COMMENTS**

Persons with pre-existing disease in or a history of ailments involving the skin, liver, eye, respiratory tract may be at a greater than normal risk of developing adverse health effects from woodworking operations with this product.

### **UNTREATED WOOD DUST OR SAWDUST:**

The principal health effects reported from occupational exposure to sawdust or wood dust generated from untreated wood are dermatitis, rhinitis, conjunctivitis reduced or suppressed mucociliary clearance rates, chronic obstructive lung changes, and nasal sinus cancer. Skin and respiratory sensitization have been reported from exposure to hardwood dust.

Epidemiological studies have been reported on carcinogenic risks of employment in the furniture-making industry, the carpentry industry, and the lumber and sawmill industry. IARC has reviewed these studies and reports that there is sufficient evidence that nasal carcinomas have been caused by employment in the furniture-making industry where the excess risk is associated with exposure to untreated wood dust or sawdust from hardwood species. IARC concluded that epidemiological data are not sufficient to make a definite assessment of the carcinogenic risks of employment as a carpenter or worker in a lumbermill or sawmill.

### **PENTACHLOROPHENOL PRESERVATIVE:**

Volume 41 of the IARC Monographs states that there is limited evidence for the carcinogenicity of occupational exposure to chlorophenols including pentachlorophenol. Pentachlorophenol is fetotoxic, causing delay in the development of laboratory animal embryos and reducing litter size. Pentachlorophenol appears in OSHA Subpart Z Table but not in the NTP Annual Report on Carcinogens. Pentachlorophenol may contain as contaminants other chlorinated phenols and chlorinated dibenzofurans and dibenzodioxins. Fuel oil has been shown to produce tumor formation in laboratory animals following long-term application. Epidemiological studies of workers in the woodtreating industry have shown no significant health effects due to occupational exposure to pentachlorophenol preservative.

May be absorbed through the skin including mucous membranes and eye either by airborne mist, or more particularly, by direct contact. Skin contact should be avoided. To the extent necessary, the use of gloves, coveralls, goggles or other

appropriate personal protective equipment, engineering controls or work practices should be utilized to prevent or reduce skin absorption.

No known ingredients which occur at greater than 0.1%, other than those listed above, are listed as a carcinogen in the IARC Monographs on the Evaluation of the Carcinogenic Risk of Chemicals to Humans, the NTP Annual Report on Carcinogens or OSHA 29 CFR 1910.1001-1047 subpart Z Toxic and Hazardous Substances (Specifically Regulated Substances).

**SKIN PROTECTION (protective material):**

Permeation/degradation values of chemical mixtures cannot be predicted from pure components or chemical classes. Thus, these materials are normally best estimates based on available pure component data. A significant difference in chemical breakthrough time has been reported for generically similar gloves from different manufacturers (AIHA J., 48, 941-947 1987).

Do not use until Consumer Information Sheet is read and understood. Wash exposed areas promptly and thoroughly after skin contact from working with this product and before eating, drinking, using tobacco products or rest rooms.

Do not wear contact lens without proper eye protection when using this product.

**MSDS DATA**  
**CHEMICAL: Wood Dust**  
**UP-03046**

**General Information**

**Chemical Name / Synonym / Trade Name:**  
Wood Dust

**Manufacturer Name:**  
Timber Products Company

**CAS Number:**

**Address:**  
Post Office Box 269, Springfield, Oregon 97477-0055  
**Phone:**  
503/747-3321

**TRADE NAME:** Wood Dust  
**SYNONYMS:** None  
**CAS. NO.:** None  
**DESCRIPTION:** Particles generated by any manual or mechanical cutting or abrasion process performed on wood.

**PHYSICAL DATA**

<b>Boiling Point:</b>	Not Applicable
<b>Specific Gravity:</b>	Variable (Dependent on wood species and moisture content).
<b>Vapor Density:</b>	Not Applicable
<b>% Volatiles of Volume:</b>	Not Applicable
<b>Melting Point:</b>	Not Applicable
<b>Vapor Pressure:</b>	Not Applicable
<b>Solubility in H(2)O (% by wt.):</b>	Insoluable
<b>Evaporation Rate (Butyl Acetate =1):</b>	Not Applicable
<b>pH:</b>	Not Applicable

**Appearance & Odor:**

Light to dark colored granular solid Color and odor are dependent on the wood species and time since dust was generated.

**FIRE & EXPLOSION DATA**

<b>Flash Point:</b>	Not Applicable
<b>Autoignition Temperature:</b>	Variable (typically 400-500 F)
<b>Explosive Limits in Air:</b>	40 grams M(3) (LEL)
<b>Extinguishing Media:</b>	Water, CO(2), Sand

**Special Fire Fighting Procedures:**

Wet down with water Wet down wood dust to reduce the likelihood of ignition or dispersion of dust into the air.

Remove burned or wet dust to open area after fire is extinguished.

**Unusual Fire & Explosion Hazard:**

Strong to severe explosion hazard (if wood dust "cloud" contacts an ignition source.)

**HEALTH EFFECTS DATA****Exposure Limit:**

ACGIH TLV (R): TWA-5.0 mg/m(3); STEL (15 min.)-10 mg/m(3)  
(softwood) TWP-1.0 mg/m(3) (certain hardwoods such as beech and oak)  
OSHA PEL -No current PEL

**Skin & Eye Contact:**

Eye Irritation & Allergic Contact Dermatitis (Wood Dust can cause eye irritation. Various species of wood dust can elicit allergic contact dermatitis in sensitized individuals)

**Ingestion:**

Not Applicable

**Skin Absorption:**

Not known to occur

**Inhalation:****May cause:**

nasal dryness, irritation & obstruction. Coughing, wheezing, & sneezing; sinusitis & prolonged colds have also been reported.

**Chronic Effects:****May cause:**

Wood dust, depending on species, may cause dermatitis on prolonged, repetitive contact; may cause respiratory sensitization and/or irritation. Prolonged exposure to wood dust has been reported by some observers to be associated with nasal cancer. Wood dust is not listed as a carcinogen by IARC, NTP, ACGIH or OSHA.

**REACTIVE DATA**

**Conditions Contributing to Instability:** Stable under normal conditions

**Incompatibility:**

Avoid contact with: oxidizing agents, drying oils & flame. Product may ignite at temperatures in excess of 400 F.

**Hazardous Decomposition Products:**

Thermal-oxidative degradation of wood produces: irritating & toxic fumes & gases, including CO, aldehydes and inorganic acids.

**Conditions contributing to Polymerization:**

Not Applicable

**PRECAUTIONS & SAFE HANDLING****Eye Contact: Avoid:****Skin Contact:**

Avoid:

repeated or prolonged contact with skin. Careful bathing & clean clothes are indicated after exposure

**Inhalation:**

Avoid:

repeated or prolonged breathing of wood dust in air. Oxidizing Agents & Drying Oils.

**Open Flame:**

Avoid:

## **GENERALLY APPLICABLE CONTROL MEASURES**

**Ventilation:**

**Provide:**

adequate general & local exhaust ventilation to maintain healthful working conditions

**Safety Equipment:**

**Provide & Wear:** goggles or safety glasses. Other protective equipment such as gloves & approved dust respirators may be needed depending upon dust conditions.

## **EMERGENCY & FIRST AID PROCEDURES**

**Eyes:**

Flush with water to remove dust particles. If irritation persists, get medical attention.

**Skin:**

Get medical advice if a rash or persistent irritation or dermatitis occur, and before returning to work where wood dust is present.

**Inhalation:**

Remove to fresh air & get medical advice if persistent irritation, severe coughing, breathing difficulties occur, before returning to work where wood dust is present.

**Ingestion:** Not Applicable

## **SPILL/LEAK CLEAN-UP PROCEDURES**

**Recovery or disposal:**

**Clean-up:**

Sweep or vacuum spills for recovery or disposal; avoid creating dust conditions. Provide good ventilation where dust conditions may occur. Place recovered wood dust in a container for proper disposal.

**IMPORTANT:**

The information and data herein are believed to be accurate and have been compiled from sources believed to be reliable. It is offered for your consideration, investigation and verification. There is no warranty of any kind, express or implied, concerning the accuracy or completeness of the information and data herein.

**GENERAL INFORMATION**  
**ACZA Treated Wood**

Filename: UP-06032.ms

(1) NOTE: all WHMIS required information is included. It is located in appropriate sections based on the ANSI Z400.1-1993 format.

PART I What is the material and what do I need to know in an emergency?

PART II What should I do if a hazardous situation occurs?

PART III How can I prevent hazardous situations from occurring?

PART IV Is there any other useful information about this material?

**ACZA TREATED WOOD**

Information contained in this MSDS refers only to the specific material designated and does not relate to any process or to use with any other materials. This information is furnished free of charge and is based on data believed to be reliable as of the date hereof. It is intended for use by persons possessing technical knowledge at their own discretion and risk. Since actual use is beyond our control, no guarantee, expressed or implied, and no liability is assured by J.H. Baxter in conjunction with the use of this information. Nothing herein is to be construed as a recommendation to infringe any patents.

**1. PRODUCT IDENTIFICATION**

TRADE NAME (AS LABELED):

ACZA TREATED WOOD

Ammoniacal Copper Zinc Arsenate Treated Wood

CHEMICAL CLASS:

Treated Wood

MANUFACTURER'S NAME:

J.H. Baxter

ADDRESS:

1700 South El Camino Real

San Mateo, CA 94401-0902

EMERGENCY PHONE:

CHEMTREC: 1-800-424-9300

BUSINESS PHONE:

1-415-349-0201

DATE OF PREPARATION

October 26, 1995

**2. COMPOSITION and INFORMATION OF INGREDIENTS**

This product consists of lumber treated with a preservative containing the components listed in the table below. This product is treated with differing strengths of the preservative. The treated wood, based on the strength of preservative treatment, retains the following amounts of preservative per cubic foot of wood:

0.25 lbs preservative/cu ft

1.00 lbs preservative/cu ft

0.40 lbs preservative/cu ft

2.50 lbs preservative/cu ft

0.60 preservative lbs/cu ft

For the amount of preservative in a particular product, refer to product label. The information presented in this document is applicable for all preservative strengths.

CHEMICAL NAME	CAS #	% w/w (Based on total weight of the retained preservative)	EXPOSURE LIMITS IN AIR ACGIH	
			TLV mg/m <sup>3</sup>	STEL mg/m <sup>3</sup>
Arsenic Compounds	Not applicable	25	0.01 (as Arsenic)	NE



Copper Compounds	Not applicable	50	NE	NE
Zinc Compounds	Not applicable	25	NE	NE

**CHEMICAL EXPOSURE LIMITS IN AIR**

NAME	PEL	OSHA STEL	IDLH	OTHER
	mg/m3	mg/m3		
Arsenic Compounds	0.01 (Cancer Hazard)	NE	NE	NIOSH REL: C 2 micrograms/g Arsenic/m3/15M
Copper Compounds	NE	NE	NE	NE
Zinc Compounds	NE	NE	NE	NE

NE = Not Established  
C = Ceiling Level

The table below presents the exposure limits for the wood.

CHEMICAL NAME	CAS #	% w/w	EXPOSURE LIMITS IN AIR ACGIH	
			TLV mg/m3	STEL mg/m3
Wood	Not applicable	Entire Non-preservative Component	1 (hard wood) 5 (soft wood)	10 (soft wood)

CHEMICAL NAME	EXPOSURE LIMITS IN AIR OSHA			
	PEL mg/m3	STEL mg/m3	IDLH	OTHER
Wood	2.5 (Western Red Cedar) 5 (All other)	10 (All woods except Western Red Cedar)	NE	NE

NE = Not Established  
C = Ceiling Level

**3. HAZARD IDENTIFICATION  
EMERGENCY OVERVIEW:**

This product consists of light green to brown lumber or wood poles. It presents limited hazards in an emergency situation. Dusts from this product can be irritating to exposed tissue. It is a combustible material, which will decompose to produce acrid smoke and toxic gases (i.e. arsenic oxides, carbon monoxide, and fumes containing copper and zinc).

**SYMPTOMS OF OVER EXPOSURE BY ROUTE OR EXPOSURE:**

**INHALATION:**

Inhalation of finely divided dusts of this product may cause irritation of the nose, throat, and other tissues of the respiratory system.

**CONTACT WITH SKIN or EYES:**

Dusts can cause eye irritation and scratching of eye tissue. Prolonged or repeated skin contact can cause mild irritation which disappears after exposure ends.

**SKIN ABSORPTION:**

Arsenical compounds may be absorbed through skin, causing numbness or irritation of affected area.

**INGESTION:**

Ingestion of large quantities this product can irritate the mouth, throat, stomach, and other tissues of the digestive system. Symptoms of ingestion may include nausea, vomiting, and irritation, and blood in vomit, stools, or urine.

**INJECTION:**

The only way injection of this material could occur is by wood splinters puncturing the skin. The main symptoms associated with such an exposure would be redness and irritation at the point of injection.

**HEALTH EFFECTS OR RISKS FROM EXPOSURE:**

An Explanation in Lay Terms.

**ACUTE:**

The main health hazard presented by this product would be irritation of contaminated tissues -- especially the skin and eyes.

**CHRONIC:**

The symptoms of long-term exposure would be similar to those for acute exposure, described above. Additionally, some individuals can become sensitized to wood dusts and develop allergy-like symptoms upon repeated exposures. Studies have been conducted focusing on employees who routinely work with wood products. The International Agency for Research on Cancer reports that there is sufficient evidence exposure to wood dust from hardwood species may lead to an increased risk of nasal/paranasal sinus cancer. Arsenic Acid is a confirmed human carcinogen.

**HAZARDOUS MATERIAL INFORMATION SYSTEM**

HEALTH	(BLUE)	2
FLAMMABILITY	(RED)	1
REACTIVITY	(YELLOW)	0

**PROTECTIVE EQUIPMENT**

**EYES**

**RESPIRATORY**

SEE SECTION 8

**HANDS**

**BODY**

For routine industrial applications

**4. FIRST-AID MEASURES**

**SKIN EXPOSURE:**

Immediately begin cleansing the area with running water. Remove exposed or contaminated clothing, taking care to not to irritate the eyes.

**EYE EXPOSURE:**

Open victim's eyes while under gentle running water. Use sufficient force to open eye lids. Have victim "roll" eyes. Minimum flushing is for 15 minutes. Victims with wood splinters in the eye must receive medical attention.

**INHALATION:**

Remove victim to fresh air. If necessary, use artificial respiration to support vital functions. Remove or cover gross contamination to avoid exposure to rescuers.

**INGESTION:**

CALL PHYSICIAN OR POISON CONTROL CENTER FOR MOST CURRENT INFORMATION. If professional advice is not available, do not induce vomiting. Victims of chemical exposure must be taken for medical attention if signs of irritation or other symptoms develop. Rescuers should be taken for medical attention, if necessary. Take copy of label and MSDS to physician or health professional with victim.

**5. FIRE-FIGHTING MEASURES****FLASH POINT, Deg. (method):**

Not Applicable.

**AUTOIGNITION TEMPERATURE, Deg. C:**

200 - 270 Deg. C

**FLAMMABLE LIMITS (in air by volume, %):**

Lower: Not available.

Upper: Not available.

**NFPA RANKING**

FLAMMABILITY 2

HEALTH 1

REACTIVITY 0.

OTHER

**FIRE EXTINGUISHING MATERIALS:**

Water Spray: YES

Dry Chemical: YES

Carbon Dioxide: YES

Halon: NO

Foam: YES

Other: Any "A" Class.

**UNUSUAL FIRE AND EXPLOSION HAZARDS:**

This product is combustible. When involved in a fire, this material may decompose and produce irritating fumes and toxic gases (copper and zinc fumes, carbon monoxide and carbon dioxide, arsenic compounds).

Explosion Sensitivity to Mechanical Impact: Not applicable.

Explosion Sensitivity to Static Discharge: Not applicable.

**SPECIAL FIRE FIGHTING PROCEDURES:**

Incipient fire responders should wear eye protection. Structural fire fighters must wear self-contained breathing apparatus and full protective equipment.

**6. ACCIDENTAL RELEASE MEASURES****SPILL AND LEAK RESPONSE:**

This product can not spill or leak because the chemicals are fixed in the wood. In the event of a release of dust or chips this product, safety goggles, mechanically-resistant gloves, and coveralls should be worn by clean-up personnel. In particularly dusty areas, use a MSHA/NIOSH approved dustmask. Sweep-up or vacuum dust and chips. If necessary, rinse the area with soap and water.

**7. HANDLING and STORAGE****WORK PRACTICES AND HYGIENE PRACTICES:**

Avoid getting dusts ON YOU or IN YOU. Wash hands after handling this product. Do not eat or drink in areas where there are dusts of this product.

**STORAGE AND HANDLING PRACTICES:**

Keep in cool, dry place away from open flame. Avoid contaminating food, feed, and water with dusts of this product. Always use product in areas where adequate ventilation is provided.

**PROTECTIVE PRACTICES DURING MAINTENANCE OF CONTAMINATED EQUIPMENT:**  
Follow practices indicated in Section 6 (Accidental Release Measures).

**8. EXPOSURE CONTROLS - PERSONAL PROTECTION  
VENTILATION AND ENGINEERING CONTROLS:**

Use with adequate ventilation. Use a mechanical fan or vent area to outside.

**RESPIRATORY PROTECTION:**

If it is anticipated that the exposure limits for dust may be exceeded during work with this product, wear a MSHA/NIOSH approved dustmask.

**EYE PROTECTION:**

Splash goggles or safety glasses.

**HAND PROTECTION:**

Mechanically resistant gloves.

**BODY PROTECTION:**

Use body protection appropriate for task (i.e. coveralls).

**9. PHYSICAL and CHEMICAL PROPERTIES**

**VAPOR DENSITY:**

Not applicable.

**SPECIFIC GRAVITY:**

Not available.

**SOLUBILITY IN WATER:**

Insoluble.

**VAPOR PRESSURE, mm Hg @ 20 Deg. C:**

Not applicable.

**EVAPORATION RATE (water=1):**

Not applicable.

**MELTING POINT or RANGE:**

Not applicable.

**BOILING POINT:**

Not applicable.

**pH:**

Not applicable.

**APPEARANCE AND COLOR:**

Light tan to brown lumber or wood poles.

**HOW TO DETECT THIS SUBSTANCE (warning properties):**

There are no unusual warning properties associated with this product.

**10. STABILITY and REACTIVITY**

**STABILITY:**

Stable.

**DECOMPOSITION PRODUCTS:**

Carbon monoxide, carbon dioxide, zinc oxide, ammonia, copper oxides, and arsenic compounds will be released upon combustion of this product.

**MATERIALS WITH WHICH SUBSTANCE IS INCOMPATIBLE:**

This product is incompatible with strong oxidizing agents.

**HAZARDOUS POLYMERIZATION:**

Will not occur.

**CONDITIONS TO AVOID:**

Avoid contact with open flame and other sources of extreme high temperatures. Avoid contact with incompatible materials.

**11. TOXICOLOGICAL INFORMATION****TOXICITY DATA:**

There is currently no toxicology information available on this product.

**SUSPECTED CANCER AGENT:**

This product's ingredients are found on the following lists:

COMPOUND	FEDERAL	OSHA Z LIST	IARC	NTP	CAL/OSHA
Arsenic/Arsenic Compounds	Yes		Yes	Yes	Yes
Wood Dust	No		Yes	No	No

Wood Dust listed as a "Human Carcinogen" (Group 1) by IARC. This classification is based primarily on IARC's evaluation of increased risk in the occurrence of adenocarcinomas of the nasal cavities and paranasal sinuses associated with exposure to wood dust. Neither wood, nor wood dust are considered carcinogenic by the Federal OSHA, NTP, or CAL/OSHA.

**IRRITANCY OF PRODUCT:**

This product is slightly irritating to contaminated tissue.

**REPRODUCTIVE TOXICITY INFORMATION:**

Listed below is information concerning the effects of this product and its components on the human reproductive system.

**Mutagenicity:**

While no data exist for the product, it is not expected to cause any fetal toxicity problems related to mutagenicity.

**Teratogenicity:**

While no data exist for the product, it is not expected to cause any fetal toxicity problems related to teratogenicity. Animal studies indicate some experimental teratogenic effects for arsenic acid and zinc oxide at relatively high doses.

**Reproductive Toxicity:**

While no data exist for the product, it is not expected to have an adverse effect on the male or female reproductive system or to cause any fetal toxicity problems. Animal studies indicate some experimental reproductive effects for zinc oxide and copper oxides at relatively high doses.

**MEDICAL CONDITIONS AGGRAVATED BY EXPOSURE:**

Disorders involving the skin, eyes, liver, or respiratory tracts may be aggravated by occupational exposures to dusts of this product.

**RECOMMENDATIONS TO PHYSICIANS:**

Treat symptoms. 12. ECOLOGICAL INFORMATION

**ENVIRONMENTAL STABILITY:**

This product is treated so it will not decompose. Arsenic, copper, and zinc compounds may slowly be released into the environment and will be transported or degraded based on pH, soil type, and salinity.

**EFFECT OF MATERIAL ON PLANTS or ANIMALS:**

Do not use treated wood under circumstances where the preservative may become a component of food or animal feed. Examples of such sites would be structures or containers for storing silage of food.

**EFFECT OF CHEMICAL ON AQUATIC LIFE:**

There is currently no information available on this product's effects on aquatic life; however, it is anticipated that if large enough quantities of product dusts contaminate a water system, exposed aquatic life may experience adverse health effects.

**13. DISPOSAL CONSIDERATIONS**

**PREPARING WASTES FOR DISPOSAL:**

Waste disposal must be in accordance with appropriate Federal, State, and local regulations.

**EPA WASTE NUMBER:**

Not applicable for wastes consisting only of this product.

**14. TRANSPORTATION INFORMATION**

**THIS MATERIAL IS NOT A HAZARDOUS MATERIAL (49 CFR 172.101 BY THE U.S. DEPT. OF TRANSPORTATION.**

**PROPER SHIPPING NAME:**

Not applicable.

**HAZARD CLASS NUMBER and DESCRIPTION:**

Not applicable.

**UN IDENTIFICATION NUMBER:**

Not applicable.

**PACKING GROUP:**

Not applicable.

**DOT LABEL(S) REQUIRED:**

Not applicable.

**EMERGENCY RESPONSE GUIDE NUMBER:**

Not applicable.

**MARINE POLLUTANT:**

The product is not defined as a marine pollutant, 49 CFR 172.101 Appendix B.

**CTC DANGEROUS GOODS SHIPPING REGULATIONS:**

**THIS MATERIAL IS NOT CONSIDERED AS DANGEROUS GOODS.**

**15. REGULATORY INFORMATION (+++)**

**NOTE:** The regulatory information is provided on this sheet is for the preservative solutions and is not applicable to preservative components contained in the treated wood. Chemical components of the treated wood are fixed into the wood and are not reportable under SARA or CERCLA.

**SARA REPORTING REQUIREMENTS:**

Arsenic compounds, Copper and its compounds, and Zinc compounds are subject to the reporting requirements of Section 313 of Title III of the Superfund Amendments and Reauthorization Act. This treated wood product is not subject to these requirements.

**TSCA INVENTORY STATUS:**

The chemicals in this product are listed on the TSCA Inventory.

**CERCLA REPORTABLE QUANTITY (RQ):**

Arsenic = 1 pound; Copper = 5000 pounds; Zinc = 1000 pounds.  
The treated wood product is not subject to these requirements.

**STATE REGULATORY INFORMATION:**

Chemicals in this product are covered under specific State regulations, as denoted below:

Alaska - Designated Toxic and Hazardous Substance:

None

California - Permissible Exposure Limits for Chemical Contaminants:

Arsenic Compounds, Copper (Salts, Dusts, Miss)

Florida - Substance List:

Arsenic

Illinois - Toxic Substance List:

Arsenic Compounds, Copper Compounds

Kansas - Section 302/313 List:

Copper and Compounds

Massachusetts - Substance List:

Arsenic Compounds

Minnesota - List of Hazardous Substances:

Arsenic Compounds, Copper (Dusts and Mists)

Missouri - Employer Information/Toxic Substance List:

Arsenic Acid, Zinc Oxide

New Jersey - Right to Know Hazardous Substance List:

Arsenic Acid, Inorganic Copper Compounds, Zinc Oxide

North Dakota - List of Hazardous Chemicals, Reportable Quantities:

Arsenic, Copper and Compounds, Zinc and Compounds

Pennsylvania - Hazardous Substance List:

Arsenic Compounds, Copper, Zinc Oxide

Rhode Island - Hazardous Substance List:

Zinc Oxide

Texas - Hazardous Substance List:

None

West Virginia - Hazardous Substance List:

None

Wisconsin - Toxic and Hazardous Substances:

None

**CALIFORNIA PROPOSITION 65:**

Inorganic Arsenic Compounds (i.e. Arsenic Acid) is on the California Proposition 65 lists as being known to the State of California to cause cancer.

**LABELING (Precautionary Statements):**

**CAUTION!** Dusts of this product can irritate the skin, eyes, nose, throat, on other tissues of the respiratory system. Dusts can also scratch the eyes, and splinters of this product can puncture the skin. Avoid contact with skin and eyes. Avoid breathing dust.

**TARGET ORGANS:**

(For Dusts of Product) Skin, Eyes, Respiratory System.

**WHMIS SYMBOL:**

Not applicable.

Heading: 16. OTHER INFORMATION

PREPARED BY: CHEMICAL SAFETY ASSOCIATES, Inc. 9163 Chesapeake Drive, San Diego, CA 9163  
Chesapeake Drive, San Diego, CA 92123-1002 619/565-0302



**EXHIBIT C****PROPERTY MATERIALS**

1. Revised Limited Subsurface Soil and Groundwater Investigation Work Plan  
GRANITE CONSTRUCTION – WATSONVILLE FACILITY  
Watsonville, California  
WKA No. 8780.01  
Prepared by: Wallace Kuhl & Associates Inc.  
Dated: April 27, 2010
2. Response to Revised Limited Subsurface Soil and Groundwater Investigation  
Work Plan, Granite Construction – Watsonville Facility, Union Pacific Railroad  
Branch Line (milepost 2.32), Watsonville, California  
From: John B. Gerbrandt, Site Mitigation  
County of Santa Cruz  
Health Services Agency  
Dated: June 11, 2010
3. E-Mail dated June 29, 2010  
From: Candice Longnecker, LEED AP, Environmental Coordinator,  
Granite Construction Company  
To: James E. Diel, Union Pacific Railroad Company  
Subject: 2005 and 2009 AMEC Reports
4. E-Mail dated June 30, 2010  
From: James E. Diel, Manager of Environmental Site Remediation,  
Union Pacific Railroad Company  
To: Richard L. Gooch  
cc: Candice Longnecker, Robert C. Bylsma  
Subject: Watsonville, CA – Granite Construction Issue: 2005 and 2009 AMEC Reports
5. E-Mail dated July 13, 2010  
From: James E. Diel, Manager of Environmental Site Remediation,  
Union Pacific Railroad Company  
To: Richard L. Gooch  
cc: Candice Longnecker  
Subject: Watsonville, CA – Granite Construction Issue: 2005 and 2009 AMEC Reports
6. E-Mail dated July 13, 2010  
From: Candice Longnecker, LEED AP, Environmental Coordinator,  
Granite Construction Company  
To: James E. Diel  
Subject: Watsonville, CA – Granite Construction Issue: 2005 and 2009 AMEC Reports

7. E-Mail dated July 13, 2010  
From: James E. Diel, Manager of Environmental Site Remediation,  
Union Pacific Railroad Company  
To: Candice Longnecker  
cc: Richard L. Gooch, Lee Hammond  
Subject: Watsonville, CA – Granite Construction Issue: Investigation status
  
8. E-Mail dated July 14, 2010  
From: Candice Longnecker, LEED AP, Environmental Coordinator,  
Granite Construction Company  
To: James E. Diel  
Subject: Watsonville, CA – Granite Construction Issue: Investigation status
  
9. E-Mail dated July 16, 2010  
From: James E. Diel, Manager of Environmental Site Remediation,  
Union Pacific Railroad Company  
To: Candice Longnecker  
cc: Robert C. Bylsma, Lee Hammond, Richard L. Gooch  
Subject: Watsonville, CA – Granite Construction Issue: Investigation status

**EXHIBIT D**

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

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

\_\_\_\_\_, California \_\_\_\_\_  
Attn: \_\_\_\_\_

**MAIL TAX STATEMENTS TO:**

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

\_\_\_\_\_, California \_\_\_\_\_  
Attn: \_\_\_\_\_

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THIS INSTRUMENT IS EXEMPT FROM RECORDING FEES (GOVERNMENT CODE §6103) AND FROM DOCUMENTARY  
TRANSFER TAX (REVENUE AND TAXATION CODE §11922).

(Space above line for Recorder's use only)

**QUITCLAIM DEED**

FOR VALUE RECEIVED, UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("**Grantor**"), REMISES, RELEASES and QUITCLAIMS to SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, a public agency created under California law ("**Grantee**"), all of Grantor's rights, title, and interest in and to that certain real property (the "**Property**") in the County of [Santa Cruz/Monterey, as applicable], State of California, described on Schedule 1 attached hereto and incorporated by reference.

EXCEPTING from this quitclaim and RESERVING unto Grantor, its successors and assigns, forever (except as otherwise provided in the easement reserved for freight railroad purposes), the following:

(a) Subject to the terms and conditions below, Grantor excepts from the Property hereby quitclaimed and reserves unto itself, its successors and assigns, forever, an easement upon, over, under and across the Property, extending ten (10) feet on either side of the center line of the existing tracks and including rights of access along the length thereof, for purposes of conducting freight rail operations and otherwise to fulfill Grantor's rights and obligations as a common carrier freight railroad under applicable federal laws and regulations, including the right to use the Property to provide freight rail service to all customers on or served from the Property, and to operate, use, construct, reconstruct, maintain, repair, relocate and/or remove existing and/or future railroad, rail and railroad-related equipment, facilities and

transportation systems necessary for and related to freight rail operations (the "**Freight Easement**");

(i) This Freight Easement is made subject to the unrecorded Administration and Coordination Agreement between Grantee and Sierra Northern Railway ("Short Line Operator"), dated as of [\_\_\_\_\_], 2010, as the same may be amended from time to time. The Administration and Coordination Agreement includes terms and conditions governing the following, without limitation: maintenance, repair and replacement of the Freight Easement and improvements thereon; allocation of liability; reasonable restrictions on rail car storage and use of lay down space; tourist rail service; future modifications and improvements to the Property, including the Freight Easement; reservations of rights by the Grantee; and expiration and termination of the Administration and Coordination Agreement.

(ii) Abandonment of all or part of the Property. Grantor may at any time, for any reason, and in its sole discretion, seek STB authority (or an exemption therefrom) to abandon freight service, over all of, or any segment of, the Property. Grantee agrees to cooperate with, and not to directly or indirectly oppose, Grantor's abandonment efforts. If Grantee timely files with the STB a Statement of Willingness to Assume Financial Responsibility meeting the requirements of the STB's regulations, Grantor shall file with the STB: (A) an expression of willingness to enter into a rail banking/trail use agreement; (B) a statement that Grantee and Grantor have entered into such an agreement; and (C) a request that the STB issue a Notice of Interim Trail Use (NITU) or Certificate of Interim Trail Use (CITU), as appropriate. Upon the effective date of each such NITU or CITU, or upon Grantor's abandonment of freight service over all of, or any segment of, the Property, (X) Grantor shall execute and deliver to Grantee an option to acquire Grantor's right to restart freight rail service on the subject segment of the Property in the form attached hereto as **Schedule 2**; and (Y) Grantor's freight easement, and the Administration and Coordination Agreement between the Short Line Operator and Grantee, shall automatically terminate with respect to such segment without any further liability thereunder to Grantee on the part of Grantor and the Short Line Operator, unless the Administration and Coordination Agreement specifically provides otherwise. After such automatic termination, upon Grantee's request and at Grantee's expense, Grantor shall execute a quitclaim of such freight easement as to such segment. Grantor may withdraw any abandonment in its sole discretion.

(iii) Offers of Financial Assistance. If Grantor seeks abandonment of any segment of the Property and Grantor receives an Offer of Financial Assistance ("OFA") with respect thereto, Grantor shall promptly notify Grantee in writing. Grantee (or its designee) may, at its option, submit its own OFA in the amount of \$1.00 and Grantor shall accept the OFA submitted by Grantee (or its designee).

(iv) Nonuse of Freight Easement Property; Default under Administration and Coordination Agreement. If any segment of the Property subject to this Freight Easement is not regularly used (as defined in the Administration and Coordination Agreement) for freight rail purposes for a period of one (1) year, or a material default occurs under the Administration and Coordination Agreement without being cured under the terms and conditions thereof, Grantor shall, at Grantee's request, enter into a rail banking/trail use

agreement and otherwise comply with the provisions of paragraph (ii), or cooperate with an application by Grantee, or its designee, to commence common carrier freight service on the Property.

(v) Successors and Permitted Assigns. All of the terms and conditions of this Freight Easement shall be binding upon, and inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and permitted assigns. Grantor may not assign this Freight Easement except as provided in the Administration and Coordination Agreement. Any assignment of this Freight Easement shall be conditioned upon the assignee assuming all obligations set forth herein and in the Administration and Coordination Agreement. Grantee hereby consents to the assignment of this Freight Easement to Short Line Operator. Upon Union Pacific Railroad Company's assignment of its rights and interest under this Freight Easement to Short Line Operator, Union Pacific Railroad Company shall be released and discharged from any further obligation or liability under this Freight Easement and references to "Grantor" hereunder shall then refer to Short Line Operator or any successor to Short Line Operator, as applicable.

(b) The existing eight inch (8") sanitary sewer pipeline and appurtenant facilities referred to in the following sentence, whether owned by Grantor or any third party, and a perpetual easement upon, over, along, under and across the portion of the Line that lies five feet (5') on each side of the centerline of such existing eight inch (8") sanitary sewer pipeline and appurtenant facilities (the "Easement Area"), for the purposes of constructing, maintaining, repairing, operating, renewing, replacing, using and/or removing the eight inch (8") sanitary sewer pipeline and appurtenant facilities (whether now or hereafter installed, and including facilities which are the technological successor to any existing or hereafter installed facilities); together with (a) the right of ingress and egress to and from the Easement Area, and (b) the right to collect the rents, issues and profits therefrom, and from any existing contracts. In addition to and not in limitation of Grantor's rights under the foregoing reservation of easement, Grantee, for itself, its successors and assigns, hereby covenants and agrees that Grantee shall not interfere with the rights of Grantor's Licensee under that certain License Agreement between Southern Pacific Transportation Company (predecessor in interest to Grantor) and Holcomb Corporation dated July 27, 1990, identified in the records of Grantor as Audit Number S211235, and granting certain rights to said Licensee to use a portion of the Line for eight inch (8") sanitary sewer pipeline purposes. This reserved right is intended solely to permit Grantor to honor its obligations under said License Agreement and does not constitute a reservation of rights for any other purpose.

(c) The existing eight inch (8") sanitary sewer pipelines and appurtenant facilities referred to in the following sentence, whether owned by Grantor or any third party, and a perpetual easement upon, over, along, under and across the portion of the Line that lies five feet (5') on each side of the centerline of such existing eight inch (8") sanitary sewer pipeline and appurtenant facilities (the "Easement Area"), for the purposes of constructing, maintaining, repairing, operating, renewing, replacing, using and/or removing the eight inch (8") sanitary sewer pipeline and appurtenant facilities (whether now or hereafter installed, and including facilities which are the technological successor to any existing or hereafter installed facilities); together with (a) the right of ingress and egress to and from the Easement Area, and (b) the right to collect the rents, issues and profits therefrom, and from any existing contracts. In addition to

and not in limitation of Grantor's rights under the foregoing reservation of easement, Grantee, for itself, its successors and assigns, hereby covenants and agrees that Grantee shall not interfere with the rights of Grantor's Licensee under that certain License Agreement between Southern Pacific Transportation Company (predecessor in interest to Grantor) and Holcomb Corporation dated July 27, 1990, identified in the records of Grantor as Audit Number S211236, and granting certain rights to said Licensee to use a portion of the Line for eight inch (8") sanitary sewer pipeline purposes. This reserved right is intended solely to permit Grantor to honor its obligations under said License Agreement and does not constitute a reservation of rights for any other purpose.

(d) The existing four inch (4") VCP sewer and four inch (4") copper water pipelines and appurtenant facilities referred to in the following sentence, whether owned by Grantor or any third party, and a perpetual easement upon, over, along, under and across the portion of the Line that lies five feet (5') on each side of the centerline of such existing four inch (4") VCP sewer and four inch (4") copper water pipeline and appurtenant facilities (the "Easement Area"), for the purposes of constructing, maintaining, repairing, operating, renewing, replacing, using and/or removing the four inch (4") VCP sewer and four inch (4") copper water pipeline and appurtenant facilities (whether now or hereafter installed, and including facilities which are the technological successor to any existing or hereafter installed facilities); together with (a) the right of ingress and egress to and from the Easement Area, and (b) the right to collect the rents, issues and profits therefrom, and from any existing contracts. In addition to and not in limitation of Grantor's rights under the foregoing reservation of easement, Grantee, for itself, its successors and assigns, hereby covenants and agrees that Grantee shall not interfere with the rights of Grantor's Licensee under that certain License Agreement between Southern Pacific Transportation Company (predecessor in interest to Grantor) and James G. Speth dated March 19, 1980, identified in the records of Grantor as Audit Number S204567, and granting certain rights to said Licensee to use a portion of the Line for four inch (4") VCP sewer and four inch (4") copper water pipeline purposes. This reserved right is intended solely to permit Grantor to honor its obligations under said License Agreement and does not constitute a reservation of rights for any other purpose.

(e) The existing twenty-four inch (24") storm drain pipelines and appurtenant facilities referred to in the following sentence, whether owned by Grantor or any third party, and a perpetual easement upon, over, along, under and across the portion of the Line that lies five feet (5') on each side of the centerline of such existing twenty-four inch (24") storm drain pipeline and appurtenant facilities (the "Easement Area"), for the purposes of constructing, maintaining, repairing, operating, renewing, replacing, using and/or removing the twenty-four inch (24") storm drain pipeline and appurtenant facilities (whether now or hereafter installed, and including facilities which are the technological successor to any existing or hereafter installed facilities); together with (a) the right of ingress and egress to and from the Easement Area, and (b) the right to collect the rents, issues and profits therefrom, and from any existing contracts. In addition to and not in limitation of Grantor's rights under the foregoing reservation of easement, Grantee, for itself, its successors and assigns, hereby covenants and agrees that Grantee shall not interfere with the rights of Grantor's Licensee under that certain License Agreement between Southern Pacific Transportation Company (predecessor in interest to Grantor) and Phillips Driscopipe, Inc. dated April 20, 1995, identified in the records of Grantor as Audit Number S715469, and granting certain rights to said Licensee to use a portion of the Line for twenty-four

inch (24") storm drain pipeline purposes. This reserved right is intended solely to permit Grantor to honor its obligations under said License Agreement and does not constitute a reservation of rights for any other purpose.

IN WITNESS WHEREOF, the undersigned have executed this Quitclaim Deed as of \_\_\_\_\_, 2010.

Attest:

**UNION PACIFIC RAILROAD COMPANY,  
a Delaware corporation**

\_\_\_\_\_  
Assistant Secretary

By: \_\_\_\_\_  
Title: \_\_\_\_\_

(SEAL)

**SANTA CRUZ COUNTY REGIONAL  
TRANSPORTATION COMMISSION, a public  
agency created under California law**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Counsel

STATE OF NEBRASKA    )  
  )  
COUNTY OF DOUGLAS    )

On \_\_\_\_\_, 2010, before me, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_ and \_\_\_\_\_, who are the \_\_\_\_\_ and the Assistant Secretary, respectively, of UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

(SEAL)



STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF SANTA CRUZ        )

On \_\_\_\_\_, 2010, before me, \_\_\_\_\_, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

(Notary Seal)

**SCHEDULE 1 TO QUITCLAIM DEED**

**LEGAL DESCRIPTION OF PROPERTY**

**SCHEDULE 2 TO QUITCLAIM DEED****FORM OF OPTION  
[To Be Executed in Recordable Form]**

1. The portion of the Property between milepost [ ] and milepost [ ] (the "**Railbanked Property**") is subject to the effective orders of the Surface Transportation Board ("**STB**") applying Section 8(d) of the National Trails System Act, 16 U.S.C. Section 1247(d). The Railbanked Property shall remain under the jurisdiction of the STB (or its successor agency) pursuant to applicable regulations of said agency for reactivation of freight rail service and for interim trail use. In the event Grantee shall apply to the STB (or its successor agency) to cease railbanking all or any portion of the Railbanked Property, Grantor shall not object to such application.

2. Grantor hereby grants to Grantee an option for a period of 99 years after the date of this Option to acquire Grantor's residual right to reactivate freight rail service on all or any portion of the Railbanked Property. Such option (i) shall be exercisable upon 10 days prior written notice to Grantor after Grantee has obtained regulatory authority to acquire such residual right, and upon tender of \$10 as additional consideration, or (ii) may be waived by Grantee upon written notice to Grantor.

3. If Grantor reactivates freight rail service on any portion of the Railbanked Property, Grantor (i) shall reimburse Grantee for the amount Grantee has paid for the portion of the Railbanked Property in question, including all improvements subsequently constructed thereon, or the then-current market value of the portion of the Railbanked Property in question, whichever is greater, and (ii) shall be solely responsible for the restoration of tracks, ties and other structures necessary for freight rail service.

**CERTIFICATE OF ACCEPTANCE  
(Pursuant to Government Code §27281)**

This is to certify that the interest in real property transferred by Quitclaim Deed as of \_\_\_\_\_, 2010, from Union Pacific Railroad Company, a Delaware corporation, to the SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, a public agency created under California law ("Grantee"), is hereby accepted by the undersigned officer pursuant to authority conferred by Resolution No. \_\_\_\_ of Grantee's Commission, adopted \_\_\_\_\_, 2010, and Grantee consents to recordation thereof by its duly authorized representative.

**SANTA CRUZ COUNTY REGIONAL  
TRANSPORTATION COMMISSION**

Date: \_\_\_\_\_, 2010

By: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Counsel

**EXHIBIT E**

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

FOR VALUE RECEIVED, UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Assignor"), ASSIGNS AND TRANSFERS to SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, a public agency created under California law ("Assignee"), its successors and assigns, all of Assignor's right, title and interest in and to the leases and licenses (collectively, "Licenses") to the extent the Licenses affect the real property ("Property") described on **Schedule 1**, which Licenses are listed on **Schedule 2**.

Assignee agrees to (a) perform all of the obligations of Assignor pursuant to the Licenses as they relate to the Property accruing after the date hereof, and (b) indemnify, defend and hold Assignor harmless from and against any and all claims, causes of actions and expenses (including reasonable attorney's fees) incurred by Assignor and arising out of (1) Assignee's failure to comply with terms of the Licenses as they relate to the Property after the date hereof, and (2) claims under the Licenses as they relate to the Property by the licensees named in the Licenses accruing after the date hereof as they relate to the Property.

This assignment is made and accepted without recourse against Assignor as to the performance by any party under such Licenses.

All Schedules attached to this Agreement are incorporated herein for all purposes.

Dated the \_\_\_\_ day of \_\_\_\_\_, 2010.

**UNION PACIFIC RAILROAD COMPANY,  
a Delaware corporation**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**SANTA CRUZ COUNTY REGIONAL  
TRANSPORTATION COMMISSION, a public  
agency created under California law**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE 1 TO EXHIBIT E**

**LEGAL DESCRIPTION OF PROPERTY  
TO BE ATTACHED**

EXHIBIT "A"														IMAGE		
U.P.R.R. REAL ESTATE DEPARTMENT																
PROPOSED OF LAND																
CITY OF SANTA CRUZ, CA																
MILE POST NO. 0.433																
FOLDER NO. 0172803																
PROJECT	AUDIT	FOLDER	FILENET	LEG STAT	PARTY NAME	PURPOSE	MANAGER	COUNTY	CITY	ST	SUBDV	MP START	ANNUAL AMT	DISPOSITION	CONTAINED	REQUESTED
186878	207416	158035	85264493	Active	CITY OF WATSONVILLE	Crossing - Public Roadway	Paul G. Farrell	Santa Cruz	WATSONVILLE	CA	Mojave	102.62	\$0	Assigned	Totally	
187446	205624	158341	83497065	Active	MARTINELLI, S. & CO	Crossing Pipeline	Joan M. Preble	Santa Cruz	WATSONVILLE	CA	SANTA CRUZ BRANCH	0.23	\$0	Assigned	Totally	
188488	201562	158870	81731255	Active	PACIFIC GAS & ELECTRIC COMPANY	Easement - Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA	Santa Cruz Sub.	102.85	\$0	Assigned	Totally	
189620	201184	160218	81434187	Active	PACIFIC GAS & ELECTRIC COMPANY	Easement - Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA		102.47	\$0	Assigned	Totally	
190837	202098	161195	81633173	Active	SANTA CRUZ CITY OF	Warning Devices - Public Roadway	Paul G. Farrell	Santa Cruz	SANTA CRUZ	CA	SANTA CRUZ BRANCH	119.4	\$0	Assigned	Totally	
194440	207356	164695	87914234	Active	COUNTIS, THOMAS	Easement - Pipe, Wire, Roadway, Drainage	Lisa Burnside	Santa Cruz	CAPITOLA	CA		112.91	\$0	Assigned	Totally	
195255	204400	165544	82877222	Active	SOQUEL CREEK WATER DISTRICT	Crossing Pipeline	Joan M. Preble	Monterey	APTOS	CA	SANTA CRUZ BRANCH	112.72	\$0	Assigned	Totally	
195255	203632	165545	82480131	Active	SOQUEL CREEK WATER DISTRICT	Crossing Pipeline	Joan M. Preble	Monterey	APTOS	CA		83.2	\$0	Assigned	Totally	
195598	205499	165899	83331007	Active	GRANITE ROCK COMPANY	Crossing Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	SANTA CRUZ	103.09	\$0	Assigned	Totally	
199669	207591	170358	86041616	Active	CHARTER COMMUNICATIONS	Crossing - Wireline	Joan M. Preble	Santa Cruz	WATSONVILLE	CA	Santa Cruz	111.04	\$0	Assigned	Totally	
200142	\$15932		138604731	Active	PROPERTIES, LLC	Crossing - Private Roadway	Joan M. Preble	Santa Cruz	APTOS	CA	SP Route Code EC	112.8	\$0	Assigned	Totally	
200144	\$156680		77976509	Active	EXHIBIT "A"	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA	SP Route Code EC	110.5	\$0	Assigned	Totally	
200152	\$156739		77976517	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	APTOS	CA	SP Route Code EC	112.8	\$0	Assigned	Totally	
200153	\$152350		90819096	Active	PACIFIC TELE & TELE	Wire	Joan M. Preble	Santa Cruz	APTOS	CA	SP Route Code EC	111	\$0	Assigned	Totally	
200154	\$157723		138597466	Active	SANTA CLARA COUNTY OF	Crossing - Public Roadway	Paul G. Farrell	Santa Cruz	APTOS	CA	SP Route Code EC	111.23	\$0	Assigned	Totally	
200155	\$156067		138596729	Active	SANTA CRUZ COUNTY OF	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA	SP Route Code EC	108	\$0	Assigned	Totally	
200157	\$156717		138597266	Active	SANTA CRUZ COUNTY OF	Crossing - Public Roadway	Paul G. Farrell	Santa Cruz	APTOS	CA	SP Route Code EC	112.02	\$0	Assigned	Totally	
200157	\$157786		138597471	Active	SANTA CRUZ COUNTY OF	Crossing - Public Roadway	Paul G. Farrell	Santa Cruz	APTOS	CA	SP Route Code EC	111.79	\$0	Assigned	Totally	
200158	\$157979		138597475	Active	SANTA CRUZ COUNTY OF	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA	SP Route Code EC	111.04	\$0	Assigned	Totally	
200159	\$156292		138596747	Active	SOQUEL CREEK COUNTY WATER DIST	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA	SP Route Code EC	116.48	\$0	Assigned	Totally	
200160	\$156810		138597274	Active	SOQUEL CREEK COUNTY WATER DIST	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA	SP Route Code EC	90.6	\$0	Assigned	Partially	
200654	\$155770		138604515	Active	CAPITOLA CITY OF	Pipeline	Joan M. Preble	Santa Cruz	CAPITOLA	CA	SP Route Code EC	81.4	\$0	Assigned	Totally	
200767	\$162501		78026889	Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	CLIFFSIDE	CA	SP Route Code EC	83.5	\$0	Assigned	Totally	
201006	\$153859		77975849	Active	EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	DAVENPORT	CA	SP Route Code EL	85.5	\$0	Assigned	Totally	
203028	\$158150		138596753	Active	SANTA CRUZ CITY OF	Crossing - Public Roadway	Paul G. Farrell	Santa Cruz	ORBY	CA	SP Route Code EL	119.57	\$0	Assigned	Totally	
203736	\$160702		90225212	Active	BARGIACHHI LEO	Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	SP Route Code EL	81	\$0	Assigned	Totally	
203737	\$160646		78017907	Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	SP Route Code EL	81.64	\$0	Assigned	Totally	
203738	\$161659		77977522	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	SP Route Code EC	119.25	\$0	Assigned	Totally	
203739	\$162056		77977949	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	SP Route Code EL	81.63	\$0	Assigned	Totally	
203740	\$162884		78026937	Active	PACIFIC GAS & ELECTRIC COMPANY	Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	SP Route Code EL	84.44	\$0	Assigned	Totally	
203741	SPX2229		90017745	Active	PACIFIC GAS & ELECTRIC COMPANY	Attachments Wire/Pipeline/Antennas	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	SP Route Code EC	119.2	\$0	Assigned	Totally	
203742	\$162897		138596938	Active	PACIFIC TELE & TELE	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	SP Route Code EL	81.66	\$0	Assigned	Totally	
203743	\$159048		90319517	Active	PPYFER BROS RANCH	Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	SP Route Code EL	119.2	\$0	Assigned	Totally	
203744	\$153068		90625265	Active	SANTA CRUZ CITY OF	Lease of Land for Beautification, Parks, Pipeline	Lisa Burnside	Santa Cruz	SANTA CRUZ	CA	SP Route Code EC	81.63	\$0	Assigned	Totally	
203745	\$157341		138597320	Active	SANTA CRUZ CITY OF	Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	SP Route Code EL	81.63	\$0	Assigned	Totally	
203746	\$169246		90082306	Active	TELEPROMPTER CABLE TV	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	SP Route Code EL	119.09	\$0	Assigned	Totally	
203789	\$169007		138596941	Active	SANTA CRUZ PORT DISTRI	Crossing - Private Roadway	Joan M. Preble	Santa Cruz	SEABRIGHT	CA	SP Route Code EC	102.9	\$0	Assigned	Totally	
204471	\$157211		77977600	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Pipeline	Joan M. Preble	Santa Cruz	WATSONVILLE	CA	SP Route Code EC	102	\$0	Assigned	Totally	
204472	\$169753		138595932	Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA	SP Route Code EC		\$0	Assigned	Totally	

EXHIBIT "A"													
205767	S198875	138597950	Active	CAPITOLA CITY OF (DEED 62386)	Pipeline	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	116.2	\$0	Assigned	Totally
205987	S015384	74463147	Active	CHINOOK MANUFACTURING CO	Track	Dan L. Zack	Santa Cruz	SANTA CRUZ	CA SP Route Code EL	80.7	\$0	Assigned	Totally
206269	S032513	72879530	Active	COUCH DISTRIBUTING CO INC	Track - Industry Track Agreement	Dan L. Zack	Santa Cruz	WATSONVILLE	CA SP Route Code EC	103.1	\$0	Assigned	Totally
208017	S027248	73553975	Active	JOSEPH GEORGE DIST	Track	Dan L. Zack	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	118.1	\$0	Assigned	Totally
208855	SFX0329	74806317	Active	MONDO BROS INC	Track	Dan L. Zack	Santa Cruz	SANTA CRUZ	CA SP Route Code EL	80.6	\$0	Assigned	Totally
210400	SFX0507	74584532	Active	SANTA CRUZ ARTICHOKE & SPROUT GRWRS ASSN	Track	Dan L. Zack	Santa Cruz	SANTA CRUZ	CA SP Route Code EL	80.7	\$0	Assigned	Totally
210403	S186862	138608557	Active	SANTA CRUZ CITY OF	Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	119.65	\$0	Assigned	Totally
210404	S184560	138608395	Active	SANTA CRUZ COUNTY FLOOD CONTROL & WATER	Pipeline	Joan M. Preble	Santa Cruz	CLIFFSIDE	CA SP Route Code EC	117.18	\$0	Assigned	Totally
210405	S196592	138597732	Active	SANTA CRUZ COUNTY FLOOD CONTROL DIST.	Pipeline	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	116.7	\$0	Assigned	Totally
210408	S189267	138608562	Active	SANTA CRUZ COUNTY OF	Crossing - Private Roadway	Joan M. Preble	Santa Cruz	CLIFFSIDE	CA SP Route Code EC	118.1	\$0	Assigned	Totally
210409	S184485	138608389	Active	SANTA CRUZ COUNTY SANITATION DIST	Pipeline	Joan M. Preble	Santa Cruz	CLIFFSIDE	CA SP Route Code EC	118.1	\$0	Assigned	Totally
210410	S191422	138608725	Active	SANTA CRUZ COUNTY SANITATION DIST	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	110.02	\$0	Assigned	Totally
211004	S194565	88226005	Active	SOUTHWESTERN BELL TEL CO	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	102.03	\$0	Assigned	Totally
211518	S012360	138608717	Active	TOBEYS RASP SERVICE INC	Track	Dan L. Zack	Santa Cruz	SANTA CRUZ	CA SP Route Code EL	80.7	\$0	Assigned	Totally
211562	S190768	138608717	Active	TRESTLE BEACH ASSOCIATES	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	109.62	\$0	Assigned	Totally
211563	S191454	88309090	Active	TRESTLE BEACH ASSOCIATES	Lease of Land and/or RR Owned Buildings	Lisa Burnside	Santa Cruz	APTOS	CA SP Route Code EC	109.56	\$0	Assigned	Totally
212021	S199719	138598378	Active	WATSONVILLE CITY OF (DEED 62654)	Pipeline	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	102.62	\$0	Assigned	Totally
213477	S094200	87133186	Active	SANTA CRUZ CITY OF	Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	119.67	\$0	Assigned	Totally
216317	S190092	88368793	Active	APTOS STATION DEVELOPMENT	Pipeline	Joan M. Preble	Monterey	APTOS	CA SP Route Code EC	112.8	\$0	Assigned	Totally
216318	S193091	193940	Active	APTOS STATION DEVELOPMENT	Lease of Land for Beautification, Parks,	Lisa Burnside	Santa Cruz	APTOS	CA SP Route Code EC	112.8	\$157.41	Assigned	Totally
218844	S204551	78027765	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	112.71	\$0	Assigned	Totally
219372	S715345	86174758	Active	SOQUEL CREEK COUNTY WATER DIST	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	114.12	\$0	Assigned	Totally
219415	S193987	88247467	Active	SOQUEL CREEK COUNTY WATER DIST	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	112.81	\$0	Assigned	Totally
219416	S209823	138598473	Active	SOQUEL CREEK COUNTY WATER DIST	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	114.12	\$0	Assigned	Totally
219417	S210429	87012551	Active	SOQUEL CREEK COUNTY WATER DIST	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	115.32	\$0	Assigned	Totally
219418	S211311	86887093	Active	SOQUEL CREEK COUNTY WATER DIST	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	110.5	\$0	Assigned	Totally
219419	S211312	86887113	Active	SOQUEL CREEK COUNTY WATER DIST	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	110.22	\$0	Assigned	Totally
220587	S211207	185449	Active	TCI CABLEVISION OF SANTA CRUZ CNTY	Wire	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	111	\$0	Assigned	Totally
222153	S110652	203877	Active	WASHINGTON, ALICE	Lease of Land for Agricultural Purposes	Lisa Burnside	Santa Cruz	CAPITOLA	CA SP Route Code EC	116.6	\$5	Assigned	Totally
222216	S167026	138595941	Active	CALIFORNIA, STATE OF	Pipeline	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	115.01	\$0	Assigned	Totally
231276	S187360	149655	Active	SOQUEL CREEK PROPERTIES	Lease of Land for Public/Private Parking	Lisa Burnside	Santa Cruz	CAPITOLA	CA SP Route Code EC	116.12	\$6,000	Assigned	Totally
231279	S181635	138596612	Active	SANTA CRUZ SEASIDE CO	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	120	\$0	Assigned	Totally
231292	S194780	88201370	Active	RESEAR, ANTHONY P / PILO, MARY PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Crossing - Private Roadway	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	102	\$0	Assigned	Totally
232380	S169604	169281	Active	MOCEO, JIM (MRS)	Wire	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	117.28	\$0	Assigned	Totally
233023	S018043	155201	Active	PACIFIC TEL & TEL CO	Track	Dan L. Zack	Santa Cruz	SANTA CRUZ	CA SP Route Code EL	80.7	\$0	Assigned	Totally
233288	S166237	89915744	Active	TRESTLE BEACH ASSOCIATES	Wire	Joan M. Preble	Santa Cruz	SEABRIGHT	CA SP Route Code EC	119.14	\$0	Assigned	Totally
235323	S191872	138609734	Active	TRESTLE BEACH ASSOCIATES	Crossing - Private Roadway	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	109.6	\$0	Assigned	Totally
235849	S170058	78068446	Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	120.35	\$0	Assigned	Totally
235853	S170628	78068512	Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	112.06	\$0	Assigned	Totally
235854	S170715	78068531	Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	112.62	\$0	Assigned	Totally
237228	S182846	89018124	Active	ANECITO, J & COMPANY	Pipeline	Joan M. Preble	Santa Cruz	DAVENPORT	CA SP Route Code EL	87.75	\$0	Assigned	Totally
237483	S176572	138596066	Active	JOHNSON, M	Pipeline	Joan M. Preble	Santa Cruz	CLIFFSIDE	CA SP Route Code EC	118.34	\$0	Assigned	Totally



EXHIBIT "A"		78029070	Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	101.9	\$0	Assigned	Totally
237871	S1713437			PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC				
238083	S1222920		Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	116.98	\$0	Assigned	Totally
238086	S124288		Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	117.45	\$0	Assigned	Totally
238111	S201254		Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Monterey	WATSONVILLE	CA SP Route Code EC	101.9	\$0	Assigned	Totally
238112	S203015		Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Clara	APTOS	CA SP Route Code EC	108.9	\$0	Assigned	Totally
238113	S204242		Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	112.02	\$0	Assigned	Totally
238119	S178592		Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	102.05	\$0	Assigned	Totally
238144	S182012		Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Monterey	WATSONVILLE	CA SP Route Code EC	100.97	\$0	Assigned	Totally
238147	S182018		Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EL	81.82	\$0	Assigned	Totally
238163	S186211		Active	PACIFIC GAS & ELECTRIC COMPANY	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	114.12	\$0	Assigned	Totally
238169	S187511	177897	Active	PACIFIC GAS & ELECTRIC COMPANY	Crossing Pipeline	Joan M. Preble	Santa Cruz	WATSONVILLE	CA Santa Cruz Sub.	102.84	\$0	Assigned	Totally
238174	S187575		Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	111.99	\$0	Assigned	Totally
238175	S187577		Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Clara	WATSONVILLE	CA SP Route Code EC	102.62	\$0	Assigned	Totally
238191	S189400		Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	102	\$0	Assigned	Totally
238197	S190754		Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	NEW BRIGHTON	CA SP Route Code EC	115.56	\$0	Assigned	Totally
238204	S191424		Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	109.64	\$0	Assigned	Totally
238205	S191429		Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Clara	APTOS	CA SP Route Code EC	109.54	\$0	Assigned	Totally
238211	S193090		Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	112.87	\$0	Assigned	Totally
238216	S193129		Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	116.12	\$0	Assigned	Totally
238218	S194019		Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	DAVENPORT	CA SP Route Code EL	81.4	\$0	Assigned	Totally
238233	S196609		Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	101.9	\$0	Assigned	Totally
238269	S204241		Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	111.57	\$0	Assigned	Totally
238757	S182045		Active	CALIFORNIA UNIVERSITY REGENTS SULLIVAN, R. & A.	Crossing - Private Roadway	Joan M. Preble	Santa Cruz	ORBY	CA SP Route Code EL	81.8	\$10	Assigned	Totally
239770	S161499		Active	CALIFORNIA UNIVERSITY REGENTS SULLIVAN, R. & A.	Crossing - Private Roadway	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	109.07	\$10	Assigned	Totally
239975	S085860		Active	PACIFIC GAS & ELECTRIC COMPANY	Pipeline	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	114.11	\$0	Assigned	Totally
239976	S085861		Active	PACIFIC GAS & ELECTRIC COMPANY	Pipeline	Joan M. Preble	Santa Cruz	NEW BRIGHTON	CA SP Route Code EC	115.06	\$0	Assigned	Totally
240222	S108307		Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Pipeline	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	108.9	\$0	Assigned	Totally
240289	S112201	246514	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Pipeline	Joan M. Preble	Santa Cruz	GORDOLA	CA Santa Cruz	87.82	\$0	Assigned	Totally
240308	S113477		Active	PACIFIC GAS & ELECTRIC COMPANY	Pipeline	Joan M. Preble	Santa Cruz	GORDOLA	CA SP Route Code EL	84.48	\$0	Assigned	Totally
240641	S164006		Active	PACIFIC GAS & ELECTRIC COMPANY	Pipeline	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	107.1	\$0	Assigned	Totally
240670	S166785		Active	PACIFIC GAS & ELECTRIC COMPANY	Pipeline	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	102.03	\$0	Assigned	Totally
240689	S169337	149482	Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	118.95	\$0	Assigned	Totally

EXHIBIT "A"	78070021	Active	PACIFIC GAS & ELECTRIC COMPANY	Pipeline	Santa Cruz	CLIFFSIDE	CA SP Route Code EC	118.11	\$0	Assigned	Totally
240736	5173379	Active	PAGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	CLIFFSIDE	CA SP Route Code EC	118.11	\$0	Assigned	Totally
240764	5178580	Active	PAGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	APTOS	CA SP Route Code EC	111.41	\$0	Assigned	Totally
241007	5211294	Active	PAGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	APTOS	CA SP Route Code EC	110.53	\$0	Assigned	Totally
241008	5211295	Active	PAGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	APTOS	CA SP Route Code EC	110.22	\$0	Assigned	Totally
241010	5211313	Active	PAGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Pipeline	Joan M. Preble	APTOS	CA SP Route Code EC	110.52	\$0	Assigned	Totally
241011	5211314	Active	PAGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Pipeline	Joan M. Preble	APTOS	CA SP Route Code EC	110.35	\$0	Assigned	Totally
241855	5154196	Active	DEASY, LEWIS S. (MRS.)	Lease of Land for Beautification, Parks,	Lisa Burnside	CAPITOLA	CA SP Route Code EC	116.39	\$341.58	Assigned	Totally
242883	5210084	Active	SEABRIGHT STATION PARTNERSHIP	Lease of Land for Beautification, Parks,	Lisa Burnside	SEABRIGHT	CA SP Route Code EC	119.3	\$428.40	Assigned	Totally
244957	5203399	Active	SCHWARTZER, STEVE / VILLA GLEN MUTUAL WATER COMPANY WATER USERS GROUP	Lease of Land for Retail Business	Lisa Burnside	SANTA CRUZ	CA SP Route Code EC	121	\$457.90	Assigned	Totally
245617	5171658	Active	GARCIA, R.L.	Crossing - Private Roadway	Joan M. Preble	CAPITOLA	CA SP Route Code EC	115.6	\$10	Assigned	Totally
245622	5212398	Active	HOLCOMB CORPORATION	Crossing - Private Roadway	Joan M. Preble	APTOS	CA SP Route Code EC	110.54	\$128.09	Assigned	Totally
245926	5166357	Active	PACIFIC BELL	Wire	Joan M. Preble	CAPITOLA	CA SP Route Code EC	115.94	\$0	Assigned	Totally
246083	5181990	Active	PACIFIC BELL TELEPHONE COMPANY	Wire	Joan M. Preble	DAVENPORT	CA SP Route Code EL	81.81	\$0	Assigned	Totally
246084	5182861	Active	PACIFIC BELL TELEPHONE COMPANY	Wire	Joan M. Preble	APTOS	CA SP Route Code EC	107.7	\$0	Assigned	Totally
246557	5141781	Active	WAVEDIVISION VI, LLC DBA WAVE BROADBAND	Crossing - Wireline	Joan M. Preble	CAPITOLA	CA SP Route Code EC	115.9	\$0	Assigned	Totally
246558	5144376	Active	CHARTER COMMUNICATIONS PROPERTIES, LLC	Blanket Assignment/Adoption	Joan M. Preble	CAPITOLA	CA SP Route Code EC	115.56	\$0	Assigned	Totally
246562	5166290	Active	CHARTER COMMUNICATIONS PROPERTIES, LLC	Blanket Assignment/Adoption	Joan M. Preble	CAPITOLA	CA SP Route Code EC	116.22	\$0	Assigned	Totally
246654	5190770	Active	RINALDI, J	Pipeline	Joan M. Preble	DAVENPORT	CA SP Route Code EL	82.09	\$0	Assigned	Totally
246802	5014667	Active	WRIGLEY W.M. JR. CO	Track	Dan L. Zack	DAVENPORT	CA SP Route Code EL	81.15	\$0	Assigned	Totally
248266	5179286	Active	MONDO BROS	Lease of Land for Storage and Handling	Lisa Burnside	SANTA CRUZ	CA SP Route Code EL	80.96	\$2,609.55	Assigned	Totally
248466	5173641	Active	PPYFFER & J. & FJ	Pipeline	Joan M. Preble	DAVENPORT	CA SP Route Code EL	89.8	\$0	Assigned	Totally
249030	5114994	Active	PACIFIC TELEPHONE	Wire	Joan M. Preble	CASINO	CA SP Route Code EC	119.56	\$0	Assigned	Totally
249031	5186286	Active	PACIFIC TELEPHONE	Wire	Joan M. Preble	CAPITOLA	CA SP Route Code EC	115.9	\$0	Assigned	Totally
249033	5191457	Active	PACIFIC TELEPHONE	Wire	Joan M. Preble	APTOS	CA SP Route Code EC	112.99	\$0	Assigned	Totally
249034	5191458	Active	PACIFIC TELEPHONE	Wire	Joan M. Preble	LA SELVA BEACH	CA SP Route Code EC	109.64	\$0	Assigned	Totally
249035	5193112	Active	PACIFIC TELEPHONE	Wire	Joan M. Preble	CAPITOLA	CA SP Route Code EC	116.1	\$0	Assigned	Totally
249036	5194021	Active	PACIFIC TELEPHONE	Wire	Joan M. Preble	DAVENPORT	CA SP Route Code EL	90.5	\$0	Assigned	Totally
250407	5167578	Active	WATSONVILLE CANNING & FROZEN FOOD CO	Pipeline	Joan M. Preble	WATSONVILLE	CA SP Route Code EC	102.19	\$0	Assigned	Totally
250753	5192493	Active	NELLANY, JOHN & PLUMARTA, VERNON	Lease of Land for Retail Business	Lisa Burnside	GORDOLA	CA SP Route Code EL	86.49	\$3,207.72	Assigned	Totally
251340	5186302	Active	SCOTT'S VALLEY CITY OF	Pipeline	Joan M. Preble	SCOTT'S VALLEY	CA SP Route Code EC	120.5	\$0	Assigned	Totally
252817	5157272	Active	LORENZI, G.B. LO & ZEHER, K	Crossing - Private Roadway	Joan M. Preble	MAJORS	CA SP Route Code EL	86.51	\$10	Assigned	Totally
252841	5194279	Active	CAPITOLA, CITY OF	Lease of Land for Public/Private Parking	Lisa Burnside	CAPITOLA	CA SP Route Code EC	116.58	\$447.88	Assigned	Totally
253423	5194399	Active	R.J. FAMBIRINI & CO., INC.	Lease of Land for Agricultural Purposes	Lisa Burnside	ORBY	CA SANTA CRUZ SUB	82	\$381.10	Assigned	Totally
254242	5211293	Active	PACIFIC BELL	Wire	Joan M. Preble	APTOS	CA SP Route Code EC	110.53	\$0	Assigned	Totally
256506	5713386	Active	SANTA CRUZ COUNTY SANITATION DIST	Pipeline	Joan M. Preble	SANTA CRUZ COUNTY	CA SP Route Code EC	113.4	\$0	Assigned	Totally
256899	5177444	Active	SANTA CRUZ COUNTY CA	Pipeline	Joan M. Preble	APTOS	CA SP Route Code EC	112.9	\$0	Assigned	Totally
256900	5181065	Active	SANTA CRUZ COUNTY CA	Crossing - Public Roadway	Paul G. Farrell	CLIFFSIDE	CA SP Route Code EC	117.1	\$0	Assigned	Totally
256902	5192311	Active	SANTA CRUZ COUNTY CA	Crossing - Private Roadway	Joan M. Preble	APTOS	CA SP Route Code EC	112.81	\$0	Assigned	Totally
256903	5196567	Active	SANTA CRUZ COUNTY CA	Lease of Land for Public/Private Parking	Lisa Burnside	APTOS	CA SP Route Code EC	112.8	\$0	Assigned	Totally
256904	5210487	Active	SANTA CRUZ COUNTY SANITATION DIST	Pipeline	Joan M. Preble	CLIFFSIDE	CA SP Route Code EC	118.1	\$0	Assigned	Totally
256905	5180904	Active	SANTA CRUZ COUNTY SANITATION DIST	Pipeline	Joan M. Preble	CAPITOLA	CA SP Route Code EC	115.24	\$0	Assigned	Totally
256906	5193127	Active	SANTA CRUZ COUNTY SANITATION DIST	Pipeline	Joan M. Preble	SEABRIGHT	CA SP Route Code EC	118.64	\$0	Assigned	Totally
256907	5193986	Active	SANTA CRUZ COUNTY SANITATION DIST	Pipeline	Joan M. Preble	APTOS	CA SP Route Code EC	112.82	\$0	Assigned	Totally

EXHIBIT "A"	87010605	Active	SANTA CRUZ COUNTY SANITATION DIST	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	112.4	\$0	Assigned	Totally
256908 S210381	87010605	Active	SANTA CRUZ COUNTY SANITATION DIST	Pipeline	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	112.4	\$0	Assigned	Totally
256909 S212682	138598600	Active	SANTA CRUZ COUNTY SANITATION DIST	Pipeline	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	116.56	\$0	Assigned	Totally
257778 S715706	86164521	Active	SANTA CRUZ CITY OF	Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EL	79.66	\$0	Assigned	Totally
257779 S715207	86164716	Active	SANTA CRUZ CITY OF	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EL	79.67	\$0	Assigned	Totally
257847 S164604	138595935	Active	SANTA CRUZ CITY OF	Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EL	80.59	\$0	Assigned	Totally
257849 S181098	138596299	Active	SANTA CRUZ CITY OF	Pipeline	Joan M. Preble	Santa Cruz	CLIFFSIDE	CA SP Route Code EC	118.1	\$0	Assigned	Totally
257850 S182706	138596604	Active	SANTA CRUZ CITY OF	Pipeline	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	117.22	\$0	Assigned	Totally
257851 S185240	138608501	Active	SANTA CRUZ CITY OF	Pipeline	Joan M. Preble	Santa Cruz	SEABRIGHT	CA SP Route Code EC	119.53	\$0	Assigned	Totally
257852 S193104	138610161	Active	SANTA CRUZ CITY OF	Pipeline	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	117.3	\$0	Assigned	Totally
257853 S204278	138605206	Active	SANTA CRUZ CITY OF	Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EL	80.06	\$0	Assigned	Totally
257857 S209666	138598386	Active	SANTA CRUZ CITY OF	Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EL	79.66	\$0	Assigned	Totally
257858 S209914	149481	Active	SANTA CRUZ CITY OF	Lease of Land for Storage and Handling	Lisa Burnside	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	120.54	\$32,033.08	Assigned	Totally
257859 S211908	138598511	Active	SANTA CRUZ CITY OF	Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EL	79.26	\$0	Assigned	Totally
257860 S211909	138598594	Active	SANTA CRUZ CITY OF	Crossing - Private Roadway	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	120.41	\$80	Assigned	Totally
257948 S076543	92833985	Active	PACIFIC TELEPHONE	Wire	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	114.96	\$0	Assigned	Totally
257953 S102588	92904189	Active	PACIFIC TELEPHONE	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	103.1	\$0	Assigned	Totally
257958 S169530	89746048	Active	PACIFIC TELEPHONE	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	107.85	\$0	Assigned	Totally
257962 S172929	89591346	Active	PACIFIC TELEPHONE	Wire	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	110.1	\$0	Assigned	Totally
257965 S174669	89514808	Active	PACIFIC TELEPHONE	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	108.89	\$0	Assigned	Totally
257967 S176501	89595130	Active	PACIFIC TELEPHONE	Wire	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	114.5	\$0	Assigned	Totally
258393 S121003	78032164	Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Clara	CAPITOLA	CA SP Route Code EC	115.07	\$0	Assigned	Totally
258400 S164103	Active	Active	PACIFIC GAS & ELECTRIC COMPANY	Attachments Wire/Pipeline/Antennas	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	119.25	\$0	Assigned	Totally
258403 S164902	90006601	Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	CAPITOLA	CA SP Route Code EC	116.22	\$0	Assigned	Totally
258406 S165301	78033461	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	102.45	\$0	Assigned	Totally
258422 S167972	78041095	Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	113.05	\$0	Assigned	Totally
258423 S168290	78033834	Active	PACIFIC GAS & ELECTRIC COMPANY	Wire	Joan M. Preble	Santa Cruz	APTOS	CA Santa Cruz	7.77	\$0	Assigned	Totally
258434 S171142	78034251	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	DAVENPORT	CA SP Route Code EL	85.68	\$0	Assigned	Totally
258435 S171176	78034256	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	DAVENPORT	CA SP Route Code EL	85.27	\$0	Assigned	Totally
258437 S171320	78034270	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	109.77	\$0	Assigned	Totally
258442 S171875	78034615	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	APTOS	CA SP Route Code EC	114.13	\$0	Assigned	Totally
260224 S708710	116415575	Active	KOVALENKO, LAWRENE B.	Lease of Land for Beautification, Parks,	Lisa Burnside	Santa Cruz	SEABRIGHT	CA SP Route Code EC	119.5	\$472.68	Assigned	Totally
260304 S708852	195115	Active	CASCADE REFRIGERATED NORTHERN CALIF., INC.	Track: Track Lease (Non-Haz)	Dan L. Zack	Santa Cruz	WATSONVILLE	CA SP Route Code EC	102.01	\$2,160	Assigned	Totally
272042 S713661	138598622	Active	WATSONVILLE COGENERATION PARTNERSHIP	Pipeline	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	102.15	\$0	Assigned	Totally
274684 S717219	85969651	Active	SANTA CRUZ COUNTY CA	Pipeline	Joan M. Preble	Santa Cruz	CLIFFSIDE	CA SP Route Code EC	118.34	\$0	Assigned	Totally
275375 S718084	155177	Active	MOON PROPERTIES, L.P.	Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	120.87	\$0	Assigned	Totally
275522 S718204	83997474	Active	WATSONVILLE, CITY OF	Pipeline	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	106.29	\$0	Assigned	Totally
277277 S117141	91906286	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	81.64	\$0	Assigned	Totally
277278 S122730	91751367	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	83.2	\$0	Assigned	Totally
277279 S121876	91789739	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA SP Route Code EC	83.4	\$0	Assigned	Totally
277280 S143910	90935567	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	NEW BRIGHTEN	CA SP Route Code EC	84.85	\$0	Assigned	Totally
277285 S116946	138613071	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	102.25	\$0	Assigned	Totally
277295 S121028	91802165	Active	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	Wire	Joan M. Preble	Santa Cruz	WATSONVILLE	CA SP Route Code EC	111.34	\$0	Assigned	Totally

EXHIBIT "A"	277900	277901	277903	277904	277905	277913	277916	277917	277918	278138	278295	367101	408724	409395	410634	410859	411066	411500	412157	412474	412823	437224	437231	437887	438233	442068	446570	447769	451635	451920	455863	457023	457497	457879	459511	464372	465104	508398	509454	514595	571718						
	5123280	5148001	5142450	5099233	5113042	5148973	5124626	5122978	5117703	5719630	5719850	207254	5006275	57232	5015548	5003303	5002819	5002518	572852	579787	5000771	5720733	5720737	5707626	5721662	5721534	5017462	5729379	5048524	5049513	507624	5091557	5095809	5108176	572733	574791	213224	208007	211721	213704							
	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active					
	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	PGE/SP LEASE AGREEMENT FROM EXHIBIT "A"	LA SELVA BEACH RECREATION DISTRICT	CALPINE MONTEREY COGENERATION, INC.	MARTINELLI & COMPANY	HOMER T HAYWARD LUMBER COMPANY	SANTA CRUZ CITY OF	DEL MAR FOOD PRODUCTS CORPORATION	THE UNION ICE COMPANY	BORCOVICH & DRAGOVICH COMPANY	PAJARO VALLEY COLD STORAGE COMPANY	SANTA CRUZ PORTLAND CEMENT COMPANY	ASSOCIATED OIL COMPANY	B PISTA	PACIFIC GAS & ELECTRIC COMPANY	PACIFIC GAS & ELECTRIC COMPANY	HIHN, FRED D.	APPLE GROWERS COLD STORAGE CO	PACIFIC TELEPHONE & TELEGRAPH CO	SANTA CRUZ COUNTY OF	SANTA CRUZ CITY OF	MONTEREY, COUNTY OF	MONTEREY, COUNTY OF	CALIFORNIA, STATE OF	CAPITOLA, CITY OF	CAPITOLA, CITY OF	CAPITOLA, CITY OF	COAST DAIRIE & LAND CO.	SOQUEL CREEK COUNTY WATER DISTRICT	SANTA CRUZ COUNTY OF	SANTA CRUZ	SANTA CRUZ CITY OF	SANTA CRUZ, CITY OF	PACIFIC GAS & ELECTRIC COMPANY			
	Wire	Wire	Wire	Wire	Wire	Wire	Wire	Wire	Wire	Pipeline	Pipeline	Crossing - Private Roadway	Track	Track	Track	Track	Track	Track	Track	Track	Track	Track	Track	Track	Track	Track	Track	Crossing - Public Roadway	Easement - Pipe	None	Pipeline	Crossing - Public Roadway	Crossing - Public Roadway	Crossing - Public Roadway	Easement - Roadway	Crossing - Private Roadway	Crossing Pipeline	Warning Devices - Public Roadway	Lease of Land for Beautification, Parks, Crossings	Crossing Pipeline	Crossing - Public Roadway	Easement - Wire					
	Wire	Wire	Wire	Wire	Wire	Wire	Wire	Wire	Wire	Pipeline	Pipeline	Crossing - Private Roadway	Track	Track	Track	Track	Track	Track	Track	Track	Track	Track	Track	Track	Track	Track	Track	Crossing - Public Roadway	Easement - Pipe	None	Pipeline	Crossing - Public Roadway	Crossing - Public Roadway	Crossing - Public Roadway	Easement - Roadway	Crossing - Private Roadway	Crossing Pipeline	Warning Devices - Public Roadway	Lease of Land for Beautification, Parks, Crossings	Crossing Pipeline	Crossing - Public Roadway	Easement - Wire					
	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Santa Cruz	Monterey	Santa Cruz	Santa Cruz	Santa Cruz	Monterey	Santa Cruz	Monterey	Santa Cruz	Monterey	Santa Cruz	Santa Cruz	Monterey	Santa Cruz	Santa Cruz	Santa Cruz	Monterey					
	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA			
	CAPITOLA	CAPITOLA	SANTA CRUZ	SEABRIGHT	SANTA CRUZ	SANTA CRUZ	DAVENPORT	DAVENPORT	SANTA CRUZ	APTOS	WATSONVILLE	SYSTEM	SANTA CRUZ	SANTA CRUZ	WATSONVILLE	SANTA CRUZ	WATSONVILLE	WATSONVILLE	DAVENPORT	WATSONVILLE	WATSONVILLE	WATSONVILLE	DAVENPORT	SANTA CRUZ	SANTA CRUZ	WATSONVILLE	SANTA CRUZ	APTOS	APTOS	APTOS	APTOS	CAPITOLA	CAPITOLA	CAPITOLA	CAPITOLA	DAVENPORT	APTOS	APTOS	SANTA CRUZ	SANTA CRUZ	SANTA CRUZ	SANTA CRUZ	WATSONVILLE	WATSONVILLE			
	CA SP Route Code EC	CA SP Route Code EC	CA SP Route Code EC	CA SP Route Code EC	CA SP Route Code EC	CA SP Route Code EL	CA SP Route Code EL	CA SP Route Code EL	CA SP Route Code EL	CA SP Route Code EC	CA SP Route Code EC	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA	CA		
	115.56	115.6	117.9	118.8	119.66	79.7	86.5	86.56	86.8	109.22	102.23	0			103.1													101.16																			
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$119.41	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned	Assigned
	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Partially	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally	Totally

EXHIBIT "A"																			
598730	219464	190590	138605246	Active	JOHNSON & COMPANY	Crossing Pipeline	Joan M. Preble	Monterey	APTOS	CA	Santa Cruz	12.47	\$	Assigned	Totally				
621074	221068	196381	107433769	Active	COASTAL INNS OF DISTINCTION	Lease of Land for Public/Private Parking	Lisa Burnside	Santa Cruz	CAPITOLA	CA	Santa Cruz	\$5,842.85		Assigned	Totally				
625061	220811	197517	107162113	Active	JIM CASTELLANOS	Lease of Land for Public/Private Parking	Lisa Burnside	Santa Cruz	CAPITOLA	CA	Santa Cruz	\$0		Assigned	Totally				
627694	220462	198165	106637031	Active	CITY OF SANTA CRUZ	Consent Pipeline Crossing in Public ROW	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	Santa Cruz	20.75	\$	Assigned	Totally				
629833	227459	198650	114021545	Active	RMC PACIFIC MATERIALS, INC	Encroachment - Drainage Agreement	Joan M. Preble	Santa Cruz	DAVENPORT	CA	Santa Cruz	31.1		Assigned	Totally				
631142	220738	198987	107105127	Active	PACIFIC GAS AND ELECTRIC COMPANY	Consent Wire Crossing in Public ROW	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	Santa Cruz	120.84		Assigned	Totally				
651881	227007	207711	113765220	Active	SANTA CRUZ COUNTY SANITATION DISTRICT	Crossing Pipeline	Joan M. Preble	Monterey	APTOS	CA	Santa Cruz	13.02		Assigned	Totally				
655249	227449	211468	114039215	Active	SANTA CRUZ, CITY OF	Crossing - Public Roadway	Paul G. Farrell	Santa Cruz	SANTA CRUZ	CA	Santa Cruz Sub.	20.78	\$	Assigned	Totally				
655250	227485	211469	114212611	Active	SANTA CRUZ, CITY OF	Crossing - Public Roadway	Paul G. Farrell	Santa Cruz	SANTA CRUZ	CA	Santa Cruz Sub.	20.75		Assigned	Totally				
655251	228377	211470	114675818	Active	SANTA CRUZ, CITY OF	Crossing - Public Roadway	Paul G. Farrell	Santa Cruz	SANTA CRUZ	CA	Santa Cruz Sub.	19.02	\$	Assigned	Totally				
659048	230499	216207	116836671	Active	SANTA CRUZ COUNTY SANITATION DISTRICT	Crossing Pipeline	Joan M. Preble	Monterey	APTOS	CA	Santa Cruz	14.26		Assigned	Totally				
661112	230173	217766	116539203	Active	SANTA CRUZ COUNTY SANITATION DISTRICT	Crossing Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	Santa Cruz	18.6		Assigned	Totally				
662485	230472	218655	116960015	Active	CITY OF SANTA CRUZ	Encroachment - Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	Santa Cruz	20.31		Assigned	Totally				
664538	238600	220951	139853978	Active	CAPITOLA, CITY OF - STAIRS	Right of Entry Agreement	Lisa Burnside	Santa Cruz	CAPITOLA	CA	SANTA CRUZ	16.3	\$	Assigned	Totally				
665784	233528	222183	119704940	Active	UNIVERSITY BUSINESS PARK LLC	Lease of Land for Industrial Purposes	Lisa Burnside	Santa Cruz	SANTA CRUZ	CA	SANTA CRUZ	22		Assigned	Totally				
666949	231783	223078	117905095	Active	MONTEREY COUNTY	Warning Devices - Public Roadway	Paul G. Farrell	Monterey	WATSONVILLE JCT	CA	Santa Cruz Sub.	1.12	\$	Assigned	Totally				
667395	231857	223367	117989761	Active	RMC PACIFIC MATERIALS	Track	Dan L. Zack	Santa Cruz	DAVENPORT	CA	Santa Cruz		\$	Assigned	Totally				
674607	235739	229095	137592379	Active	CITY OF SANTA CRUZ	Encroachment - Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	Santa Cruz	20		Assigned	Totally				
675852	236101	230222	137865481	Active	SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION	Environmental Right of Entry Agrm. II	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	Santa Cruz Branch	79.3		Assigned	Totally				
689438	244025	207714	154264038	Active	CEMEX	Industrial Track Agreement w/o Maint Chg	Dan L. Zack	Santa Cruz	DAVENPORT	CA	Santa Cruz Ind Lead	31.8	\$	Assigned	Totally				
690096	242123	232126	152672800	Active	SANTA CRUZ, CITY OF	Crossing - Public Roadway	Paul G. Farrell	Santa Cruz	SANTA CRUZ	CA	Santa Cruz Lead	22.09	\$	Assigned	Totally				
690940	243313	242055	153658957	Active	SANTA CRUZ COUNTY SANITATION DISTRICT	Crossing Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	Santa Cruz	17.1		Assigned	Totally				
692827	244643	244186	154705658	Active	SANTA CRUZ SEASIDE COMPANY	Crossing Pipeline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	Santa Cruz	19.72		Assigned	Totally				
693366	244221	244824	154416309	Active	SANTA CRUZ, COUNTY OF	Right of Entry Agreement	Paul G. Farrell	Santa Cruz	CAPITOLA	CA	Santa Cruz Lead	17.1		Assigned	Totally				
698046	246403	248405	156227203	Active	SANTA CRUZ COUNTY SANITATION DISTRICT	Crossing Pipeline	Joan M. Preble	Santa Cruz	CAPITOLA	CA	Santa Cruz Industria	15.88		Assigned	Totally				
700742	248207	250765	158618272	Active	STEVEN B. SPENCE KING CRANE	Right of Entry Agreement	Joan M. Preble	Santa Cruz	CAPITOLA	CA	Santa Cruz	14.85		Assigned	Totally				
700943	250406	251009	161875395	Active	SUNESYS, LLC	Crossing - Wireline	Joan M. Preble	Santa Cruz	SANTA CRUZ	CA	Santa Cruz	22.38		Assigned	Totally				
702126	248206	251183	158611987	Active	SQUEL CREEK WATER DISTRICT	Crossing Pipeline	Joan M. Preble	Monterey	APTOS	CA	Santa Cruz Ind.	13.02		Assigned	Totally				
702518	249785	252625	160623883	Active	SQUEL CREEK WATER DISTRICT	Crossing Pipeline	Joan M. Preble	Monterey	APTOS	CA	Santa Cruz	13.12		Assigned	Totally				
658419	P166136	142963		Active	SANTA CRUZ, BIG TREES & PACIFIC RAILWAY COMPANY	Joint Track Agreement W/ other RR UP own	Myrie Giersch	Santa Cruz	SANTA CRUZ	CA	Santa Cruz	120		Assigned	Totally				

**EXHIBIT F**

**FIRST AMERICAN TITLE INSURANCE COMPANY CONDUCTS ESCROW BUSINESS UNDER CERTIFICATE OF AUTHORITY NO. 2787 ISSUED BY THE STATE OF CALIFORNIA DEPARTMENT OF INSURANCE**

**ESCROW HOLDER GENERAL PROVISIONS****DEPOSIT OF FUNDS AND DISBURSEMENTS**

Escrow Holder shall deposit all funds received in this escrow in any financial institution insured by a federal agency of the United States Government, including financial institutions affiliated with Escrow Holder's company, in one or more general escrow demand accounts. Unless Escrow Holder is handed a W-9 form and specific investment instructions from the Buyer and Seller, all funds delivered to Escrow Holder pursuant to these instructions will be deposited in a non-interest bearing fiduciary account. All disbursements shall be made by Escrow Holder's check unless otherwise instructed in writing. Escrow Holder is authorized not to close escrow or disburse until collected funds have been confirmed in escrow.

**GOOD FUNDS LAW**

The parties understand that ALL funds to close escrow and/or to be released early must be deposited into escrow prior to the date of closing/early release to allow sufficient time for clearance of the funds prior to disbursement. In the event such funds are not in the form of a cashier's, certified or teller check drawn on a financial institution, sufficient time must be allowed for clearance to comply with any "good funds" law which is in effect. (For escrows conducted in California, the good funds law is Section 12413.1 of the California Insurance Code.) Funds may be wired directly into Escrow Holder's depository bank account to avoid waiting for clearance.

**PRORATIONS AND ADJUSTMENTS**

**SUBJECT TO THE EXPRESS TERMS OF THE AGREEMENT**, the expression "close of escrow" used in this escrow means the date on which documents referred to herein are recorded and relates only to prorations and/or adjustments unless otherwise specified.

All prorations and/or adjustments are to be made on the basis of a 30-day month unless otherwise instructed in writing.

**RECORDATION OF DOCUMENTS**

Escrow Holder is authorized to record any documents delivered through this escrow, the recording of which is necessary or proper in the issuance of the requested policy of title insurance.

**AUTHORIZATION TO FURNISH COPIES**

Escrow Holder is to furnish a copy of these instructions, amendments thereto, closing statements and/or any other documents deposited in this escrow to the lender(s), the real estate broker(s), the attorney(s) and/or the accountant(s) involved in this transaction upon request of the lenders, brokers, attorneys or accountants.

**PERSONAL PROPERTY TAXES**

No examination, UCC Search or insurance as to personal property and/or the amount or payment of personal property taxes is required unless otherwise instructed in writing.

**RIGHT OF CANCELLATION**

Any party instructing Escrow Holder to cancel this escrow shall file notice of cancellation in Escrow Holder's office, in writing. Within a reasonable time, Escrow Holder shall mail, by certified and regular mail, one copy of the notice to each of the other parties at the addresses stated in this escrow. Unless a written objection to cancellation is filed in Escrow Holder's office by a party within ten (10) days after date of mailing, Escrow Holder is authorized at its option to comply with the notice and demand payment of Escrow Holder's cancellation charges as provided in this agreement. If a written objection is filed, Escrow Holder is authorized at Escrow Holder's option to hold all the money and documents contained in this escrow and take no further action until otherwise directed, either by the parties' mutual written instructions, or final order of a court of competent jurisdiction.

**ACTION IN INTERPLEADER**

The parties hereto expressly agree that Escrow Holder has the absolute right at Escrow Holder's election to file an action in interpleader requiring the parties to answer and litigate their several claims and rights between themselves and Escrow Holder is authorized to deposit all documents and funds held in this escrow with the clerk of the court. In the event such an action is filed, the parties jointly and severally agree to pay Escrow Holder's cancellation charges and costs, expenses and reasonable attorneys' fees which Escrow Holder is required to expend or incur in the interpleader action, the amount thereof to be fixed and judgment therefor to be rendered by the court. Upon the filing of the action, Escrow Holder shall thereupon be fully released and discharged from all obligations to further perform any duties or obligations otherwise imposed by the terms of this escrow, provided such filing is meritorious.

**TERMINATION OF AGENCY OBLIGATIONS**

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, Escrow Holder's agency obligation shall terminate at Escrow Holder's option and all documents, monies or other items held by Escrow Holder shall be returned to the parties depositing the same.

In the event of termination of this escrow, whether at the request of any of the parties or otherwise, all fees and charges due in connection with this escrow including expenditures incurred and/or authorized shall be paid by the parties hereto.

**CONFLICTING INSTRUCTIONS**

Should Escrow Holder before or after close of escrow receive or become aware of any conflicting demands or claims with respect to this escrow or the rights of any of the parties hereto, or any money or property deposited herein or affected hereby, Escrow Holder shall have the right to discontinue any or all further acts on Escrow Holder's part until the conflict is resolved to Escrow Holder's satisfaction, and Escrow Holder shall have the further right to comments or defend any action or proceedings for the determination of the conflict as provided in the "Right of Cancellation" and "Action in Interpleader" paragraphs of these General Provisions.

**USURY**

Escrow Holder is not to be concerned with any question of usury in any loans or encumbrances involved in the processing of this escrow and Escrow Holder is hereby released of any responsibility or liability therefor.

**INDEMNITY FOR ATTORNEYS FEES AND COSTS**

In the event suit is brought by any party to this escrow, including the Escrow Holder or any other party, against each other, or others, including the Escrow Holder, claiming any right they may have against each other or against the title company, then in that event, with the exception of gross negligence by the title company, the parties hereto agree to indemnify and hold the title company harmless against any attorney's fees and costs incurred by it, unless such suit is based on a claim against the title company and the party is the "prevailing party."

**AMENDMENT TO ESCROW INSTRUCTIONS**

Any amendment or supplement to these escrow instructions must be in writing and signed by the parties. These escrow instructions and any written amendments, supplements or exhibits attached hereto constitute the entire escrow agreement between the Escrow Holder and the parties hereto with respect to the subject matter hereof and supersedes all prior understandings, with respect thereto.

**PROPERTY TAXES SUBSEQUENT TO CLOSE OF ESCROW**

Buyer and Seller herein acknowledge that there may be supplemental and/or additional taxes which may be assessed by reason of a change in ownership or completion of construction. This will be reflected in the policy of title insurance issued at the close of escrow. Escrow Holder shall not be concerned with any adjustment(s) of supplemental taxes between the parties for bills received by the parties after the close of escrow. In the event Seller has received Supplemental Tax Bill(s) prior to close of escrow, Seller will provide them to Escrow Holder with an explanation of time periods covered by the tax bill(s) for proration purposes. (In California the applicable provisions are found in California Revenue and Taxation Code Sections 75 and following.) In the event Buyer or Seller have applied, or apply for a reduced assessment, and a refund of taxes is received by Escrow Holder as Agent, Escrow Holder is to retain the funds in one or more of Escrow Holder's general escrow demand accounts until Escrow Holder has received mutual written instructions from the parties directing Escrow Holder as to the proper disposition of the tax refund.

**CHANGE OF OWNERSHIP FORMS**

Buyer will furnish Escrow Holder with a completed Preliminary Change of Ownership Report which Escrow Holder is instructed to submit at time of recordation pursuant to Section 480.3 of the California Revenue and Taxation Code. In the event this escrow is otherwise ready to close and Buyer has not provided the above report, Escrow Holder is instructed to close this escrow and collect from Buyer for the County Recorder any additional fee required for recordation when a Preliminary Change of Ownership Report does not accompany the documents being recorded. Buyer is aware that if the above report is not submitted at time of recordation as required, a Change of Ownership Statement must be filed by the Buyer with the County Assessor not later than 45 days after recordation and failure to do so will result in additional penalties. Buyer acknowledges that Escrow Holder shall have no responsibility and/or liability for the County Recorder's acceptance or rejection of the Preliminary Change of Ownership Report. For escrows involving property in States other than California parties will provide Escrow Holder with applicable documents as may be required by the county recorder or taxing authority to close this transaction.

**INSURANCE POLICIES OTHER THAN TITLE INSURANCE**

When dealing with real property and/or improvements located thereon it is advisable to obtain fire, hazard or liability insurance coverage. In all acts in this escrow relating to insurance, including adjustments, if any, Escrow Holder may assume that each policy is in force and that the necessary premium has been paid. Escrow Holder shall not be responsible for obtaining fire,

hazard or liability insurance, unless Escrow Holder has received written instruction prior to close of escrow from the parties or their respective lenders.

#### **FACSIMILE INSTRUCTIONS**

In the event the parties utilize "facsimile" transmitted signed documents, Buyer and Seller hereby agree to accept and instruct the Escrow Holder to rely upon such documents as if they bore original signatures. Buyer and Seller hereby acknowledge and agree to provide to Escrow Holder, within 72 hours of transmission, such documents bearing the original signatures. Buyer and Seller further acknowledge and agree that documents necessary for recording with other than original signatures (i.e., facsimiles) will not be accepted for recording by the County Recorder thereby delaying the close of escrow.

#### **EXECUTE IN COUNTERPART**

These escrow instructions and any subsequent amendments may be executed in one or more counterparts, each of which independently shall have the same effect as if it were the original, and all of which taken together shall constitute one and the same instruction.

**IF THE TRANSACTION WHICH IS THE SUBJECT OF THIS ESCROW IS A SALE, THE PARTIES TO THIS TRANSACTION MAY HAVE CERTAIN TAX REPORTING AND WITHHOLDING OBLIGATIONS PURSUANT TO STATE LAW OR FEDERAL LAW REFERRED TO BELOW.**

#### **REPORTING TO THE INTERNAL REVENUE SERVICE**

The Tax Reform Act of 1986 provides that Escrow Holder must report certain information regarding all real estate transactions to the Internal Revenue Service. This information includes, among other things, the Seller's social security number and/or tax identification number and forwarding address, and the gross sales price of the transaction. This is not a requirement generated by Escrow Holder, but rather a means of complying with the new tax law. This information must be provided to Escrow Holder upon the opening of escrow and neither can escrow be closed, nor can a deed or any other documents be recorded until the information is provided and the Seller certifies the accuracy of the information in writing. By execution of these escrow instructions, the parties acknowledge receipt of this notice.

#### **TAX REPORTING AND WITHHOLDING OBLIGATIONS OF THE PARTIES**

**CALIFORNIA LAW:** In accordance with Section 18662 and 18668 of the California Revenue and Taxation Code, a Buyer may be required to withhold an amount equal to three and one-third (3-1/3) percent of the sales price, in the case of a 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 to be sent to a financial intermediary of the Seller; OR (2) A corporate Seller which has no permanent place of business in California. For failure to withhold, the Buyer may become subject to a penalty in an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500.00). However, notwithstanding any other provision included in the California statutes referenced herein, no Buyer will be required to withhold any amount or be subject to penalty for failure to withhold if: (a) The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000.00); OR (b) 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 (c) 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 herein include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis.

The Seller may request a reduction in withholding or waiver and the Buyer and Seller may obtain additional information by contacting the Franchise Tax Board, Withhold at Source Unit, P.O. Box 651, Sacramento, CA 95812-0651 (916-845-4900).

#### **LAW OF STATES OTHER THAN CALIFORNIA**

If the parties are required to withhold by the law of a state other than California, the parties understand that the withholding obligation is the exclusive obligation of the parties to this transaction and that Escrow Holder is not obligated to withhold or notify the parties of any withholding obligation they may have.

#### **FEDERAL LAW**

Internal Revenue Code Section 1445 places special requirements for tax reporting and withholding on the parties to a real estate transaction where the Seller (Transferor) is a non-resident alien, a non-domestic corporation or partnership, a domestic corporation or partnership controlled by non-residents or non-resident corporations or partnerships.

With respect to both the State Law and Federal Law referred to above, the parties to this transaction should seek an attorney's, accountant's, or other tax specialists' opinion concerning the effect of these laws on this transaction. The parties to this transaction should NOT act on or rely on any statements made or omitted by the Escrow Officer, Title Officer, or other closing Officer with respect to tax reporting or withholding requirements. By execution of these escrow instructions, the parties acknowledge receipt of this notice.



**DISCLOSURE OF TAXPAYER IDENTIFICATION NUMBERS**

Internal Revenue Code Section 6109(h) imposes requirements for furnishing, disclosing and including taxpayer identification numbers in tax returns on the parties to a residential real estate transaction involving seller-provided financing. The parties understand that the disclosure reporting requirements are exclusive obligations between the parties to this transaction and that Escrow Holder is not obligated to transmit the taxpayer identification numbers to the Internal Revenue Service or to the parties. Escrow Holder is not rendering an opinion concerning the effect of this law on this transaction, and the parties are not acting on any statements made or omitted by the Escrow or Closing Officer. By execution of these escrow instructions, the parties acknowledge receipt of this notice.

To facilitate compliance with this law, the parties to this escrow hereby authorize Escrow Holder to release any party's taxpayer identification numbers to any requesting party who is a party to this transaction. The requesting party shall deliver a written request to escrow. The parties hereto waive all rights of confidentiality regarding their respective taxpayer identification numbers and agree to hold Escrow Holder harmless against any fees, costs, or judgments incurred and/or awarded in connection with the release of taxpayer identification numbers.

**TIME IS OF THE ESSENCE OF THESE INSTRUCTIONS**

If this escrow is not in condition to close by the closing date referred to in the body of these instructions, and demand for cancellation is received by you from any party to this escrow after said date, you will act in accordance with the cancellation instructions contained in these general provisions. If no demand for cancellation is made, you will proceed to close this escrow when the principals have complied with the escrow instructions.

**EXHIBIT G**

**CERTIFICATION OF NON-FOREIGN STATUS**

Under Section 1445(e) of the Internal Revenue Code, a corporation, partnership, trust, or estate must withhold tax with respect to certain transfers of property if a holder of an interest in the entity is a foreign person. To inform the transferee, **SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION**, that no withholding is required with respect to the transfer of a U.S. real property interest by **UNION PACIFIC RAILROAD COMPANY**, the undersigned hereby certifies the following on behalf of **UNION PACIFIC RAILROAD COMPANY**:

1. **UNION PACIFIC RAILROAD COMPANY** is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. **UNION PACIFIC RAILROAD COMPANY** is not a disregarded entity as defined in Section 1.445.2(b)(2)(iii) of the Internal Revenue Code;
3. **UNION PACIFIC RAILROAD COMPANY'S** U.S. employer identification number is 94-6001323; and
4. **UNION PACIFIC RAILROAD COMPANY'S** office address is 1400 Douglas Street, Omaha, Nebraska 68179, and place of incorporation is Delaware.

**UNION PACIFIC RAILROAD COMPANY** agrees to inform the transferee if it becomes a foreign person at any time during the three year period immediately following the date of this notice.

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

Under penalties of perjury I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of **UNION PACIFIC RAILROAD COMPANY**.

**UNION PACIFIC RAILROAD COMPANY,  
a Delaware corporation**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**2010 Real Estate Withholding Certificate**

**593-C**

<b>Part I - Seller's Information</b>			<b>Return this form to your escrow company.</b>		
Name UNION PACIFIC RAILROAD COMPANY			SSN or ITIN		
Spouse's/RDP's name (if jointly owned)			Spouse's/RDP's SSN or ITIN (if jointly owned)		
Address (suite, room, PO Box, or PMB no.) 1400 DOUGLAS STREET, MAIL STOP 1690			<input type="checkbox"/> FEIN <input checked="" type="checkbox"/> CA Corp no. 5 8 5 4 7 6		
City OMAHA	State NE	ZIP Code 6 8 1 7 9-	Ownership percentage 100.00 %		
Property address (if no street address, provide parcel number and county)					

To determine whether you qualify for a full or partial withholding exemption, check all boxes that apply to the property being sold or transferred. (See line-by-line notes in the instructions)

**Part II - Certifications which fully exempt the sale from withholding:**

1.  The property qualifies as the seller's (or decedent's, if sold by the decedent's estate) principal residence within the meaning of Internal Revenue Code (IRC) Section 121.
2.  The seller (or decedent, if sold by the decedent's estate) last used the property as the seller's (decedent's) principal residence within the meaning of IRC Section 121 without regard to the two-year time period.
3.  The seller has a loss or zero gain for California income tax purposes on this sale. To check this box you must complete Form 593-E, Real Estate Withholding-Computation of Estimated Gain or Loss, and have a loss or zero gain on line 16.
4.  The property is being compulsorily or involuntarily converted and the seller intends to acquire property that is similar or related in service or use to qualify for nonrecognition of gain for California income tax purposes under IRC Section 1033.
5.  The transfer qualifies for nonrecognition treatment under IRC Section 351 (transfer to a corporation controlled by the transferor) or IRC Section 721 (contribution to a partnership in exchange for a partnership interest).
6.  The seller is a corporation (or a limited liability company (LLC) classified as a corporation for federal and California income tax purposes) that is either qualified through the California Secretary of State or has a permanent place of business in California.
7.  The seller is a California partnership, or qualified to do business in California (or an LLC that is classified as a partnership for federal and California income tax purposes and is not a single member LLC) that is not disregarded for federal and California income tax purposes. If this box is checked, the partnership or LLC must still withhold on nonresident partners or members.
8.  The seller is a tax-exempt entity under California or federal law.
9.  The seller is an insurance company, individual retirement account, qualified pension/profit sharing plan, or charitable remainder trust.

**Part III - Certifications that may partially or fully exempt the sale from withholding:**

**Real Estate Escrow Person (REEP):** See instructions for amounts to withhold.

10.  The transfer qualifies as a simultaneous like-kind exchange within the meaning of IRC Section 1031.
11.  The transfer qualifies as a deferred like-kind exchange within the meaning of IRC Section 1031.
12.  The transfer of this property is an installment sale where the buyer is required to withhold on the principal portion of each installment payment. Copies of Form 593-I, Real Estate Withholding Installment Sale Acknowledgement, and the promissory note are attached.

**Part IV - Seller's Signature**

Under penalties of perjury, I hereby certify that the information provided above is, to the best of my knowledge, true and correct. If conditions change, I will promptly inform the withholding agent. I understand that the Franchise Tax Board may review relevant escrow documents to ensure withholding compliance and that completing this form does not exempt me from filing a California income or franchise tax return to report this sale.

Seller's Name and Title Union Pacific Railroad Company    Seller's Signature \_\_\_\_\_    Date \_\_\_\_\_

Spouse's/RDP's Name \_\_\_\_\_    Spouse's/RDP's Signature \_\_\_\_\_    Date \_\_\_\_\_

Please verify that the SSN or ITIN listed above in Part I of this form is correct.

**Seller:** If you checked any box in Part II, you are exempt from real estate withholding.  
 If you checked any box in Part III, you may qualify for a partial or complete withholding exemption.  
 If you did not check any box in Part II or Part III, the withholding will be 3/3% (.0333) of the total sales price or the optional gain on sale withholding amount certified by seller on Form 593, Real Estate Withholding Tax Statement.  
 If you are withheld upon, the withholding agent should give you one copy of Form 593. Attach a copy to the lower front of your California income tax return and make a copy for your records.

Keep Form 593-C for five years following the close of the transaction. You must furnish the form to the FTB upon request.

**EXHIBIT I**

**POST-CLOSING STRUCTURAL REHABILITATION WORK**

Santa Cruz Branch Rail Line Five-Year Plan for Capital Improvements to Structures

MP	Structure Name	Year 1		Year 2 <sup>1</sup>		Year 3 <sup>1</sup>		Year 4 <sup>1</sup>		Year 5 <sup>1</sup>		Total	
		Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
0.66													
1.06a													
1.06b	Pajaro River Crossing									\$34,213	\$88,428	\$34,213	\$88,428
1.06c										\$0	\$0	\$0	\$0
4.45	Watsonville Slough Retaining Wall									\$71,981	\$95,648	\$71,981	\$95,648
4.67	Harkins Slough									\$0	\$0	\$0	\$0
5.42										\$0	\$0	\$0	\$0
5.54										\$11,362	\$22,851	\$11,362	\$22,851
6.01										\$11,362	\$22,851	\$11,362	\$22,851
6.14										\$4,545	\$22,851	\$4,545	\$22,851
6.25										\$4,545	\$22,851	\$4,545	\$22,851
8.32										\$11,362	\$45,575	\$11,362	\$45,575
8.64a	San Andreas Road									\$0	\$0	\$0	\$0
8.64b	San Andreas Road Retaining Wall					\$100,000	\$138,203			\$11,362	\$45,575	\$11,362	\$45,575
9.08	La Selva Beach Trestle	\$1,021,383	\$1,445,333	\$541,307	\$768,027								
9.30	Retaining Wall												
10.45	Seascape Trestle			\$230,020	\$388,880					\$45,575	\$138,853	\$45,575	\$138,853
11.16										\$0	\$0	\$0	\$0
12.30	State Route 1									\$0	\$0	\$0	\$0
12.34	Valencia Creek									\$0	\$0	\$0	\$0
12.39	Soquel Drive									\$0	\$0	\$0	\$0
12.71a	Agnes Creek & Spreckles Dr.									\$0	\$0	\$0	\$0
12.71b										\$0	\$0	\$0	\$0
12.83	State Route 1									\$0	\$0	\$0	\$0
14.85	New Brighton Beach Rd.									\$0	\$0	\$0	\$0
15.88a	Capitola Crossing					\$167,641	\$285,170	\$82,889	\$148,877	\$11,362	\$18,306	\$11,362	\$18,306
15.88b	Capitola Crossing									\$82,889	\$48,832	\$82,889	\$48,832
15.88c	Capitola Crossing									\$30,986	\$48,832	\$30,986	\$48,832
15.88d	Capitola Crossing									\$7,575	\$10,731	\$7,575	\$10,731
15.88e	Capitola Crossing									\$0	\$0	\$0	\$0
17.30	Rodeo Gulch									\$0	\$0	\$0	\$0
18.84	SC Small Craft Harbor									\$0	\$0	\$0	\$0
18.43a	San Lorenzo River									\$0	\$0	\$0	\$0
18.43b	San Lorenzo River					\$404,498	\$608,744			\$404,498	\$608,744	\$404,498	\$608,744
19.43	San Lorenzo Salmitic Ratio					\$49,438	\$80,674			\$49,438	\$80,674	\$49,438	\$80,674
22.29	Moore's Gulch									\$1,428,218	\$1,428,218	\$1,428,218	\$1,428,218
23.47	Wilder Creek	\$36,100	\$108,400							\$36,100	\$108,400	\$36,100	\$108,400
23.54	Medlar Creek Crossing	\$14,500	\$23,500							\$14,500	\$23,500	\$14,500	\$23,500
26.09	Baldwin Creek									\$0	\$0	\$0	\$0
26.55										\$0	\$0	\$0	\$0
<b>TOTALS</b>		\$1,071,983	\$1,577,293	\$771,327	\$1,134,807	\$741,576	\$1,070,791	\$1,553,085	\$1,828,928	\$229,771	\$577,467	\$4,387,682	\$5,987,318

<sup>1</sup> Costs for years 2, 3, 4 and 5 are escalated by 6% per year to account for construction cost increases

**Santa Cruz Branch Rail Line Structures Assessments  
Summary of Estimated Capital and Annual Maintenance Costs  
Updated April 2008**

MP	Structure Name	Bliggs Cardenas			HNTB			HNTB & Bliggs Cardenas <sup>3</sup>			
		Potential Capital Costs <sup>1,2</sup> Low	Potential Capital Costs <sup>1,2</sup> High	Potential Maintenance Costs <sup>1,2</sup> Low	Potential Capital Costs <sup>1,2</sup> Low	Potential Capital Costs <sup>1,2</sup> High	Potential Maintenance Costs <sup>1,2</sup> Low	Potential Capital Costs <sup>1,2</sup> Low	Potential Capital Costs <sup>1,2</sup> High	Potential Maintenance Costs <sup>1,2</sup> Low	Potential Maintenance Costs <sup>1,2</sup> High
0.86		\$27,100	\$54,200	\$4,300	\$0	\$0	\$27,100	\$54,200	\$4,300	\$0	\$0
1.06a		\$0	\$0	\$4,600	\$4,600	\$4,600	\$0	\$0	\$4,600	\$4,600	\$4,600
1.06b	Pajaro River Crossing	\$0	\$167,700	\$6,900	\$67,000	\$9,585	\$67,000	\$69,000	\$69,000	\$6,900	\$6,900
1.06c		\$0	\$0	\$1,800	\$0	\$0	\$0	\$0	\$1,800	\$0	\$0
4.45	Waterfalls Slough Retaining Wall	\$0	\$0	\$1,400	\$0	\$540	\$0	\$0	\$1,400	\$0	\$540
4.57	Harbors Slough	\$9,000	\$18,100	\$3,600	\$0	\$0	\$9,000	\$18,100	\$3,600	\$0	\$0
5.42		\$4,000	\$8,100	\$1,000	\$0	\$0	\$4,000	\$8,100	\$1,000	\$0	\$0
5.54		\$3,600	\$7,200	\$900	\$0	\$0	\$3,600	\$7,200	\$900	\$0	\$0
6.07		\$3,600	\$7,200	\$900	\$0	\$0	\$3,600	\$7,200	\$900	\$0	\$0
6.14		\$3,600	\$7,200	\$900	\$0	\$0	\$3,600	\$7,200	\$900	\$0	\$0
6.25		\$9,000	\$18,100	\$3,600	\$0	\$0	\$9,000	\$18,100	\$3,600	\$0	\$0
8.22		\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0
8.44a	San Andreas Road	\$0	\$10,100	\$1,000	\$0	\$0	\$0	\$10,100	\$1,000	\$0	\$0
8.44b	San Andreas Road	\$9,000	\$38,100	\$2,200	\$0	\$0	\$9,000	\$38,100	\$2,200	\$0	\$0
8.09	Relocating Wall	\$4,726,000	\$9,476,000	\$7,000	\$69,000	\$123,000	\$4,726,000	\$9,476,000	\$7,000	\$69,000	\$123,000
8.30	Relocating Wall	\$72,300	\$144,600	\$4,700	\$0	\$0	\$72,300	\$144,600	\$4,700	\$0	\$0
11.16	Seascope Trestle	\$36,100	\$72,200	\$4,700	\$27,000	\$54,000	\$36,100	\$72,200	\$4,700	\$27,000	\$54,000
12.30	State Route 1	\$0	\$0	\$2,100	\$0	\$0	\$0	\$0	\$2,100	\$0	\$0
12.34	Vicencia Creek	\$0	\$0	\$4,500	\$0	\$0	\$0	\$0	\$4,500	\$0	\$0
12.39	Sequel Drive	\$0	\$0	\$1,300	\$0	\$0	\$0	\$0	\$1,300	\$0	\$0
12.71a	Alpen Creek & Snowden Dr.	\$0	\$0	\$3,800	\$0	\$0	\$0	\$0	\$3,800	\$0	\$0
12.71b		\$0	\$0	\$1,700	\$0	\$0	\$0	\$0	\$1,700	\$0	\$0
12.89	State Route 1	\$0	\$0	\$4,100	\$0	\$0	\$0	\$0	\$4,100	\$0	\$0
14.05	New Brighton Beach Rd.	\$0	\$4,000	\$1,000	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0
15.65a	Capitola Crossing	\$0	\$44,300	\$2,400	\$9,000	\$2,700	\$9,000	\$44,300	\$2,400	\$2,700	\$2,700
15.65b	Capitola Crossing	\$38,100	\$76,200	\$4,300	\$76,000	\$152,000	\$38,100	\$76,200	\$4,300	\$152,000	\$152,000
15.65c	Capitola Crossing	\$0	\$208,400	\$3,300	\$167,000	\$250,500	\$0	\$208,400	\$3,300	\$250,500	\$250,500
15.65d	Capitola Crossing	\$18,100	\$36,200	\$1,000	\$28,000	\$42,000	\$18,100	\$36,200	\$1,000	\$42,000	\$42,000
15.65e	Capitola Crossing	\$0	\$22,200	\$1,300	\$8,000	\$12,000	\$0	\$22,200	\$1,300	\$12,000	\$12,000
17.30	Rocky Gulch	\$0	\$0	\$4,900	\$0	\$0	\$0	\$0	\$4,900	\$0	\$0
18.04	San Lorenzo River	\$0	\$0	\$4,000	\$0	\$0	\$0	\$0	\$4,000	\$0	\$0
18.04a	San Lorenzo River	\$37,500	\$75,000	\$5,400	\$38,000	\$76,000	\$37,500	\$75,000	\$5,400	\$76,000	\$76,000
18.04b	San Lorenzo River	\$8,500	\$17,000	\$1,300	\$44,000	\$88,000	\$8,500	\$17,000	\$1,300	\$88,000	\$88,000
18.43	San Lorenzo Salami: Ratio <sup>2</sup>	\$38,100	\$76,200	\$5,500	\$1,200,000	\$1,200,000	\$38,100	\$76,200	\$5,500	\$1,200,000	\$1,200,000
22.29	Moore's Gulch	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0
23.47	Wilcox Creek	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0
24.64	Meier Creek Crossing	\$9,000	\$18,100	\$1,000	\$14,500	\$28,000	\$9,000	\$18,100	\$1,000	\$28,000	\$28,000
28.09	Baldwin Creek	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0
28.35		\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0
TOTALS		\$4,854,600	\$10,182,100	\$107,500	\$3,789,500	\$4,043,500	\$3,845,000	\$8,624,300	\$92,955	\$105,655	\$156,955

<sup>1</sup> Repair costs and maintenance costs include mobilization (10%), design engineering (12%), construction management (12%), and project reserve (5%)  
<sup>2</sup> Figures in structural assessment report did not include additional "work costs" and are included here consistent with note 1  
<sup>3</sup> These costs are based on the most recent figures. (Costs are from HNTB June 23, 2006 report when available and from July 2005 Structural Assessment for structures not evaluated in June 23, 2006 report.)  
<sup>4</sup> Updated and recalculated to August 2008 cost figures by Bliggs Cardenas in March 2008 with the exception of HNTB maintenance costs  
<sup>5</sup> HNTB maintenance costs escalated by 35% consistent with the Bliggs Cardenas updated maintenance figures of March 2008

**EXHIBIT J**

**TAX LETTER**

SCC RTC Letterhead

\_\_\_\_\_, 2010

Mr. Tony Love  
Assistant Vice President-Real Estate  
Union Pacific Railroad Company  
1400 Douglas Street, Mail Stop 1690  
Omaha, NE 68179

RE:

Dear Mr. Love:

The Santa Cruz County Regional Transportation Commission is negotiating with Union Pacific to acquire a portion of Union Pacific's Santa Cruz Branch Line in Santa Cruz and Monterey Counties, California, extending from Santa Cruz Branch Milepost 0.433 (east boundary of Salinas Road) to Milepost 31.39, located two hundred fifty (250) feet north of Highway 1 crossing at Davenport (the "Property").

Please be advised that if Union Pacific does not transfer its interest in the Property to the Santa Cruz County Regional Transportation Commission voluntarily, the Santa Cruz County Regional Transportation Commission is expressly authorized by California Public Utilities Code §67941 to initiate proceedings under its power of eminent domain to acquire the Property.

Sincerely,

Title: \_\_\_\_\_

## LIST OF EXHIBITS

EXHIBIT A PRINT OF LINE  
EXHIBIT B BILL OF SALE  
EXHIBIT C PROPERTY MATERIALS  
EXHIBIT D QUITCLAIM DEED  
EXHIBIT E ASSIGNMENT AND ASSUMPTION AGREEMENT  
EXHIBIT F ESCROW INSTRUCTIONS  
EXHIBIT G CERTIFICATION OF NON-FOREIGN STATUS  
EXHIBIT H CALIFORNIA FORM 593-C  
EXHIBIT I POST-CLOSING STRUCTURAL REHABILITATION WORK  
EXHIBIT J TAX LETTER

**First American Title Company ("Escrow Holder")**  
**100 Spear Street, Suite 1600**  
**San Francisco, California 94105**  
**Attention: Kimberleigh Toci**  
**Telephone: (415) 837-2251**  
**Facsimile: (415) 398-1750**

Escrow No. NCS-138073-SF

**FIRST AMENDMENT TO  
PURCHASE AND SALE AGREEMENT  
AND ESCROW INSTRUCTIONS**

This FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the "**Amendment**") is made as of March 25, 2011, by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("**Seller**"), and SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, a public agency created under California law ("**Buyer**").

**Recitals**

- A. WHEREAS, effective August 20, 2010, Buyer and Seller entered into that certain PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the "**Purchase Agreement**"); and
- B. WHEREAS, Buyer and Seller desire to amend the Purchase Agreement as set forth in this Amendment.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- 1. Except as otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Purchase Agreement.
- 2. Section 4.1.4 of the Purchase Agreement is amended by deleting the original Section 4.1.4 in its entirety and replacing it with a new Section 4.1.4, as follows:

"4.1.4 Granite Construction Contamination. Provided, however, notwithstanding the provisions set forth in Sections 4.1.1 and 4.1.2 above, Seller acknowledges that Buyer has not waived, released, remised, acquitted or discharged Seller or Seller's Affiliates from claims, actions, causes of action, demands, rights, damages, costs, expenses, penalties, fines or compensation, if any, on account of or in any way arising out of or in connection with any contamination in, under and emanating from the drainage ditch west of and adjacent to the Granite Construction facility in Watsonville, California, to the extent such



contamination is located on the Property on the date of Closing (the "**Granite Construction Contamination**"). Provided, further, notwithstanding the provisions of Section 4.1.3 above, Buyer shall not be responsible to Seller to complete the Environmental Remediation of the Granite Construction Contamination. If during the Feasibility Review Period, either party determines in such party's sole discretion, the costs associated with any potential Environmental Remediation of the Granite Construction Contamination are unacceptable, the party may terminate this Agreement upon written notice to the other. After Closing, Seller shall use commercially reasonable efforts to cause Granite Construction to complete any Environmental Remediation that may be required by federal, state or local regulatory agencies of the Granite Construction Contamination and to obtain the applicable agency's written acknowledgment that the required Environmental Remediation has been completed. Provided, however, Seller's commercially reasonable efforts to cause Granite Construction to complete any such Environmental Remediation shall be limited to the Property, and Seller shall have no obligation to use any efforts to cause Granite Construction to complete any remediation on, or take any other action with respect to, any property other than the Property. Concurrently with the Closing, Buyer shall grant to Seller a license to access the Property in order for Seller or (if Seller assigns such license to such owner) the owner of such Granite Construction facility to complete any required Environmental Remediation of the Granite Construction Contamination. The license will be in a form reasonably acceptable to both parties and, among other things, will not unreasonably interfere with the use of the Property as an industrial railway corridor. If Granite Construction has not completed such Environmental Remediation by June 1, 2012, Seller shall, within a reasonable time thereafter, commence and work diligently to complete such Environmental Remediation and shall obtain the applicable regulatory agency's written acknowledgment that the required Environmental Remediation has been completed. Also, Buyer and Seller acknowledge that any Environmental Remediation of the Granite Construction Contamination on the Property by Seller shall be proposed to be based on the use of the Property as an industrial railway corridor, and Buyer shall restrict the use of, or accept a use restriction on, the applicable area of the Property accordingly in order to obtain agency approval of any such proposed remediation plan and then to obtain such written acknowledgement following cleanup to a standard acceptable for such use. If Buyer later elects to use the Property for some other purpose, which requires further remediation of the Property, then Buyer, and not Seller, shall have responsibility for such further remediation. Absent Buyer's subsequent change in use of the Property, Buyer assumes no responsibility for the Granite Construction Contamination other than accepting a restriction on the use of the subject portion of the Property, as needed to obtain the regulatory agency's written acknowledgment that the required Environmental Remediation has been completed. Provided, however, at such time as Seller or Granite Construction has obtained such written acknowledgement that the required

Environmental Remediation has been completed, Seller shall be deemed to have performed all its obligations under this Section 4.1.4. Provided, however, Seller shall have no responsibility to obtain such written acknowledgment for any property other than the Property. The provisions of this Section shall survive the Close of Escrow."

3. Buyer acknowledges that the Feasibility Review Period set forth in Section 6.2 of the Purchase Agreement has expired and that Buyer has not elected to terminate the Purchase Agreement pursuant to the provisions of that Section.
4. Section 6.8.1 of the Purchase Agreement is amended by deleting the original Section 6.8.1 in its entirety and replacing it with a new Section 6.8.1, as follows:

"6.8.1 On or before the Closing, (a) Buyer will have entered into an Administration and Coordination Agreement with the Short Line Operator, which Administration and Coordination Agreement shall provide, notwithstanding its other provisions, that in the event that Buyer does not (i) secure funding of Five Million Dollars (\$5,000,000.00) to perform the Rehabilitation Work by July 1, 2012 or (ii) complete all Rehabilitation Work by December 31, 2014, then in either event Buyer acknowledges the Short Line Operator, or its successors and assigns, shall have the right, but not the obligation, to request at any time from the STB authority (or an exemption therefrom) to discontinue or abandon freight common carrier obligations on the Line or any portion thereof, and further that in the event Short Line Operator makes such a request to discontinue or abandon to the STB, Buyer shall not make any objection to the STB related to Short Line Operator's request or otherwise make any filing with the STB which could delay Short Line Operator's obtaining the requested relief from the STB, and further that Short Line Operator shall be released from any obligation under the Administration and Coordination Agreement with respect to or in any way arising out of the physical condition of the Line; and (b) Seller and the Short Line Operator will have entered into (i) an Interchange Agreement covering the interchange of freight car equipment at Watsonville Junction, (ii) a Cooperative Marketing Agreement covering allocation of routing, rates and tariffs for rail shipments over the Line, (iii) an agreement approved by Buyer by which Seller transfers its retained easement for freight railroad purposes to the Short Line Operator, and (iv) a track lease (the "**Track Lease**") on Seller's customary form of track lease covering any and all trackage owned by Seller north of the Property that Short Line Operator requires in order to provide freight rail service to the property adjacent to such trackage and served over such trackage. The Track Lease shall provide that, beginning on June 1, 2011, if Short Line Operator does not provide at least 150 rail carloads of freight rail service to or from such property in any twelve (12) month period, which provide road haul revenue, then Seller shall have the right to terminate the Track Lease. The Track Lease shall further provide that it shall be assigned to any successor

Short Line Operator designated by the Buyer and approved by the STB to be the freight rail operator on the Line, provided that the Track Lease is then still in effect. The Interchange Agreement and the Cooperative Marketing Agreement between Seller and the Short Line Operator shall be confidential and shall not be assignable by the Short Line Operator or disclosed to any other person without the prior written consent of Seller, which consent could be withheld by Seller in its sole discretion. The provisions of this Section shall survive the Close of Escrow."

5. Section 6.8.2 of the Purchase Agreement is amended to add the following, additional text at the end:

"If Seller elects not to file or otherwise take action to abandon or change the status of Seller's trackage north of the Line prior to Closing, then Seller reserves the right to do so after Closing. If Seller files to abandon or change the status of Seller's trackage north of the Line after Closing, Buyer's obligations under this Section 6.8.2, including the obligation to cooperate in connection with any such filing and not to file a Statement of Willingness to Assume Financial Responsibility or make an Offer of Financial Assistance, shall remain in effect and survive the Close of Escrow."

6. Seller acknowledges that the terms and conditions of this transaction have been approved in accordance with Seller's Management Policy Statement, as required by Section 7.1 of the Purchase Agreement. Section 7.1 is deleted from the Purchase Agreement.
7. Section 8.2.1 of the Purchase Agreement is amended by deleting the original Section 8.2.1 in its entirety and replacing it with a new Section 8.2.1, as follows:

"8.2.1 Closing Date. The consummation of the transaction contemplated by this Agreement and recording of the Deed (the "**Closing**" or "**Close of Escrow**") will occur and delivery of all items to be made at the Closing under the terms of this Agreement will be made on or before April 29, 2011 (the "**Closing Date**")."

8. Section 8.11 is added to the Purchase Agreement to read as follows:

"8.11 Seller's Contribution to Buyer's Costs. Notwithstanding the provisions of Sections 8.6, 8.7 and 8.8 of the Purchase Agreement, Seller shall pay the costs allocated to Buyer under those sections, together with any other items listed in Buyer's *Revised Allocation Request for Proposition 116 and STIP Funds for the Santa Cruz Branch Rail Line Acquisition*, submitted to the California Transportation Commission on September 3, 2010 (the "**Allocation Request**"), up to a maximum of Four Hundred Thousand Dollars (\$400,000). Subject in all events to such maximum of Four Hundred Thousand


Dollars (\$400,000), costs set forth in Sections 8.6, 8.7 and 8.8 of the Purchase Agreement, together with Allocation Request costs incurred by Buyer prior to or concurrently with the Closing, shall be paid by Seller at Closing. In the event that such costs set forth in Sections 8.6, 8.7 and 8.8 of the Purchase Agreement, together with the Allocation Request costs incurred by Buyer prior to or concurrently with the Closing, are less than Four Hundred Thousand Dollars (\$400,000), then the amount by which Four Hundred Thousand Dollars (\$400,000) exceeds the total of such costs together with such Allocation Request costs, shall be retained from Seller's proceeds at Closing and deposited in Escrow, to be paid to Buyer pursuant to an escrow agreement in a form reasonably acceptable to both parties."

9. Except as expressly amended herein, all of the terms and conditions of the Purchase Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Buyer and Seller have executed this Amendment effective as of the date first above written.

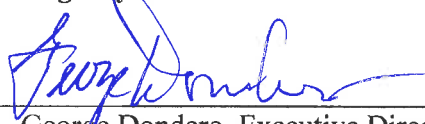
**SELLER:**

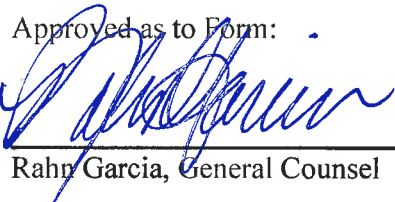
**UNION PACIFIC RAILROAD COMPANY,  
a Delaware corporation**

By:   
Title: DIRECTOR  
**SPECIAL PROPERTIES**

**BUYER:**

**SANTA CRUZ COUNTY REGIONAL  
TRANSPORTATION COMMISSION,  
a public agency created under California law**

By:   
George Dondero, Executive Director

Approved as to Form:   
Rahn Garcia, General Counsel

THE UNDERSIGNED ESCROW HOLDER ACKNOWLEDGES ITS RECEIPT OF ONE EXECUTED COPY OF THIS AMENDMENT AND AGREES TO ACT IN ACCORDANCE THEREWITH.

**ESCROW HOLDER:**

**FIRST AMERICAN TITLE COMPANY**

By: Kimberleigh Toci  
Kimberleigh Toci, Escrow Officer