

M E M O

TO: Board of Directors

FROM: James A. Mueller, District Manager

SUBJECT: HEARING TO CONSIDER ADOPTION OF RESOLUTION OF NECESSITY
AUTHORIZING CONDEMNATION OF CALIFORNIA AMERICAN
WATER COMPANY'S PROPERTY IN ITS FELTON SERVICE AREA

DATE: February 2, 2007

BACKGROUND:

On February 8, 2007, your Board will be conducting a hearing to consider adoption of a resolution of necessity authorizing condemnation of the property owned by the California American Water Company ("Cal Am") within Cal Am's Felton service area. Attached hereto please find two (2) Memorandums relative to the subject matter.

1. A joint Memorandum dated February 2, 2007 from Special Legal Counsel Jeffery M. Oderman, Esq., Rutan & Tucker, LLP and the District Manager. See Attachment 1. This memorandum provides an analysis of the subject matter and recommends that your Board adopt the resolution entitled "A Resolution of the Board of Directors of the San Lorenzo Valley Water District Determining the Public Interest and Necessity for Acquisition of the Real Property and Business Enterprise Owned by California American Water Company Within Cal Am's Felton Service Area." The form of the resolution is attached to said Memorandum.
2. A Memorandum dated February 2, 2007 from Environmental Analyst Betsy Herbert relative to the Drinking Water Source Assessment and Protection (DSWAP) Program for Cal Am watershed properties. See Attachment 2. This memo provides information relative to the minimum components of a drinking water source assessment under the DWSAP Program for the Cal Am watershed properties.

James A. Mueller
District Manager

JAM/bsb

MEMORANDUM

TO: Board of Directors of the San Lorenzo Valley Water District

FROM: James A. Mueller, District Manager
Jeffrey M. Oderman, Esq., Special Legal Counsel

DATE: February 5, 2007

FILE NO.: 024863-0001

RE: February 8, 2007, Hearing to Consider Adoption of Resolution of Necessity Authorizing Condemnation of California American Water Company's Property in its Felton Service Area

1. **BACKGROUND**

On February 8, 2007, the Board will be conducting a hearing to consider adoption of a resolution of necessity authorizing condemnation of the property owned by the California American Water Company ("Cal Am") within Cal Am's Felton service area.

2. **ISSUE**

Should the Board adopt the resolution of necessity?

3. **RECOMMENDATION**

Adopt the resolution entitled "A Resolution of the Board of Directors of the San Lorenzo Valley Water District Determining the Public Interest and Necessity for Acquisition of the Real Property and Business Enterprise Owned by California American Water Company Within Cal Am's Felton Service Area." The form of the resolution is attached to this Memorandum.

4. **ANALYSIS**

A. **Introduction.**

On June 26, 2006, the Santa Cruz Local Agency Formation Commission approved the annexation into SLVWD's boundaries of approximately 1,910 acres of territory in the Felton area currently served or owned by Cal Am. (See Exhibits 40-44 hereto; all exhibits to this Memorandum are being transmitted to the Board under separate cover.) The annexation became complete on December 11, 2006. (See Exhibit 55 hereto.)

On December 5, 2006, SLVWD presented a formal offer to Cal Am to purchase all of its property and facilities in its Felton service area. (See Exhibit 54 hereto.) After receiving objections and requests for additional information from Cal Am, SLVWD supplemented its offer on two occasions, first on December 22, 2006, and again on January 8, 2006. (See Exhibits 56 and 57 hereto.) Cal Am's response is that its utility is not for sale and it has refused to

negotiate a sale despite numerous entreaties from SLVWD's representatives. (See Exhibit 59 hereto.)

Accordingly, on January 24, 2007, SLVWD provided Cal Am with a formal notice of the hearing to be held by SLVWD's Board of Directors at your February 8th meeting to consider adoption of a formal resolution of necessity to acquire Cal Am's Felton property by exercise of SLVWD's power of eminent domain. (Exhibit 60 hereto.) The adoption of a resolution of necessity is a prerequisite to the filing of an eminent domain action under California law. (See Cal. Code of Civil Procedure §§ 1245.220-1245.240.)

The California eminent domain law requires that the Board make certain findings and determinations at the time it adopts a resolution of necessity. (Cal. Code of Civil Procedure § 1245.230(c); see also, §§ 1240.410 *et seq.* and 1240.610 *et seq.*) The purpose of this Memorandum is to summarize the lengthy history leading up to the scheduled resolution of necessity hearing and to provide the Board with information relating to the findings and determinations that the Board is required to make at the time a resolution of necessity is adopted.

B. Historical Summary.

This resolution of necessity hearing is the culmination of over four years of effort on the part of the Felton community to obtain local control over their water utility. The Board is familiar with that history, the highlights of which are contained in the 63 exhibits to this Memorandum, so the following narrative summary will be relatively brief.

On September 20, 2001, the California Public Utilities Commission ("CPUC") approved the sale by Citizens Utility Company to Cal Am of all four of Citizens' water utility assets in California, including the Felton service area. (Exhibit 1 hereto.) At the time, Cal Am promised the CPUC that its acquisition would result in greater economies of scale, lower rates than would have existed if the sale were not approved, and better customer service. (*Id.*, at pp. 5-6 and 29-41.) Based on these assurances, the CPUC authorized Cal Am to recover the substantial "acquisition premium" Cal Am paid to Citizens for its Felton assets (i.e., the amount by which Cal Am's purchase price exceeded Citizens' CPUC-approved rate base) through increased rates to be charged to the Felton ratepayers over a 40-year period (assuming Cal Am satisfied the CPUC that the promised synergies were in fact achieved). (*Id.*, at pp. 23-26, 65-67, 70, and 72; see also, Exhibit 8 hereto at pp. 1-2.)¹

¹ In the few years since Cal Am's acquisition of the Felton water utility, its rates have more than doubled and there is substantial evidence from the Felton community that service has declined rather than improved. (Some of this information is summarized below.) Nonetheless, Cal Am continues to aggressively insist to the CPUC that it should be allowed to

In December 2001, just a few months after the CPUC approved the change of control from Citizens to Cal Am, Cal Am was back at the CPUC seeking approval for another change of control, this time to a company based in Germany, several thousand miles away. (See Exhibit 2 hereto at page 2.) Once again, Cal Am extolled the supposed benefits of the transaction to its customers and ratepayers in terms of improved service and reduced costs of operation. (*Id.*, at pp. 15-23.) When the County of Santa Cruz, on behalf of the Felton residents, attempted to intervene in the proceedings to take a contrary view, however, Cal Am opposed the County's request (see Exhibit 9 hereto), a position that sparked "outrage from the people of Felton." (See the January 29, 2003, statement by then-Supervisor Jeff Almquist to the CPUC that is set forth in Exhibit 12 hereto at pp. 135-136.) The CPUC approved the change of control—without any formal participation by the Felton customers and ratepayers--in December of 2002. (Exhibit 10 hereto.)

In late 2002 Felton's residents learned what Cal Am meant in its previous two CPUC filings when it promised increased "synergies" and reduced costs of providing service. On September 19, 2002, Cal Am filed an application with the CPUC requesting a 75% rate *increase* for its new Felton ratepayers. (See Exhibit 3 hereto, page 1.) This application met with immediate and strong opposition from the Felton residents and the County of Santa Cruz.. (See, e.g., Exhibits 4, 5, 6, 7, 12 [the reporter's transcript of the January 29, 2003, CPUC hearing in Felton], 13, 14, and 15.) Cal Am responded that its proposed rates were "just and reasonable" and it had every right to make the Felton ratepayers bear the burden of the Citizens acquisition premium. (Exhibit 8, pp. 1-2.) Notwithstanding the Felton ratepayers' protests that their rates were already extremely high and customer service under Cal Am was actually getting worse, not better (*id.*), on May 6, 2004, the CPUC granted Cal Am most of what it asked for—a 45% rate increase. (See Exhibit 21 hereto at p. 5.)

During this period of time Felton's residents, backed by the County of Santa Cruz, began mobilizing to wrest control of the Felton water utility from Cal Am and place it in public ownership. The January 29, 2003, statement of Supervisor Almquist to the CPUC (see Exhibit 12 hereto, p. 139) aptly sums up the sentiments of the local ratepayers:

This community is totally unified behind this issue. I've never seen anything like this in eight years of doing political work here in this valley, where there is essentially no opposition to a desire on the part of the people to take over this water system and basically take it public again.

further increase the rates charged to its Felton customers by an additional \$57,200 *per year* in order to amortize the Citizens acquisition premium. (See November 30, 2006, CPUC Decision 06-11-050 in Cal Am's most recent general rate case, attached hereto as Exhibit 53, at pp. 90, 94-96, and 106.)

(See also Exhibits 5, 12 [at pp. 140-168], and 15 [at pp. 916-917].) The Felton Friends of Locally Owned Water (“Felton FLOW”) was formed. And SLVWD took the first formal step toward public acquisition of Cal Am by applying to the Santa Cruz Local Agency Formation Commission (“LAFCO”) to expand SLVWD’s sphere of influence to include Cal Am’s Felton service area.

On September 3, 2003, LAFCO unanimously adopted its Resolution No. 890 approving the addition of Cal Am’s Felton service area to SLVWD’s boundaries. Among other determinations set forth in the resolution, LAFCO found that: (i) Cal Am’s rates “are significantly higher than the rates of the San Lorenzo Valley Water District”; (ii) SLVWD had “a lower total per-connection total expense (operating and non-operating costs) than Cal-Am,” a finding, it should be noted, that was made prior to the CPUC’s decision on Cal Am’s then-pending rate case and the even larger rate increase approved by the CPUC in November 2006; (iii) “the rates paid by typical Cal-Am customers exceed rates in five out of the six water agencies in northern and central Santa Cruz County” and (even at that time) were 24% higher than the unweighted average of the 7 utilities (including Cal Am) that were studied; and (iv) SLVWD’s acquisition of Cal Am’s Felton water utility would protect the Felton ratepayers from having to bear the burden of another “acquisition premium” if Cal Am were to decide to sell to another private entity. (*Id* at pp. 2 and 3 of Exhibit A thereto.) Moreover, LAFCO found that there were inherent advantages to local public control of the Felton water utility in terms of accountability, responsiveness, and service:

The difference in local accountability is significant between a governmental agency that has a locally elected board and water company that is a subsidiary of an international corporation. In the case of the Cal-Am Water Company, a customer’s complaint goes through a regional manager who is responsible to corporate management. In the case of the San Lorenzo Valley Water District, a customer’s complaint goes through a district manager who is responsible to a locally elected board. The SLVWD board members themselves live in the district and are customers of the district. Meetings of the governing SLVWD board are conducted in the San Lorenzo Valley, and are open for attendance and comments by the public pursuant to the Brown Act. Meetings of Cal-Am’s governing board are not subject to the public meeting requirements of the Brown Act, nor are they routinely convened in the San Lorenzo Valley. If the SLVWD became the operating utility in Felton, the resulting local ownership and management of the Felton system could help resolve a recurring concern of some local residents about distant control of Felton’s water resources.

The Felton unit of Cal-Am represents approximately 0.8% of the Cal-Am customer base and a substantially smaller percentage of the customer base of its parent corporation RWE. If Felton were served by the SLVWD, the Felton unit would represent

18% of the district's customer base; and, therefore, Felton customers would benefit from greater local accountability and more influence in the operation of the water system.

(*Id* at pp. 4-5 of Exhibit A thereto.)

At this point, Felton FLOW, the County, and SLVWD commenced to study in earnest the financial feasibility of SLVWD's potential acquisition of Cal Am's Felton water utility. In April of 2004, the County and SLVWD entered into a Mutual Aid and Cooperation Agreement. (Exhibit 20 attached hereto.) On July 15, 2004, Felton FLOW submitted petitions to the County signed by the requisite number of Felton residents requesting that the County undertake proceedings to form a Mello-Roos Community Facilities District ("CFD") to sell bonds, impose a special tax on the Felton property owners, and raise funds for the acquisition. (Exhibit 22 hereto.) The Board of Supervisors approved this request on August 3, 2004. (*Id.*)

On March 15, 2005, after the County had prepared the necessary CFD formation documents, the Board of Supervisors conducted a public hearing, approved formation of the CFD, and unanimously voted to submit to the Felton voters the question of whether they were willing to subject themselves to a special tax as needed to sell bonds of up to \$11 million to fund the acquisition of Cal Am's Felton utility. (Exhibits 26 and 27 hereto.)

A special election was held in Cal Am's Felton service area on July 26, 2005. At that time, Felton's voters, by a margin of 74.8% yes to 25.2% no, approved formation of the CFD and incurring special taxes on their properties to support up to \$11 million in bonded indebtedness to finance the acquisition of Cal Am's Felton utility. (See Exhibits 28 and 35-37 hereto.) It is hard to imagine how any stronger proof could be provided of the Felton community's level of commitment and support for gaining local control of their water utility.

Unfortunately for Felton's ratepayers, however, while Felton FLOW, the County, and SLVWD were diligently proceeding with plans for acquisition, Cal Am was pushing to hike its water rates even further. In February of 2005 Cal Am filed an application with the CPUC seeking a 105.2% rate increase for 2006 (on top of the 45% rate increase granted only 9 months earlier) and smaller increases for 2007 and 2008. (Exhibit 53 hereto, page 1.) The response of the Felton community was swift and harsh. (See, e.g., Exhibit 31 hereto, the reporter's transcript of the May 13, 2005, CPUC hearing on this latest requested rate increase at pp. 5 ["the rate increase is absurdly large"], 9 ["It is hard to contain my rage"], 13 [Cal Am's request is "absolutely obscene" and "disgusting"], and 106 [the rate increase request is "outrageous, unrealistic"], and 119 ["My experience is that Cal-Am has behaved as a bully"].) (See generally Exhibit 25 at pp. 433-478 and Exhibit 25 at pp. 5-126.) Notwithstanding that by this time Cal Am had obviously lost any semblance of community support, it also engaged in an ineffective lobbying and public relations campaign to try to convince the Felton residents that they were really better off with Cal Am after all. And then, contrary to CPUC rules, Cal Am tried

(unsuccessfully) to include a portion of its public relations and lobbying costs in the rate increase to be charged back to Felton's residents. (Exhibit 53 hereto at pp. 71-72, 72-73, 83, and 104 [¶ 36].)²

In March 2006, following the successful CFD bond election in the Felton community, SLVWD applied to LAFCO for an additional amendment of the SLVWD sphere of influence to include some 540 acres of Cal Am's service area and properties owned by Cal Am that were inadvertently omitted from the 2003 application, essentially a "clean-up" amendment. At the same time, SLVWD applied to LAFCO for the formal annexation of the approximately 1,910 acres comprising Cal Am's Felton service area and property into SLVWD's boundaries. (See Exhibits 38 and 41 at pp. 5-12.)

LAFCO's staff independently analyzed the cost of service issue and compared Cal Am's record with that of SLVWD. LAFCO's staff noted that "many Felton water customers cite the absurdly high cost of Cal-Am's water service in Felton as a key factor driving the public acquisition of the Cal-Am water system." (Exhibit 41, p. 13.) LAFCO staff prepared a table comparing the utility costs incurred by a typical Felton residential customer under Cal Am and SLVWD using various assumptions, a comparison which favored SLVWD under almost all existing conditions and future scenarios--and not even taking into consideration that the CFD bond debt and the special CFD taxes that would be used for SLVWD's acquisition of the Cal Am system would terminate in a few decades, significantly lowering the long-term cost to Felton's residents, while the cost of future "acquisition premiums" if the utility remains in private ownership cannot be predicted. (*Id.* at pp. 13-14.) The LAFCO staff drew upon a report prepared by the CPUC's Division of Ratepayer Advocates ("DRA") which concluded that "[o]f the 25 PUC-regulated water companies cited. . . , Cal-Am Felton has the second highest monthly meter rate and the second highest quantity rate," and this even without taking into consideration Cal Am's then-pending 105.2% rate increase request. (*Id.* at pp. 15-16.) As LAFCO's staff noted, the DRA questioned why Cal Am's rates were so high, given that all its water is surface water taken from creeks and springs (so there is no purchase or importation cost), it has a relatively new treatment plant that was paid for by the ratepayers, not Cal Am, there is little or no growth anticipated in the Felton service area that would necessitate any expenditures for capital expansion, and it has no significant water quality problems or facilities needs. (*Id.*) Finally, LAFCO's staff noted the stark contrast between Cal Am and SLVWD in terms of recent water rate trends: while Cal Am's rates were skyrocketing SLVWD's rates had increased only 1.14% annually over the previous 5-year period.

² On November 30, 2006, the CPUC granted most of the rate increase requested by Cal Am (the exact percentage amount of the approved increase being difficult to quantify because of a few issues unresolved by the CPUC's Opinion), subject only to a 1-year limitation on the amount of the increase to 50% of present rates to ameliorate "rate shock" in the Felton community. (Exhibit 53 at pp. 104-105.)

LAFCO's public hearing on the sphere amendment and proposed annexation was held on June 26, 2006. As noted above, after the close of the public hearing LAFCO unanimously approved both actions. (Exhibits 40-44.) LAFCO's findings and determinations with regard to the 2006 sphere of influence amendment essentially track its determinations made in September 2003, at the time the first sphere action was taken with respect to Cal Am's service area, excepting that by June of 2006 LAFCO was able to state even more definitively that Cal Am's water rates were much higher—indeed they were “among the highest rates paid by customers of Class A water companies in California.” (Compare Exhibit 42, Exhibit A, to Exhibit 17, Exhibit A.)

LAFCO held the required protest hearing on the annexation on September 11, 2006. (Exhibit 47 hereto.) Not a single Felton voter or landowner protested. (Exhibit 48 hereto.) As noted above, the annexation became effective on December 11, 2006. (Exhibit 55 hereto.)

We should also mention one other CPUC proceeding that bears upon the Felton residents' desire for local control over their water utility and SLVWD's potential acquisition of Cal Am's Felton property. On May 22, 2006, the German company that took over effective control of Cal Am in or about December of 2002 (see Exhibit 10 hereto) filed an application with the CPUC seeking to transfer control again. Apparently, in the few short years since it ventured into the American water business Cal Am's German parent had “revised its core business focus” and no longer wishes to “focus” on its water utilities in the United States. (Exhibit 39 hereto at pp. 7-8.) So the German parent now plans to sell control of Cal Am in a public offering (i.e., an “IPO”), which, if approved by the CPUC, would result in ownership being divested to an unknown and presumably diverse assortment of shareholders whose only connection to Felton is the desire to have the Felton ratepayers help boost their stock price and dividends. (*Id.*) Felton FLOW, the County, and SLVWD have protested this latest planned change of control and have asked the CPUC to instead order Cal Am and its parent to divest to SLVWD. (See, e.g., Exhibits 45, 49, and 50 hereto.) The CPUC has thus far not been responsive to these pleas. SLVWD has also presented evidence to the CPUC that public ownership of Cal Am's Felton service area would be in the public interest and would result in significant short-term and even greater long-term cost savings to the Felton community (see Exhibit 50, pp. 3-8, and Exhibit 51 hereto.) Among other things, SLVWD produced for the CPUC a report prepared by a highly qualified expert comparing the total cost of water service as provided by Cal Am versus SLVWD, and the expert concluded that “[r]ates in the Felton District could be reduced through public acquisition by between 10% and 25% using conservative assumptions.” (Exhibit 51 hereto, at pp. 4-5.) The CPUC's Division of Ratepayer Advocates has also weighed in by opposing the IPO unless the CPUC's approval is conditioned upon a number of requirements that are vigorously opposed by Cal Am's existing owner(s). (See Exhibits 52 and 58 hereto.) The IPO matter is still pending before the CPUC as of this date.

More or less concurrently with the finalization of the annexation of Cal Am's Felton service area and property into SLVWD's boundaries, SLVWD presented a formal offer of just compensation to Cal Am on December 5, 2006. (See Exhibit 54 hereto.) Cal Am's attorneys objected to the sufficiency of the information provided with the offer. Without acknowledging that the original offer was in any way deficient and in an effort to engage Cal Am in good faith negotiations, SLVWD further explained and supplemented its offer twice, first on December 22, 2006, and again on January 8, 2006. (Exhibits 56 and 57 hereto.) Cal Am refuses to negotiate. (See Exhibit 59 hereto.) That brings us to the resolution of necessity hearing.

C. Findings and Determinations that Must be Made by the Board if Resolution of Necessity is Adopted.

Under Cal. Code of Civil Procedure § 1245.230, a resolution of necessity is required to contain certain specified information, including "[a] declaration that the governing body of the public entity has found and determined each of the following:

- (1) The public interest and necessity require the proposed project.
- (2) The proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.
- (3) The property described in the resolution is necessary for the proposed project.
- (4) That either the offer required by Section 7267.2 of the Government Code has been made to the owner or owners of record, or the offer has not been made because the owner cannot be located with reasonable diligence."

In addition, where, as here, the property sought to be taken is already "appropriated to public use" (for purposes of California's eminent domain law Cal Am's existing use of its property is considered a "public" use), the resolution of necessity is supposed to address whether "the use for which the property is sought to be taken is a more necessary public use than the use to which the property is appropriated." (See Cal. Code of Civil Procedure § 1240.610; see also, §1240.650(a) and (c).)

One other matter that needs to be addressed at the resolution of necessity hearing relates to the subject of whether SLVWD would be acquiring more property than it needs for its public purposes and, if so, the justification for this "excess" taking. Under California's eminent domain law, if a public agency wishes to acquire more property than is necessary for its intended public use, the resolution of necessity is supposed to address whether it is appropriate to acquire the

“excess” or “remnant” portion of the property or whether the property owner has a “reasonable, practicable, and economically sound means to prevent the property from becoming a remnant.” (See Cal. Code of Civil Procedure §§ 1240.410 and 1240.420.) SLVWD’s staff believes that small, isolated fragments of Cal Am’s watershed property may not be necessary for SLVWD’s purposes, including protection of the Bull Creek and Bennett Creek intake facilities and the water quality at those intakes (see Exhibit 63 hereto), but given their small size, topography, locations, and inaccessibility SLVWD’s staff further believes that these fragments are “uneconomic remnants” that should be taken with the larger watershed parcel(s). (*Id.*)

The decision by a public agency to adopt a resolution of necessity can in some circumstances constitute “approval” of a “project” that necessitates compliance with the California Environmental Quality Act (“CEQA”). As the Board is aware, however, the Board determined in March 2006, at the time the 2006 sphere amendment and annexation application to LAFCO were approved, that the boundary changes and ultimate acquisition of Cal Am’s Felton utility do not constitute a “project” subject to CEQA since there is no potential for any resulting environmental impact. (See Exhibit 38 hereto at p. 4 and Attachment No. 1 thereto, consisting of a memo from special counsel Jeffrey M. Oderman to the Board dated March 10, 2006.) LAFCO concurred with the SLVWD Board’s decision and similarly found at the time it approved the 2006 sphere amendment and annexation that the transfer of jurisdiction/ownership from Cal Am to SLVWD is not a “project” subject to CEQA. (Exhibit 41 at pp. 17-20, Exhibit 42 at p. 1 ¶ 5, and Exhibit 43, p. 2 ¶ 8.) LAFCO filed a notice of exemption with the County Clerk memorializing that determination on June 27, 2006 (see Exhibit 44) and the statute of limitations for challenging the decision has expired. Nothing has changed since March-June of 2006 with regard to any potential environmental impacts of the proposed acquisition—there are none—and, accordingly, the proposed resolution of necessity requests the Board to confirm that the proposed acquisition is not a “project” within the meaning of CEQA. This is an issue that is properly addressed at the hearing, however, in particular if any person can present substantial evidence that the factual circumstances have materially changed with respect to this issue since March-June of 2006.

Finally, it is important to note that while the fact of SLVWD’s presentation of the purchase offer required by Cal. Government Code § 7267.2 is an issue to be addressed by the Board at the resolution of necessity hearing, the price to be paid to Cal Am is *not*. SLVWD’s staff and special legal counsel have repeatedly stated to Cal Am SLVWD’s desire to negotiate a settlement that will avoid the need for litigation and we will continue to do so, even after the resolution of necessity is adopted (assuming it is adopted), but the hearing on February 8, 2007, is not the forum to negotiate what amount is “just compensation” for the taking of Cal Am’s property interests.

In the final section of this report (below), we will briefly address the evidence supporting each of the required findings and determinations that the Board is called upon to make if it decides to adopt the proposed resolution.

D. Summary of Evidence Supporting Required Findings and Determinations.

1. Public Support.

SLVWD's acquisition of Cal Am's property is overwhelmingly supported by the residents and ratepayers in Felton. Nothing says support like a 75% vote of the citizens in a small community with only 1300-plus connections to tax themselves to repay up to \$11 million in bonded indebtedness to get rid of Cal Am and achieve their goal of "locally owned water" through the neighboring publicly owned water district. One has only to have attended one of the many hearings before the CPUC (or have read the transcript) to appreciate the community's intense dislike and distrust of Cal Am and its desire for change. Just as LAFCO determined that "local accountability is significant," SLVWD's staff and the SLVWD Board, through its past actions, believe that local residents in a democracy ought to be able to have a strong voice in decisions affecting one of their most precious public resources—water. Having a locally resident staff and a locally elected Board in which the Felton residents have about an 18% interest assures this voice will be heard and listened to and respected. That can't be said for a for-profit company owned and controlled by another company located in Germany--or scattered shareholders located who knows where--with its regional office in Chula Vista and its service center in Illinois.

SLVWD's acquisition is also backed by the County of Santa Cruz, LAFCO, the adjacent City of Scott's Valley (see Exhibit 11 hereto), and concerned members of Congress and the California Legislature (see Exhibits 19, 33, and 46). Finally, while the CPUC is not willing to order divestiture of one of its regulated utilities to a public agency, even the CPUC has acknowledged the significant "customer dissatisfaction that exists in the Felton District," it has "strongly encourage[d]" the parties to take advantage of the CPUC's ADR procedures when (as the CPUC apparently assumes will happen) SLVWD initiates its condemnation proceedings, and it has pledged to be "vigilant" in protecting the Felton ratepayers from any attempts by Cal Am to goldplate the system prior to SLVWD's completion of the public acquisition process. (See Exhibit 53 at pp. 86-88.)

2. Public Interest and Necessity; More Necessary Public Use

SLVWD has identified two primary justifications for its acquisition of Cal Am's Felton utility: (i) lowering the total cost of providing water to the Felton customers and ratepayers, both short-term and long-term; and (ii) providing local control over the Felton community's water

utility and thereby providing more transparency, accessibility, accountability, and responsiveness than exists with Cal Am.

The water cost issue has been summarized in the historical summary above and won't be repeated at length. In brief, Cal Am's Felton rates are extremely high by any measure—so high that even the Division of Ratepayer Advocates at the CPUC is bewildered and asks why. While the “all-in” cost comparison between the cost of service under Cal Am and the cost of service under SLVWD cannot be exactly pinpointed at this time—for the simple reason that SLVWD's total acquisition cost for Cal Am has not been determined—all of the evidence that has been generated indicates that even if the maximum CFD bond debt is incurred to acquire Cal Am (and SLVWD's appraisal would support a significantly lower CFD bond debt than that), the Felton ratepayers will benefit from a significant reduction in their cost of water. Moreover, once the CFD bond debt is retired the Felton ratepayers and property owners will benefit from a substantial and permanent drop in their cost of service, something they could never look forward to if the utility remains in private ownership. Beyond that, given the CPUC's willingness to make the ratepayers bear the cost of an “acquisition premium” paid by a new private buyer of a regulated utility, as long as the Felton utility remains in private ownership the Felton ratepayers are at risk of having to foot the bill again and again as successive private owners “cash out.”

SLVWD has inherent advantages over Cal Am—or any other private owner of the Felton utility—in terms of the economies of scale, efficiencies of operation, and resulting lower costs. Felton is a relatively small, isolated community—with a population of only about 3,350 (2000 census) and only 1,310 water connections. It is inefficient for any private utility company to attempt to serve Felton from afar. By contrast, SLVWD operates in the adjacent San Lorenzo Valley area, and it has an estimated population of 17,900 (2000 census) and almost 6,000 water connections. (See generally Exhibits 41 and 42.) As SLVWD's District Manager recently advised the CPUC, there are “efficiencies inherent in managing and operating two adjacent water utility districts from offices and with crews located in the districts in close geographic proximity.” (Exhibit 50 hereto, p. 5.)

Public ownership by its nature has other inherent advantages over private ownership in terms of the cost of providing service. SLVWD is a non-profit organization, whereas Cal Am (and any other private owner) has to charge its ratepayers higher rates in order to generate a return on investment. (The CPUC, for example, recently agreed with Cal Am that it is entitled to a 9.95% return on its equity invested in the Felton utility. See Exhibit 53 hereto, pp. 68-70; contrast with Exhibit 50 at p. 4.) Cal Am also pays both property taxes and income taxes, which are passed on to its ratepayers in the form of higher rates (see, e.g., Exhibit 53 hereto at pp. 77-78), whereas SLVWD pays no taxes and therefore doesn't need to recover any such costs from its ratepayers (Exhibit 50, p. 4). Finally, SLVWD can borrow funds at tax-exempt rates and has access to low cost financing and no cost grants that are available from the State of California for

certain water utility system improvements and upgrades (Exhibit 50 hereto at pp. 4-5), whereas Cal Am generally must borrow at the higher rates charged to private businesses.

The past 5 years of Cal Am's history in Felton also demonstrate how an acquisition by SLVWD of Cal Am's Felton district would result in improved transparency, accessibility, accountability, and responsiveness in the governance and operation of the community's water utility. Cal Am is a private corporation with only a small local staff, a corporate office hundreds of miles away in Chula Vista, a service center in Illinois, and owners on another continent. SLVWD, on the other hand, is run by a local board elected by the people in the community and a local resident staff. Cal Am's Felton district represents less than 1% of its California operation, so the voice of the Felton ratepayers is particularly small; by contrast, Felton now represents approximately 18% of the SLVWD population and customer base. Customers who want to complain to SLVWD can walk in the front door in Boulder Creek and speak to the District Manager; they don't have to travel to Chula Vista or Illinois or Tennessee or Europe. Customers who want to speak to the owners of Cal Am are relegated to railing to stone-faced lawyers in CPUC hearings; customers who want to speak to the Boardmembers of SLVWD know where to find them—they are their neighbors and are easily accessible. Customers have no ability to attend Cal Am Board meetings, whereas customers who wish to speak to the SLVWD Board have the right under the Brown Act to attend one of their regularly scheduled and agendized public meetings that are held in their community. Cal Am's files are private,³ whereas any Felton resident who wishes to review SLVWD's files has a right under the California Public Records Act to do so.

The Felton residents have experienced tremendous frustration and a sense of helplessness in attempting to address their concerns through the California Public Utilities Commission. They have been denied altogether the right to participate in some CPUC proceedings that affect their interests (see, e.g., Exhibits 9 and 12, p. 136). Important CPUC hearings are held in San Francisco, far away from the Felton community, and even the local Felton hearings bring only an administrative law judge, not the decision-makers themselves. (See, e.g., Exhibits 15 and 18 hereto.) The CPUC hearing process is also a highly formalized adversarial process with a courtroom-like setting, lawyers, and evidentiary rulings, and, as one Felton FLOW member said, Cal Am's lawyers simply "paper them to death." (Exhibit 31, p. 39; see also *id* at pp. 49, 67, 96-97, and 100-101.) The Felton residents have been bombarded with at least 4 major CPUC proceedings involving Cal Am in as many years and they simply cannot afford the lawyers it takes to fight. (*Id.*) In short, the Felton ratepayers, customers, and residents are asking for the

³ The Felton ratepayers are dependent on the CPUC to shed some light on Cal Am's finances, a frustrating, time-consuming, and expensive process. Moreover, the CPUC denies access to substantial "sensitive" financial information. (See, e.g., Exhibit 58 hereto, the heavily redacted Opening Brief of the CPUC's Division of Ratepayer Advocates in the pending CPUC proceeding filed by Cal Am to authorize a change of control of the company.)

right to representative democracy that they cannot achieve with Cal Am or any other private utility company regulated by the CPUC. SLVWD offers them that opportunity.

In summary, SLVWD's staff believes that the two proffered justifications of lower costs of service and improved transparency/accessibility/accountability/responsiveness demonstrate the public interest and necessity for the condemnation of Cal Am's Felton property. These justifications are in effect a comparison of the benefits of SLVWD's operation of the Felton water utility versus leaving that operation in private ownership, and therefore the same justifications establish the basis for the Board to make the required determination under Cal. Code of Civil Procedure § 1245.610 that SLVWD's proposed use is "a more necessary public use than the use to which the property is appropriated" at this time.

3. Project Planned or Located in the Manner Most Compatible with Greatest Public Good and Least Private Injury.

This particular required finding seems more relevant to a decision on the size, configuration, and location of a planned public improvement or facility than to a decision on whether to acquire and assume operation of an existing privately owned utility. To the extent this finding is applicable to present circumstances, SLVWD's staff believes that SLVWD's acquisition of Cal Am's Felton water utility is in fact most compatible with the greatest public good for the reasons stated above. Cal Am is entitled to receive just compensation for the acquisition, which is a "make-whole" remedy, so Cal Am will not suffer a "private injury." In addition, as stated above, Cal Am's Felton unit represents less than 1% of its California utility operation, so SLVWD's acquisition should not impact on overall Cal Am operations.

4. The Property Described in the Resolution Is Necessary for the Proposed Project; Excess Condemnation Issues.

The proposal is to acquire all of Cal Am's Felton property. All of that property is used in its water utility operation and is necessary if SLVWD will be taking over that operation.

There are small, isolated portions of Cal Am's watershed property that arguably are not necessary for SLVWD's water utility operation. (See Exhibit 63 hereto.) Given, however, that those areas are small in size (certainly less than the 40-acre minimum size that would allow for independent residential development under applicable County of Santa Cruz land use regulations and too small to be of any interest to a private party for timber harvesting purposes), highly irregular in shape, lack road access and utilities, and have generally sloping and steep topography, there is no "reasonable, practicable, an economically sound means" to prevent them from becoming uneconomic remnants if they are left in Cal Am's ownership. If SLVWD were to attempt to "carve out" those remnants and not acquire them, undoubtedly SLVWD would end up having to pay "severance damages" equivalent to whatever value those areas contribute to the

larger watershed property anyway. Accordingly, staff's recommendation is that the Board make the necessary finding and determination required under Cal. Code of Civil Procedure §§ 1240.410-1240.420 to authorize the "excess" take of these portions of the watershed property as well.

5. The Offer Required By Government Code § 7267.2 Has Been Made.

As previously stated, SLVWD's purchase offer was made to Cal Am on December 5, 2006, and supplemented on December 22, 2006, and January 8, 2007. While Cal Am's attorney has complained about the sufficiency of the offer, SLVWD's legal counsel believes that the offer is more than adequate to authorize the Board to proceed with adoption of a resolution of necessity.

6. The Condemnation is Not a CEQA "Project."

For the same reasons approved by SLVWD's Board in March of 2006 and by LAFCO in June of 2006 (see above), SLVWD's staff and legal counsel recommend that the Board confirm that the adoption of the resolution of necessity is not a "project" within the meaning of CEQA and requires no environmental review, since the decision involves only a change of ownership and does not have any potential of generating any environmental impacts. In this regard, it is noteworthy that the CPUC took the very same position back in 2001 when it approved a change of ownership from Citizens to Cal Am--a position that, not surprisingly, Cal Am did not object to at the time. (See Exhibit 1 hereto at p. 71 ¶ 14.)

* * *

If any Board members have questions regarding any of the information provided in this Memorandum, we will attempt to address those questions at the February 8th hearing.

cc: Marc G. Hynes, Esq., General Counsel

Exhibits 1 – 63 are transmitted under separate cover and are not available on line or in the agenda package. These items are available at San Lorenzo Valley Water District Office for public review.

SAN LORENZO VALLEY WATER DISTRICT

RESOLUTION NO. ___ (06-___)

SUBJECT: DETERMINING THE PUBLIC INTEREST AND NECESSITY FOR ACQUISITION OF THE REAL PROPERTY AND BUSINESS ENTERPRISE OWNED BY CALIFORNIA AMERICAN WATER COMPANY WITHIN ITS FELTON SERVICE AREA

WHEREAS, the San Lorenzo Valley Water District (“SLVWD”) is authorized by California Water Code § 35600 to utilize the power of eminent domain to acquire property necessary or proper for SLVWD’s works and to supply the land with sufficient water for all SLVWD’s purposes; and

WHEREAS, SLVWD has been investigating the acquisition of property owned by California American Water Company (“Cal Am”) within Cal Am’s Felton Service Area, as described in Exhibit “A” attached hereto and incorporated herein by this reference (the “Property”), for the purpose of converting Cal Am’s privately held water distribution system to a publicly held water distribution system owned and operated by SLVWD (the “Proposed Public Use”); and

WHEREAS, on March 23, 2006, SLVWD’s Board of Directors adopted Resolution No. 32 (05-06) and determined that the proposed amendment to SLVWD’s sphere of influence and annexation of Cal Am’s Felton Service Area into SLVWD’s boundaries for the purpose of moving forward with the Proposed Public Use was not a “project” subject to the California Environmental Quality Act (“CEQA”); and

WHEREAS, on June 26, 2006, the Santa Cruz County Local Agency Formation Commission (“LAFCO”) made a similar determination when it approved said sphere of influence amendment and annexation; and

WHEREAS, on June 27, 2006, LAFCO filed a notice of exemption with the County Clerk with respect to its approval of the sphere of influence amendment and annexation; and

WHEREAS, Cal Am did not challenge SLVWD’s Resolution No. 32 (05-06) or LAFCO’s approval of the sphere of influence amendment and annexation within the statutory time periods allowed for such challenges; and

WHEREAS, SLVWD’s Resolution No. 32 (05-06) and LAFCO’s approval of the sphere of influence amendment, annexation, and “no project” determinations are now final, binding, and conclusive; and

WHEREAS, the Proposed Public Use will serve the public interest in that control over the privately-held water distribution will become subject to the political process, resulting in greater control over water usage rates and the overall operation of the system; and

WHEREAS, pursuant to California Government Code § 7267.2, SLVWD has obtained appraisals of the Property to be acquired and has made an offer to Cal Am for the full amount set forth in the appraisals; and

WHEREAS, on February 8, 2007, after no less than fifteen (15) days written notice to Cal Am, the record owner of the Property, the Board of Directors of SLVWD held a hearing for the purpose of allowing the record owner a reasonable opportunity to appear and be heard on the following matters:

- A. Whether the public interest and necessity require the Proposed Public Use;
- B. Whether the Proposed Public Use is planned or located in a manner which is most compatible with the greatest public good and the least private injury;
- C. Whether the Property proposed to be acquired is necessary for the Proposed Public Use;
- D. Whether the Proposed Public Use is a more necessary public use pursuant to California Code of Civil Procedure § 1240.610 *et seq.*;
- E. Whether any portion of the Property, including any portion of Cal Am's "watershed property" is a "remnant" that may be acquired by eminent domain under the "excess condemnation" provisions set forth in California Code of Civil Procedure §§ 1240.410 *et seq.*;
- F. Whether the offer required by California Government Code § 7267.2, together with the accompanying statement and summary of the basis for the amount established as just compensation, has been given to the owners of record and whether the offer and statement/summary contained the information required by California Government Code § 7267.2;
- G. Whether SLVWD has properly exercised all of its statutory responsibilities and duties antecedent to the exercise of eminent domain to acquire the property interests considered herein; and
- H. Whether SLVWD has the statutory authority to acquire the Property by eminent domain; and

WHEREAS, SLVWD's Board of Directors, as a result of such hearing, has determined that the public health, safety, and welfare require that SLVWD acquire the Property for the purposes of carrying out the Proposed Public Use.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Lorenzo Valley Water District as follows:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Proposed Public Use for which the Property is sought to be acquired is the conversion of Cal Am's privately held water distribution facility enterprise in the Felton Service Area to public ownership under the control of SLVWD.

SECTION 3. The property interests to be acquired are described in detail in Exhibit "A" attached hereto and incorporated herein by this reference. The real property interests to be acquired include the full extent of Cal Am's real property holdings within the Felton Community, County of Santa Cruz, whether such holdings are fee simple absolute, easement, leasehold, franchise or otherwise, including without limitation the real property referenced and described in the instruments attached hereto as Exhibit "B", and incorporated herein by this reference, to wit: 1) the Corporation Grant Deed recorded on 1/18/02 as instrument number 2002-004598, Santa Cruz County records; 2) the Quitclaim Deed recorded 1/18/02 as instrument number 2002-0004599, Santa Cruz County records; (3) the Corporation Grant Deed recorded 4/25/02 as instrument number 2002-0030350, Santa Cruz County records; 4) the Quitclaim Deed recorded 4/25/02 as instrument number 2002-0030351, Santa Cruz County records; 5) the Quitclaim Deed recorded 9/1/82, in book 3479, page 476, Santa Cruz County records; 6) the Assignment and Assumption of Easements recorded 1/15/02 as instrument number 2002-0003525, Santa Cruz County records; 7) the Assignment and Assumption of Easements recorded 4/22/02 as instrument number 2002-0029205, Santa Cruz County records; 8) Parcel Map of the Lands of William Thomas, recorded 11/4/71, in page 31, book 4 of parcel maps, Santa Cruz County records; 9) Grant Deed from Santa Cruz Land Title Company to Felton Water Company, dated 6/30/33; 10) Certificate of Ownership by Citizens Utilities Company of California merging its Wholly-Owned Subsidiary, Felton Water Co., recorded 6/13/62, book 1476, pages 79-81, Santa Cruz County records; and 11) Grant Deed recorded 12/17/71, book 2155, pages 532-534, Santa Cruz, County records.

SECTION 4. The public interest and necessity require the Proposed Public Use for the reasons set forth in the February 1, 2007, report from the District Manager and special legal counsel to the Board (including the exhibits referred to therein) (collectively, the "Staff Report").

SECTION 5. The Proposed Public Use is planned and located in a manner most compatible with the greatest public good and the least private injury for the reasons set forth in the Staff Report.

SECTION 6. The Property is necessary for the Proposed Public Use for the reasons set forth in the Staff Report.

The Proposed Public Use is a more necessary public use pursuant to California Code of Civil Procedure §§ 1240.610 *et seq.*, for the reasons set forth in the Staff Report.

SECTION 7. The portions of the "watershed property" identified in Exhibit 63 of the Staff Report as being outside the areas needed for the Bull Creek and Bennett Creek intake facilities and protection of the water supply in those creeks must be taken for the reasons

set forth in the Staff Report and the separate statement of Betsy Herbert that was provided to the Board and such areas qualify for the “excess condemnation” procedures embodied in California Code of Civil Procedure §§ 1240.410, *et seq.*

SECTION 8. The offer required by California Government Code § 7267.2(a), together with the accompanying statement of and summary of the basis for the amount established as just compensation, was made to Cal Am, which offer and accompanying statement/summary were in a form and contained all of the factual disclosures provided by California Government Code § 7267.2(a). SLVWD’s counsel has attempted to negotiate with Cal Am subsequent to this offer, but such negotiations have not proved successful in securing the necessary property interests outside of more formal proceedings.

SECTION 9. SLVWD has statutory authority to acquire the Property and is authorized to acquire the Property pursuant to California Water Code § 35600 and California Code of Civil Procedure §§ 1240.410 *et seq.* and §§ 1240.610 *et seq.*

SECTION 10. SLVWD has complied with all conditions and statutory requirements necessary to exercise the power of eminent domain (the “right to take”) to acquire the Property, as well as any other matter regarding the right to take the Property by eminent domain.

SECTION 11. SLVWD adopted Resolution No. 32 (05-06) on March 23, 2006, and determined that the proposed amendment to SLVWD’s sphere of influence and annexation of Cal Am’s Felton Service Area into SLVWD’s boundaries for the purpose of moving forward with the Proposed Public Use was not a “project” subject to CEQA. LAFCO made a similar determination on June 26, 2006, when it approved the sphere of influence amendment and annexation. LAFCO filed a notice of exemption with the County Clerk on June 27, 2006. Cal Am did not challenge either SLVWD’s resolution or LAFCO’s determination in court within the time permitted by law and such decisions by SLVWD and LAFCO, including the “no project” determination, are final, binding, and conclusive. In addition, the Board determines that no facts have changed since March-June 2006 with respect to the environmental impacts of the Proposed Public Use, that there is no potential that the Proposed Public Use will result in environmental impacts, and that the Proposed Public Use and the adoption of this resolution is not a “project” within the meaning of CEQA.

SECTION 12. The law firm of Rutan & Tucker, LLP, special counsel for the District, is hereby authorized to prepare and prosecute in the name of SLVWD such special proceedings in the proper court having jurisdiction thereof as are necessary for acquisition of the Property described herein, and to prepare and file such pleadings, documents, and otherwise prosecute such actions as may be necessary in the opinion of such attorneys to acquire the Property for SLVWD. Such attorneys are specifically authorized to take whatever steps and/or procedures available to them under the Eminent Domain Law of the State of California, including, but not limited to, seeking orders for prejudgment possession of the Property. SLVWD staff is further authorized to take any appropriate action consistent with the purposes of this Resolution.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 8th day of February, 2007, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

District Secretary
San Lorenzo Valley Water District

EXHIBIT "A"

**CALIFORNIA-AMERICAN WATER COMPANY
FELTON, CALIFORNIA SERVICE AREA**

DESCRIPTION OF SUBJECT PROPERTY

The property interests to be acquired include all real, personal, and intangible property of whatever type or nature owned by Cal Am within and directly relating to Cal Am's Felton Service Area, including without limitation all land and improvements, improvements pertaining to the realty, fixtures and equipment, tanks, reservoirs, water treatment plants and facilities, pipelines, conduits, booster stations, pump stations, water rights, books and records, leasehold interests, easement and franchise rights, all governmental permits and entitlements to develop, operate, maintain, repair, and replace Cal Am's facilities within and with respect to its Felton Service Area, and any other property or business interest, whether tangible or intangible, owned and/or utilized by Cal Am in connection with its water distribution operation in Cal Am's Felton Service Area. In addition, SLVWD shall acquire all contractual rights, liabilities, obligations, and debt held by Cal Am in connection with the Safe Drinking Water Loan Contract E51065, including any and all amendments thereto, as such obligations were delegated to Cal Am by way of the Agreement for Assignment of the Loan Under the California Safe Drinking Water Bond Law of 1998, Re: Contract No. E51065, between Citizens Utilities Company of California, Assignor, and California-American Water Company, Assignee.

The property interests that SLVWD proposes to acquire exclude any trademark and copyright interests that may be held by Cal Am with respect to its Felton Service Area and any intangible property consisting of attorney-client communications or other privileged trade secret or internal financial documents or information that would not be transferable with a transfer of title to and control over the water utility operation conducted by Cal Am in and with respect to its Felton Service Area.

The real property interests held by Cal Am of which SLVWD is aware, and which are included within the Subject Property, include the properties designated by the following Santa Cruz County Assessor Parcels:

064-011-01*	064-201-33
064-011-02*	064-201-34*
064-021-04*	064-201-35*
064-021-07*	064-381-05*
064-021-18*	064-381-06*
064-021-22*	064-381-16*
064-021-23*	064-381-17*
064-031-23	064-381-20*

064-031-28	065-013-12
064-031-37	065-013-34
064-041-18	065-202-15
064-051-03	065-234-16
064-052-18	065-281-03
064-083-05	071-031-03
064-201-22	071-031-33
*Denotes Cal Am's Watershed Property.	071-161-16

The real property interests to be acquired include the full extent of Cal Am's real property holdings within the Felton Community, County of Santa Cruz, whether such holdings are fee simple absolute, easement, leasehold, license, franchise or otherwise, including without limitation the real property referenced and described in the instruments attached hereto as Exhibit "B", and incorporated herein by this reference, to wit: 1) the Corporation Grant Deed recorded on 1/18/02 as instrument number 2002-004598, Santa Cruz County records; 2) the Quitclaim Deed recorded 1/18/02 as instrument number 2002-0004599, Santa Cruz County records; (3) the Corporation Grant Deed recorded 4/25/02 as instrument number 2002-0030350, Santa Cruz County records; 4) the Quitclaim Deed recorded 4/25/02 as instrument number 2002-0030351, Santa Cruz County records; 5) the Quitclaim Deed recorded 9/1/82, in book 3479, page 476, Santa Cruz County records; 6) the Assignment and Assumption of Easements recorded 1/15/02 as instrument number 2002-0003525, Santa Cruz County records; 7) the Assignment and Assumption of Easements recorded 4/22/02 as instrument number 2002-0029205, Santa Cruz County records; 8) Parcel Map of the Lands of William Thomas, recorded 11/4/71, in page 31, book 4 of parcel maps, Santa Cruz County records; 9) Grant Deed from Santa Cruz Land Title Company to Felton Water Company, dated 6/30/33; 10) Certificate of Ownership by Citizens Utilities Company of California merging its Wholly-Owned Subsidiary, Felton Water Co., recorded 6/13/62, book 1476, pages 79-81, Santa Cruz County records; and 11) Grant Deed recorded 12/17/71, book 2155, pages 532-534, Santa Cruz, County records.

The interests to be acquired include all rights, liabilities, outstanding debt, payment terms, and any other obligations or rights of Cal Am in the Safe Drinking Water Loan Contract E51065, including any amendments thereto, as such rights, liabilities, debt, payment terms, and other obligations or rights were assigned and/or delegated to Cal Am by way of the Agreement for Assignment of the Loan Under the California Safe Drinking Water Bond Law of 1998, Re: Contract No. E51065, between Citizens Utilities Company of California, Assignor, and California-Water Company, Assignee.

An inventory identifying the buildings, structures, fixtures, and other improvements owned by Cal Am of which SLVWD is aware, and which are included within the Subject Property, are identified hereinbelow.

SOURCE OF SUPPLY FACILITIES

Bennett Spring Facilities

Collection Box (1 Ea)
Pipeline-4" (3,540 LF)
Site Improvements-Fencing

Bull Springs Facilities

Collection Box (2 Ea)
Settling Box (1 Ea)
Pipeline-4" (2,930 LF)

Bull Creek Facilities

Diversion Dam
Pipeline-6" (2,630 LF)
Valves-6" (3 Ea)
Metering & Valving

Felton Acres Well

Well
Pumping Unit
Electrical Equipment
Plant Piping

Bennett Springs Chlorination Station

Site Improvements
Chlorination Building
Electrical Equipment
Plant Piping
Propane Tank & Piping
Generator
Chlorination Equipment
Site Fencing

BOOSTER PUMPING PLANTS

Bennett Booster

Pumping Unit
Electrical Equipment
Plant Piping
Hydropneumatic Tanks
Poly Tank

Blair Booster

Building (Shed)
Pumping Unit
Electrical Equipment
Plant Piping
Hydropneumatic Tanks
Site Improvements

El Soyo Booster

Building (Shed)
Pumping Units
Electrical Equipment
Plant Piping
Site Improvements

Felton Acres Booster

Building (Shed)
Pumping Units
Electrical Equipment
Plant Piping
Hydropneumatic Tanks

Hillcrest Booster

Building (Shed)
Pumping Unit
Electrical Equipment
Plant Piping
Hydropneumatic Tank
Poly Tank
Site Improvements-Fencing

STORAGE RESERVOIRS

<u>DESCRIPTION</u>	<u>APPROX. STORAGE CAPACITY (GALLONS)</u>
Blair Steel Tank	250,000
McCloud Steel Tank	285,000
Felton Acres Redwood Tank	103,000
El Soyo Redwood Tank	20,000
Pine Redwood Tank	15,000

PIPELINES

<u>SIZE</u>	<u>MATERIAL OF CONSTRUCTION</u>	<u>QUANTITY (LF)</u>
2" or Less	SSP	23,100
		3,950
3"	SSP	3,900
4"	SSP	1,220
	ACP	2,490
	GIP	10
		20
	PVCP	500
		180
6"	CIP	130
	DIP	50
		20
		50
		60
	SSP	10,530
	ACP	24,130
	GIP	1,100
	PVCP	300
		710
	440	
	440	
8"	DIP	80
	ACP	4,400
	PVCP	1,120
		4,440
		3,020
	590	
10"	DIP	150
	SSP	100
	ACP	8,500
	PVCP	520
		1,330
	1,800	

Nomenclature:

- SSP = Standard Screw Pipe
- ACP = Asbestos-Cement Pipe
- GIP = Galvanized Iron Pipe
- PVCP = Polyvinyl Chloride Pipe
- CIP = Cast Iron Pipe
- DIP = Ductile Iron Pipe

ISOLATION VALVES

<u>SIZE</u>	<u>QUANTITY (LF)</u>
2" or Less	92
4"	24
6"	94
8"	34
10"	26

FIRE HYDRANTS AND FIRE SERVICES

<u>DESCRIPTION</u>	<u>QUANTITY</u>
Fire Hydrants	
6" x 4-1/2" x 2-1/2"	10
4" x 2-1/2" or Smaller	88
Fire Services (Private Fire Protection)	
6"	9

WATER SERVICES AND WATER METERS

<u>DESCRIPTION</u>	<u>QUANTITY</u>
Services (Each)	
3/4"	1,301
1"	24
1-1/2"	9
2"	14
4"	1
Meters (Each)	
5/8" x 3/4"	1,298
3/4"	3
1"	24
1-1/2"	9
2"	14
4"	1

FELTON ACRES SITE IMPROVEMENTS

DESCRIPTION

Felton Acres Site Improvements

Wood Building
Metal Garage Building
40 kw Standby Generator
Site Improvements
Site Fencing
Electrical Service & Equipment

EXHIBIT “B”

REAL PROPERTY DESCRIPTIONS

[see following pages]



2002-0004598

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attn: Kent Turner

Recorded	REC FEE	121.00
Official Records	PCOR -	20.00
County Of	SURVEY	10.00
SANTA CRUZ		
RICHARD W. BEDAL		
Recorder		

01:54PM 18-Jan-2002 LAH Page 1 of 39

MAIL TAX STATEMENTS TO

SPACE ABOVE THIS LINE FOR RECORDER'S USE

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attn: Kent Turner

The undersigned grantor declares:

Documentary Transfer Tax not shown pursuant to Section 11932 of the
Revenue and Taxation Code, as amended

County of Santa Cruz

Corporation Grant Deed

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, CITIZENS UTILITIES COMPANY OF CALIFORNIA, a California corporation, which has been incorrectly identified as Citizens' Utilities Company of California and Citizens Utilities Company, on its behalf and as successor-in-interest by merger to FELTON WATER CO., a California corporation, which has been incorrectly identified as Felton Water Company, hereby GRANTS to CALIFORNIA-AMERICAN WATER COMPANY, a California corporation, the following described real property situated in the County of Santa Cruz, State of California, together with all fixtures, fittings, buildings, structures and other improvements erected thereon, and easements, rights of way, water lines, water rights (if any) and rights associated with the withdrawal, diversion and use of water (if any), rights of use, licenses, railroad crossing agreements, hereditaments, tenements, privileges and other appurtenances thereto, as particularly described as follows:

See Exhibit A attached hereto and made a part hereof for legal description of real property.

Subject to: Property taxes not yet due and payable; covenants, conditions and restrictions of record; and easements and leases, recorded or unrecorded. Grantor covenants it will defend said property only to the extent of lawful claims of persons claiming by, under and through Grantor.

In Witness Whereof, the undersigned has caused this Grant Deed to be executed as of the 15th day of January, 2002.

CITIZENS UTILITIES COMPANY OF CALIFORNIA, a California corporation, which has been incorrectly identified as Citizens' Utilities Company of California and Citizens Utilities Company, on its behalf and as successor-in-interest by merger to FELTON WATER CO., a California corporation, which has been incorrectly identified as Felton Water Company

THIS DOCUMENT HAS BEEN SUBMITTED TO SANTA CRUZ TITLE COMPANY TO RECORD AS AN ACCOMMODATION ONLY. THIS DOCUMENT HAS NOT BEEN EXAMINED BY SANTA CRUZ TITLE COMPANY FOR EFFECT, SUFFICIENCY, NOR ACCURACY

By: [Signature]
Name: Richard W. Bedal
Title: Secretary

STATE OF Connecticut
COUNTY OF Fairfield) ss.

On Jan. 10, 2002, 2002 before me, Mildred L. Hudson, a Notary Public in and for said state, personally appeared L. Russell Miller, personally known to me (or 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/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Mildred L. Hudson
Notary Public in and for said County and State

(Space above for official notarial area.)

MILDRED L. HUDSON
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 2004

Exhibit A

EXHIBIT A

PARCEL 1:

OIL, GAS, MINERAL AND ROCK RIGHTS
THE NORTH ½ OF NORTHEAST ¼ OF SECTION 20 IN T. 10 S., R. 2 W.

APN: 064-011-01 (PORTION)

PARCEL 2:

TIMBER

PARCEL ONE:

THE NORTH ½ OF NORTHEAST ¼ SECTION 20 IN T. 10 S., R. 2 W. CONTAINING 86 ACRES MORE OR LESS.

PARCEL TWO:

BEING PART OF SOUTH ½ OF N.E. ¼ OF SECTION 20, T. 10, S. R. 2 W., AND BEING MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING ON THE EAST BOUNDARY OF SAID SECTION 20, AT A STAKE FROM WHICH THE CORNER OF SECTION 16-17-20 AND 21, BEARS N. 0° 15' E. 1397.00 FEET DISTANT AND A 2 FOOT REDWOOD STUMP MARKED "W" BEARS S. 15° 00' E. 11.20 FEET DISTANT; THENCE FROM SAID POINT OF BEGINNING AND ALONG THE EAST BOUNDARY OF SAID SECTION 20, S. 0° 15' W. 602.00 FEET TO A STAKE; THENCE LEAVING SAID BOUNDARY N. 89° 24' W. 2737.70 FEET TO A STATION; THENCE N. 0° 16' E. 603.00 FEET TO A STATION; THENCE S. 89° 24' E. 2737.70 FEET TO THE PLACE OF BEGINNING. CONTAINING 27.967 ACRES OF LAND MORE OR LESS.

PARCEL THREE:

BEING A PART OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 10 SOUTH RANGE 2 WEST, MOUNT DIABLO BASE AND MERIDIAN, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT THE ONE-SIXTEENTH SECTION CORNER OF THE SOUTH BOUNDARY OF THE NORTHWEST QUARTER OF SECTION 21, WHICH IS A 4" X 4" POST MARKED "S" AND "1/165" IN STONE MOUND, FROM WHICH A 15 INCH REDWOOD STUMP MARKED "W.T." BEARS SOUTH 61° EAST 56.5 FEET, AND A 24 INCH DEAD MADRONE MARKED "W" BEARS SOUTH 56° WEST 37.5 FEET; THENCE NORTH 0° 31' EAST 707.3 FEET TO A STAKE MARKED "S" FROM WHICH A "W" ON AN 8 INCH OAK BEARS SOUTH 63° EAST 3.00 FEET, AND A "W" ON A 30 INCH FIR BEARS NORTH 38° 30' EAST 24.2 FEET AND A 2" X 4" REDWOOD STAKE MARKED "H.L." ON ONE SIDE AND "F.A.H." ON THE OTHER SIDE, BEARS SOUTH 0° 31' WEST 282.3 FEET; THENCE SOUTH 89° 45' EAST 1383.0 FEET TO A STATION FROM WHICH A 30 INCH PINE BEARS NORTH 60° WEST 16.5 FEET AND A STAKE MARKED "S" BEARS SOUTH 89° 45' EAST 110.00 FEET; THENCE SOUTH 0° 30' WEST 694.6 FEET TO THE ONE QUARTER CORNER IN THE CENTER OF SECTION 21, FROM WHICH A REDWOOD 14 INCHES IN DIAMETER, BEARS SOUTH 60° 30' WEST 32.3 FEET; THENCE ALONG THE LINE RUNNING EAST AND WEST THROUGH THE CENTER OF SECTION 21, WEST 1383.3 FEET TO THE PLACE OF BEGINNING AND CONTAINING 22.3 ACRES, A LITTLE MORE OR LESS.

PARCEL FOUR:

THAT PROPERTY DESCRIBED AS PARCEL ONE OF THE PROPERTY CONVEYED ON SEPTEMBER 26, 1961 BY FLORENCE FETHERSTON TO CITIZENS UTILITIES COMPANY, AND BEING PART OF SECTIONS 20 AND 21 IN TOWNSHIP 10 SOUTH RANGE 2 WEST M.D.M. AND MORE PARTICULARLY DESCRIBED IN SAID AGREEMENT.

PARCEL FIVE:

THAT PROPERTY DESCRIBED AS PARCEL TWO OF THE PROPERTY CONVEYED ON SEPTEMBER 26, 1961 BY FLORENCE FETHERSTON ON CITIZENS UTILITIES COMPANY, AND BEING PART OF SECTIONS 20 AND 21 IN TOWNSHIP 10 SOUTH RANGE 2 WEST M.D.M. AND MORE PARTICULARLY DESCRIBED IN SAID AGREEMENT.

APN: 064-011-01 (AFFECTS PARCELS ONE & TWO)
064-201-34 & 35 (AFFECTS PARCEL FOUR)
064-021-04 (AFFECTS PARCEL FIVE)
064-381-20 (PORTION) (PARCEL THREE)

PARCEL 3:

SITUATE IN THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEING a portion of the Northwest quarter of the Northwest Quarter of Section 21 in Township 10 South, Range 2 West, M.D.B.&M., and being a part of the lands conveyed to William E. Eddy, et ux., by deed recorded October 24, 1958 in Volume 1211, Page 582, Official Records of Santa Cruz County, described as follows, to wit:

BEGINNING at a point on the Section line between Section 20 and 21 and from which the Section corner common to Sections 16, 17, 20 and 21 in said Township bears North 0° 17' East 85 feet distant; thence leaving said Section line Southeasterly in a direct line to a point from which the intersection of the Southwesterly boundary of said lands of Eddy and the Northern line of Felton Empire Road (60 feet wide) as shown on the Record of Survey Map filed February 16, 1961 in Volume 32 of Maps, Page 88, Santa Cruz County Records, bears South 28° 03' West 80.00 feet distant; thence continuing along said line Southeasterly to the Northern line of said Felton Empire Road, (60 feet wide); thence Southwesterly along the Northern and Northwesterly line of said Felton Empire Road to the Southwesterly boundary of said lands of Eddy; thence North 61° 57' West 170 feet, more or less, to the Section line between the Section 20 and 21, in said Township; thence along said Section line North 0° 17' East 193.48 feet to the Point of Beginning.

APN: 064-021-18

PARCEL 4:

PARCEL ONE:

BEING ALL OF PARCEL A AS SHOWN UPON THAT CERTAIN MAP OF THE LANDS OF CLARENCE T. ROE FILED FOR RECORD JULY 15, 1980 IN BOOK 36 OF PARCEL MAPS AT PAGE 5, SANTA CRUZ COUNTY RECORDS.

PARCEL TWO:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS AND PUBLIC UTILITIES PURPOSES OVER, UNDER AND UPON THE FOLLOWING DESCRIBED PARCEL OF LAND.

SITUATE IN THE COUNTY OF SANTA CRUZ, CALIFORNIA, AND BEING A PART OF THE LANDS DESCRIBED IN VOLUME 1600, PAGE 279 OF SANTA CRUZ COUNTY OFFICIAL RECORDS AND A PART OF THE SOUTH 1/2 OF SECTION 21, T. 10 S., R. 2 W., M. D. B. & M. AND BEING A STRIP OF LAND 20.00 FEET WIDE, MEASURED AT RIGHT ANGLES, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING IN THE CENTERLINE OF A 25.00 FOOT WIDE ROAD KNOWN AS ORCHARD DRIVE AT A STATION FROM WHICH THE SOUTHEASTERN CORNER OF THE LANDS OF ROE BEARS S 89° 45' E, 82.99 FEET DISTANT; THENCE FROM SAID POINT OF BEGINNING N 0° 15' E, 9.20 FEET TO A POINT OF CURVE; THENCE ON A CURVE TO THE RIGHT WITH A RADIUS OF 35.00 FEET, THROUGH A CENTRAL ANGLE OF 48° 24', AN ARC LENGTH OF 29.57 FEET TO A POINT OF TANGENCY; THENCE N 48° 39' E, 5.61 FEET TO A POINT OF CURVE; THENCE ON A CURVE TO THE LEFT WITH A RADIUS OF 35.00 FEET, THROUGH A CENTRAL ANGLE OF 65° 22', AN ARC LENGTH OF 39.93 FEET TO A POINT OF TANGENCY; THENCE N 16° 43' W, 48.76 FEET TO A POINT OF CURVE; THENCE ON A CURVE TO THE RIGHT, WITH A RADIUS OF 45.00 FEET, THROUGH A CENTRAL ANGLE OF 42° 42', AN ARC LENGTH OF 33.54 FEET TO A POINT OF TANGENCY; THENCE N 25° 59' E, 123.70 FEET TO A POINT OF CURVE; THENCE ON A CURVE TO THE LEFT WITH A RADIUS OF 35.00 FEET, THROUGH A CENTRAL ANGLE OF 131° 35' 20", AN ARC LENGTH OF 80.37 FEET TO A POINT OF TANGENCY; THENCE S 74° 24' 40" W. 38.58 FEET TO A POINT OF CURVE; THENCE ON A CURVE TO THE RIGHT WITH A RADIUS OF 75.00 FEET, THROUGH A CENTRAL ANGLE OF 17° 52' 20", AN ARC LENGTH OF 23.39 FEET TO A POINT OF TANGENCY; THENCE N 87° 43' W., 194.53 FEET TO A STATION ON THE EASTERN BOUNDARY OF PARCEL ONE HEREIN ABOVE DESCRIBED.

PARCEL THREE:

A NON-EXCLUSIVE EASEMENT FOR TURN AROUND PURPOSES THE BOUNDARIES OF WHICH ARE DESCRIBED AS FOLLOWS:

BEGINNING AT A STATION ON THE CENTERLINE OF THE HEREIN DESCRIBED 20 FOOT WIDE RIGHT OF WAY WHICH THE WESTERN TERMINUS

BEARS N 87° 43' W, 15.00 FEET DISTANT; THENCE FROM SAID POINT OF BEGINNING AND ALONG SAID CENTERLINE S 87° 43' E, 40.00 FEET; THENCE LEAVE SAID CENTERLINE S 2° 17' W, 10.00 FEET TO A POINT OF CURVE; THENCE ON A CURVE TO THE LEFT FROM A TANGENT BEARING N 87° 43' W, WITH A RADIUS OF 10.00 FEET, THROUGH A CENTRAL ANGLE OF 90° 00', AN ARC LENGTH OF 15.71 FEET TO A POINT OF TANGENCY; THENCE S 2° 17' W, 15.00 FEET; THENCE N 87° 41' W, 20.00 FEET; THENCE N 2° 17' E, 15.00 FEET TO A POINT OF CURVE; THENCE ON A CURVE TO THE LEFT WITH A RADIUS OF 10.00 FEET, THROUGH A CENTRAL ANGLE OF 90° 00', AN ARC DISTANCE OF 15.71 FEET; THENCE N 2° 17' E, 10.00 FEET TO THE POINT OF BEGINNING.

PARCEL FOUR:

SLOPE EASEMENTS OVER PARCEL B AS SAID PARCEL IS SHOWN UPON THE MAP REFERRED TO IN PARCEL ONE HEREIN ABOVE AS REQUIRED TO ACCOMMODATE THE CUT AND FILL SECTIONS AS REQUIRED BY THE ENGINEERED PLANS ACCEPTABLE TO THE COUNTY OF SANTA CRUZ IN JUNE, 1980.

PARCEL FIVE:

A DRAINAGE EASEMENT 10 FEET WIDE MEASURED AT RIGHT ANGLES THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE WESTERN TERMINUS OF THE HEREIN DESCRIBED CENTERLINE OF THE 20 FOOT WIDE RIGHT OF WAY BEARS S 89° 45' E, 12.00 FEET AND S 0° 15' W, 27 FEET, A LITTLE MORE OR LESS; THENCE FROM SAID POINT OF BEGINNING N 38° 45' E, 40.00 FEET.

PARCEL SIX:

A DRAINAGE EASEMENT 10 FEET WIDE MEASURED AT RIGHT ANGLES THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A STATION ON THE CENTERLINE OF THE HEREIN DESCRIBED 20 FOOT WIDE RIGHT OF WAY FROM WHICH THE EASTERN TERMINUS OF TANGENT SHOWN BEARING S 74° 24' 40" W, BEARS WESTERLY 3.0 FEET DISTANT, ALONG A CURVE TO THE LEFT WITH A 45.0 FOOT RADIUS; THENCE FROM SAID POINT OF BEGINNING N 4° 35' E, 37.00 FEET.

PARCEL SEVEN:

A DRAINAGE EASEMENT 10 FEET WIDE MEASURED AT RIGHT ANGLES, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A STATION IN THE CENTERLINE OF THE HEREIN DESCRIBED 20 FOOT WIDE RIGHT OF WAY THAT BEARS N 48° 39' E, 5.61 FEET FROM WHICH THE SOUTHWESTERN TERMINUS OF SAID COURSE BEARS S 48° 39' W, 2.0 FEET

DISTANT; THENCE FROM SAID POINT OF BEGINNING S 30° 20' E, 36.00 FEET TO THE EXISTING GUTTER ON THE NORTHERN SIDE OF ORCHARD DRIVE.

PARCEL EIGHT:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS, PUBLIC UTILITY AND WATER PIPE LINE PURPOSES OVER, UNDER AND UPON THAT PORTION OF PARCEL "B" AS SHOWN UPON THE MAP REFERRED TO IN PARCEL ONE HEREIN, LYING WITHIN THE BOUNDS OF ORCHARD ROAD.

APN: 064-041-18

PARCEL 5:

Situate in the County of Santa Cruz, State of California and described as follows:

PARCEL ONE:

Lot 148 of Felton Acres, as shown upon the map entitled, "Subdivision No. 3 Felton Acres", recorded August 10, 1925, in Map Book 18, Page 65, Santa Cruz County Records.

PARCEL TWO:

Being a part of the Rincon Rancho and more particularly bounded and described as follows, to wit:

Beginning at the most Northerly corner of Lot No. 148 in Subdivision No. 3 of Felton Acres, filed in the Office of the County Recorder of Santa Cruz County, August 10, 1925, in Map Book 18, at Page 65, of Maps; thence North 89° 58' West 101.42 feet to a station; thence South 13° 20' East 86.66 feet to a station; thence North 86° 05' East 53.13 feet to the most Westerly corner of said Lot 148; thence along the Northwesterly side of said lot North 19° 25' East 85.50 feet to the Place of Beginning.

APN: 064-051-03

PARCEL 6:

SITUATE IN THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEING a portion of Lot 116, as shown and designated on that certain map entitled "Subdivision No. 2 Felton Acres, being a part of Rancho Canada del Rincon and Zayante Rancho, Santa Cruz Co., California, subdivided in September 1924, by Lloyd Bowman, County Surveyor", filed for record in the office of the County Recorder September 19th, 1924 in Map Book 18, page 52, Santa Cruz County Records and more particularly described as follows:

BEGINNING at the Northwesterly corner of Lot 116, as shown upon said map on the Southerly line of Hillcrest Drive; thence along the Southerly line of Hillcrest Drive North 50° 42' East 15.0 feet to the Northwesterly corner of the land conveyed to George W. Simpson, et ux., by Deed recorded November 18, 1925 in Volume 49, page 256, Official Records of Santa Cruz County; thence along the Southwesterly line of said lands of Simpson South 39° 18' East 115.94 feet to the most Southerly corner of said lands; thence along the Southeasterly boundary of said land of Simpson North 49° 33' East 35.57 feet to an angle in said boundary; thence continuing along the Southwesterly line of said land South 28° 18' East 15.34 feet to the Northwesterly line of Lot 75 as shown on said map; thence along the Northwesterly line of Lot 75 and Lot 74 as shown upon said map South 49° 33' West 47.34 feet to the Southerly corner of Lot 116 as aforementioned; thence along the Southwesterly line of Lot 116 North 39° 18' West 130.94 feet to the Point of Beginning.

APN: 064-052-18

PARCEL 7:

Situate in the County of Santa Cruz, State of California, described as follows:

Lot 63 of "Subdivision No. 1, Felton Acres, being a part of Rancho Canada del Rincon, and Zayante Rancho, Santa Cruz County, California", subdivided in June 1924, by Lloyd Bowman, County Surveyor", Filed for record in the office of the County Recorder June 7, 1924 in Map Book 18, Page 47, Santa Cruz County Records.

APN: 064-083-05

PARCEL 8:

Situate in the County of Santa Cruz, State of California and described as follows:

PARCEL ONE:

Being a part of the Southeast Quarter of the Northeast Quarter of Sec. 20, and a part of the Southwest Quarter of the Northwest Quarter of Sec. 21, T. 10 S . R. 2 W. M. D. B. & M., and more particularly described as follows:

Beginning at a 4" x 4" Post scribed "1/16 S" standing at the intersection of the 1/4 Section line running East and West through the center of Section 20 with the 1/16 Section line running North and South through the East 1/2 of said Section 20 and from which a "W" on a 4 foot redwood stump bears North 47° 45' East 17.36 feet distant and a "W" on a 12 inch tan oak bears North 66° 30' West 10.35 feet distant, said 4" x 4" Post also being the most Westerly corner of a 24.70 acre tract of land conveyed by Florence Fetherston to Herbert N. and Hollis V. Erickson by deed dated February 14, 1956 and recorded February 20, 1956 in Volume 1060 of Official Records at Page 294, Santa Cruz County Records; thence from said Point of Beginning and along said 1/16 line North 0° 26' East 506.50 feet to an angle point in the boundary of lands of Felton Water Company from which a 15 inch redwood bears South 16° 30' East 1.50 feet distant, and a spike in a 4 foot redwood stump bears South 0° 26' West 8.00 feet distant; thence Easterly along the Southerly boundary of said Felton Water Company lands 2773.70 feet to a stake at an angle point in said boundary from which an 18 inch redwood bears South 63° 15' West 3.10 feet distant, and a line mark on the South side of a 5 foot redwood stump bears North 0° 12' East 0.95 feet distant, and an old stake marked FAH and HL bears South 0° 12' West 110.00 feet distant; thence along the Westerly boundary of Felton Water Company lands South 0° 12' West 94.46 feet more or less to a 1/2 inch pipe at the Northeast corner of said above mentioned lands conveyed to Erickson by Deed dated February 14, 1956; thence along the Northerly boundary of said lands conveyed to Erickson, North 88° 42' West 580.81 feet to a railroad spike set in the center line of a road Right of Way 50.00 feet in width from which an iron pipe bears South 79° 46' 30" West 26.39 feet distant, an iron pipe bears South 88° 42' East 28.92 feet distant and a nail in a circle on a 16 inch Redwood Tree bears South 41° 33' West 36.04 feet distant; thence along said Northerly boundary of lands conveyed to Erickson South 79° 46' 30" West 2238.88 feet to the Point of Beginning.

PARCEL TWO:

Being part of the Northwest 1/4 of the Northwest 1/4 of Section 21, in T. 10 S. R. 2 W. M. D. B. & M., and more particularly described as follows:

Beginning on the West boundary of said Section 21 at a bolt in the center line of the Diamond Quarry Tramway, from which the corner of Section 16-17-20-21 bears North 0° 15' East 626 .00 feet distant; thence from said Point of Beginning and along the center line of the Diamond Quarry Tramway North 70° 50' East 90.00 feet to a station; thence leaving said tramway and along the center line of the road leading to the Diamond Quarry South 74° 43' East 80.00 feet to a station; South 61° 52' East 165.00 feet to a station; South 5° 47' East 90.00 feet to a station; South 28° 50' West 235.00 feet to a station; South 37° 16' West 80.00 feet to a station;

South 6° 46' West 65.00 feet to a station; North 80° 58' West 50.00 feet to a station; North 58° 20' West 120.00 feet to a station on the West boundary of said Section 21; thence along said boundary North 0° 15' East 418.60 feet to the Place of Beginning.

APN: 064-201-34 & 064-201-35 (PARCEL ONE)
064-021-04 (PARCEL TWO)

PARCEL 9:

Situate in the County of Santa Cruz, State of California, described as follows:

Being a part of Sec. 21 T. 10 S. R. 2 W., M. D. B. & M., and more particularly described as follows:

Beginning at the most Westerly corner of that parcel of land conveyed to P. S. Williams et ux, by Deed recorded April 1, 1958 in Volume 1178, page 381, Official Records of Santa Cruz County; thence from said Place of Beginning North 68° 53' West 389.79 feet to a point; thence due North 41.95 feet to a point on the centerline of a 40.00 foot road; thence along said centerline North 76° 28' East 19.11 feet to its intersection with the centerline of another 40.00 foot road; thence along last mentioned centerline South 68° 11' East 199.55 feet and South 69° 37' East 189.04 feet to an angle in the Westerly line of said lands of Williams; thence along said Westerly line South 33° 43' East 34.31 feet and South 63° 19' West 40.82 feet to the Place of Beginning.

APN: 064-381-05

PARCEL 10:

PARCEL ONE:

BEING a part of Lot 18, as shown on the map entitled, "Tract No. 74, Felton Forest Subdivision No. 2", filed for record December 30, 1947 in Volume 28 of Maps at Page 67, Santa Cruz County Records, and further described as follows:

BEGINNING on the Western line of said Lot 18, at the most Southern corner of the land conveyed to Margaret K. Harriss, by Deed recorded May 29, 1951 in Volume 825 of Official Records, at Page 106, Santa Cruz County Records; thence along the Southeast line of said land of Harriss North 59° 32' East 50.0 feet to a station; thence leaving said line South 30° 30' East 110.00 feet to a station in the center of a 20 foot right of way; thence along the center line of said Right of Way, South 59° 32' West 50.0 feet to the Western line of said Lot 18; thence along last mentioned line North 30° 30' West 110.00 feet to the Place of Beginning.

PARCEL TWO:

A right of way, appurtenant to Parcel One over the following described strip of land:

BEGINNING at the most Easterly corner of Lot 21 as shown on said above mentioned map; and running thence along the Easterly boundary of said Lot North 30° 43' West 120.00 feet to a station; thence North 59° 32' East 250.47 feet to a station; thence South 30° 30' East 20.0 feet to a station; thence South 59° 32' West 210.29 feet to the beginning of a curve to the left; thence curving to the left with a radius of 20.0 feet through an angle of 90° 15' for a distance of 31.50 feet to a station; thence South 30° 43' East 79.91 feet to Blair Street; thence along Blair Street South 59° 32' West 20.0 feet to the Place of Beginning.

PARCEL THREE:

BEING a portion of Lot 19, as said Lot is shown and designated on map entitled, "Tract No. 74, Felton Forest Subdivision No. 2", filed for record December 30, 1947 in Volume 28 of Maps, at Page 67, Santa Cruz County Records, and more particularly bounded and described as follows:

BEGINNING at the most Northerly corner of Lot 19, as shown on said above mentioned map and running thence along the Easterly boundary thereof South 30° 30' East 410.67 feet to the center line of a 20 foot right of way; from which the most Easterly corner of said Lot 19, bears South 30° 30' East 110.00 feet distant; thence leaving said Easterly boundary of said lot and parallel to Blair Street as shown on said map and along the centerline of said 20 foot right of way, South 59° 32' West 50 feet; thence North 30° 30' West parallel with the Easterly boundary of said Lot 19, 358.96 feet to the Easterly side of Farmer Street as shown on said above mentioned map; thence along said boundary line North 13° 34' East 71.92 feet to the Place of Beginning.

PARCEL FOUR:

A Right of Way, appurtenant to Parcel Three, over the following described strip of land:

BEGINNING at the most Easterly corner of Lot 21 as shown on said above mentioned map; and running thence along the Easterly boundary of said Lot North 30° 43' West 120.00 feet to a station; thence North 59° 32' East 250.47 feet to a station; thence South 30° 30' East 20.0 feet to a station; thence South 59° 32' West 210.29 feet to the beginning of a curve to the left; thence curving to the left with a radius of 20.0 feet through an angle of 90° 15' for a distance of 31.50 feet to a station; thence South 30° 43' East 79.91 feet to Blair Street; thence along Blair Street South 59° 32' West 20.00 feet to the Place of Beginning.

PARCEL FIVE:

BEING a part of Lot 19, as shown on the map entitled, "Tract No. 74, Felton Forest Subdivision No. 2", filed for record December 30, 1947 in Volume 28 of Maps at Page 67, Santa Cruz County Records, and further described as follows:

BEGINNING at a station on the Western line of said Lot 19, from which the most Squthern corner thereof bears South 30° 30' East 110.00 feet distant; thence leaving said line running along the center line of a 20 foot right of way, North 59° 32' East 50.0 feet to a station; thence leaving said Right of Way, North 30° 30' West 358.96 feet to the Northern line of said Lot 19, on the Southeast line of Farmer Street; thence along the Northern line of said Lot 19, South 13° 34' West 43.24 feet to a station; thence curving to the right with a radius of 418.61 feet through an angle of 3° 47' for a distance of 27.64 feet to the Western line of said Lot 19; thence along said line, South 30° 30' East 308.67 feet to the Place of Beginning.

PARCEL SIX:

A right of way, appurtenant to Parcel Five, over the following described strip of land:

BEGINNING at the most Easterly corner of Lot 21 as shown on said above mentioned map; and running thence along the Easterly boundary of said Lot North 30° 43' West 120.00 feet to a station; thence North 59° 32' East 250.47 feet to a station; thence South 30° 30' East 20.0 feet to a station; thence South 59° 32' West 210.29 feet to the beginning of a curve to the left thence curving to the left with a radius of 20.0 feet through an angle of 90° 15' for a distance of 31.50 feet to a station; thence South 30° 43' East 79.91 feet to Blair Street; thence along Blair Street South 59° 32' West 20.0 feet to the Place of Beginning.

PARCEL SEVEN:

BEING a part of Lot 20, as shown on the map entitled, "Tract No. 74, Felton Forest Subdivision No. 2", filed for record December 30, 1947 in Volume 28 of Maps at Page 67, Santa Cruz County Records; and further described as follows:

BEGINNING on the Northeastern line of said Lot 20 at a station from which the most Eastern corner thereof bears South 30° 30' East 110.00 feet distant; thence along the center line of a 20 foot right of way South 59° 32' West 50.0 feet to a station; thence leaving said right of way, parallel to the Southwestern line of said Lot 20, North 30° 43' West 269.56 feet to the Northern line of said Lot 20 on the Southern line of Farmer Street; thence along the Northern line of said Lot 20, Northeasterly on a curve to the left from a tangent bearing North 26° 02' East, with a radius of 418.61 feet, through an angle of 8° 41' for a distance of 63.14 feet to the North

corner of said Lot 20; thence along the Northeastern line of said Lot 20, South 30° 30' East 308.67 feet to the Place of Beginning.

PARCEL EIGHT:

A right of way, appurtenant to Parcel Seven, over the following described strip of land:

BEGINNING at the most Easterly corner of Lot 21 as shown on said above mentioned map; and running thence along the Easterly boundary of said Lot North 30° 43' West 120.00 feet to a station; thence North 59° 32' East 250.47 feet to a station; thence South 30° 30' East 20.0 feet to a station; thence South 59° 32' West 210.29 feet to the beginning of a curve to the left; thence curving to the left with a radius of 20.0 feet through an angle of 90° 15' for a distance of 31.50 feet to a station; thence South 30° 43' East 79.91 feet to Blair Street; thence along Blair Street South 59° 32' West 20.0 feet to the Place of Beginning.

APN: 065-013-12

PARCEL 11:

BEING a portion of Lot 27 of Tract Number 74 Felton Forest Subdivision Number 2 and filed in Volume 28, page 67 of Maps, in the office of the Santa Cruz County Recorder and being a part of the Zayante Rancho, Santa Cruz County, California, and a part of the lands described in Volume 1138, page 163 of Santa Cruz County Official Records, and being more particularly described as follows:

BEGINNING at a ½ inch pipe at the Northwestern corner of said lands, at a station on the Western boundary of the Zayante Rancho; thence along said boundary, South 0° 03' East 67.66 feet to a ½ inch pipe; thence leave said line North 75° 26' East 37.97 feet to a ¾ inch pipe found at the Southwestern corner of Lot 28 of said Subdivision; thence along the Western boundary of said Lot, North 6° 43' West 62.02 feet to a ½ inch pipe found at the Northwestern corner of Lot 28, being also a point of the Southern boundary line of Farmer Street; thence along said line South 83° 17' West 29.76 feet to the Point of Beginning.

Surveyed in February 1971 by Robert R. Baldwin, L.S. 2678.

APN: 065-013-34 (portion)

PARCEL 12:

Situate in the County of Santa Cruz, State of California, described as follows:

Lot 28, as the same is shown and designated on that certain map entitled "Felton Forest Subdivision 2, Tract 74" filed for record in the office of the County Recorder on December 30, 1947, in Volume 28 of Maps at Page 67, Santa Cruz County Records.

APN: 065-013-34

PARCEL 13:

SITUATE IN THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THAT CERTAIN 16.37 ACRE TRACT OF LAND CONVEYED BY F. A. HIHN COMPANY TO FRANK MACHADO SALVADOR BY DEED DATED JANUARY 17, 1899, AND RECORDED IN DEED BOOK 127, PAGE 392, SANTA CRUZ COUNTY RECORDS, SAID CORNER BEING SITUATE UPON THE SOUTHERN BANK OF SHINGLE MILL CREEK; THENCE FROM SAID POINT OF BEGINNING ALONG THE NORTHWESTERLY BOUNDARY OF SAID TRACT OF LAND IN A SOUTHWESTERLY DIRECTION, MEANDERING UPON AND ALONG THE SOUTHERLY BANK OF SAID SHINGLE MILL GULCH 1510 FEET MORE OR LESS TO THE NORTHWESTERLY CORNER OF SAID TRACT; THENCE NORTH 0 DEGREES 15' EAST TWELVE FEET MORE OR LESS TO THE SOUTHWEST CORNER OF LANDS CONVEYED BY F. A. HIHN COMPANY TO WM. RUSSELL AND H. T. HOLMES BY DEED DATED MARCH 27, 1895, AND RECORDED IN DEED BOOK 106, PAGE 106, SANTA CRUZ COUNTY RECORDS; THENCE IN A NORTHEASTERLY DIRECTION ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAST MENTIONED LANDS ABOUT 1490 FEET TO A POINT ON THE NORTHERLY PRODUCTION OF THE EASTERLY BOUNDARY OF SAID FIRST MENTIONED TRACT OF LAND; THENCE LEAVING SAID BOUNDARY OF LANDS CONVEYED TO RUSSELL AND HOLMES AND ALONG THE PRODUCTION OF THE EASTERLY BOUNDARY OF SAID FIRST MENTIONED TRACT OF LAND, SOUTHEASTERLY TWELVE FEET MORE OR LESS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION LYING SOUTHWESTERLY OF THE NORTHEASTERLY BOUNDARY OF THE LANDS CONVEYED IN THE DEED FROM FELTON WATER CO., TO GEORGE E. MORTENSEN, ET UX., RECORDED SEPTEMBER 15, 1941 IN BOOK 416, PAGE 453, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

APN: 065-202-15

PARCEL 14:

Situate in the County of Santa Cruz, State of California, described as follows:

Lot 2, in Block "P", as numbered and designated upon the map entitled, "Bell's Addition to Tanglewood, near Felton, Santa Cruz Co., Cal.," filed June 7th, 1909, in Volume 15 of Maps, page 27, Records of Santa Cruz County.

APN: 065-234-16

PARCEL 15:

The land referred to herein is described as follows:

Situate in the Town of Felton as said town and streets are shown on that map filed in Book 10 of Deed at Page 793, Santa Cruz County Records.

Being part of the lands conveyed to Schumacher Land and Vineyard Company by Deed recorded in Volume 5220 of Official Records at Page 501, Santa Cruz County Records and being more particularly described as follows, to wit:

PARCEL ONE:

Commencing at a ½ inch iron pipe tagged RCE 6270 at the Northeastern corner of the lands conveyed to M. Macken by Deed recorded in Volume 1422 of Official Records at Page 466, Santa Cruz County Records, on the Western boundary of Gushee Street, as said street is shown on said map of Felton, from which a ½ inch iron pipe tagged RCE 6270 bears Southerly along the Western line of Gushee Street, South 1° 20' West 60.00 feet distant;

Thence from said Point of Commencement Northerly along said Western line of Gushee Street, North 1° 20' East 444.88 feet to the Southeastern corner of the lands conveyed to Ernst Genovesi, Trustee, by Deed recorded in Volume 4772 of Official Records at Page 763, Santa Cruz County Records; thence leaving said Western Line of Gushee Street along the Southern boundary of said lands of Genovesi, North 88° 43' 18" West 198.97 feet to a ½ inch iron pipe, no tag, at the Southwestern corner of said lands of Genovesi on the Eastern line of Boston Street (as said street is shown on said map of Felton), and the True Point of Beginning.

Thence from said true Point of Beginning, along the Western prolongation of the Southern boundary of said lands of Genovesi, North 88° 43' 18" West 29.95 feet to a ½ inch iron pipe, tagged RCE 6270; thence North 1° 00' 10" East 108.12 feet to a ½ inch iron pipe, tagged RCE 6270, on the Eastern prolongation of the Southern line of Donneel Street (now abandoned), as shown on said Map of Felton; thence along said line of Donneel Street and its Eastern prolongation; South 59° 30' 12" West (at 35.31 feet a point hereinafter designated "Point A") a total of 246.49 feet to a ½ inch iron pipe, tagged LS 5615; thence leaving said line of Donneel Street, parallel with said Western line of Gushee Street, South 1° 20' 00" West (at 254.84 feet a point hereinafter designated "Point B") a total of 316.00 feet to a ½ inch iron pipe, tagged LS 5615; thence at right angles to said last mentioned line, South 88° 40' 00" East 240.00 feet to a ½ inch iron pipe, tagged LS 5615 on the Eastern line of said Boston Street (portions of which are now abandoned); thence Northerly along said Eastern line of Boston Street, North 1° 20' 00" East 337.91 feet, more or less, to the True Point of Beginning.

PARCEL TWO:

Being an easement for ingress, egress, raw and potable water lines and appurtenances, and public utilities and being more particularly described as follows, to wit:

Beginning at "Point A" hereinabove described:

Thence from said Point of Beginning, North 1° 20' East 70.62 feet, more or less, to the Southern boundary of the lands of Penry Griffiths by Deed recorded in Volume 5170 of Official Records at Page 509, Santa Cruz County Records, thence along said last mentioned boundary South 59° 30' 00" West 47.08 feet; thence leaving said boundary South 1° 20' 00" West 70.62 feet, more or less, to the Southern line of Donneel Street (now abandoned); thence Easterly, along said Southern line of Donneel Street North 59° 30' 12" East 47.08 feet, more or less to the Point of Beginning.

PARCEL THREE:

Being an easement for ingress, egress, raw and potable water line and appurtenances, and public utilities, 25.00 feet in width, measured at right angle, the centerline of which is more particularly described as follows, to wit:

Beginning at "Point B" hereinabove described:

Thence from said Point of Beginning South 59° 33' 00" West 37.02 feet to the beginning of a tangent curve; thence Southwesterly, curving to the left with a radius of 150.00 feet through a central angle of 35° 13' 24" a distance of 92.21 feet; thence South 24° 19' 45" West 125.10 feet to the beginning of a tangent curve; thence Southerly, curving to the left with a radius of 75.00 feet through a central angle of 25° 59' 15" a distance of 47.49 feet, more or less to the Northern line of Hihn Street.

PARCEL FOUR:

Being an Easement for the construction and maintenance of a french drain (and appurtenances) and landscaping and irrigation, and being more particularly described as follows, to wit:

Commencing at "Point A" hereinabove described; thence from said Point of Commencement, along the Northern line of Parcel One herein described S 59° 30' 12" West 27.80 feet to the True Point of Beginning.

Thence from said True Point of Beginning, South 80° 35' 09" West 44.30 feet; thence South 73° 02' 37" West 58.11 feet; thence South 60° 26' 52" West 63.17 feet; thence South 51° 23' 26" West 39.03 feet; thence South 20° 51' 26" West 41.77 feet; thence South 00° 08' 55" West 37.67 feet; thence South 12° 45' 01" East 40.83 feet; thence South 20° 57' 36" East 79.29 feet, more or less to the Western boundary of Parcel One herein described; thence along said Western boundary North 1° 20' 00" East 177.26 feet to the Northwestern corner of Parcel One herein described; thence along the Northern boundary of Parcel One herein described North 59° 30' 12" East 183.38 feet, more or less to the Point of Beginning.

APN: 065-281-03

PARCEL 16:

SITUATE IN THE COUNTY OF SANTA CRUZ STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING THAT CERTAIN TANK SITE AS CONVEYED IN THE DEED FROM SANTA CRUZ LAND TITLE COMPANY, A CALIFORNIA CORPORATION, ET AL., TO FELTON WATER COMPANY, A CALIFORNIA CORPORATION, RECORDED MAY 23, 1950, IN VOLUME 773, PAGE 583, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

APN: 071-031-003

PARCEL 17:

PARCEL ONE:

Being a part of the Northwest ¼ of the Northwest ¼ of Section 21, T 10 S, R 2 W, MDB& M, and more particularly described as follows:

Beginning at a pipe which stands on the West boundary of said Section 21 and from which the section corner common to Sections 16, 17, 20 and 21, bears North 0° 71' East 278.48 feet distant; thence leaving said section line, South 61° 57' East 200.21 feet to a spike in the middle of the present traveled county road leading from Felton to Bonny Doon, and from which an iron pipe bears North 61° 57' West 25.05 feet distant; thence running along the middle of said above mentioned County road, North 76° 00' East 78.51 feet to a spike, South 85° 51' East 99.50 feet to a spike and North 75° 40' East 85.66 feet to a spike from which a spike in "W" on an 8" redwood bears North 30° 47' West 19.22 feet distant, a spike in "W" on a 24" oak bears South 85° 47' East 47.18 feet distant and an iron pipe bears South 24° 15' West 37.70 feet distant; thence leaving said county road South 24° 15' West 325.69 feet to a pipe on the Northerly boundary of lands conveyed to T. F. Prendergast by deed recorded in Volume 21 of Official Records at Page 310, Santa Cruz County Records, said pipe being on the center line of former Diamond Quarry Tramway and from which a spike in said aforementioned county road bears North 24° 15' East 19.02 feet distant; thence along said tramway and said boundary of Prendergast North 73° 00' West 165.00 feet to a pipe, and South 87° 40' West 60.00 feet to a pipe at the Northwest corner of lands of Prendergast; thence continuing along the center of said tramway South 70° 50' West 90.00 feet to a pipe standing on the said West boundary of Section 21, thence along said boundary of Section 21 North 0° 17' East 341.75 feet to the Place of Beginning.

PARCEL TWO:

BEING part of the Northwest 1/4 of the Northwest 1/4 of Section 21, in T. 10 S. R. 2 W. M. D. B. & M., and more particularly described as follows:

Beginning on the West boundary of said Section 21 at a bolt in the center line of the Diamond Quarry Tramway, from which the corner of Section 16-17-20-21 bears North 0° 15' East 626.00 feet distant; thence from said Point of Beginning and along the center line of the Diamond Quarry Tramway North 70° 50' East 90.00 feet to a station; thence leaving said tramway and along the center line of the road leading to the Diamond Quarry South 74° 43' East 80.00 feet to a station; South 61° 52' East 165.00 feet to a station; South 5° 47' East 90.00 feet to a station; South 28° 50' West 235.00 feet to a station; South 37° 16' West 80.00 feet to a station; South 6° 46' West 65.00 feet to a station; North 80° 58' West 50.00 feet to a station; North 58° 20' West 120.00 feet to a station on the West boundary of said Section 21; thence along said boundary North 0° 15' East 418.60 feet to the Place of Beginning.

APN: 064-021-04 (Parcel Two)
064-021-22 & 064-021-23 (Parcel One)

PARCEL 18:

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SANTA CRUZ, UNINCORPORATED AREA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEING THE NORTH ½ OF THE NORTHEAST ¼ OF SECTION 20 IN T 10 S, R 2 W, 86 ACRES. SUBJECT TO WATER RIGHT RECORDED IN VOLUME 43, PAGE 477 OF OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

PARCEL TWO:

BEING PART OF THE SOUTH ½ OF THE NORTHEAST ¼ OF SECTION 20 IN T 10 S, R 2 W, MDB&M, AND BEING MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF PARCEL ONE DESCRIBED HEREIN, ON THE EAST BOUNDARY OF SAID SECTION 20, AT A STAKE FROM WHICH THE CORNER OF SECTIONS 16, 17, 20 AND 21, BEARS NORTH 0° 15' EAST 1397 FEET DISTANT, AND A 2 FOOT REDWOOD STUMP MARKED "W" BEARS SOUTH 15° 00' EAST 11.20 FEET DISTANT; THENCE FROM SAID POINT OF BEGINNING AND ALONG THE EAST BOUNDARY OF SAID SECTION 20, SOUTH 0° 15' WEST 602.00 FEET TO A STAKE AT AN ANGLE IN THE BOUNDARY OF THE FELTON WATER CO.; THENCE ALONG THE NORTH 89° 24' WEST 2737.70 FEET TO THE NORTHWESTERLY CORNER THEREOF; THENCE NORTH 0° 15' EAST 603.00 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL ONE; THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID PARCEL ONE SOUTH 89° 24' EAST 2737.70 FEET TO THE PLACE OF BEGINNING.

PARCEL THREE:

BEING A PART OF THE NORTHWEST ONE-QUARTER OF SECTION TWENTY-ONE (21), TOWNSHIP TEN (10) SOUTH, RANGE TWO (2) WEST, MOUNT DIABLO BASE AND MERIDIAN, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT THE ONE-SIXTEENTH (1/16TH) SECTION CORNER ON THE SOUTH BOUNDARY OF THE NORTHWEST ONE-QUARTER OF SECTION TWENTY-ONE (21), WHICH IS A 4" X 4" POST, MARKED "S" AND "1/16 S" IN STONE MOUND, FROM WHICH A 15 INCH REDWOOD STUMP, MARKED "W.T.", BEARS SOUTH 61° EAST FIFTY-SIX AND FIVE-TENTHS (56.5) FEET, AND A 24 INCH DEAD MADRONE MARKED "W" BEARS SOUTH 56° WEST THIRTY-SEVEN AND FIVE-TENTHS (37.5) FEET; THENCE NORTH 0° 31' EAST SEVEN HUNDRED SEVEN AND THREE-TENTHS (707.3) FEET TO A STAKE MARKED "S", FROM WHICH A "W" ON AN 8 INCH OAK BEARS SOUTH 63° EAST THREE AND NO-HUNDREDTHS (3.00) FEET, AND A "W" ON A 30 INCH FIR BEARS NORTH 38° 30' EAST TWENTY-FOUR AND TWO-TENTHS (24.2)

FEET AND A 2" X 4" REDWOOD STAKE, MARKED "H. L." ON ONE SIDE AND "F. A. H." ON THE OTHER SIDE, BEARS SOUTH 0° 31' WEST TWO HUNDRED EIGHTY-TWO AND THREE-TENTHS (282.3) FEET; THENCE SOUTH 89° 45' EAST ONE THOUSAND THREE HUNDRED EIGHTY-THREE AND NO-TENTHS (1383.0) FEET TO A STATION FROM WHICH A 30 INCH PINE BEARS NORTH 60° WEST SIXTEEN AND FIVE-TENTHS (16.5) FEET AND A STAKE MARKED "S" BEARS SOUTH 89° 45' EAST ONE HUNDRED TEN AND NO-HUNDRETHS (110.00) FEET; THENCE SOUTH 0° 30' WEST SIX HUNDRED NINETY-FOUR AND SIX-TENTHS (694.6) FEET TO THE ONE-QUARTER CORNER IN THE CENTER OF SECTION 21, FROM WHICH A REDWOOD, 14 INCHES IN DIAMETER, BEARS SOUTH 60° 50' WEST THIRTY-TWO AND THREE-TENTHS (32.3) FEET; THENCE ALONG THE LINE RUNNING EAST AND WEST THROUGH THE CENTER OF SECTION 21, WEST ONE THOUSAND THREE HUNDRED EIGHTY-THREE AND THREE-TENTHS (1383.3) FEET TO THE PLACE OF BEGINNING.

PARCEL FOUR:

BEING PART OF SECTIONS 20 AND 21 IN TOWNSHIP 10 SOUTH, RANGE 2 WEST, M.D.M., AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POST AT THE CENTER OF SAID SECTION 20, FROM WHICH AN IRON PIPE BEARS SOUTH 3° 05' WEST 16.05 FEET DISTANT, AND A SIX INCH REDWOOD TREE BEARS SOUTH 53° 50' WEST 18.70 FEET DISTANT; THENCE FROM SAID POINT OF BEGINNING NORTH 0° 14' EAST ALONG THE QUARTER SECTION LINE RUNNING NORTH AND SOUTH THROUGH SAID SECTION 20, 723 FEET TO A STAKE FROM WHICH THE ONE-SIXTEENTH SECTION CORNER ON THE WEST SIDE OF THE NORTHEAST QUARTER OF SAID SECTION 20 BEARS NORTH 0° 14' EAST 603 FEET DISTANT, AND AN 8" OAK TREE BEARS SOUTH 0° 30' EAST 38.50 FEET DISTANT, AND A 3 INCH REDWOOD TREE BEARS SOUTH 57° EAST 20 FEET DISTANT; THENCE ALONG THE SOUTHERN LINE OF THE LANDS OF THE HOLMES LIME AND CEMENT COMPANY SOUTH 89° 31' EAST, AT 741.30 FEET A STAKE FROM WHICH AN 8" REDWOOD TREE BEARS DUE SOUTH 25 FEET; AT 1116.30 FEET A STAKE ON AN OLD DAM, FROM WHICH AN 8" REDWOOD TREE BEARS SOUTH 45° WEST 7.40 FEET DISTANT; AT 1362.55 FEET A POINT FROM WHICH A 12" TAN OAK BEARS NORTH 46° EAST 7 FEET DISTANT AND A 10" TAN OAK BEARS SOUTH 11° 45' WEST 6.60 FEET DISTANT; AT 1888.20 FEET A STAKE FROM WHICH AN 8" REDWOOD BEARS NORTH 24° WEST 11 FEET DISTANT; AT 2298.70 FEET A STAKE FROM WHICH A 15" REDWOOD BEARS SOUTH 62° 30' EAST 4.10 FEET DISTANT; AT 2723.20 FEET A STAKE ON THE EAST LINE OF SAID SECTION 20 FROM WHICH A 24" REDWOOD BEARS NORTH 25° EAST 2 FEET DISTANT AND A 12" REDWOOD BEARS NORTH 40° WEST 2 FEET DISTANT; THENCE NORTH 0° 12' WEST ALONG THE EAST LINE OF SECTION 20, 602 FEET TO THE ONE-SIXTEENTH SECTION CORNER ON THE EAST SIDE OF THE NORTHEAST QUARTER OF SAID SECTION 20, FROM WHICH A 24" REDWOOD STUMP BEARS SOUTH 15° EAST 11.20 FEET DISTANT; THENCE CONTINUING ALONG THE EAST LINE OF SAID SECTION 20, NORTH 0° 17' EAST 346.25 FEET TO A SPIKE IN A PRIVATE ROAD LEADING TO THE QUARRY OF THE HOLMES LIME AND CEMENT COMPANY, FROM WHICH SPIKE AN 8" MADRONE TREE BEARS SOUTH 0° 17' WEST 25.65 FEET DISTANT AND A 12" REDWOOD BEARS

SOUTH 79° 15' WEST 25.90 FEET DISTANT, AND A 6" REDWOOD BEARS NORTH 26° 15' WEST 16.60 FEET DISTANT; THENCE ALONG SAID QUARRY ROAD SOUTH 56° 20' EAST 119 FEET TO A SPIKE; THENCE SOUTH 80° 58' EAST 50 FEET TO A SPIKE AT THE MOST WESTERLY CORNER OF THE LANDS CONVEYED FROM AGNES E. MCCARRON AND J. H. MCCARRON TO THOMAS F. PRENDERGAST BY DEED DATED MARCH 11, 1924, AND RECORDED AT PAGE 310 IN VOLUME 21 OF OFFICIAL RECORDS OF SANTA CRUZ COUNTY, FROM WHICH SPIKE AN 8" REDWOOD BEARS SOUTH 80° EAST 16.90 FEET DISTANT AND AN IRON PIPE BEARS SOUTH 48° 56' EAST 24.15 FEET DISTANT; THENCE LEAVING SAID QUARRY ROAD AND ALONG THE LINE OF SAID LANDS OF PRENDERGAST SOUTH 48° 56' EAST, AT 78.4 FEET A SPIKE IN A 4 FOOT REDWOOD STUMP, AT 342.5 FEET A PIPE AT THE SOUTHERN CORNER OF THE LANDS OF PRENDERGAST, FROM WHICH A 6" TAN OAK BEARS SOUTH 60° WEST 3.50 FEET DISTANT, AND A 16" DOUBLE REDWOOD BEARS SOUTH 40° EAST 3.20 FEET DISTANT; THENCE NORTH 41° 04' EAST ALONG THE SOUTHEASTERN LINE OF SAID LANDS OF PRENDERGAST, AT 550 FEET AN IRON PIPE FROM WHICH A 10" REDWOOD TREE BEARS NORTH 41° 04' EAST 9.25 FEET DISTANT AND A 15" REDWOOD BEARS SOUTH 80° EAST 7.60 FEET DISTANT; AT 600 FEET A SPIKE IN THE MUDSILL OF THE MIDDLE BENT OF A TRAMWAY TRESTLE, WHICH SPIKE IS THE EASTERN CORNER OF SAID LANDS OF PRENDERGAST, AND FROM WHICH A 16" REDWOOD BEARS SOUTH 88° 10' WEST 19.10 FEET DISTANT; THENCE ALONG THE AVERAGE LINE OF SAID TRAMWAY, BEING THE NORTHEASTERN LINE OF SAID LANDS OF PRENDERGAST NORTH 48° 56' WEST 98 FEET TO A SPIKE FROM WHICH A 6" REDWOOD BEARS NORTH 83° EAST 19.65 FEET DISTANT, AND A 6" TAN OAK BEARS SOUTH 25° 45' EAST 18.60 FEET DISTANT; THENCE NORTH 70° WEST 119.7 FEET TO A SPIKE FROM WHICH A 12" REDWOOD BEARS NORTH 58° WEST 14.50 FEET DISTANT, AND A 15" TAN OAK BEARS NORTH 15° EAST 14.60 FEET DISTANT, AND AN 8" MADRONE BEARS SOUTH 45° EAST 16.40 FEET DISTANT; THENCE LEAVING SAID TRAMWAY AND THE NORTHEASTERN LINE OF SAID LANDS OF PRENDERGAST, NORTH 219.50 FEET TO A SPIKE FROM WHICH A 15" REDWOOD STUMP BEARS SOUTH 20° WEST 7.70 FEET DISTANT; THENCE EAST 100 FEET TO AN OLD STAKE FROM WHICH AN OLD MARK M ON A 58" REDWOOD STUMP BEARS SOUTH 3° WEST 13.40 FEET DISTANT AND A SPIKE IN THE SAME STUMP BEARS SOUTH 0° 09' WEST 12.88 FEET DISTANT; THENCE NORTH 0° 09' EAST, AT 18.35 FEET A LINE MARK ON THE ROOT OF A 12" TAN OAK AT 342.60 FEET A STAKE FROM WHICH AN 18" MADRONE BEARS NORTH 74° 50' EAST 1.10 FEET DISTANT; AND A 12" REDWOOD BEARS SOUTH 74° 50' WEST 12.80 FEET DISTANT, AT 580.50 FEET A SPIKE IN A LEANING 8" MADRONE TREE MARKED S, WHICH TREE IS ON THE NORTHERN LINE OF SECTION 21, TOWNSHIP 10 SOUTH, RANGE 2 WEST, M. D. M., AND 717.85 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION 21, AND FROM WHICH SPIKE A 10" REDWOOD BEARS NORTH 3° WEST 16.30 FEET DISTANT, AND A 10" TAN OAK BEARS SOUTH 10° 20' WEST 22.75 FEET DISTANT, AND AN 18" TAN OAK BEARS SOUTH 75° 40' WEST 21.40 FEET DISTANT; THENCE DUE EAST ALONG THE NORTH LINE OF SAID SECTION 21, AT 225.50 FEET A SPIKE IN A 6' REDWOOD STUMP, AT 684.50 FEET IN ONE-SIXTEENTH SECTION CORNER ON THE NORTH SIDE OF THE NORTHWEST QUARTER OF SAID SECTION 21, FROM WHICH A 5' REDWOOD STUMP BEARS NORTH 6° EAST 31.68

FEET DISTANT, AND A 10" TAN OAK BEARS SOUTH 57° EAST 15.70 FEET DISTANT AND A 12" TAN OAK BEARS NORTH 45° WEST 4.40 FEET DISTANT, AND A 10" TAN OAK BEARS NORTH 66° EAST 10.50 FEET DISTANT; THENCE ALONG THE ONE-SIXTEENTH SECTION LINE RUNNING NORTH AND SOUTH THROUGH THE NORTHWEST QUARTER OF SAID SECTION 21, SOUTH 0° 36' WEST 1389.50 FEET TO THE ONE-SIXTEENTH SECTION CORNER IN THE CENTER OF SAID NORTHWEST QUARTER OF SECTION 21, FROM WHICH AN OLD WITNESS MARK ON A 4 FOOT REDWOOD STUMP BEARS DUE EAST 66 FEET DISTANT, AND A 6" TAN OAK BEARS NORTH 66° 30' WEST 6.75 FEET DISTANT, AND A 6" FIR BEARS SOUTH 36° EAST 5.50 FEET DISTANT; THENCE ALONG THE ONE-SIXTEENTH SECTION LINE RUNNING EAST AND WEST THROUGH THE NORTHWEST QUARTER OF SECTION 21, NORTH 89° 55' EAST 1413.20 FEET TO THE ONE-SIXTEENTH SECTION CORNER ON THE EAST SIDE OF THE NORTHWEST QUARTER OF SAID SECTION 21, FROM WHICH A 15" REDWOOD BEARS NORTH 11° WEST 13.40 FEET DISTANT AND A 24" FIR BEARS NORTH 38° EAST 18.30 FEET DISTANT; THENCE ALONG THE ONE-SIXTEENTH SECTION LINE RUNNING EAST AND WEST THROUGH THE NORTHEAST QUARTER OF SAID SECTION 21, NORTH 89° 55' EAST AT 422.80 FEET AN IRON PIPE; AT 658.60 FEET AN IRON PIPE, AT 1105.65 FEET AN IRON PIPE ON THE PRODUCED WESTERN LINE OF LANDS CONVEYED FROM THE HOLMES LIME COMPANY INCORPORATED TO GEORGE N. LEY BY DEED DATED JULY 17, 1916, AND RECORDED AT PAGE 480 IN VOLUME 267 OF DEEDS, SANTA CRUZ COUNTY RECORDS FROM WHICH PIPE A 24" OAK BEARS NORTH 55° 20' WEST 39.40 FEET AND A 12" REDWOOD BEARS NORTH 52° 15' EAST 30.10 FEET DISTANT; THENCE ALONG THE WESTERN LINE OF SAID LANDS OF LEY AND THE PRODUCTION THEREOF, SOUTH 0° 20' EAST, AT 144.20 FEET A SPIKE IN THE CENTER LINE OF A TRAMWAY FROM WHICH A WITNESS POST BEARS NORTH 53° 10' WEST 30.65 FEET DISTANT AND ANOTHER WITNESS POST BEARS SOUTH 0° 20' WEST 25.40 FEET DISTANT; AT 307.15 FEET AN OLD LINE STAKE; AT 499.45 FEET, AN OLD LINE STAKE; AT 620.60 FEET A STAKE FROM WHICH A 6" REDWOOD BEARS NORTH 4° WEST 22 FEET DISTANT; AT 717 FEET A STAKE ON THE NORTH LINE OF THE LANDS CONVEYED FROM MICHAEL COONEY ET AL TO GEORGE N. LEY AND HYMAN STEEN BY DEED DATED MAY 11, 1922, AND RECORDED AT PAGE 28, IN VOLUME 318 OF DEEDS, SANTA CRUZ COUNTY RECORDS, FROM WHICH STAKE AN OLD STAKE IN SAID NORTH LINE OF LANDS OF LEY BEARS SOUTH 89° 54' EAST 91.60 FEET DISTANT, AND A 15" TAN OAK BEARS NORTH 82° 30' WEST 7.70 FEET DISTANT, AND A 12" TAN OAK BEARS SOUTH 34° 30" WEST 8.90 FEET DISTANT; THENCE ALONG THE NORTHERLY LINE OF SAID LAST MENTIONED LANDS OF LEY NORTH 89° 54' WEST 1099 FEET TO A STAKE IN A MOUND OF ROCK AT THE NORTHWEST CORNER OF SAID LANDS OF LEY AND AT THE NORTHEASTERN CORNER OF THE LANDS CONVEYED FROM THE HOLMES LIME COMPANY INC., TO FELTON WATER COMPANY BY DEED DATED MARCH 30, 1921, AND RECORDED AT PAGE 444 IN VOLUME 304 OF DEEDS, SANTA CRUZ COUNTY RECORDS, FROM WHICH CORNER A 30" PINE BEARS NORTH 60° WEST 16.50 FEET DISTANT; AND A 10 FOOT OAK BEARS NORTH 52° EAST 6.66 FEET DISTANT, AND AN 8" OAK BEARS SOUTH 40° WEST 2 FEET DISTANT, AND AN 8" MADRONE BEARS SOUTH 64° 30' EAST 20.82 FEET DISTANT; THENCE NORTH 88° 42' WEST ALONG THE NORTH LINE OF SAID LANDS OF THE FELTON WATER

COMPANY 1386 FEET TO THE NORTHWESTERN CORNER THEREOF, FROM WHICH AN 8" TAN OAK BEARS SOUTH 63° EAST 3.00 FEET DISTANT; AND A 30" FIR BEARS NORTH 38° 30' EAST 24.20 FEET DISTANT; THENCE SOUTH 0° 12' WEST ALONG THE WESTERLY LINE OF SAID LANDS OF THE FELTON WATER COMPANY 172.30 FEET TO A STAKE AT THE NORTHEASTERN CORNER OF THE LANDS CONVEYED FROM THE HOLMES LIME COMPANY INCORPORATED TO ROBERT B. HENDERSON BY DEED DATED OCTOBER 28, 1912, AND RECORDED AT PAGE 68 IN VOLUME 248 OF DEEDS, SANTA CRUZ COUNTY RECORDS, FROM WHICH CORNER AN 18" REDWOOD BEARS SOUTH 63° 15' WEST 3.10 FEET DISTANT, AND A LINE MARK ON THE SOUTH SIDE OF AN 8" REDWOOD STUMP BEARS NORTH 0° 12' EAST 0.95 FEET DISTANT, AND AN OLD STAKE MARKED F. A. H. AND H. L. BEARS SOUTH 0° 12' WEST 110 FEET DISTANT; THENCE WESTERLY ALONG THE NORTH LINE OF SAID LANDS OF ROBERT B. HENDERSON 2773.70 FEET TO THE NORTHWEST CORNER THEREOF, FROM WHICH A 15" REDWOOD BEARS SOUTH 16° 30' EAST 1.50 FEET DISTANT, AND A SPIKE IN A 4' REDWOOD STUMP BEARS SOUTH 0° 26' WEST 8.00 FEET DISTANT; THENCE SOUTH 0° 26' EAST ALONG THE WEST LINE OF SAID LANDS OF HENDERSON AT 110 FEET AN 8" TAN OAK BEARS NORTH 89° 34' WEST 5.80 FEET DISTANT, AT 506.50 FEET THE ONE-SIXTEENTH SECTION CORNER ON THE SOUTH SIDE OF THE NORTHEAST QUARTER OF SECTION 20, FROM WHICH A 12" TAN OAK BEARS NORTH 65° 15' WEST 10.35 FEET DISTANT, AND A 4' REDWOOD STUMP BEARS NORTH 47° 45' EAST 18.60 FEET DISTANT; THENCE ALONG THE QUARTER SECTION LINE RUNNING EAST AND WEST THROUGH SECTION 20, NORTH 88° 42' WEST 1365.25 FEET TO THE PLACE OF BEGINNING.

RESERVING AND EXCEPTING FROM THE ABOVE DESCRIBED LAND THE FOLLOWING PARCELS, TO WIT:

FIRST: A PART OF SECTION 21 IN T. 10 S. R. 2 W., AND BEING A STRIP OF LAND 40 FEET WIDE, BEING 20 FEET ON BOTH SIDES OF THE FOLLOWING DESCRIBED CENTER LINE OF THE HOLMES LIME CO., RAILROAD, AS NOW LOCATED.

BEGINNING AT A STATION ON THE SECTION LINE BETWEEN SECTIONS 16, 17, 20, AND 21, IN T. 10 S. R. 2 W., M. D. B. & M., FROM WHICH THE CORNER OF SECTIONS 16, 17, 20 AND 21, IN SAID TOWNSHIP BEARS NORTH 0° 02' EAST 622.5 FEET DISTANT; THENCE NORTH 72° 09' EAST 102.9 FEET TO A STATION; THENCE SOUTH 87° 33' EAST 60.00 FEET TO A STATION; THENCE SOUTH 73° 55' EAST 160.00 FEET TO A STATION; THENCE SOUTH 63° 50' EAST 50.00 FEET TO A STATION; THENCE SOUTH 42° 03' EAST 40.00 FEET TO A STATION; THENCE SOUTH 20° 50' EAST 65.00 FEET TO A STATION; THENCE SOUTH 47° 44' EAST 50.00 FEET TO A STATION; THENCE SOUTH 79° 27' EAST 50.00 FEET TO A STATION; THENCE NORTH 83° 47' EAST 100.00 FEET TO A STATION; THENCE SOUTH 85° 41' EAST 45.00 FEET TO A STATION; THENCE SOUTH 69° 45' EAST 100 FEET TO A STATION; THENCE SOUTH 50° 33' EAST 215.00 FEET TO A STATION; THENCE SOUTH 20° 04' EAST 255.00 FEET TO A STATION; THENCE SOUTH 31° 51' EAST 35.00 FEET TO A STATION; THENCE SOUTH 56° 29' EAST 100.00 FEET TO A STATION; THENCE SOUTH 40° 09' EAST 65.00 FEET TO A STATION; THENCE SOUTH 54° EAST 50.00 FEET TO A

STATION; THENCE SOUTH 79° 06' EAST 60.00 FEET TO A STATION; THENCE SOUTH 85° 25' EAST 39.3 FEET TO A STATION; THENCE SOUTH 77° 25' EAST 70.00 FEET TO A STATION; THENCE SOUTH 65° 44' EAST 100.00 FEET TO A STATION; THENCE SOUTH 51° 19' EAST 100.00 FEET TO A STATION; THENCE SOUTH 67° 12' EAST 100.00 FEET TO A STATION; THENCE SOUTH 78° 26' EAST 150 FEET TO A STATION; THENCE NORTH 88° 46' EAST 150.00 FEET TO A STATION; THENCE SOUTH 71° 55' EAST 40.00 FEET TO A STATION; THENCE SOUTH 54° 27' EAST 100.00 FEET TO A STATION; THENCE SOUTH 58° 43' EAST 100.00 FEET TO A STATION; THENCE SOUTH 67° 06' EAST 40.00 FEET TO A STATION; THENCE SOUTH 89° 45' EAST 40.00 FEET TO A STATION; THENCE NORTH 78° 07' EAST 100.00 FEET TO A STATION; THENCE SOUTH 87° 16' EAST 65.00 FEET TO A STATION; THENCE NORTH 82° 34' EAST 50.00 FEET TO A STATION; THENCE NORTH 68° 32' EAST 100.00 FEET TO A STATION; THENCE NORTH 62° 19' EAST 50.00 FEET TO A STATION; THENCE NORTH 49° 52' EAST 100.00 FEET TO A STATION; THENCE NORTH 43° 43' EAST 50.00 FEET TO A STATION; THENCE NORTH 61° 38' EAST 35.00 FEET TO A STATION; THENCE NORTH 83° 25' EAST 40.00 FEET TO A STATION; THENCE NORTH 63° 37' EAST 35.00 FEET TO A STATION; THENCE NORTH 58° 15' EAST 100.00 FEET TO A STATION; THENCE NORTH 43° 24' EAST 75.3 FEET TO A STATION FROM WHICH THE 1/16 SECTION CORNER ON THE ½ SECTION LINE NORTH AND SOUTH THROUGH THE NORTH ½ OF SAID SECTION 21 BEARS NORTH 54° 05' EAST 63.00 FEET; THENCE NORTH 64° 03' EAST 35.00 FEET TO A STATION; THENCE NORTH 84° 03' EAST 40.00 FEET TO A STATION; THENCE SOUTH 85° 11' EAST 80.00 FEET TO A STATION; THENCE SOUTH 72° 58' EAST 30.00 FEET TO A STATION; THENCE SOUTH 48° 16' EAST 30.00 FEET TO A STATION; THENCE SOUTH 41° 53' EAST 152.35 FEET TO A STATION AT 26.05 FEET CROSS 1/16 SECTION LINE AT 334.7 FEET NORTH 89° 44' EAST FROM 1/16 SECTION CORNER ON THE ¼ SECTION LINE RUNNING NORTH AND SOUTH THROUGH THE NORTH ½ OF SAID SECTION 21; THENCE SOUTH 30° 05' EAST 40.00 FEET TO A STATION; THENCE SOUTH 10° 22' EAST 40.00 FEET TO A STATION; SOUTH 2° 43' EAST 60.00 FEET TO A STATION; THENCE SOUTH 23° 07' EAST 40.00 FEET TO A STATION; THENCE SOUTH 42° 14' EAST 60.00 FEET TO A STATION; THENCE SOUTH 79° 19' EAST 30.00 FEET TO A STATION; THENCE NORTH 67° 58' EAST 40.00 FEET TO A STATION; THENCE NORTH 57° 56' EAST 80.00 FEET TO A STATION; THENCE NORTH 54° 38' EAST 100 FEET TO A STATION THENCE NORTH 59° 57' EAST 90.00 FEET TO A STATION; THENCE NORTH 76° 37' EAST 35.00 FEET TO A STATION; THENCE NORTH 79° 21' EAST 120.00 FEET TO A STATION; THENCE NORTH 81° 35' EAST 50.00 FEET TO A STATION; THENCE NORTH 88° 09' EAST 50.00 FEET TO A STATION; THENCE SOUTH 79° 52' EAST 25.00 FEET TO A STATION; THENCE SOUTH 57° 21' EAST 50.00 FEET TO A STATION; THENCE SOUTH 52° 32' EAST 100.00 FEET TO A STATION; THENCE SOUTH 55° 58' EAST 65.00 FEET TO A STATION; THENCE SOUTH 74° 17' EAST 60.00 FEET TO A STATION; THENCE SOUTH 78° 48' EAST 200.00 FEET TO A STATION; THENCE SOUTH 71° 09' EAST 70.00 FEET TO A STATION; THENCE SOUTH 82° 00' EAST 60.00 FEET TO A STATION; THENCE NORTH 83° 51' EAST 163.7 FEET TO A STATION ON THE EASTERLY BOUNDARY OF ZAYANTE RANCHO; THENCE FROM THE FRACTIONAL CORNER BETWEEN SECTIONS 16 AND 21 IN SAID TOWNSHIP BEARS NORTH 0° 02' EAST 1717.5 FEET DISTANT.

SECOND: A PART OF SECTION 21, IN T. 10 S. R. 2 W., BEING A STRIP OF LAND 40 FEET WIDE, BEING 20 FEET ON BOTH SIDES OF THE FOLLOWING DESCRIBED CENTER LINE OF THE BULL QUARRY BRANCH OF THE HOLMES LIME CO., RAILROAD, AS NOW LOCATED.

BEGINNING ON THE WEST BOUNDARY OF SAID SECTION 21, IN THE CENTER LINE OF SAID RAILROAD, FROM WHICH THE CORNER OF SECTIONS 16, 17, 20 AND 21 BEARS NORTH 0° 02' EAST 1770.3 FEET DISTANT; THENCE ALONG THE AVERAGE CENTER LINE OF SAID RAILROAD NORTH 32° 06' EAST 56.6 FEET TO A STATION; THENCE NORTH 47° 33' EAST 70.00 FEET TO A STATION; THENCE NORTH 25° 35' EAST 130.00 FEET TO A STATION; THENCE NORTH 33° 15' EAST 70.00 FEET TO A STATION; THENCE NORTH 65° 59' EAST 50.00 FEET TO A STATION; THENCE NORTH 84° 06' EAST 100.00 FEET TO A STATION; THENCE SOUTH 73° 52' EAST 60.00 FEET TO A STATION; THENCE SOUTH 83° 11' EAST 90.00 FEET TO A STATION; THENCE NORTH 84° 18' EAST 200.00 FEET TO A STATION; THENCE NORTH 53° 08' EAST 100.00 FEET TO A STATION; THENCE NORTH 74° 15' EAST 90.00 FEET TO A STATION; THENCE SOUTH 75° 16' EAST 55.00 FEET TO A STATION; THENCE SOUTH 77° 08' EAST 65.00 FEET TO A STATION; THENCE NORTH 61° 21' EAST 75.00 FEET TO A STATION; THENCE NORTH 89° 32' EAST 100.00 FEET TO A STATION; THENCE NORTH 79° 30' EAST 100.00 FEET TO A STATION; ON THE CENTER LINE OF RAILROAD DESCRIBED UNDER "FIRST" ABOVE.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED IN THE FOLLOWING DEEDS FROM FELTON WATER COMPANY, A CORPORATION, TO SECONDO BOSSO, ET UX., RECORDED AUGUST 27, 1941, IN BOOK 423, PAGE 201, OFFICIAL RECORDS OF SANTA CRUZ COUNTY TO SECONDO BOSSO, ET UX., RECORDED NOVEMBER 6, 1943, IN BOOK 459, PAGE 415, OFFICIAL RECORDS OF SANTA CRUZ COUNTY TO JOHN KENISON, ET UX., RECORDED SEPTEMBER 25, 1944, IN BOOK 486, PAGE 147, OFFICIAL RECORDS OF SANTA CRUZ COUNTY TO SECONDO BOSSO, ET UX., RECORDED FEBRUARY 6, 1945, IN BOOK 491, PAGE 488, OFFICIAL RECORDS OF SANTA CRUZ COUNTY TO FRED J. WALDOOGEL, RECORDED MARCH 11, 1946, IN BOOK 639, PAGE 130, OFFICIAL RECORDS OF SANTA CRUZ COUNTY TO N. REX HUNT, ET UX., RECORDED AUGUST 14, 1947, IN BOOK 588, PAGE 268, OFFICIAL RECORDS OF SANTA CRUZ COUNTY TO JOSEPH L. DELOU, ET UX., RECORDED OCTOBER 25, 1948, IN BOOK 685, PAGE 90, OFFICIAL RECORDS OF SANTA CRUZ COUNTY TO DONALD G. LEY, ET UX., RECORDED MARCH 19, 1954, IN BOOK 959, PAGE 172, OFFICIAL RECORDS OF SANTA CRUZ COUNTY TO FLORENCE FETHERSTON, RECORDED JUNE 16, 1953 IN BOOK 918, PAGE 191, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

ALSO EXCEPTING THEREFROM ALL THAT PORTION LYING NORTHERLY OF FELTON EMPIRE ROAD.

PARCEL FIVE:

BEING A PART OF SEC. 21 T. 10 S. R. 2 W. M. D. B. & M., AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THAT PARCEL OF LAND CONVEYED TO P. S. WILLIAMS ET UX, BY DEED RECORDED APRIL 1, 1958 IN VOLUME 1178, PAGE 381, OFFICIAL RECORDS OF SANTA CRUZ COUNTY; THENCE FROM SAID PLACE OF BEGINNING NORTH 68° 53' WEST 389.79 FEET TO A POINT; THENCE DUE NORTH 41.95 FEET TO A POINT ON THE CENTERLINE OF A 40.00 FOOT ROAD; THENCE ALONG SAID CENTERLINE NORTH 76° 28' EAST 19.11 FEET TO ITS INTERSECTION WITH THE CENTERLINE OF ANOTHER 40.00 FOOT ROAD; THENCE ALONG LAST MENTIONED CENTERLINE SOUTH 68° 11' EAST 199.55 FEET AND SOUTH 69° 37' EAST 189.04 FEET TO AN ANGLE IN THE WESTERLY LINE OF SAID LANDS OF WILLIAMS; THENCE ALONG SAID WESTERLY LINE SOUTH 33° 43' EAST 34.31 FEET AND SOUTH 63° 19' WEST 40.82 FEET TO THE PLACE OF BEGINNING.

APN: 064-011-01
064-011-02
064-381-05
064-381-16
064-381-17
064-381-20

PARCEL 19:

The land referred to herein is situated in the State of California, County of Santa Cruz, Unincorporated Area and is described as follows:

PARCEL ONE:

Being a strip of land 60 feet in width, 30 feet on each side of the following described center line:

Beginning at an iron pipe from which the most Northerly corner of land conveyed to Frank E. Morley and Eleanor Morley by deed recorded June 2, 1943 in Volume 453 at Page 236 of Official Records of Santa Cruz County, bears the following courses and distances: South 39° 46' East 92.14 feet; South 14° 53' East 50.77 feet and South 23° 33' West 113.21 feet, and South 40° 42' East 61.01 feet distant, and from said Place of Beginning a spike in a "W" on a 16" oak tree bears North 5° 28' East 17.51 feet distant; and a "W" in a spike on an 8" double oak tree bears South 80° East 17.86 feet distant; thence running North 65° 42' West 108.20 feet to an iron pipe from which a spike in a "W" on an 18" redwood tree bears North 25° 15' East 12.44 feet distant; and a spike in a "W" on a 24" redwood tree bears North 62° 15' West 4.37 feet distant.

PARCEL TWO:

A right of way 30 feet in width at right angles 15 feet on either side of the following described center line:

Beginning at the iron pipe standing in the center of the Southeasterly boundary of said above described parcel of land running thence South 39° 46' East 92.14 feet to a spike; South 14° 53' East 50.77 feet to a spike; and South 23° 33' West 113.21 feet to a spike in the road known as the Felton Quarry Road.

PARCEL THREE:

An open and unobstructed right of way over said Felton Quarry Road.

PARCEL FOUR:

Being a part of the Rancho Canada del Rincon and more particularly bounded and described as follows, to wit:

Beginning at a 3/8" pipe standing on the produced Southerly boundary of Pine Drive as shown on Sheet 2 of 3 Sheets of "Subdivision No. 3 of Felton Acres, being a part of Rancho Canada del Rincon, Santa Cruz Co., Cal., subdivided in Aug. 1925 by Lloyd Bowman, County Surveyor," filed for record in the office of the County Recorder on August 10th, 1925, in map book 18, page 65, Santa Cruz County Records, and from which the Northwest corner of Lot No. 141, as shown on said map, bears South 84° 34' East 107.99 feet distant and a nail in a circle on a 44" redwood stump bears North 5° 26' East 36.32 feet distant; thence running along the produced Southerly side of Pine Drive, North 84° 34' West 80.0 feet to a station; thence leaving said produced line of Pine Drive South 5° 26' West 100.00 feet to a station; thence South 84° 34' East 80.00 feet to a 3/8" iron pipe from which a nail in a circle on a 29" redwood stump bears South

5° 26' West 14.26 feet distant; thence running North 5° 26' East 100.00 feet to the Place of Beginning.

PARCEL FIVE:

A Right of Way over Pine Drive produced North 84° 34' West to the produced Westerly boundary of said described parcel.

APN: 064-201-22 (Parcel One)
064-201-33 (Parcel Four)

PARCEL 20:

SITUATE IN THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA:

PARCEL ONE:

BEING a part of Parcel 10 of the lands described in the Deed recorded June 23, 1952 in Volume 873, page 321, Official Records of Santa Cruz County and being a strip of land 40 feet wide, being 20 feet on both sides of the following described center line and beginning at a station on the section line between Sections 20 and 21 in T. 10 S. R. 2 W., M.D.B.&M., from which the corner to Sections 16-17-20 and 21, in said Township bears North 0°02' East 822.5 feet distant; thence North 72°09' East 102.9 feet to a station; thence South 87°33' East 60.00 feet to a station; thence South 73°55' East 160.00 feet to a station; thence South 63°50' East 50.00 feet to a station; thence South 42°03' East 40.00 feet to a station; thence South 20°50' East 65.00 feet to a station; thence South 47°44' East 50.00 feet to a station; thence South 79°27' East 50.00 feet to a station; thence North 83°47' East 100.00 feet to a station; thence South 85°41' East 45.00 feet to a station; thence South 69°45' East 100 feet to a station; thence South 50°33' East 215.00 feet to a station; thence South 20°04' East 255.00 feet to a station; thence South 31°51' East 35.00 feet to a station; thence South 56°29' East 100.00 feet to a station; thence South 40°09' East 65.00 feet to a station; thence South 54°23' East 50.00 feet to a station; thence South 79°06' East 60.00 feet to a station; thence South 85°25' East 39.3 feet to a station; thence South 77°25' East 70.00 feet to a station; thence South 65°44' East 100.00 feet to a station; thence South 51°19' East 100.00 feet to a station; thence South 67°12' East 100.00 feet to a station; thence South 78°26' East 150 feet to a station; thence North 88°46' East 150.00 feet to a station; thence South 71°55' East 40.00 feet to a station; thence South 54°27' East 100.00 feet to a station; thence South 58°43' East 100.00 feet to a station; thence South 67°06' East 40.00 feet to a station; thence South 89°45' East 40.00 feet to a station; thence North 78°07' East 100.00 feet to a station; thence South 87°16' East 65.00 feet to a station; thence North 82°34' East 50.00 feet to a station; thence North 68°32' East 100.00 feet to a station; thence North 62°19' East 50.00 feet to a station; thence North 49°52' East 100.00 feet to a station; thence North 43°43' East 50.00 feet to a station; thence North 61°38' East 35.00 feet to a station; thence North 83°25' East 40.00 feet to a station; thence North 63°37' East 35.00 feet to a station; thence North 58°15' East 100.00 feet to a station; thence North 43°24' East 75.3 feet to a station on the 1/16 Section line running East and West through said Section 21, T. 10 S. R. 2 W., M.D.B.&M.

EXCEPTING therefrom that portion of the above 40 foot strip of lands that lies Westerly from the West end of the course reading South 69°45' East 100.00 feet.

ALSO excepting therefrom so much of the above described land as was conveyed by Florence Fetherston to Felton Water Company, a corporation, by Deed recorded October 3, 1961 in Volume 1428, page 234, Official Records of Santa Cruz County.

SUBJECT to and together with rights of way of record.

PARCEL TWO:

BEING part of Section 21, in T. 10 S. R. 2 W., being a strip of land 40 feet wide, being 20 feet on both sides of the following described center line of the Bull Quarry Branch of the Holmes Lime Co. Railroad as now located.

BEGINNING on the West boundary of said Section 21 in the center line of said railroad, from which the corner of Section 16-17-20 and 21 bears North 0°02' East 1770.3 feet distant; thence along the average center line of said railroad North 32°06' East 56.6 feet to a station; thence North 47°33' East 70.00 feet to a station; thence North 25°35' East 130.00 feet to a station; thence North 33°15' East 70.00 feet to a station; thence North 65°59' East 50.00 feet to a station; thence North 84°06' East 100.00 feet to a station; thence South 73°52' East 60.00 feet to a station; thence South 83°11' East 90.00 feet to a station; thence North 84°18' East 200.00 feet to a station; thence North 53°08' East 100.00 feet to a station; thence North 74° 15' East 90.00 feet to a station; thence South 75°16' East 55.00 feet to a station; thence South 77°08' East 65.00 feet to a station; thence North 61°21' East 75.00 feet to a station; thence North 89°32' East 100.00 feet to a station; thence North 79°30' East 100.00 feet to a station on the center line of Parcel One.

PARCEL THREE:

BEING a part of Parcel 7, of the lands described in the Deed to Florence Fetherston, recorded June 23, 1952 in Volume 873, page 317, Official Records of Santa Cruz County, described as follows, to wit:

BEGINNING at the Southeast corner of said Parcel 7, in the center of a 40 foot right of way; thence along the center line of said 40 foot right of way South 86° 35' West 145.00 feet; thence North 65°35' West 60.00 feet; thence North 24° 35' West 88.00 feet; thence North 49° 35' West 20 feet, more or less, to the Southern line of Felton Empire Road filed for record February 16, 1961 in Volume 32 of Maps, page 88, Santa Cruz County Records; thence along the Southern line of said road South 70° 45' East 270 feet, more or less, to the Eastern boundary of said Parcel 7; thence along the Eastern boundary of said Parcel 7 South 0° 15' West 22 feet, more or less, to the Point of Beginning.

SUBJECT to and together with a right of way over the above mentioned 40 foot right of way.

APN: 064-381-06 (PARCELS ONE & TWO)
064-021-07 (PARCEL THREE)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attn: Kent Turner



2002-0004599

Recorded	REC FEE	49.00
Official Records	PCOR -	20.00
County Of		
SANTA CRUZ		
RICHARD W. BEDAL		
Recorder		

01:54PM 18-Jan-2002 LAH Page 1 of 15

MAIL TAX STATEMENTS TO

SPACE ABOVE THIS LINE FOR RECORDER'S USE

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attn: Kent Turner

The undersigned grantor declares:

Documentary Transfer Tax not shown pursuant to Section 11932 of the
Revenue and Taxation Code, as amended

County of Santa Cruz

Quit Claim Deed

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, CITIZENS UTILITIES COMPANY OF CALIFORNIA, a California corporation, which has been incorrectly identified as Citizens' Utilities Company of California, on its behalf and as successor-in-interest by merger to FELTON WATER CO., a California corporation; and CITIZENS RESOURCES COMPANY, a Delaware corporation, on its behalf, HEREBY QUIT CLAIM to CALIFORNIA-AMERICAN WATER COMPANY, a California corporation, the following described real property situated in the County of Santa Cruz, State of California, together with all fixtures, fittings, buildings, structures and other improvements erected thereon, and easements, rights of way, water lines, water rights and rights associated with the withdrawal, diversion and use of water, rights of use, licenses, railroad crossing agreements, hereditaments, tenements, privileges and other appurtenances thereto, as particularly described as follows:

See Exhibit A attached hereto and made a part hereof for legal description of real property.

In Witness Whereof, the undersigned have caused this Quit Claim Deed to be executed as of the 15th day of January, 2002.

CITIZENS UTILITIES COMPANY OF CALIFORNIA, a California corporation, which has been incorrectly identified as Citizens' Utilities Company of California, on its behalf and as successor-in-interest by merger to FELTON WATER CO., a California corporation

By: _____
Name: E. Russell Math
Title: Secretary

CITIZENS RESOURCES COMPANY, a Delaware corporation

By: _____
Name: E. Russell Math
Title: Secretary

THIS DOCUMENT HAS BEEN SUBMITTED TO SANTA CRUZ TITLE COMPANY TO RECORD AS AN ACCOMMODATION ONLY. THIS DOCUMENT HAS NOT BEEN EXAMINED BY SANTA CRUZ TITLE COMPANY FOR EFFECT, SUFFICIENCY, NOR ACCURACY

STATE OF Connecticut)
COUNTY OF Fairfield) ss.

On January 10, 2002 before me, Lisa M Lombardi a Notary Public in and for said state, personally appeared L. RUSSELL MITTEN, personally known to me (or 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/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Lisa M Lombardi
Notary Public in and for said County and State

(Space above for official notarial area.)

My Commission Expires 10/3/06

EXHIBIT A

PARCEL 1:

INTENTIONALLY OMITTED

PARCEL 2:

INTENTIONALLY OMITTED

PARCEL 3:

INTENTIONALLY OMITTED

PARCEL 4:

All that real property situated in the County of Santa Cruz, State of California, described as follows:

BEING a portion of Zayante Rancho in the projected SW ¼ of Section 15, and SE ¼ of Section 16, T. 10S., R.2W., M.D.B.&M.

COMMENCING at a point on the southwest corner of Lot 11 of "Coolidge Subdivision No. 1, TR. 59" as said Lot is laid out and delineated in Map Book 28 at Page 25, Official Records of Santa Cruz County, said point also being the easterly boundary of State Highway Rte. 9; thence in a southerly direction along the boundary of said Rte. 9 to a point in the centerline of Fall Creek; thence in a northerly direction along the centerline of Fall Creek to a point in the centerline of San Lorenzo Creek; thence in a northerly direction along the centerline of San Lorenzo Creek to a point being the southeast corner of said Lot 11; thence in a southwesterly direction along the south boundary of Lot 11 to the point of beginning.

EXCEPTING THEREFROM that portion thereof which was conveyed to Juan Serrato by Tax Deed recorded May 5, 1993, in Book 5252, at Page 625, Official Records of Santa Cruz County, California.

APN: 71-161-16

PARCEL 5:

BEING a part of the northwest quarter of the northwest quarter of section 21, and the northeast quarter of the northeast quarter of section 20, in township 10 south, range 2 west, Mount Diablo base and meridian, and particularly described as beginning at a station from which the corner to sections 16, 17, 20, and 21, in said township, bears north 20° 05' west, 532.5 feet distant; thence from mid place of beginning, due south 50 feet, to a station; thence south 70° west, 120 feet to a station; thence due north 50 feet to a station; and thence north 70° east, 120 feet to the place of beginning:

TOGETHER with the right to run a water pipe line from the above described premises, across lands of Holmes Lime and Cement Company, along the most practicable route for the purpose of connecting such water to the reservoir of said Felton Water Company. (such pipe line to be buried not less than twelve inches under ground.)

RESERVING, however, to Holmes Lime and Cement Company, so much of said water as will flow through a pipe two inches in diameter, at a point on said above described premises.

"It is resolved by the board of directors of Felton Water Company, that it is for its best interests to purchase from Holmes Lime and Cement Company, the water from the spring which flows through that certain lot, piece, or parcel of land situated in the county of Santa Cruz, in the State of California, described as follows:

BEING a part of the northwest quarter of the northwest quarter of section 21, and the northeast quarter of the northeast quarter of section 20, in township 10 south, range 2 west, Mount Diablo base and meridian, and particularly described as beginning at a station from which the corner to sections 16, 17, 20, and 21, in said township, bears north 20° 05' west, 532.5 feet distant; thence from mid place of beginning, due south 50 feet, to a station; thence south 70° west, 120 feet to a station; thence due north 50 feet to a station; and thence north 70° east, 120 feet to the place of beginning:

TOGETHER with the right to run a water pipe line from the above described premises, across lines of Holmes Lime and Cement Company, along the most practicable route for the purpose of conducting such water to the reservoir of said Felton Water Company, (such pipe line to be buried not less than twelve inches under ground.)

RESERVING, however, to Holmes Lime and Cement Company, so much of said water as will flow through a pipe two inches in diameter, at a point on said above described premises.

The water from the spring which flows through that certain lot, piece, or parcel of land situated in the County of Santa Cruz, in the State of California, described as follows:

BEING a part of the northwest quarter of the northwest quarter of section 21, and the northeast quarter of the northeast quarter of section 20, in township 10 south, range 2 west, Mount Diablo base and meridian, and particularly described as beginning at a station from which the corner to sections 16, 17, 20, and 21, in said township, bears north 20° 05' west, 532.5 feet distant; thence from said place of beginning, due south 50 feet, to a station; thence south 70°

west, 120 feet to a station; thence due north 50 feet to a station; and thence north 70° east, 120 feet to the place of beginning:

TOGETHER with the right to run a water pipe line from the above described premises, across lands of Holmes Lime and Cement Company, along the most practicable route for the purpose of conducting such water to the reservoir of said Felton Water Company. (such pipe line to be buried not less than twelve inches under ground.):

RESERVING, however, to Holmes Lime and Cement Company, as much of said water as will flow through a pipe two inches in diameter, at a point on said above described premises.

APN: 064-381-20

PARCEL 6:

All that real property situated in the County of Santa Cruz, State of California, particularly described as follows:

Being a tank site situated in Section 16, Township 10 South, Range 2 West and beginning at a 2 x 2 hub and tack from which a chiseled cross in a concrete foundation bears West 17.00 feet distant and another cross in a concrete foundation bears North 54° 19' West 19.00 feet distant, and a pipe standing at the intersection of the Easterly side of El Solyo Heights Drive with the Northerly boundary of Parcel 12 as said intersection is shown on map entitled "Record of Survey Map of El Solyo Acres" filed for record September 7, 1950 in Volume 30 at Page 14 of Maps in the office of County Recorder of Santa Cruz County bears the following courses and distances: South 58° 48' East 40.61 feet; South 6° 43' East 110.55 feet; South 49° 55' East 84.80 feet; South 69° 38' East 270.95 feet; North 8° 59' West 24.67 feet; North 81° 01' East 31.63 feet distant; thence from said Place of Beginning running South 54° 25' West 40' to a 2 x 2 hub and tack; thence North 35° 35' West 40 feet to a station; thence N. 54° 25' E. 40.0 feet to a station; thence South 35° 35' East 40 feet to the Place of Beginning.

TOGETHER with the following described open and unobstructed easements 5 feet in width, the center line of which is described as follows:

1. Beginning at the most Easterly corner of said above described tank site and running thence South 58° 48' East 40.61 feet to a station; South 6° 43' East 110.55 feet to a station; South 49° 55' East 84.80 feet to a station; South 69° 38' East 270.95 feet to a station.
2. An open and unobstructed easement over a strip of land 5 feet in width, the center line of which is described as follows: Beginning at a station in El Solyo Heights Drive as shown and designated on map entitled "Record of Survey Map of El Solyo Acres" filed for record September 7, 1950 in Volume 30 at Page 14 of Maps in the Office of the County Recorder of Santa Cruz County and from which a pipe standing at the intersection of the Easterly side of El Solyo Heights Drive with the Northerly boundary of Parcel 14 as shown on said map, bears South 8° 59' East 10.00 feet, and North 81° 01' East 8.63 feet distant and running thence South 8° 59' East 257.00 feet to a station; thence South 81° 01' West 23.00 feet to a station; thence South 8° 01' East 200.01 feet to a station; thence Southeasterly curving to the left with a radius of 60 feet from a tangent bearing South 8° 59' East through an angle of 76° 41' for a distance of 80.30 feet to a station; thence South 85° 41' East 213.05 feet to the beginning of a curve to the left; thence curving to the left with a radius of 210 feet through an angle of 22° 23' for a distance of 82.04 feet to a station; thence South 42° 50' East 40 feet, a little more or less, to the Westerly boundary of a tank site as described in Volume 773 at Page 583 of Official Records of Santa Cruz County.

TOGETHER with the right to lay, maintain and replace pipeline along said easements, etc.

TOGETHER with 15,000 gallon tank- all pipelines - 1 horsepower booster pump and electrical installation.

APN: 071-011-33

PARCEL 7:

PARCEL ONE:

BEING a part of the Rancho Canada del Rincon and being a portion of that strip of land conveyed to Felton Water Co., a corporation, by Deed recorded in Volume 363, page 81, Official Records of Santa Cruz County, and more particularly described as follows:

BEGINNING at the most Southern corner of Lot 39 as shown upon the map entitled, "Subdivision No. 1 Felton Acres, Being a part of Rancho Canada del Rincon and Zayante Rancho, Santa Cruz County, Cal.," filed for record June 7, 1924 in Map Book 18, page 47, Santa Cruz County Records, said corner being also the most Northern corner of Parcel 2 of the lands conveyed to Harvey E. Robinson, et ux, by Deed recorded in Volume 1221, page 189, Official Records of Santa Cruz County; thence from said Point of Beginning along the Northeastern boundary of said lands of Robinson South 32° 11' East 30.19 feet to the most Eastern corner thereof on the Eastern boundary of above mentioned strip of land of Felton Water Co.; thence Northerly along said Eastern boundary to a point on the Southeastern boundary of aforementioned Lot 39; thence along said Southeastern boundary and the center line of Shingle Mill Creek, South 54° 29' West 33 feet, more or less, to a point and South 25° 46' West 94.61 feet to the Point of Beginning.

PARCEL TWO:

BEING a part of the Rancho Canada del Rincon and being a portion of that strip of land conveyed to Felton Water Co., a corporation, by Deed recorded in Volume 363, page 81, Official Records of Santa Cruz County, and more particularly described as follows:

BEGINNING at the most Southern corner of Lot 42 on the center line of Shingle Mill Creek, as said Lot and Creek are shown upon that map entitled, "Subdivision No. 1 Felton Acres, Being a part of Rancho Canada del Rincon and Zayante Rancho, Santa Cruz County, Cal.," filed for record June 7, 1924 in Map Book 18, page 47, Santa Cruz County Records; thence from said Point of Beginning along the center line of said creek North 60° 54' East 94.51 feet to a point and North 21 ° 32' East 5.15 feet to the most Western corner of Parcel 3 of the lands conveyed to Louella C. Ritter, by Deed recorded in Volume 909, page 188, Official Records of Santa Cruz County; thence leaving said center line and along the Southwestern boundary of said Parcel 3, South 32° 11' East 23.29 feet to the most Southern corner thereof on the Eastern boundary of above mentioned strip of land of Felton Water Co.; thence along said Eastern boundary South 56° 02' West 53.8 feet to a point and South 65° 49' West 34.01 feet to the most Eastern corner of Parcel 1 of the lands conveyed to Minnie E. McConaha, by Deed recorded in Volume 527, page 491, Official Records of Santa Cruz County; thence along the Northeastern boundary of said Parcel 1, North 39° 27' West 19.55 feet to the Point of Beginning.

APN: 065-202-15

PARCEL 8:

PARCEL FIVE:

BEING a strip of land 125 feet in width at right angles 62.5 feet in width at right angles on each side of the following described center line.

BEGINNING at an iron pipe from which the most Northerly corner of land conveyed to Frank E. Morley and Eleanor Morley by deed recorded June 2, 1943, in Volume 453 at Page 236 of Official Records of Santa Cruz County bears the following courses and distances: North 56° 49' West 38.70 feet; North 67° 55' East 373.07 feet and South 40° 42' East 61.01 feet distant; and from said Point of Beginning a spike in a "W" on an 8" Oak tree bears South 46° 12' East 18.69 feet distant; and a spike in a "W" on a 3 foot Fir tree bears South 55° 22' West 37.58 feet distant; thence from said Place of Beginning running North 56° 49' West 38.70 feet to a spike; North 62° 31' West 120.29 feet to a spike; North 45° 33' West 85.54 feet to a spike; North 47° 50' West 264.08 feet to a spike; and South 84° 40' West 124.28 feet to an iron pipe from which a spike in a "W" on a 12" Oak tree bears North 46° 39' West 10.94 feet distant; and a spike in a "W" on a 24" Redwood tree bears South 84° 40' West 37.16 feet distant and containing 1.82 acres, a little more or less.

TOGETHER with and subject to, and open and unobstructed right of way over Felton Quarry Road.

ALSO SUBJECT to an open and unobstructed right of way over a road leading Southerly from the Felton Quarry Road over the Southerly end of said above described parcel of land.

PARCEL SIX:

BEING a part of the Rancho Canada del Rincon and more particularly bounded and described as follows:

BEGINNING at a point on the Northerly boundary of Rancho Canada del Rincon and from which a stake marked "S" standing at the Southwest corner of lands in quitclaim deed from A.L. Jensen, et al, to the Santa Cruz Land Title Company, a corporation, by deed dated February 15, 1947, and recorded April 25, 1947, in Volume 582 at Page 64, of Official Records of Santa Cruz County, bears North 82° 13' East 555.60 feet distant; thence leaving said boundary South 47° 13' East 872.88 feet to an iron pipe standing in Shingle Mill Gulch and from which a spike in a "W" in a triple Redwood tree bears North 15° 34' East 2.50 feet distant; and a spike in a "W" on an 18" Redwood tree bears South 64° 00' East 18.49 feet distant; thence leaving said gulch South 15° 34' West 693.18 feet to an iron pipe standing on top of a ridge and from which a spike in a "W" on a 24" Oak tree bears South 8° 35' East 5.17 feet distant, and a spike in a "W" on a 6" Redwood tree bears South 75° 05' West 20.13 feet distant; thence running along the top of said ridge the following courses and distances: North 60° 59' West 107.95 feet to a spike; North 83° 24' West 90.79 feet to a spike; North 81° 58' West 78.9 feet to a spike; South 88° 29' West 54.70 feet to a spike; North 77° 24' West 81.29 feet to a spike; thence North 75° 07' West 122.49 feet to an iron pipe from which a spike in a

"W" on a 24" Fir tree bears North 69° 30' East 13.34 feet distant, and a spike in a "W" on a 30" Fir tree bears South 57° 13' East 14.33 feet distant; thence North 59° 14' West 90.70 feet to a stake and brad; thence North 27° 46' West 156.56 feet to a spike; thence North 54° 08' West 108.66 feet to a pipe from which a spike in a "W" on a 10" Oak tree bears South 5° 15' East 4.64 feet distant and a spike in a "W" on a 10" Madrone tree bears North 86° 30' East 13.80 feet distant; thence South 82° 42' West 122.12 feet to a hub and brad; thence North 88° 17' West 110.28 feet to a spike; thence North 84° 05' West 109.94 feet to a spike; thence South 75° 02' West 149.37 feet to a hub and brad; thence North 81° 49' West 172.68 feet to a pipe from which a spike in a "W" on an 8" Madrone tree bears North 27° West 3.05 feet distant, a spike in a "W" on a 12" Redwood tree bears North 25° 45' East 7.17 feet distant, and a spike in a "W" on a 30" Fir tree bears North 64° 30' East 4.18 feet distant; thence North 64° 49' West 113.93 feet to a spike; North 84° 53' West 124.41 feet to a brad in a hub; thence North 77° 36' West 76.99 feet to a brad in a hub; thence South 64° 48' West 110.79 feet to an iron pipe from which a spike in a "W" on a 42" Fir tree bears North 4° 30' West 8.07 feet distant; thence South 82° 26' West 133.57 feet to a spike; thence South 83° 35' West 54.62 feet to a brad in a hub; thence North 88° 51' West 76.15 feet to a brad in a hub; thence North 66° 42' West 67.07 feet to an iron pipe from which a spike in a "W" on a 6" Redwood tree bears North 63° 15' East 9.43 feet distant, and a spike in a "W" on a 6" Oak tree bears South 21° 30' East 6.65 feet distant; thence North 55° 44' West 75.45 feet to a brad in a hub; thence North 65° 11' West 88.23 feet to a spike; thence North 67° 11' West 129.72 feet to a brad in a hub; thence North 68° 45' West 64.18 feet to a pipe standing on top of a divide and from which a spike in a "W" on a 4" Pine tree bears South 71° 30' West 8.11 feet distant; and a spike in a "W" on a 6" Pine tree bears South 72° 0' East 11.41 feet distant; thence North 9° 54' West 440.00 feet, a little more or less, to the Northerly boundary of said above mentioned Rancho Canada del Rincon; thence along said boundary North 82° 13' East 2100 feet, a little more or less, to the Place of Beginning and containing 48.04 acres, a little more or less.

RESERVING an open and unobstructed right of way to William H. Fetherston over a strip of land 50 feet in width leading from the Northerly boundary to the Southerly boundary of said above described parcel of land, the location of which is to be made by said William H. Fetherston.

APN: 064-083-05

PARCEL 9:

A STRIP OF LAND 5 feet in wide on either side of the following described lines, to wit:

EASEMENT NO. 1: COMMENCE at a point on the Northerly line of the land of Frank Capelli, et al, as described in deed recorded in Volume 472, Page 349, Official Records of Santa Cruz County, 10 feet West of the San Lorenzo State Highway running thence Northerly parallel to and 10 feet Westerly of said State Highway line 271 feet to a point in El Solyo Heights Drive; thence Westerly parallel to and distant 5 feet North of the Southern line of said El Solyo Heights Drive and the extent thereof 1175 feet to a point; thence at a right angle Southerly 87 feet to the center line of the Northerly end of the hereinafter described Tank Site.

EASEMENT NO. 2: COMMENCING at a point in the Southerly end of Hacienda Way 5 feet East of the Westerly line of Hacienda Way; running thence North 8° 44' East parallel to and distant 5 feet East of the said line of Hacienda Way 700 feet to the Northerly end of said Hacienda Way.

FEE TITLE TO:

TANK SITE: COMMENCING at the Southerly end of the West line of Easement No. 1 hereinabove described; running thence West 15 feet ; thence at a right angle South 50 feet; thence at a right angle East 30 feet; thence at a right angle North 50 feet; thence at a right angle West 15 feet to the Point of Beginning.

APN: 071-031-03

PARCEL 10:

All other real property of Grantor located in the County of Santa Cruz.



2002-0030350

RECORDING REQUESTED BY

Cooper, White & Cooper LLP

AND WHEN RECORDED RETURN TO

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attn: Kent Turner

MAIL TAX STATEMENTS TO

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attn: Kent Turner

Recorded		REC FEE	16.00
Official Records		CC CONF	.00
County Of		WARRANT	37.00
SANTA CRUZ			
RICHARD W. BEDAL			
Recorder			

08:54AM 25-Apr-2002		BLS	
		Page 1 of 4	

Space above for Recorder's use only

Document: Corporation Grant Deed

This instrument amends that certain corporation grant deed recorded on January 18, 2002 in the Official Records of Santa Cruz County, instrument number 2002-0004598.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attn: Kent Turner

MAIL TAX STATEMENTS TO

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attn: Kent Turner

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned grantor declares:

Documentary Transfer Tax not shown pursuant to Section 11932 of the
Revenue and Taxation Code, as amended

County of Santa Cruz

Corporation Grant Deed

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, CITIZENS UTILITIES COMPANY OF CALIFORNIA, a California corporation, which has been incorrectly identified as Citizens' Utilities Company of California and Citizens Utilities Company, on its behalf and as successor-in-interest by merger to FELTON WATER CO., a California corporation, which has been incorrectly identified as Felton Water Company, hereby GRANTS to CALIFORNIA-AMERICAN WATER COMPANY, a California corporation, the following described real property situated in the County of Santa Cruz, State of California, together with all fixtures, fittings, buildings, structures and other improvements erected thereon, and easements, rights of way, water lines, water rights (if any) and rights associated with the withdrawal, diversion and use of water (if any), rights of use, licenses, railroad crossing agreements, hereditaments, tenements, privileges and other appurtenances thereto, as particularly described as follows:

See Exhibit A attached hereto and made a part hereof for legal description of real property.

Subject to: Property taxes not yet due and payable; covenants, conditions and restrictions of record; and easements and leases, recorded or unrecorded. Grantor covenants it will defend said property only to the extent of lawful claims of persons claiming by, under and through Grantor.

In Witness Whereof, the undersigned has caused this Grant Deed to be executed as of the 11th day of April, 2002.

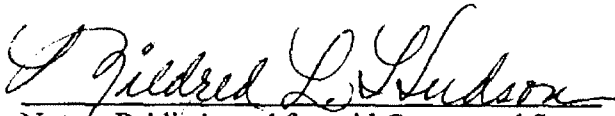
CITIZENS UTILITIES COMPANY OF CALIFORNIA, a California corporation, which has been incorrectly identified as Citizens' Utilities Company of California and Citizens Utilities Company, on its behalf and as successor-in-interest by merger to FELTON WATER CO., a California corporation, which has been incorrectly identified as Felton Water Company

By: _____
Name: Lyndell Mith
Title: Secretary

STATE OF CONNECTICUT)
) ss.
COUNTY OF FAIRFIELD)

On April 11, 2002 before me, Mildred L. Hudson, a Notary Public in and for said state, personally appeared L. Russell Mitten, personally known to me (or 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.

WITNESS my hand and official seal.


Notary Public in and for said County and State

(Space above for official notarial area.)

MILDRED L. HUDSON
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 2004

Exhibit A

The right on, over, and through certain lands situate in the County of Santa Cruz, State of California, and described as follows:

A strip of land five feet in width on either side of the following described lines, to wit:

Easement No. 1: Commencing at a point on the Northerly line of the land of Frank Capelli, et al, as described in deed recorded in Volume 472 of Official Records, at Page 340, Records of Santa Cruz County, 10 feet West of the San Lorenzo State Highway; running thence Northerly parallel to and 10 feet Westerly of said State Highway line 271 feet to a point in El Solyo Heights Drive; thence Westerly parallel to and distant 5 feet North of the South line of said El Solyo Heights Drive and the extension thereof 1175 feet to a point; thence at a right angle Southerly 87 feet to the center line of the Northerly end of the hereinafter described Tank Site.

Easement No. 2: Commencing at a point in the Southerly end of Hacienda Way 5 feet East of the Westerly line of Hacienda Way; running thence North 8° 44' West parallel to and distant 5 feet East of the said line of Hacienda Way 700 feet to the Northerly end of said Hacienda Way.

All that certain parcel of land situate in the said County of Santa Cruz, State of California, and more particularly described as follows:

Tank Site: Commencing at the Southerly end of the West line of Easement No. 1 hereinbefore described; running thence West 15 feet; thence at a right angle South 50 feet; thence at a right angle East 30 feet; thence at a right angle North 50 feet; thence at a right angle West 15 feet to the Point of Beginning.

APN: 071-031-03



2002-0030351

RECORDING REQUESTED BY

Cooper, White & Cooper LLP

AND WHEN RECORDED RETURN TO

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attn: Kent Turner

MAIL TAX STATEMENTS TO

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attn: Kent Turner

Recorded	REC FEE	16.00
Official Records	CC CONF	.00
County Of	WARRANT	37.00
SANTA CRUZ		
RICHARD W. BEDAL		
Recorder		

09:01AM 25-Apr-2002	BLS	
	Page 1 of 4	

Space above for Recorder's use only

Document: Quit Claim Deed

This instrument amends that certain quit claim deed recorded on January 18, 2002 in the Official Records of Santa Cruz County, instrument number 2002-0004599.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attn: Kent Turner

MAIL TAX STATEMENTS TO

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attn: Kent Turner

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned grantor declares:

Documentary Transfer Tax not shown pursuant to Section 11932 of the
Revenue and Taxation Code, as amended

County of Santa Cruz

Quit Claim Deed

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, CITIZENS UTILITIES COMPANY OF CALIFORNIA, a California corporation, which has been incorrectly identified as Citizens' Utilities Company of California, on its behalf and as successor-in-interest by merger to FELTON WATER CO., a California corporation; and CITIZENS RESOURCES COMPANY, a Delaware corporation, on its behalf, HEREBY QUIT CLAIM to CALIFORNIA-AMERICAN WATER COMPANY, a California corporation, the following described real property situated in the County of Santa Cruz, State of California, together with all fixtures, fittings, buildings, structures and other improvements erected thereon, and easements, rights of way, water lines, water rights and rights associated with the withdrawal, diversion and use of water, rights of use, licenses, railroad crossing agreements, hereditaments, tenements, privileges and other appurtenances thereto, as particularly described as follows:

See Exhibit A attached hereto and made a part hereof for legal description of real property.

In Witness Whereof, the undersigned have caused this Quit Claim Deed to be executed as of the 17th day of April, 2002.

CITIZENS UTILITIES COMPANY OF CALIFORNIA, a California corporation, which has been incorrectly identified as Citizens' Utilities Company of California, on its behalf and as successor-in-interest by merger to FELTON WATER CO., a California corporation

By: _____
Name: L. Russell Mill
Title: Secretary

CITIZENS RESOURCES COMPANY, a Delaware corporation

By: _____
Name: L. Russell Mill
Title: Secretary

Exhibit A

The water from the spring which flows through that certain lot, piece, or parcel of land situate in the county of Santa Cruz, in the State of California, described as follows:

Being a part of the northwest quarter of the northwest quarter of section 21, and the northeast quarter of the northeast quarter of section 20, in township 10 south, range 2 west, Mount Diablo base and meridian, and particularly described as beginning at a station from which the corner to sections 16, 17, 20, and 21, in said township, bears north $20^{\circ} 05'$ west, 532.5 feet distant; thence from said place of beginning, due south 50 feet, to a station; thence south 70° west, 120 feet to a station; thence due north 50 feet to a station; and thence north 70° east, 120 feet to the place of beginning:

Together with the right to run a water pipe line from the above described premises, across lands of Holmes Lime and Cement Company, along the most practicable route for the purpose of conducting such water to the reservoir of said Felton Water Company, (such pipe line to be buried not less than twelve inches under ground):

Reserving, however, to Holmes Lime and Cement Company, so much of said water as will flow through a pipe two inches in diameter, at a point on said above described premises.

RECORDING REQUESTED BY

BOOK 3479 PAGE 476

35199

ORDER #

APN

WHEN RECORDED MAIL TO

Name
Street
Address
City &
State

Mr. Larry L. Robbins
700 El Solyo Heights
Felton, Calif. 95018

RECORDED AT REQUEST OF
SEP 1 1 25 PM '82
OFFICIAL RECORDS
SANTA CRUZ COUNTY
RICHARD C. NEAL
RECORDER

035199

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Quitclaim Deed

ALL
PTN.

RE	MI	SM	OP
3	1		

The undersigned grantor(s) declare(s):

Documentary transfer tax is \$None

- () computed on full value of property conveyed, or
- () computed on full value less value of liens and encumbrances remaining at time of sale.
- () Unincorporated area: () City of _____, and
- () Realty not sold.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

WILLIAM A. THOMAS and HANNELORE E. THOMAS, husband and wife,

hereby REMISE(S), RELEASE(S) AND FOREVER QUITCLAIM(S) to

SCOTT L. ROBBINS, TODD L. ROBBINS, EDWARD J. PERRY, and JAMES W. RIMER, as Trustees of "The Eagles Nest Trust" dated March 1, 1980

the following described real property in the County of Santa Cruz, State of California:

All that certain parcel of land more particularly described in the Deed to Felton Water Company recorded July 12, 1962 in Book 1482, Page 146, Official Records of Santa Cruz County, said parcel being shown as the tank site on the Parcel Map filed for record November 4, 1971 in Book 4 of Parcel Maps, Page 31, Santa Cruz County Records.

Assessor's Parcel Number 071-031-33

Mail tax statements to Grantee at above address

Dated July 27, 1982

STATE OF CALIFORNIA }
COUNTY OF Santa Cruz } ss.

On August 20, 1982 before me, the undersigned, a Notary Public in and for said State, personally appeared William A. Thomas and Hannelore E. Thomas

William A. Thomas
William A. Thomas

Hannelore E. Thomas
Hannelore E. Thomas

_____ known to me to be the person whose name is subscribed to the within instrument and acknowledged that they executed the same. WITNESS my hand and official seal.

Signature: *J. E. Nordren*
Name (Typed or Printed)



(This area for official notarial seal)



2002-0003525

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Recorded | REC FEE 28.00
Official Records | INDEXIN 5.00
County Of
SANTA CRUZ
RICHARD W. BEDAL
Recorder

02:13PM 15-Jan-2002 | DLR
Page 1 of 8

Attention: Kent Turner

(Space Above For Recorder's Use)

ASSIGNMENT AND ASSUMPTION OF EASEMENTS

This Assignment and Assumption of Easements ("Assignment") is entered into by and between CITIZENS UTILITITES COMPANY OF CALIFORNIA, a California corporation, formerly known as PUBLIC UTILITIES CALIFORNIA CORPORATION, a California corporation, which has been incorrectly identified as Citizens Utilities Company ("Assignor"), and CALIFORNIA-AMERICAN WATER COMPANY, a California corporation ("Assignee"), on January 15, 2002 (the "Effective Date"), with reference to the following facts and intentions:

REC I I A L S :

A. Pursuant to that certain Asset Purchase Agreement, dated October 15, 1999, by and among Citizens Utilities Company, a Delaware corporation, and each of the wholly owned subsidiaries of Citizens Utilities Company named on the signature page thereto (collectively, "Citizens"), American Water Works Company, Inc., a Delaware corporation ("American Water"), and Assignee (the "Purchase Agreement"), Citizens has agreed to sell and American Water, as holding company for Assignee, has agreed to cause Assignee to purchase all of the assets, properties and rights of Citizens related to Citizens' business of storing, supplying, distributing and selling water to the public, wholesale water transmission, and related services and activities in the State of California (the "Business"). The Purchase Agreement was amended by that certain First Amendment to Asset Purchase Agreement, dated November 30, 2000, by and among Citizens Communications Company (f/k/a Citizens Utility Company), a Delaware corporation, and each of the wholly owned subsidiaries of Citizens Communications Company named on the signature page thereto, American Water, and Assignee (the "First Amendment"). All references to the Purchase Agreement herein shall refer to the Purchase Agreement as amended by the First Amendment

B. As contemplated by the Purchase Agreement, Assignor hereby desires to assign, transfer, convey and set over to Assignee all of Assignor's right, title and interest to (i) all easements more particularly described in Exhibit A to this Assignment, (ii) any and all easements, rights of way, water lines, rights of use, licenses, railroad crossing agreements, hereditaments, tenements, privileges and other appurtenances thereto (recorded or unrecorded),

Easement - Santa Cruz DOC

and (iii) any and all fixtures, fittings, buildings, structures and other improvements erected on the aforementioned items owned or held by Assignor and used or useful in the Business in the County of Santa Cruz, State of California (collectively, the "Easements").

NOW THEREFORE, in consideration of the foregoing, the transactions contemplated by the Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agrees as follows:

1. Assignment. Assignor hereby assigns, transfers, conveys and sets over to Assignee all of Assignor's right, title and interest in and to the Easements
2. Assumption. Assignee hereby accepts the foregoing assignment and agrees to assume and perform all of the obligations of Assignor with respect to the Easements arising from and after the Effective Date.

IN WITNESS WHEREOF, the parties have caused this Assignment to be executed as of the Effective Date.

"ASSIGNOR"

CITIZENS UTILITIES COMPANY OF CALIFORNIA, a California corporation, formerly known as PUBLIC UTILITIES CALIFORNIA CORPORATION, a California corporation, which has been incorrectly identified as Citizens Utilities Company

By: [Signature]
Name: C. Russell Mink
Its: Secretary

"ASSIGNEE"

CALIFORNIA-AMERICAN WATER COMPANY, a California corporation

By: [Signature]
Name: Judith L. Almond
Its: Vice President

STATE OF Connecticut)
~~CALIFORNIA~~)
COUNTY OF Fairfield) ss.

On Jan. 10, 2002, before me, Mildred L. Hudson, a Notary Public in and for said state, personally appeared L. Russell Miller, personally known to me (or 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/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Mildred L. Hudson
Notary Public in and for said State
MILDRED L. HUDSON
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31 2004

(SEAL)

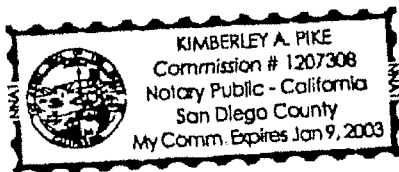
STATE OF CALIFORNIA)
COUNTY OF San Diego) ss.

On January 11, 2002, before me, Kimberley A. Pike, a Notary Public in and for said state, personally appeared Judith L. Almond, personally known to me (or 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/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Kimberley A. Pike
Notary Public in and for said State

(SEAL)



Easement - Santa Cruz.DOC

EXHIBIT A

Legal Description of Easements

The foregoing Assignment and Assumption of Easements is made with reference to Assignor's easement and/or right of way interests in that certain real property described in the following instruments recorded in the Office of the Recorder of the County of Santa Cruz, State of California, whose legal descriptions are hereby incorporated by reference as though fully set forth herein:

1. That certain Easement, dated November 2, 1954, granted by Alice Hesse and Vesta Florence Hesse unto Citizens Utilities Company of California and recorded on November 18, 1954 in Santa Cruz County as Instrument No. 16344, Book 991, Page 475.
2. That certain Easement, dated March 29, 1955, granted by Charles Kalnin and Annette Kalnin unto Citizens Utilities Company of California and recorded in Santa Cruz County in Book 1010, Page 560.
3. That certain Easement, dated September 20, 1966, granted by R. Borgman and Grace Borgman unto Citizens Utilities Company of California and recorded on September 30, 1966 in Santa Cruz County as Instrument No. 25812, Book 1787, Page 24.
4. That certain Easement, dated December 16, 1971, granted by Raymond B. Kelly and Patricia J. Kelly unto Citizens Utilities Co. of California and recorded on December 17, 1971 in Santa Cruz County as Instrument No. 046543, Book 2155, Page 540.
5. That certain Easement, dated August 17, 1972, granted by Leslie S. Fairbanks and Willemina Fairbanks unto Citizens Utilities Company of California and recorded on August 21, 1972 in Santa Cruz County as Instrument No. 035094, Book 2232, Page 369.
6. That certain Easement, dated February 20, 1973, granted by Sutter Hill Limited unto Citizens Utilities Company of California and recorded on February 27, 1973 in Santa Cruz County as Instrument No. 007414, Book 2287, Page 80.
7. That certain Easement, dated February 20, 1973, granted by Sutter Hill Limited unto Citizens Utilities Company of California and recorded on February 27, 1973 in Santa Cruz County as Instrument No. 007415, Book 2287, Page 82.
8. That certain Easement, dated February 20, 1973, granted by Sutter Hill Limited unto Citizens Utilities Company of California and recorded on February 27, 1973 in Santa Cruz County as Instrument No. 007416, Book 2287, Page 84.

426977-1

9. That certain Easement, dated April 28, 1975, granted by County Bank of Santa Cruz unto Citizens Utilities Company of California and recorded on May 2, 1975 in Santa Cruz County as Instrument No. 014676, Book 2497, Page 606.
10. That certain Easement, dated January 10, 1978, granted by Lester C. Brooks and Donna L. Brooks unto Citizens Utilities Company of California and recorded on January 23, 1978 in Santa Cruz County as Instrument No. 3482, Book 2864, Page 387.
11. That certain Easement, dated October 20, 1978, granted by Kate A. Robinson unto Citizens Utilities Company of California and recorded on January 25, 1979 in Santa Cruz County as Instrument No. 004530, Book 3014, Page 549.
12. That certain Easement, dated January 25, 1979, granted by Stuart J. Brinck and Betty L. Brinck unto Citizens Utilities Company of California and recorded on January 25, 1979 in Santa Cruz County as Instrument No. 004529, Book 3014, Page 548.
13. That certain Easement, dated April 23, 1979, granted by May B. Ley unto Citizens Utilities Company of California and recorded on April 25, 1979 in Santa Cruz County as Instrument No. 19818.
14. That certain Easement, dated May 1, 1986, granted by Robert A. Crawford and Joan Lee Crawford unto Citizens Utilities Company of California and recorded on May 7, 1986 in Santa Cruz County as Instrument No. 024082, Book 3974, Page 778.
15. That certain Easement, dated November 20, 1995, granted by Schumacher Land & Vineyards Company unto Citizens Utilities Company of California and recorded on November 21, 1995 in Santa Cruz County as Instrument No. 61042, Volume 5761, Page 699.
16. That certain Easement, dated November 20, 1995, granted by Schumacher Land & Vineyards Company unto Citizens Utilities Company of California and recorded on November 21, 1995 in Santa Cruz County as Instrument No. 61043, Volume 5761, Page 702.
17. That certain Easement, dated November 20, 1995, granted by Schumacher Land & Vineyards Company unto Citizens Utilities Company of California and recorded on November 21, 1995 in Santa Cruz County as Instrument No. 61044, Volume 5761, Page 705.
18. That certain Easement, dated May 27, 2001, granted by Everett Downs and Karen Downs unto Citizens Utilities Company of California and recorded on May 29, 2001 in Santa Cruz County as Instrument No. 2001-0031722.
19. That certain Right of Way dated January 5, 1953, granted by Albert Weidemann and Elizabeth Weidemann unto Citizens Utilities Company of California and recorded on

426977-1

May 17, 1956 in Santa Cruz County as Instrument No. 7760, Volume 1075, Page 267

20. That certain Right of Way dated January 26, 1955, granted by Henry Keim unto Citizens Utilities Company of California and recorded on May 5, 1955 in Santa Cruz County as Instrument No. 6805, Volume 1015, Page 373.
21. That certain Right of Way dated February 21, 1955, granted by Henry H. Boykin and Florence C. Boykin unto Citizens Utilities Company of California and recorded in Santa Cruz County, Volume 1015, Page 635.
22. That certain Right of Way dated October 27, 1955, granted by Edward R. Miller and Frances Y. Miller unto Citizens Utilities Company of California and recorded on November 10, 1955 in Santa Cruz County as Instrument No. 18093, Volume 1046, Page 166.
23. That certain Right of Way dated October 27, 1955, granted by Theo Ulrich and Marcella Ulrich unto Citizens Utilities Company of California and recorded on November 10, 1955 in Santa Cruz County as Instrument No. 18094, Volume 1046, Page 167.
24. That certain Right of Way dated October 31, 1955, granted by Leroy Morehouse unto Citizens Utilities Company of California and recorded on November 10, 1955 in Santa Cruz County as Instrument No. 18090, Volume 1046, Page 161.
25. That certain Right of Way dated November 4, 1955, granted by H. A. Mitchell and Grace Mitchell unto Citizens Utilities Company of California and recorded on November 10, 1955 in Santa Cruz County as Instrument No. 18091, Volume 1046, Page 162.
26. That certain Right of Way dated November 4, 1955, granted by H. A. Mitchell and Grace Mitchell unto Citizens Utilities Company of California and recorded on November 10, 1955 in Santa Cruz County as Instrument No. 18092, Volume 1046, Page 164.
27. That certain Right of Way dated November 4, 1955, granted by Charles B. Hershman and Ruth M. Hershman unto Citizens Utilities Company of California and recorded on February 17, 1956 in Santa Cruz County as Instrument No. 2301, Volume 1059, Page 584.
28. That certain Right of Way dated November 7, 1955, granted by Irene Gairaud unto Citizens Utilities Company of California and recorded on November 10, 1955 in Santa Cruz County as Instrument No. 18095, Volume 1046, Page 168.
29. That certain Right of Way dated December 9, 1955, granted by Joseph A. Corrado and Rose Marie Corrado unto Citizens Utilities Company of California and recorded

426977-1

on February 9, 1956 in Santa Cruz County as Instrument No. 1903, Volume 1058, Page 594.

30. That certain Right of Way dated December 29, 1955, granted by Henry Keim unto Citizens Utilities Company of California and recorded in Santa Cruz County, Volume 1053, Page 485.
31. That certain Right of Way dated March 16, 1956, granted by Manuel E. Amarol and Marie Amarol unto Citizens Utilities Company of California and recorded on March 23, 1956 in Santa Cruz County as Instrument No. 4429, Volume 1066, Page 40.
32. That certain Right of Way dated May 21, 1956, granted by Earl L. Lyon and Josephine L. Lyon unto Citizens Utilities Company of California and recorded on August 28, 1956 in Santa Cruz County as Instrument No. 13638, Volume 1091, Page 158.
33. That certain Right of Way dated August 29, 1956, granted by Douglas McAbee unto Citizens Utilities Company of California and recorded on January 18, 1957 in Santa Cruz County as Instrument No. 1069, Volume 1112, Page 304.
34. That certain Right of Way dated June 20, 1957, granted by LeRoy E. Miller and Alice Page Miller unto Citizens Utilities Company of California and recorded on June 21, 1957 in Santa Cruz County as Instrument No. 10068, Volume 1136, Page 94.
35. That certain Right of Way dated June 28, 1957, granted by Earl A. Childers and Lily M. Childers unto Citizens Utilities Company of California and recorded on July 1, 1957 in Santa Cruz County as Instrument No. 10512, Volume 1137, Page 185.
36. That certain Right of Way dated July 3, 1957, granted by Frank Portera and Beverly Portera unto Citizens Utilities Company of California and recorded on July 15, 1957 in Santa Cruz County as Instrument No. 11371, Volume 1139, Page 184.
37. That certain Right of Way dated August 8, 1957, granted by Elmer M. George and Martha F. George unto Citizens Utilities Company of California and recorded on August 15, 1957 in Santa Cruz County as Instrument No. 13336, Volume 1144, Page 248.
38. That certain Right of Way dated May 16, 1958, granted by Gene T. Limpert unto Citizens Utilities Company of California and recorded on May 19, 1958 in Santa Cruz County as Instrument No. 7969, Volume 1185, Page 365.
39. That certain Right of Way dated May 19, 1958, granted by H. A. Mitchell and Grace M. Mitchell unto Citizens Utilities Company of California and recorded on May 19, 1958 in Santa Cruz County as Instrument No. 7968, Volume 1185, Page 364.

426977-1

40. That certain Right of Way dated February 9, 1976, granted by J. T. Barnett & Associates unto Citizens Utilities Company of California and recorded on February 20, 1976 in Santa Cruz County as Instrument No. 6732, Book 2586, Page 652.
41. That certain Easement, dated July 27, 1959, granted by Edward A. Hart and Marion G. Hart unto Citizens Utilities Company and recorded on August 17, 1959 in Santa Cruz County as Instrument No. 16735, Volume 1265, Page 445
42. That certain Easement, dated November 23, 1983 granted by John B. Sullivan, Rex G. Lawson and Kenneth W. Samuels unto Citizens Utilities Company and recorded on December 16, 1983 in Santa Cruz County.
43. That certain Easement, dated March 20, 1950, granted by Salvador Cristina and Santa Cruz Land Title Company unto Felton Water Company and recorded May 23, 1950 in Santa Cruz County in Book 773, page 583.
44. Omitted.
45. Omitted.
46. That certain Easement, dated November 21, 1951, granted by Santa Cruz Land Title Company, Salvador P. Cristina and Annie Cristina unto Felton Water Company and recorded July 12, 1962 in Santa Cruz County in Book 1482, Page 146.
47. That certain Easement, dated February 17, 1981, granted by George Dumbraва and Lucille Dumbraва unto Citizens Utilities Company of California and recorded February 25, 1981 in Santa Cruz County as Instrument No 8197.

426977-1



2002-0029205

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

California-American Water Company
880 Kuhn Drive
Chula Vista, CA 91914

Attention: Kent Turner

Recorded	REC FEE	16.00
Official Records	CC CONF	.00
County Of	WARRANT	40.00
SANTA CRUZ		
RICHARD W. BEDAL		
Recorder		
02:30PM 22-Apr-2002	BLS	
	Page 1 of 4	

(Space Above For Recorder's Use)

ASSIGNMENT AND ASSUMPTION OF EASEMENTS

This Assignment and Assumption of Easements ("Assignment") is entered into by and between CITIZENS UTILITIES COMPANY OF CALIFORNIA, a California corporation, formerly known as PUBLIC UTILITIES CALIFORNIA CORPORATION, a California corporation which has been incorrectly identified as Citizens Utilities Company ("Assignor"), and CALIFORNIA-AMERICAN WATER COMPANY, a California corporation ("Assignee"), on April 15, 2002 (the "Effective Date"), with reference to the following facts and intentions:

RECITALS:

A. Pursuant to that certain Asset Purchase Agreement, dated October 15, 1999, by and among Citizens Utilities Company, a Delaware corporation, and each of the wholly owned subsidiaries of Citizens Utilities Company named on the signature page thereto (collectively, "Citizens"), American Water Works Company, Inc., a Delaware corporation ("American Water"), and Assignee (the "Purchase Agreement"), Citizens has agreed to sell and American Water, as holding company for Assignee, has agreed to cause Assignee to purchase all of the assets, properties and rights of Citizens related to Citizens' business of storing, supplying, distributing and selling water to the public, wholesale water transmission, and related services and activities in the State of California (the "Business") The Purchase Agreement was amended by that certain First Amendment to Asset Purchase Agreement, dated November 30, 2000, by and among Citizens Communications Company (f/k/a Citizens Utility Company), a Delaware corporation, and each of the wholly owned subsidiaries of Citizens Communications Company named on the signature page thereto, American Water, and Assignee (the "First Amendment"). All references to the Purchase Agreement herein shall refer to the Purchase Agreement as amended by the First Amendment.

B. As contemplated by the Purchase Agreement, Assignor hereby desires to assign, transfer, convey and set over to Assignee all of Assignor's right, title and interest to (i) all easements more particularly described in Exhibit A to this Assignment, (ii) any and all easements, rights of way, water lines, rights of use, licenses, railroad crossing agreements, hereditaments, tenements, privileges and other appurtenances thereto (recorded or unrecorded),

Easement - Santa Cruz II (2)

and (iii) any and all fixtures, fittings, buildings, structures and other improvements erected on the aforementioned items owned or held by Assignor and used or useful in the Business in the County of Santa Cruz, State of California (collectively, the "Easements").

NOW THEREFORE, in consideration of the foregoing, the transactions contemplated by the Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agrees as follows:

1. Assignment. Assignor hereby assigns, transfers, conveys and sets over to Assignee all of Assignor's right, title and interest in and to the Easements.
2. Assumption. Assignee hereby accepts the foregoing assignment and agrees to assume and perform all of the obligations of Assignor with respect to the Easements arising from and after the Effective Date.

IN WITNESS WHEREOF, the parties have caused this Assignment to be executed as of the Effective Date.

"ASSIGNOR"

CITIZENS UTILITIES COMPANY OF CALIFORNIA, a California corporation, formerly known as PUBLIC UTILITIES CALIFORNIA CORPORATION, a California corporation, which has been incorrectly identified as Citizens Utilities Company

By: [Signature]
Name: G. Russell Muth
Its: Secretary

"ASSIGNEE"

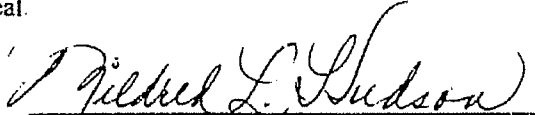
CALIFORNIA-AMERICAN WATER COMPANY, a California corporation

By: [Signature]
Name: B. Kent Turner
Its: VP - Finance

STATE OF CONNECTICUT)
) ss.
COUNTY OF FAIRFIELD)

On April 15, 2002, before me, Mildred L. Hudson, a Notary Public in and for said state, personally appeared L. Russell Mitten, personally known to me (or 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/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.




Notary Public in and for said State
MILDRED L. HUDSON
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 2004

(SEAL)

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

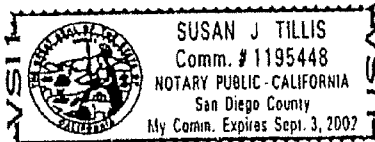
On APRIL 12, 2002, before me, SUSAN J. TILLIS, a Notary Public in and for said state, personally appeared B. KENT TURNER, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Notary Public in and for said State

(SEAL)



Easement - Santa Cruz II (2)

EXHIBIT A

Legal Description of Easements

The foregoing Assignment and Assumption of Easements is made with reference to Assignor's easement and/or right of way interests in that certain real property described in the following instruments whose legal descriptions are hereby incorporated by reference as though full set forth herein:

1. That certain Grant Deed, dated December 21, 1951, granted by Santa Cruz Land Title Company, Salvador P. Cristina, and Annie Cristina to Felton Water Co., and recorded on July 12, 1962 in the Office of the Recorder of Santa Cruz County, Official Records Book 1482, Page 146.
2. That certain Indenture, dated March 19, 1910, granted by Thomas L. Bell and Weltha A. Bell to Tanglewood Water and Development Company, and recorded on April 4, 1910 in the Office of the Recorder of Santa Cruz County.

Easement - Santa Cruz II (2)

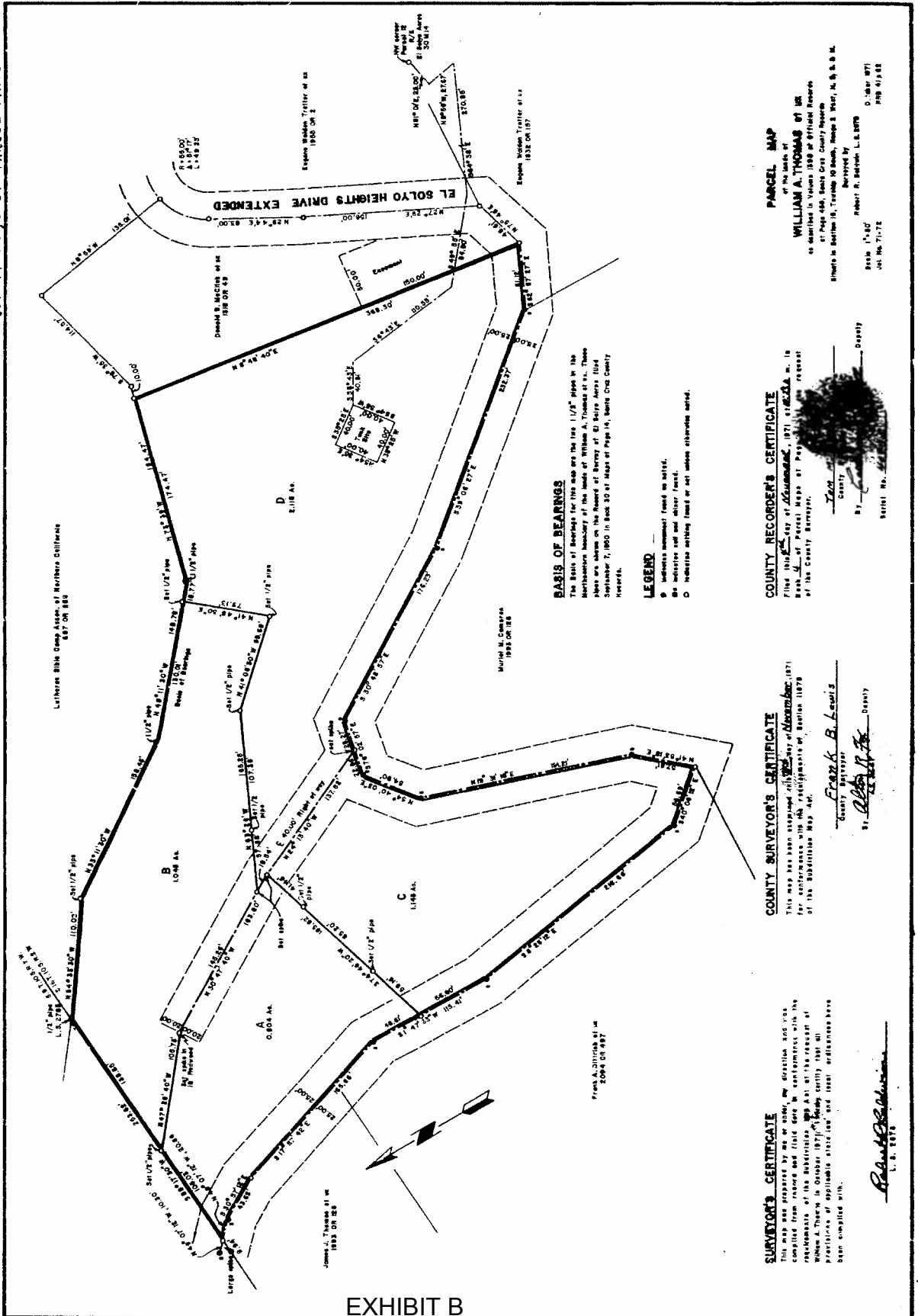


EXHIBIT B
- 76 -

SURVEYOR'S CERTIFICATE

This map was prepared by the Surveyor and was checked by the County Auditor, and the correctness of the boundaries, bearings and distances is guaranteed by the Surveyor and the County Auditor. The Surveyor certifies that all provisions of applicable state law and local ordinances have been complied with.

From A. J. Thomas et al
1988 OR 88

COUNTY SURVEYOR'S CERTIFICATE

This map has been approved by the County Auditor for conformity with the requirements of Section 1079 of the Subdivision Map Act.

Frank B. Lewis
County Auditor

COUNTY RECORDER'S CERTIFICATE

This map was filed for recording on the County Auditor's Office on the 17th day of November, 1971.

Jack
County Recorder

BASIS OF BEARINGS

The Basis of Bearings for this map are the true 1/2° lines in the Meridian boundary of the lands of William A. Thomas et al. These lines are shown on the Record of Survey of El Solyo Heights 1964 September 7, 1960 in Book 30 of Maps of Page 14, Santa Cruz County Records.

LEGEND

- indicates monument found on field.
- indicates not found on field.
- D indicates existing fence or not otherwise noted.

PARCEL MAP

of the lands of
WILLIAM A. THOMAS et al
as defined in Volume 158 of Official Records
of Page 484, Santa Cruz County Records

Prepared by
Robert A. Johnson, L.L.P.
Date 11/18/71
Map No. 7117E

THIS MAP SHOULD BE USED FOR REFERENCE PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

IN WITNESS WHEREOF, said Trustee has executed these presents this 30th day of June, 1933,
by its officers thereunto duly authorized,

SANTA CRUZ LAND TITLE COMPANY
Trustee.

(Corporate Seal)

By H. O. Heiner
Vice-President.

By Annie M. McOaskill
Secretary.

STATE OF CALIFORNIA }
COUNTY OF SANTA CRUZ } ss.

On June 30, 1933, before me, INEZ G. HEINER, a Notary Public, in and for said County and State, personally appeared H. O. HEINER and ANNIE M. McOASKILL known to me to be the Vice-President and Secretary respectively of the corporation that executed the within instrument as Trustee and also known to me to be the persons who executed it on behalf of such corporation and acknowledged to me that such corporation executed the same as Trustee.

Inez G. Heiner

(Seal)

Notary Public in and for the said County
of Santa Cruz, State of California.

My commission expires July 22nd, 1934

Recorded at Request of Santa Cruz County Title Co. Aug 18 1933 at 50 Min. past 3 P.M.

437E

Typist Wyn Richardson

Belle Lindsay

County Recorder.

--oOo--

Consideration less than \$100.00
No U. S. Internal Revenue stamps required.

GRANT DEED

For value received SANTA CRUZ LAND TITLE COMPANY, a corporation,

GRANT to

FELTON WATER CO.,

all that real property situate in the County of Santa Cruz, State

of California, described as follows:

FIRST: BEING part of Sections 20 and 21 in township 10 south, Range 2 west, U.D.M., and more particularly described as follows:

BEGINNING at a post at the center of said section 20, from which an iron pipe bears South 3° 05' West 16.05 feet distant, and a six inch redwood tree bears south 53° 50' West 18.70 feet distant; thence from said point of beginning north 0° 14' East along the quarter section line running north and south through said section 20, 723 feet to a stake from which the one-sixteenth section corner on the west side of the northeast quarter of said section 20 bears north 0° 14' East 503 feet distant, and an 8" oak tree bears South 0° 30' East 38.50 feet distant, and a 3 inch redwood tree bears south 57° East 20 feet distant; thence along the southern line of the lands of The Holmes Lime and Cement Company south 69° 31' East, at 741.30 feet a stake from which an 8" redwood tree bears due south 25 feet; at 1116.30 feet a stake on an old dam, from which an 8" redwood tree bears south 45° West 7.40 feet distant; at 1362.55 feet a point from which a 12" tan oak bears North 46° East 7 feet distant and a 10" tan oak bears south 11° 45' West 6.60 feet distant; at 1688.20 feet a stake from which an 8" redwood bears north 24° West 11 feet distant; at 2298.70 feet a stake from which a 15" redwood bears south 62° 30' East 4.10 feet distant; at 2723.20 feet a stake on the east line of said section 20 from which a 24" redwood bears north 25° East 2 feet distant and a 12" redwood bears north 40° west 2 feet distant; thence north 0° 12' West along the east line of section 20, 502 feet to the one-sixteenth section corner on the east side of the northeast

quarter of said section 20, from which a 24" redwood stump bears south 15° East 11.20 feet distant; thence continuing along the east line of said section 20, north 0° 17' East 346.85 feet to a spike in a private road leading to the quarry of The Holmes Lime and Cement Company, from which spike an 8" madrone tree bears South 0° 17' West 25.05 feet distant and a 12" redwood bears south 79° 15' West 25.90 feet distant, and a 6" redwood bears north 26° 15' West 16.00 feet distant; thence along said quarry road south 56° 20' East 119 feet to a spike; thence south 80° 58' East 50 feet to a spike at the most westerly corner of the lands conveyed from Agnes E. McCarron and J. H. McCarron to Thomas F. Prendergast by deed dated March 11, 1924, and recorded at page 310 in volume 21 of official records of Santa Cruz County, from which spike an 8" redwood bears south 80° East 16.90 feet distant and an iron pipe bears south 48° 56' East 24.15 feet distant; thence leaving said quarry road and along the line of said lands of Prendergast South 48° 56' East, at 78.4 feet a spike in a 4 foot redwood stump, at 342.5 feet a pipe at the southern corner of the lands of Prendergast, from which a 8" tan oak bears south 60° West 3.50 feet distant, and a 16" double redwood bears south 40° East 3.20 feet distant; thence north 41° 04' East along the southeastern line of said lands of Prendergast, at 550 feet an iron pipe from which a 10" redwood tree bears north 41° 04' East 9.25 feet distant and a 15" redwood bears south 80° East 7.60 feet distant; at 600 feet a spike in the mudsill of the middle bent of a tramway trestle, which spike is the eastern corner of said lands of Prendergast, and from which a 16" redwood bears south 88° 10' West 19.10 feet distant; thence along the average line of said tramway, being the northeastern line of said lands of Prendergast north 48° 56' West 98 feet to a spike from which a 6" redwood bears north 83° East 19.85 feet distant, and a 6" tan oak bears south 25° 45' East 18.60 feet distant; thence north 70° West 119.7 feet to a spike from which a 12" redwood bears north 58° West 14.50 feet distant, and a 16" tan oak bears north 15° East 14.60 feet distant, and an 8" madrone bears south 45° East 16.40 feet distant; thence leaving said tramway and the northeastern line of said lands of Prendergast, north 219.50 feet to a spike from which a 15" redwood stump bears south 20° West 7.70 feet distant; thence east 100 feet to an old stake from which an old mark M on a 58" redwood stump bears south 3° West 13.40 feet distant and a spike in the same stump bears south 0° 09' West 12.88 feet distant; thence north 0° 09' East, at 18.35 feet a line mark on the root of a 12" tan oak at 342.60 feet a stake from which an 18" madrone bears north 74° 50' East 1.10 feet distant; and a 18" redwood bears south 74° 50' West 12.80 feet distant, at 560.50 feet a spike in a leaning 8" madrone tree marked S, which tree is on the northern line of Section 21, township 10 south, Range 2 west, M. D. M., and 717.65 feet east of the northwest corner of said section 21, and from which spike a 10" redwood bears North 3° West 16.30 feet distant, and a 10" tan oak bears south 10° 20' West 22.75 feet distant, and an 18" tan oak bears South 75° 40' West 21.40 feet distant; thence due east along the north line of said section 21, at 225.50 feet a spike in a 6' redwood stump, at 684.50 feet the one-sixteenth section corner on the north side of the northwest quarter of said section 21, from which a 5' redwood stump bears north 6° East 31.68 feet distant, and a 10" tan oak bears south 57° East 15.70 feet distant and a 12" tan oak bears north 45° West 4.40 feet distant, and a 10" tan oak bears north 66° East 10.50 feet distant; thence along the one-sixteenth section line running north and south through the northwest quarter of said section 21, south 0° 56' West 1389.50 feet to the one-sixteenth section corner in the center of said northwest quarter of section 21, from which an old witness mark on a 4 foot redwood stump bears due east 66 feet distant, and a 6" tan oak bears north 66° 30' West 6.75 feet distant, and a 6" fir bears south 36° East 5.50 feet distant; thence along the one-sixteenth section line running east and west through the northwest quarter of said section 21, north 89° 55' East 1413.20 feet to the one-sixteenth section corner on the east side of the northwest quarter of said section 21, from which a 15" redwood bears north 11° West 13.40 feet distant and a 24" fir bears north 51° East 19.30 feet distant; thence along the one-sixteenth section

line running east and west through the northeast quarter of said section 21, north 89° 55' East at 422.80 feet an iron pipe; at 858.80 feet an iron pipe, at 1105.65 feet an iron pipe on the produced western line of the lands conveyed from The Holmes Lime Company Incorporated to George N. Ley by deed dated July 17, 1916, and recorded at page 480 in volume 287 of deeds, Santa Cruz County Records, from which pipe a 24" oak bears north 65° 20' West 39.40 feet distant and a 12" redwood bears north 52° 15' East 30.10 feet distant; thence along the western line of said lands of Ley and the production thereof, south 0° 20' West, at 144.20 feet a spike in the center line of a tramway from which a witness post bears north 53° 10' West 30.65 feet distant and another witness post bears south 0° 20' west 25.40 feet distant; at 307.15 feet an old line stake; at 499.45 feet, an old line stake; at 620.60 feet a stake from which a 6" redwood bears north 4° West 22 feet distant; at 717 feet a stake on the north line of the lands conveyed from Michael Cooney et al to George N. Ley and Hymon Steen by deed dated May 11, 1922, and recorded at page 28, in volume 318 of deeds, Santa Cruz County Records, from which stake an old stake in said north line of lands of Ley bears south 89° 54' East 91.60 feet distant, and a 18" tan oak bears north 82° 30' West 7.70 feet distant, and a 12" tan oak bears south 34° 30' West 8.90 feet distant; thence along the northerly line of said last mentioned lands of Ley north 89° 54' West 1099 feet to a stake in a mound of rock at the northwest corner of said lands of Ley and at the northeastern corner of the lands conveyed from The Holmes Lime Company Inc., to Felton Water Company by deed dated March 30, 1921, and recorded at page 444 in Volume 304 of deeds, Santa Cruz County Records, from which corner a 30" pine bears north 60° West 16.50 feet distant; and a 10" oak bears north 52° East 8.86 feet distant, and an 8" oak bears south 40° West 2 feet distant, and an 8" madrone bears south 64° 30' East 20.82 feet distant; thence north 88° 42' West along the north line of said lands of the Felton Water Company 1386 feet to the northwestern corner thereof, from which an 8" tan oak bears south 63° East 3.00 feet distant; and a 30" fir bears north 38° 30' East 24.20 feet distant; thence south 0° 12' West along the westerly line of said lands of the Felton Water Company 172.30 feet to a stake at the northeastern corner of the lands conveyed from The Holmes Lime Company Incorporated to Robert B. Henderson by deed dated October 28, 1912, and recorded at page 68 in volume 242 of deeds, Santa Cruz County Records, from which corner an 18" redwood bears south 63° 15' West 3.10 feet distant, and a line mark on the south side of an 8" redwood stump bears north 0° 12' East 0.95 feet distant, and an old stake marked F. A. H. and H. L. bears south 0° 12' West 110 feet distant; thence westerly along the north line of said lands of Robert B. Henderson 2773.70 feet to the northwest corner thereof, from which a 15" redwood bears south 16° 30' East 1.50 feet distant, and a spike in a 4' redwood stump bears south 0° 26' West 8.00 feet distant; thence south 0° 26' West along the west line of said lands of Henderson at 110 feet an 8" tan oak bears north 89° 34' West 5.20 feet distant; at 506.50 feet the one-sixteenth section corner on the south side of the northeast quarter of section 20, from which a 12" tan oak bears north 85° 15' West 10.35 feet distant, and a 4' redwood stump bears north 47° 45' East 18.60 feet distant; thence along the quarter section line running east and west through section 20, north 88° 42' West 1365.25 feet to the place of beginning, containing 125.38 acres of land.

RESERVING AND EXCEPTING from the above described land the following parcels, to wit:-

FIRST: A part of Section 21 in T. 10 S. R. 2 W., and being a strip of land 40 feet wide, being 20 feet on both sides of the following described center line of the Holmes Lime Co., railroad, as now located.

BEGINNING at a station on the section line between Sections 16, 17, 20, and 21, in T. 10 S. R. 2 W., M.D.B. & M., from which the corner of Sections 16, 17, 20 and 21, in said Township bears North 0° 05' East 622.5 feet distant; thence north 72° 09' East 102.9 feet to a station; thence south 87° 33' East 60.00 feet to a station; thence south 73° 55' East 160.00 feet to a station; thence south 63° 50' East 50.00 feet to a station; thence south 42° 03' East 40.00 feet to a station; thence south 20° 30' East 65.00 feet to a station; thence south 47° 44' East

50.00 feet to a station; thence South 79° 27' East 50.00 feet to a station; thence North 83° 47' East 100.00 feet to a station; thence South 85° 41' East 45.00 feet to a station; thence South 89° 45' East 100 feet to a station; thence South 50° 33' East 215.00 feet to a station; thence South 20° 04' East 255.00 feet to a station; thence South 31° 51' East 35.00 feet to a station; thence South 56° 29' East 100.00 feet to a station; thence South 40° 09' East 65.00 feet to a station; thence South 54° 23' East 50.00 feet to a station; thence South 79° 08' East 60.00 feet to a station; thence South 85° 25' East 39.3 feet to a station; thence South 77° 25' East 70.00 feet to a station; thence South 65° 44' East 100.00 feet to a station; thence South 51° 19' East 100.00 feet to a station; thence South 67° 12' East 100.00 feet to a station; thence South 78° 26' East 150 feet to a station; thence north 88° 48' East 150.00 feet to a station; thence South 71° 55' East 40.00 feet to a station; thence South 64° 27' East 100.00 feet to a station; thence South 56° 43' East 100.00 feet to a station; thence South 67° 05' East 40.00 feet to a station; thence South 89° 45' East 40.00 feet to a station; thence North 78° 07' East 100.00 feet to a station; thence South 87° 16' East 65.00 feet to a station; thence North 82° 34' East 50.00 feet to a station; thence North 68° 32' East 100.00 feet to a station; thence North 62° 19' East 50.00 feet to a station; thence North 49° 52' East 100.00 feet to a station; thence north 43° 45' East 50.00 feet to a station; thence North 61° 38' East 35.00 feet to a station; thence north 83° 25' East 40.00 feet to a station; thence north 63° 37' East 35.00 feet to a station; thence north 58° 15' East 100.00 feet to a station; thence north 43° 24' East 75.3 feet to a station from which the 1/16 section corner on the 1/4 section line north and south through the north 1/2 of said section 21 bears north 64° 05' East 63.00 feet; thence north 64° 03' East 35.00 feet to a station; thence North 84° 03' East 40.00 feet to a station; thence south 85° 11' East 80.00 feet to a station; thence South 72° 56' East 30.00 feet to a station; thence South 48° 16' East 30.00 feet to a station; thence South 41° 53' East 152.35 feet to a station at 26.05 feet cross 1/16 section line at 334.7 feet North 89° 44' East from 1/16 section corner on the 1/4 section line running north and south through the north 1/2 of said section 21; thence south 30° 05' East 40.00 feet to a station; thence ~~thence~~ South 10° 22' East 40.00 feet to a station; South 2° 43' East 60.00 feet to a station; thence South 23° 07' East 40.00 feet to a station; thence South 42° 14' East 60.00 feet to a station; thence South 79° 19' East 30.00 feet to a station; thence North 67° 58' East 40.00 feet to a station; thence north 57° 58' East 80.00 feet to a station; thence north 54° 38' East 100 feet to a station thence north 59° 57' East 90.00 feet to a station; thence north 76° 37' East 35.00 feet to a station; thence north 78° 21' East 120.00 feet to a station; thence north 31° 35' East 50.00 feet to a station; thence north 88° 09' East 50.00 feet to a station; thence South 79° 58' East 25.00 feet to a station; thence South 57° 21' East 50.00 feet to a station; thence South 52° 32' East 100.00 feet to a station; thence South 55° 58' East 65.00 feet to a station; thence South 74° 17' East 60.00 feet to a station; thence South 76° 48' East 200.00 feet to a station; thence South 71° 09' East 70.00 feet to a station; thence South 82° 00' East 60.00 feet to a station; thence north 83° 51' East 163.7 feet to a station on the westerly boundary of Zayante Rancho; from which the fractional corner between sections 16 and 21 in said Township bears north 0° 02' East 1717.6 feet distant.

SECOND: A part of Section 21, in T. 10 S. R. E W., being a strip of land 40 feet wide, being 20 feet on both sides of the following described center line of the Bull Quarry Branch of the Holmes Lime Co., Railroad, as now located.

BEGINNING on the west boundary of said section 21, in the center line of said railroad, from which the corner of sections 16, 17, 20 and 21 bears north 0° 02' East 1710.5 feet distant; thence along the average center line of said railroad North 38° 08' East 56.6 feet to a station; thence north 47° 35' East 70.00 feet to a station; thence North 25° 35' East 150.00 feet to a station; thence north 53° 15' East 70.00 feet to a station; thence north 65° 54' East 50.00 feet to a station; thence north 64° 06' East 100.00 feet to a station; thence South 75° 52'

East 80.00 feet to a station; thence South 83° 11' East 90.00 feet to a station; thence north 84° 18' East 200.00 feet to a station; thence north 83° 08' East 100.00 feet to a station; thence north 74° 15' East 90.00 feet to a station; thence South 75° 15' East 55.00 feet to a station; thence South 77° 08' East 65.00 feet to a station; thence north 61° 21' East 75.00 feet to a station; thence North 89° 32' East 100.00 feet to a station; thence north 79° 30' East 100.00 feet to a station; on the center line of railroad described under "First" above.

SECOND DESCRIPTION: BEING a part of the Zayante Rancho, and beginning on the center line of the concrete highway leading from Felton to Boulder Creek on the produced southerly boundary of "Brookside Subdivision No.1", as shown and designated on Map filed June 7th, 1920 in Volume 18, page 31 of Maps, on record in the office of the County Recorder of Santa Cruz County and from which the southwest corner of Alley "A" as shown on said map bears North 83° 23' East 25.35 feet distant; thence running along the center line of said above mentioned concrete highway South 16° 14' East 153.55 feet to the beginning of a curve to the right; thence curving to the right with a radius of 1400.00 feet through an angle of 10° 05' for a distance of 246.79 feet to a point of tangency; thence South 6° 08' East 172.34 feet to the beginning of a curve to the left; thence curving to the left with a radius of 200.00 feet through an angle of 55° 26' for a distance of 193.50 feet to a station in the middle of Fall Creek, so called; thence along the middle of Fall Creek North 50° 00' East 170.00 feet, a little more or less to the middle of the San Lorenzo River; thence northerly along the middle of said San Lorenzo River 750.00 feet, a little more or less, to the southeast corner of said above mentioned alley "A" as shown on said first above mentioned map; thence along the southerly boundary of said alley "A", South 83° 23' West 160.05 feet to the place of beginning.

RESERVING and EXCEPTING so much of said lands as lie within the exterior boundaries of the County Road leading from Felton to Boulder Creek.

THIRD; BEING a part of the Zayante Rancho, and beginning in the center of the County Road from the Town of Felton to the Town of Boulder Creek at a point 18 feet south of the northwest end of the present bridge across Fall Creek from which an oak tree bears South 86° 45' West 48 feet distant; thence South 53° 30' West 249 feet to a point on the westerly boundary of the Zayante Rancho; thence northerly along said boundary as established by the Forman Survey, North 0° 15' West 1095 feet to a point in the center of the aforesaid County Road; thence leaving said Rancho boundary and southerly along the center of said County Road South 16° 15' East 116 feet to a station; South 5° 45' East 165 feet to a station; South 12° 45' East 578 feet to the place of beginning, containing 2.143 acres, more or less, exclusive of the County Road.

Subject to a deed of trust for \$8000.00, recorded in volume 154 page 328, Official Records of Santa Cruz County.

IN WITNESS WHEREOF, said corporation has executed these presents by its officers thereunto duly authorized, this 30th day of June, 1933.

(Corporate Seal)

SANTA CRUZ LAND TITLE COMPANY,
 By H. O. Heiner
 Vice-President.
 By Annie M. McOaskill
 Secretary.

STATE OF CALIFORNIA }
 COUNTY OF SANTA CRUZ } ss.

On June 30, 1933, before me, INEZ G. HEINER, a Notary Public, in and for said County and State, personally appeared H. O. HEINER and ANNIE M. McOASKILL known to me to be the Vice-President and Secretary respectively of the corporation that executed the within instrument, and also known to me to be the persons who executed it on behalf of such corporation and acknowledged to me that such corporation executed the same.

Inez G. Heiner
 (Seal) Notary Public in and for the said County

STATE OF CALIFORNIA



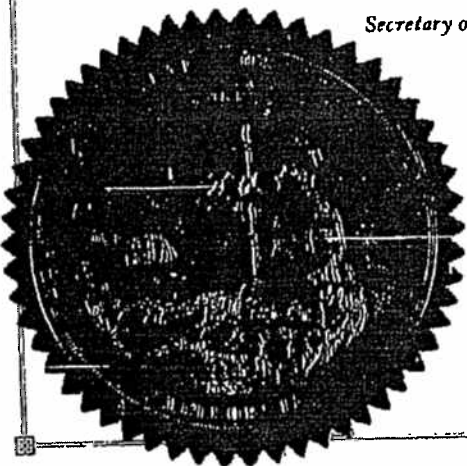
DEPARTMENT OF STATE

To all whom these presents shall come, Greetings:

I, FRANK M. JORDAN, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the RECORD on file in my office, of which it purports to be a copy, and that the same is full, true and correct.

In testimony whereof, I, FRANK M. JORDAN, Secretary of State, have hereunto caused the Great Seal of the State of California to be affixed and my name subscribed, at the City of Sacramento, in the State of California,
this JUN 1 1962



Frank M. Jordan
Secretary of State

By *Walter C. Wheeler*
Assistant Secretary of State

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

JUN 1 1962

FRANK M. JORDAN, Secretary of State
By F. C. VOGEL, Deputy

CERTIFICATE OF OWNERSHIP
(Pursuant to Section 4124 Corporations Code)

by

CITIZENS UTILITIES COMPANY OF CALIFORNIA
MERGING ITS WHOLLY-OWNED SUBSIDIARY,
FELTON WATER CO.

The undersigned, T.L. CHENAULT and
C.B. BROMAGEM, do hereby certify that they are
and have been at all times hereinafter mentioned the
duly elected and acting Vice President and Assistant
Secretary, respectively, of Citizens Utilities Company
of California, a California corporation, and do further
hereby certify:

A. That Citizens Utilities Company of Cali-
fornia owns all of the outstanding stock of Felton Water
Co., a California corporation.

B. That a meeting of the Board of Directors
of Citizens Utilities Company of California was duly
held at 4:45 o'clock P. M. on May 11,
1962, at the offices of Citizens Utilities Company,
Stamford, Connecticut, at which meeting there was at all
times present and acting, more than a quorum of said
Board, and

C. That at said meeting the following res-
olution was duly adopted by the vote of two (2) Direc-
tors, which number constituted a majority of the Board
of Directors of Citizens Utilities Company of California:

"RESOLVED: That this corporation, being the
owner of all of the outstanding stock of Felton
Water Co. does hereby merge Felton Water Co.
into Citizens Utilities Company of California
and does hereby assume all of the obligations
of Felton Water Co."

BOOK 1476 PAGE 81

IN WITNESS WHEREOF, the undersigned have executed this certificate in the name of Citizens Utilities Company of California this 28th day of May, 1962.

T.L. CHENAULT
Vice President, Citizens Utilities Company of California

C.B. BROMAGEM
Assistant Secretary, Citizens Utilities Company of California

15174
BOOK 1476 PAGE 79
IMAGED AT REQUEST OF
Boeing-Lytle, Elmer
+ Livingston
JUN 13 8 21 AM '62
Tom H. Kelley

STATE OF CALIFORNIA }
COUNTY OF SACRAMENTO } ss.

T.L. CHENAULT, and
C.B. BROMAGEM, each being duly sworn, each for himself deposes and says:

That they are and were at all times mentioned in the foregoing certificate Vice President and Assistant Secretary respectively of Citizens Utilities Company of California, the California corporation therein named; that each has read the foregoing Certificate and that the statements therein made are true of his own knowledge, and that the signatures purported to be the signatures of said Vice President and Said Assistant Secretary therein are the genuine signatures of said Vice President and Assistant Secretary, respectively.

T.L. CHENAULT

C.B. BROMAGEM

Subscribed and sworn to before me this 28th day of May, 1962

Erma M. Muse
Notary Public
in and for the County of Sacramento
State of California
My commission expires: 2/13/1965



Mail tax statements to:
CITIZENS RESOURCES CO.
High Ridge Park
Stamford, Conn. Citizens Utilities Company of California, a California corporation, does
08905

GRANT DEED
BOOK 2155 PAGE 532

46540

hereby grant and convey to Citizens Resources Company, a Delaware corporation, all that certain real property situated in the County of Santa Cruz, State of California, described as follows:

PARCEL ONE

BEING a part of Parcel 10 of the lands described in the Deed recorded June 23, 1952 in Volume 873, page 321, Official Records of Santa Cruz County and being a strip of land 40 feet wide, being 20 feet on both sides of the following described center line and beginning at a station on the section line between Sections 20 and 21 in T. 10 S. R. 2 W., M.D.B.&M., from which the corner to Sections 16-17-20 and 21, in said Township bears North 0°02' East 822.5 feet distant; thence North 72°09' East 102.9 feet to a station; thence South 87°33' East 60.00 feet to a station; thence South 73°55' East 160.00 feet to a station; thence South 63°50' East 50.00 feet to a station; thence South 42°03' East 40.00 feet to a station; thence South 20°50' East 65.00 feet to a station; thence South 47°44' East 50.00 feet to a station; thence South 79°27' East 50.00 feet to a station; thence North 83°47' East 100.00 feet to a station; thence South 85°41' East 45.00 feet to a station; thence South 69°45' East 100 feet to a station; thence South 50°33' East 215.00 feet to a station; thence South 20°04' East 255.00 feet to a station; thence South 31°51' East 35.00 feet to a station; thence South 56°29' East 100.00 feet to a station; thence South 40°09' East 65.00 feet to a station; thence South 54°23' East 50.00 feet to a station; thence South 79°06' East 60.00 feet to a station; thence South 85°25' East 39.3 feet to a station; thence South 77°25' East 70.00 feet to a station; thence South 65°44' East 100.00 feet to a station; thence South 51°19' East 100.00 feet to a station; thence South 67°12' East 100.00 feet to a station; thence South 78°26' East 150 feet to a station; thence North 88°46' East 150.00 feet to a station; thence South 71°55' East 40.00 feet to a station; thence South 54°27' East 100.00 feet to a station; thence South 58°43' East 100.00 feet to a station; thence South 67°06' East 40.00 feet to a station; thence South 89°45' East 40.00 feet to a station; thence North 78°07' East 100.00 feet to a station; thence South 87°16' East 65.00 feet to a station; thence North 82°34' East 50.00 feet to a station; thence North 68°32' East 100.00 feet to a station; thence North 62°19' East 50.00 feet to a station; thence North 49°52' East 100.00 feet to a station; thence North 43°43' East 50.00 feet to a station; thence North 61°38' East 35.00 feet to a station; thence North 83°25' East 40.00 feet to a station; thence North 63°37' East 35.00 feet to a station; thence North 58°15' East 100.00 feet to a station; thence North 43°24' East 75.3 feet to a station on the 1/16 Section line running East and West through said Section 21, T. 10 S. R. 2 W., M.D.B.&M.

EXCEPTING therefrom that portion of the above 40 foot strip of lands that lies Westerly from the West end of the course reading South 69°45' East 100.00 feet.

DOCUMENTARY TRANSFER TAX \$... None
COMPUTED ON FULL VALUE OF PROPERTY
LESS OTHER TAXES
AND THEIR COST AT THE TIME OF SALE
Signature of declarant or agent determining tax - firm name

Citizens Resources Co
540 P.

RECORDED AT REQUEST OF

Dec 17 2 16 PM '71

OFFICIAL RECORDS
SANTA CRUZ COUNTY
TOM M. BERRY
CLERK

BOOK 2155 PAGE 532

046540

ALSO excepting therefrom so much of the above described land as was conveyed by Florence Fetherston to Felton Water Company, a corporation, by Deed recorded October 3, 1961 in Volume 1428, page 234, Official Records of Santa Cruz County.

SUBJECT to and together with rights of way of record.

PARCEL TWO

BEING part of Section 21, in T. 10 S. R. 2 W., being a strip of land 40 feet wide, being 20 feet on both sides of the following described center line of the Bull Quarry Branch of the Holmes Lime Co. Railroad as now located.

BEGINNING on the West boundary of said Section 21 in the center line of said railroad, from which the corner of Section 16-17-20 and 21 bears North 0°02' East 1770.3 feet distant; thence along the average center line of said railroad North 32°06' East 56.6 feet to a station; thence North 47°33' East 70.00 feet to a station; thence North 25°35' East 130.00 feet to a station; thence North 33°15' East 70.00 feet to a station; thence North 65°59' East 50.00 feet to a station; thence North 84°06' East 100.00 feet to a station; thence South 73°52' East 60.00 feet to a station; thence South 83°11' East 90.00 feet to a station; thence North 84°18' East 200.00 feet to a station; thence North 53°08' East 100.00 feet to a station; thence North 74°15' East 90.00 feet to a station; thence South 75°16' East 55.00 feet to a station; thence South 77°08' East 65.00 feet to a station; thence North 61°21' East 75.00 feet to a station; thence North 89°32' East 100.00 feet to a station; thence North 79°30' East 100.00 feet to a station on the center line of Parcel One.

The foregoing grant is made subject to any and all covenants, conditions, restrictions, exceptions, reservations, easements, rights of way and encumbrances existing on or affecting the property herein described, whether or not of record.

To have and to hold the rights herein granted unto the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF Citizens Utilities Company of California has caused its corporate name and seal to be affixed hereto and this instrument to be executed by its duly authorized officers.

Dated 12/10/71

Citizens Utilities Co. of California

By J.L. Chumley
Vice President

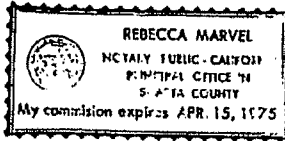
By C.B. Brown
(Title)
Secretary



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STATE OF CALIFORNIA)
COUNTY OF Shasta) 88

On this 10th day of December, 1971, before me,
Rebecca Marvel, a Notary Public in and for the said County and State,
personally appeared J. R. Chenault and C. B. Bromagen
known to me to be the Vice-President and Secretary
respectively, of Citizens Utilities Company of California, the corporation
that executed the within instrument and acknowledged to me that said
corporation executed the same.



Rebecca Marvel
Notary Public in and for the County of
Shasta State of California

Attachment 2

MEMO

TO: Board of Directors

FROM: Betsy Herbert, Environmental Analyst

DATED: February 2, 2007

SUBJECT: Drinking Water Source Assessment for Cal-Am Watershed Properties

RECOMMENDATION:

It is recommended that the Board of Directors review and file this memo regarding Drinking Water Source Assessment for the Cal-Am watershed properties.

BACKGROUND:

This memorandum is to inform the Board of the results of staff's analysis of the California American Water Company Felton District (Cal-Am) watershed properties relative to the identification of the portions of the properties essential to protect Felton's water supply sources, which include Bennett Springs, Bull Springs, Fall Creek, and Bull Creek.

Staff analyzed Cal-Am's water sources and watershed holdings using standard procedures and guidelines adopted by the California Department of Health Services (DHS) Drinking Water Source Assessment and Protection Program (DWSAP). This program was mandated by the federal Safe Drinking Water Act Amendments of 1996.

DWSAP requires the completion of source water assessments for every community water utility in the state. According to DHS, Cal-Am has not completed source water assessments for the Felton water system.

For each surface water source, DHS requests that an assessment map be prepared to show the location of the drinking water source, delineate the source area (watershed), and optionally, protection zones as defined by DHS. Protection zones are areas where the source water is considered particularly vulnerable to contaminating sources. DHS defines the following protection zones:

Zone A: 400 feet from primary stream boundaries
200 feet from tributaries

Zone B: 2,500 feet from intakes

Exhibit 63 to the memorandum dated February 2, 2007 from special Legal Counsel Jeffrey M. Oderman and District Manger Mueller consists of three maps prepared by staff, using DWSAP protocols. These maps show Cal-Am watershed water sources and delineate DHS-defined protection zones (buffer zones) as follows:

Map 1 shows Cal-Am watershed holdings (cross-hatched area) with the DHS-defined Zone A 400 and 200 foot protection zones around streams, in a slightly darker grey, edged with light dotted line. Note that only small, isolated fragments of Cal-Am's watershed properties are outside the Zone A protection area.

Map 2 shows Cal-Am watershed holdings (cross-hatched area) with the DHS-defined Zone B protection zones around the water intakes. Protection zones are shown in darker grey, bordered by a heavy black dotted line. Again note that only small, isolated fragments of Cal-Am's watershed properties lie outside the Zone B protection area.

Map 3 shows Cal-Am watershed holdings (cross-hatched area) with both Zone A and B protection zones combined. Note that all of the Cal-Am parcels fall within the combined protection zone area.

In summary, using pre-defined DHS criteria, which are designed to identify critical areas needed to protect drinking water sources, staff has shown that all of the Cal-Am owned watershed properties are essential for protecting Felton's water supply.

References

Drinking Water Source Assessment and Protection Program. 2000. California Department of Health Services, Division of Drinking Water and Environmental Management. (http://www.dhs.ca.gov/ps/ddwem/dwsap/DWSAP_document.PDF 2/2/07)