

SANTA CRUZ COUNTY



friends of the rail trail

February 6, 2005

Wayne Horiuchi
Union Pacific Railroad
915 L Street, Suite 1180
Sacramento, California 95814

Dear Mr. Horiuchi,

On behalf of Santa Cruz County Friends of the Rail Trail (FORT), I am following up on a conversation you had with Micah Posner regarding the possibility of holding a "Rail Trail Festival" event.

We seek permission from UP to open designated portions of the Santa Cruz Branch Line for a weekend day to allow residents to experience the rail corridor first hand without trespassing. We also hope that it would be possible to include a demonstration run of a passenger rail vehicle similar to that proposed for service on the line (Budd RDC or similar).

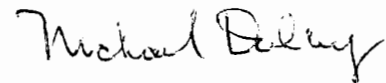
The best date for the event from our standpoint would be Sunday, May 22, but we are flexible and understand that your freight schedule needs to have priority.

Understandably, UP will require assurance of indemnity against any claims of liability pursuant to this event. We believe that this will be possible through the County and the rail operator for the event, in conjunction with our liability

insurance, which covers up to one million dollars and permits us to list you as additionally insured.

We hope you agree that this event would serve our mutual interests in promoting completion of the purchase.

Sincerely,

A handwritten signature in cursive script that reads "Michael Dalbey".

Michael Dalbey, PhD.
Board of Directors, FORT
415 Rigg St.
Santa Cruz, CA 95060
dalbey@biology.ucsc.edu

cc. John Laird- Chair of the Budget Committee, California Congress.

Luis Mendez- Santa Cruz County Regional Transportation Commission

WAYNE K. HORIUCHI
Special Representative

UNION PACIFIC RAILROAD COMPANY



915 L Street, Suite 1180
Sacramento, CA 95814
(916) 442-2800
Fax (916) 442-4073

March 1, 2005

Michael Dalbey, Ph.D.
Friends of the Rail Trail
415 Rigg Street
Santa Cruz, CA 95060

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Dear Dr. Dalbey:

RE: Rail Trail Festival Event

I am in receipt of your letter dated February 6, 2005 with respect to your request for UP participation in public events for your "Rail Trail Festival."

I'm sending your letter to our Operating officers to see if we can provide an "operating window" on May 22 to allow you to conduct your activities near our right of way.

I have also sent your letter to our General Attorney in Roseville, Jeff Asay, to look at the issues of liability and determine if your liability policy sufficiently covers the railroad during your Rail Trail Festival.

Finally, the allowance of a passenger rail vehicle on the tracks may be prohibitive; however, I suggest that you contact Punky Poff to see if we could accommodate a commuter car on our tracks during this time. The passenger owner and operator of the rolling stock should contact Mr. Poff, as well. Mr. Poff can be reached at (916) 789-6016. Mr. Asay can be reached at (916) 789-6217. We anticipate hearing from you.

I am,

Sincerely,
A large, stylized handwritten signature in black ink, appearing to be "W. K. Horiuchi".

WAYNE K. HORIUCHI
Special Representative

cc: John Laird
Luis Mendez
Rick Gooch
Jerry Wilmoth
Jeff Asay
Punky Poff
Paul Brooks