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MAR - 5 2004

Part of
Public Record

ORIGINAL



BY HAND

March 5, 2004

210244

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

RE: STB Finance Docket No. 34474, Great Northern Railroad,
Inc.- Acquisition Exemption - Camas Prairie RailNet, Inc.

Dear Mr. Williams:

I am writing on behalf of Camas Prairie RailNet, Inc.
("Camas Prairie"), in connection with the above-captioned rail
line acquisition proceeding.

On February 20, 2004, Great Northwest Railroad, Inc. ("Great Northwest"), filed a notice of exemption with the Board in FD No. 34474, to acquire and operate the rail properties of Camas Prairie. Subsequently, a representative of the Board contacted counsel for Great Northwest in order to resolve an ambiguity in the sale transaction. More specifically, the Board wanted to ascertain whether Camas Prairie still owned the one mile segment of Camas Prairie's Second Subdivision between MP 0.0 and MP 1.0 at Spalding, ID. The ambiguity had arisen in connection with Camas Prairie's 2003 sale of most of the Second Subdivision to BG & CM Railroad ("BG & CM"). BG & CM's exemption filing with the STB suggested that it was acquiring and operating the entire line from MP 0.0 to MP 66.8 and would restore to operation the segment between MP 0.0 to MP 52.0. See, STB FD No. 34398, BG & CM Railroad - Acquisition and Operation Exemption - Line of Camas Prairie RailNet, Inc. (Served October 6, 2003).

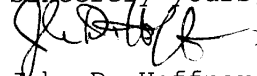
In fact, BG & CM only acquired the track and right of way beyond MP 1.0 (to MP 52.0 for track and MP 66.8 for right of way). As a result, Camas Prairie retained ownership of the segment between MP 0.0 to MP 1.0 and subsequently sold that

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trackage along with its other rail assets to Great Northwest. As evidence of Camas Prairie's ownership, I am enclosing for review by the Office of Proceedings a copy of the relevant deeds between Camas Prairie and BG & CM and Camas Prairie and Great Northwest.

Please contact me in connection with any questions. Also please date stamp and return one copy of this letter for our files.

Sincerely yours,



John D. Heffner

Enclosures

cc: Mr. Robert F. McKenney
Charles H. Montange, Esq.
Karl Morell, Esq.

EXHIBIT 1(a)

QUITCLAIM DEED

THE CAMAS PRAIRIE RAILNET, INC., a Delaware corporation, Grantor, for Ten and no/100 Dollars (\$10.00) and other good and valuable consideration, to it duly paid, the receipt whereof is hereby acknowledged, and pursuant to the terms of that certain Agreement For Sale of Certain Assets of Camas Prairie Railnet, Inc. to BG & CM Railroad, Inc., dated as of November ___, 2002 (the "Asset Purchase Agreement"), does by these presents REMISE, RELEASE and QUITCLAIM, without any covenants of warranty whatsoever and without recourse to the Grantor, its successors and assignees, unto BG & CM Railroad, Inc., Grantee, its successors and assignees, forever, all of its right, title and interest, if any, in and to a certain strip or parcel of land constituting Grantor's rail line between Milepost 1.0, just southeast of Spalding, Idaho, to the end of the rail line at or around Grangeville, Idaho (the "Grangeville Line"), which real estate is situated in various counties of the State of Idaho, the boundaries of which are more particularly described in Attachment 1, attached hereto.

SUBJECT, however, to all existing interests, including but not limited to all reservations, rights-of-way, easements and other encumbrances, of record or otherwise.

EXCEPTING AND RESERVING unto Grantor, its successors and assigns, all of the coal, oil, gas, casing-head gas and all ores and minerals of every kind and nature, including sand and gravel underlying the surface of the premises herein conveyed, together with the full right, privilege and license at any and all times to explore, or drill for and to protect, conserve, mine, take, remove and market any and all such products in any manner which will not damage structures on the surface

of the premises herein conveyed, or materially interfere with the use of such premises, together with the right of access at all times to exercise these rights.

ALSO RESERVING unto Grantor, its successors and assigns, any and all water rights, and the non-exclusive right to develop and take water by any means, and to all appropriations, priorities, permits and certificates which are appurtenant to, associated with, used upon, flowing over, under, or lying on, in or under the premises herein conveyed, and a non-exclusive, permanent easement to construct, install, operate, replace, rework, reconstruct, rehabilitate and maintain any and all water diversion, production and transportation structures, equipment, improvements and piping, and to construct, install, operate and maintain water pumps and hydroelectric generation equipment necessary, convenient or related to the production, transportation or delivery of water from, on, under or across the premises herein conveyed, together with the right of access at all times to exercise these rights, provided that all activities in the exercise of these rights shall be performed in a manner which will not damage structures on the surface of the premises or materially interfere with Grantee's use of the Grangeville Line on the premises.

ALSO RESERVING unto Grantor, its successors and assigns, a non-exclusive, permanent easement for construction, reconstruction, maintenance, use and/or operation of one or more pipelines or fiber optic communication lines, facilities and appurtenances in, under, across, along and through all or any portion of the premises herein conveyed, including the right for grantor, its successors and assigns, or any of its licensees, to enter, disturb the surface, and occupy the premises herein to be conveyed for purposes of constructing, reconstructing, maintaining, using and/or operating one or more pipelines or fiber optics communication lines, facilities and appurtenances in, under, across, along and through all or any portion of the premises herein to be conveyed; provided

however, that all activities in the exercise of these rights shall be performed in a manner which will not damage structures on the surface of the premises herein conveyed, and that Grantor shall notify Grantee in advance of any such entry, and shall enter and occupy such premises in a manner which does not materially interfere with Grantee's use of such premises.

ALSO RESERVING unto Grantor, its successors and assigns, all noncommon carrier overhead trackage rights over the Grangeville Line, together with the right of access at all times to exercise these rights.

TO HAVE AND TO HOLD the same unto Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, Grantor has caused this instrument to be signed by its authorized representative, attested by its Assistant Secretary, and its corporate seal to be affixed hereto, on the ____ day of _____, 200__.

CAMAS PRAIRIE RAILNET, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Assistant Secretary

STATE OF TEXAS §
 §
COUNTY OF _____ §

On this _____ day of _____, 200____, before me, the undersigned, a Notary Public in and for the State of Texas, duly commissioned and sworn, personally appeared _____, _____ and an Assistant Secretary, respectively of Camas Prairie Railnet, Inc., the corporation that executed the foregoing instrument, and acknowledged the execution thereof to be the free and voluntary act and deed of such officer and the voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the foregoing instrument and that the seal affixed in the corporate seal of said corporation.

Witness my hand and official seal affixed the day and year first above written.

Notary Public - State of Texas

**ATTACHMENT NO. 1
TO QUITCLAIM DEED**

All that portion of The Burlington Northern and Santa Fe Railway Company's (formerly Northern Pacific Railway Company) Spalding (Milepost 1.00) to Grangeville (Milepost 66.50), Idaho, Branch Line right of way, varying in width on each side of said Railway Company's Main Track centerline, as now located and constructed upon, over and across Nez Perce County, Lewis County and Idaho County, Idaho, more particularly described as follows, to-wit:

NEZ PERCE COUNTY

All that portion of said Railway Company's 100.0 foot wide Branch Line right of way, being 50.0 feet wide on each side of said Main Track centerline upon, over and across Government Lots 11, 12 and 13 of Section 22, Township 36 North, Range 4 West of the Boise Meridian, bounded on the North by a line drawn parallel with and distant 50.0 feet Southerly, as measured at right angles from said Railway Company's Lewiston to Kootenai, Idaho Branch Line Main Track centerline, as now located and constructed, and bounded on the Southeast by the East line of said Section 22; also,

All that portion of said Railway Company's 100.0 foot wide East Leg Wye Track at Spalding, Idaho located on said Branch Line right of way, being 50.0 feet wide on each side of said Main Track centerline upon, over and across Government Lot 12 of said Section 22, Township 36 North, Range 4 West, bounded on the North by a line drawn parallel with and distant 50.0 feet Southerly, as measured at right angles from said Railway Company's Lewiston to Kootenai, Idaho Branch Line Main Track centerline, as now located and constructed, and bounded on the Southwest by the Northeasterly line of the hereinabove described 100.0 foot wide Branch Line right of way; also,

That portion of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ and the SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, Township 36 North, Range 4 West, lying Southwesterly of a line drawn parallel with and distant 100.0 feet Northeasterly, as measured at right angles from said Main Track centerline; also,

All that portion of said Railway Company's 100.0 foot wide Branch Line right of way, being 50.0 feet wide on each side of said Main Track centerline upon, over and across the S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ and the S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 23, the W $\frac{1}{2}$ NW $\frac{1}{4}$ and the SW $\frac{1}{4}$ of Section 26, the E $\frac{1}{2}$ NW $\frac{1}{4}$, the E $\frac{1}{2}$ E $\frac{1}{2}$ SW $\frac{1}{4}$ and the W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 35, all in Township 36 North, Range 4 West, the E $\frac{1}{2}$ E $\frac{1}{2}$ E $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ and the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 2, the E $\frac{1}{2}$ of Section 11, and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 14, all in Township 35 North, Range 4 West, bounded on the North by the North line of said S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, Township 36 North, Range 4 West, and bounded on the South by the South line of said E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 14, Township 35 North, Range 4 West; also,

QUITCLAIM DEED

THE CAMAS PRAIRIE RAILNET, INC., a Delaware corporation, Grantor, for Ten and no/100 Dollars (\$10.00) and other good and valuable consideration, to it duly paid, the receipt whereof is hereby acknowledged, and pursuant to the terms of that certain Agreement For Sale of Certain Assets of Camas Prairie Railnet, Inc. to Great Northwest Railroad NEWCO, dated as of _____, 2004 (the "Asset Purchase Agreement"), does by these presents REMISE, RELEASE and QUITCLAIM, without any covenants of warranty whatsoever and without recourse to the Grantor, its successors and assignees, unto NEWCO, Grantee, its successors and assignees, forever, all of its right, title and interest, if any, in and to the real estate and right-of-way of Grantors in Clearwater, Idaho, Lewis and Nez Perce Counties, Idaho, the boundaries of which are more particularly described in Attachment 1, attached hereto.

SUBJECT, however, to that certain Operating Easement Agreement between Grantor and Grantee, dated _____, 2004, and further subject to all existing interests, including but not limited to all reservations, rights-of-way, easements and other encumbrances, of record or otherwise.

EXCEPTING AND RESERVING unto Grantor, its predecessors, successors and assigns, all of the coal, oil, gas, casing-head gas and all ores and minerals of every kind and nature, including sand and gravel underlying the surface of the premises herein conveyed, together with the full right, privilege and license at any and all times to explore, or drill for and to protect, conserve, mine, take, remove and market any and all such products in any manner which will not damage structures on the surface of the premises herein conveyed, or materially interfere with the use of such premises, together with the right of access at all times to exercise these rights.

ALSO RESERVING unto Grantor, its predecessors, successors and assigns, any and all water rights, and the non-exclusive right to develop and take water by any means, and to all appropriations, priorities, permits and certificates which are appurtenant to, associated with, used upon, flowing over, under, or lying on, in or under the premises herein conveyed, and a non-exclusive, permanent easement to construct, install, operate, replace, rework, reconstruct, rehabilitate and maintain any and all water diversion, production and transportation structures, equipment, improvements and piping, and to construct, install, operate and maintain water pumps and hydroelectric generation equipment necessary, convenient or related to the production, transportation or delivery of water from, on, under or across the premises herein conveyed, together with the right of access at all times to exercise these rights, provided that all activities in the exercise of these rights shall be performed in a manner which will not damage structures on the surface of the premises or materially interfere with Grantee's use of such premises.

ALSO RESERVING unto Grantor, its predecessors and assigns, a non-exclusive, permanent easement for construction, reconstruction, maintenance, use and/or operation of one or more pipelines or fiber optic communication lines, facilities and appurtenances in, under, across, along and through all or any portion of the premises herein conveyed, including the right for grantor, its successors and assigns, or any of its licensees, to enter, disturb the surface, and occupy the premises herein to be conveyed for purposes of constructing, reconstructing, maintaining, using and/or operating one or more pipelines or fiber optics communication lines, facilities and appurtenances in, under, across, along and through all or any portion of the premises herein to be conveyed; provided however, that all activities in the exercise of these rights shall be performed in a manner which will not damage structures on the surface of the premises herein conveyed, and that Grantor shall notify

Grantee in advance of any such entry, and shall enter and occupy such premises in a manner which does not materially interfere with Grantee's use of such premises.

TO HAVE AND TO HOLD the same unto Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, Grantor has caused this instrument to be signed by its authorized representative, attested by its Secretary on the ____ day of _____, 2004.

CAMAS PRAIRIE RAILNET, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Secretary

STATE OF TEXAS

§

COUNTY OF _____ §

On this ____ day of _____, 200__, before me, the undersigned, a Notary Public in and for the State of Texas, duly commissioned and sworn, personally appeared _____, _____ and a Secretary, respectively of Camas Prairie Railnet, Inc., the corporation that executed the foregoing instrument, and acknowledged the execution thereof to be the free and voluntary act and deed of such officer and the voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the foregoing instrument and that the seal affixed in the corporate seal of said corporation.

Witness my hand and official seal affixed the day and year first above written.

Notary Public - State of Texas

All that portion of the Burlington Northern and Santa Fe Railway Company's (formerly Northern Pacific Railway Company) branch line right of way in and south of Spalding, Idaho, from Milepost 0.00 to Milepost 1.0, varying in width on each side of said Railway Company's Main Track centerline, as now located and constructed upon, over and across Nez Perce County, Idaho, more particularly described as follows, to-wit:

NEZ PERCE COUNTY

All that portion of said Railway Company's 100.0 foot wide Branch Line right of way, being 50.0 feet wide on each side of said Main Track centerline upon, over and across Government Lots 11, 12 and 13 of Section 22, Township 36 North, Range 4 West of the Boise Meridian, bounded on the North by a line drawn parallel with and distant 50.0 feet Southerly, as measured at right angles from said Railway Company's Lewiston to Kooskia, Idaho Branch Line Main Track centerline, as now located and constructed, and bounded on the Southeast by the East line of said Section 22; also,

All that portion of said Railway Company's 100.0 foot wide East Leg Wye Track at Spalding, Idaho located on said Branch Line right of way, being 50.0 feet wide on each side of said Main Track centerline upon, over and across Government Lot 12 of said Section 22, Township 36 North, Range 4 West, bounded on the North by a line drawn parallel with and distant 50.0 feet Southerly, as measured at right angles from said Railway Company's Lewiston to Kooskia, Idaho Branch Line Main Track centerline, as now located and constructed, and bounded on the Southwest by the Northeasterly line of the hereinabove described 100.0 foot wide Branch Line right of way; also,

That portion of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ and the SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, Township 36 North, Range 4 West, lying Southwesterly of a line drawn parallel with and distant 100.0 feet Northeasterly, as measured at right angles from said Main Track centerline; also,

All that portion of said Railway Company's 100.0 foot wide Branch Line right of way, being 50.0 feet wide on each side of said Main Track centerline upon, over and across the S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ and S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 23, and the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 26 up to railroad Milepost 1.0.