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ELMER F. PATMAN
(1907-1987)
PHILIP F. PATMAN
(1937-2005)

236404

AB 603 Sub 3

July 28, 2014

By Federal Express
Airbill 8053 0671 7943

ENTERED
Office of Proceedings
August 5, 2014
Part of
Public Record

Kern Schumacher, Chairman
V&S Railway Co.
1505 South Redwood Road
Salt Lake City, Utah 84104

Dear Mr. Schumacher,

For many years our firm has represented KCVN, LLC, a Delaware Limited Liability Company, which owns about 25,000 acres of farm ground in Kiowa County, Colorado.

V&S owns a railway line extending about 120 miles west from Towner Junction, Colorado to NA Junction, Colorado, which is a connection point with the BNSF Railway line running south from Pueblo, Colorado. V&S purchased this line from the State of Colorado in 2011 for \$9,356,000. By filing dated June 4, 2014, copy enclosed, counsel for V&S gave notice of its intent to seek federal authority for abandonment and scrapping of a segment about 20 miles long in the middle of the line, roughly between Eads and Haswell. Our client's land ownership is highly concentrated in this immediate area. In order to prevent even greater isolation by severance of a rail link to terminal grain markets to the east and the west, KCVN, LLC offers to purchase the entire 120 +/- rail line from Towner Junction to NA Junction from V&S Railway Co. for \$10,000,000 cash.

Regarding its financial ability to consummate the purchase, KCVN offers as a reference the name of its primary banker for that territory, Gail Harvey at Farm Credit Bank in Lamar, (719) 336-7474. As further evidence of its ability, KCVN has today submitted to Kim Richards of Kiowa County Abstract Company in Eads, Colorado, a wire transfer in the amount of \$1,000,000.00 for deposit to its trust account, as earnest money for a purchase and sale contract, subject to negotiation of a mutually satisfactory agreement between the parties. KCVN will retain Denver counsel for representation in these negotiations with your company, if you are willing to favorably consider the proposition.

This offer is contingent upon receipt of an inspection report from a recognized rail consultant within 45 days of execution of a purchase and sale contract, such inspection report indicating no conditions regarding the trackage and bridges which are unacceptable to KCVN. We have in mind retaining for this purpose a company such as R. L. Banks & Assoc., Shelby Railroad Service, Railworks Company, or another of their caliber for this purpose. KCVN would bear the cost of this inspection and report, and share with your firm a copy of the final report.

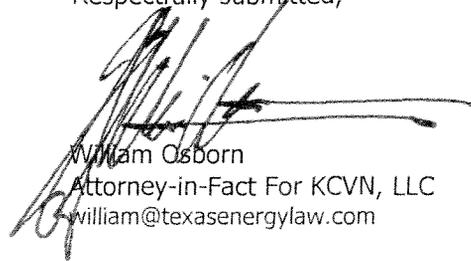
Our client plans to retain a short-line contract operator to keep the line open, also investing such amount as is necessary to retain shipper access from all points on the line to either end thereof. By preservation and enhancement of the line, it could hopefully be preserved in its entirety for future shippers, to the benefit of both private and public interests at the county and state levels. Although Kiowa County is on the

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very western edge of the Midwestern dryland grain belt, there are some encouraging advances on the horizon for wheat varieties which have been bred for adaptation to low moisture environments.

It is our experience that no transaction of this magnitude gains initial traction except by meeting face to face. I ask if you will come or send a representative(s) to Denver to meet with me and Colorado counsel to discuss the proposition. We are mindful that your company may consider the line more valuable than our initial offer. We are open to a discussion about valuation, within reasonable limits, and contingent upon review of the inspection report contemplated above.

Respectfully submitted,



William Osborn
Attorney-in-Fact For KCVN, LLC
william@texasenergylaw.com

WSO/kp

cc: Hon. John W. Hickenlooper
Governor, State of Colorado
136 State Capitol
Denver, Colorado 80203

Hon. Senator Michael F. Bennet
458 Russell Senate Office Building
Washington, D. C. 20510

Hon. Senator Mark Udall
730 Hart Senate Office Building
Washington, D.C. 20510

Hon. Representative Cory Gardner
213 Cannon HOB
Washington, DC 20515

Hon. Representative Max Tyler, Chair TLRC
State Capitol
Denver, Colorado 80203

Hon. Senator Rollie Heath, Vice-Chair TLRC
State Capitol
Denver, Colorado 80203

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July 28, 2014
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Donald Hunt
Executive Director
Colorado Department of Transportation
4201 East Arkansas Avenue
Denver, Colorado 80222

Richard Scott, Chairman
Kiowa County Board of Commissioners
1305 Goff Street
Eads, Colorado 81036

Fritz R. Kahn, P.C.
Attorney at Law
1919 M Street NW (7th Floor)
Washington, D.C. 20036

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D. C. 20423

Roger D. Nelson, President
Professional Land Surveyors of Colorado, Inc.
Post Office Box 460022
Glendale, Colorado 80246

Darrell L. Hanavan
Executive Director
Colorado Association of Wheat Growers
4026 S. Timberline Rd. Suite 100
Fort Collins, Colorado 80525

Gail Harvey
Farm Credit Bank of Southern Colorado
201 South 5th Street
Lamar, Colorado 81052

Kim Richards
Kiowa County Abstract Company
Post Office Box 128
Eads, Colorado 81036

Outgoing FED Message

Printed: 7/28/2014 1:54:17PM

Requested By: RS8491

VERSION: 0

MESSAGE INFORMATION

Amount:	\$1,000,000.00	Message ID:	140728115012RS00	Source:	
Currency:	USD	Latest Version:	0	Priority:	
Value Date:	7/28/14	Time:	12:41:41	URC:	
Bank ID:	220	Department:	WIR	Status:	COMPLETE
Message Type:	10	Branch:	220BR6105	Template:	
Message Subtype:	00	Charge:			
Fee:	0.00	Service:	FAX	Country Code :	US
Ref. No.:	0093	External Ref.:			

MESSAGE TEXT

Sender ABA:	114021933	Sender Name:	BROADWAY BANK	Ref. No.:	0093
Receiver ABA:	101104805	Receiver Name:	BANKERS BK OF KS	Prod. Code:	CTR
Ref. IMAD:				Local Instrument Code:	
IMAD:	20140728K4B7501C000045	Prop. Code:			
OMAD:	20140728JMQFMP0200013907281342FT03	Ref. for Bnf.:			
As of Reason:		As of Date:		Disposition:	
Acc Off:	220	Account:	4100047769	Acc. Type:	DDA
Cr Acc Off:		Cr Acc No:		Initiator ID:	
Db Advice:		Db Fee:	0.00	Cr Advice:	
Cr Fee:				Cr Fee:	
Drawdown Credit Account:					
Originator:		Beneficiary:			
4100047769		1200696201			
OSBORN AND GRIFFITH IOLTA		CUSTOMER KIOWA COUNTY ABSTRACT			
515 CONGRESS AVE STE 2450		ESCROW			
AUSTIN, TX 78701-					
Originator Bank:		Originator Option F:	N	Beneficiary Bank:	
				GIRARD NATIONAL BANK	
				KIOWA COUNTY NATIONAL BANK BRANCH	
				ABA: 101112842	

Originator Bank Info: REF: EARNEST MONEY, PURCHASE RAILLINE WEST OF TOWNER COLORADO

Free Text:

FRITZ R. KAHN, P.C.
1919 M STREET, NW. (7TH FL.)
WASHINGTON, DC 20036
Tel.: (202) 263-4152 Fax: (202) 331-8330
e-mail: xiccgc@gmail.com

June 4, 2014
236152
ENTERED
Office of Proceedings
June 4, 2014
Part of
Public Record

Chairman, Kiowa County Commissioners
P. O. Box 100
Eads, CO 81036

Dear Sir/Madam:

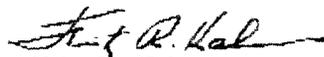
Please be advised that on or about July 5, 2014, V and S Railway, LLC will file with the Surface Transportation Board its Verified Notice of Exemption to secure the agency's authorization to abandon a segment of the Towner Line, between Milepost 808.3 near Haswell 81045 and Milepost 787.5 near Eads, CO 81036, a distance of approximately twenty miles in Kiowa County, Colorado. No local or overhead traffic has been carried on the railroad line in more than two years' time. The Notice will bear Docket No. AB 603 (Sub-No. 4X).

The line traverses U.S. Postal Service Zip Codes 81045 and 81036, the former being the Zip Code for the one station on the line, namely, Galatea.

Based on information in the possession of V and S Railway, Inc., the line of railroad includes federally granted rights-of-way. Any documentation in the possession of the railroad will be made available promptly to those requesting it.

If you have any question concerning the foregoing, please get back to me.

Sincerely yours,


Fritz R. Kahn

cc: Ms. Cynthia T. Brown