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May 21, 2002

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Office of the Secretary
Case Control Unit
1925 K St., NW
Washington, DC 20423-001

ENTERED
Office of the Secretary
MAY 23 2002
Part of
Public Record



Re: Docket AB-33 (Sub-No. 170) > 205461
Abandonment by Union Pacific Railroad Company
Offer of Financial Assistance by Mid-America Railroad, LLC
Bell Avenue Industrial Lead, Des Moines, Iowa
Request to Establish Terms and Conditions – Supplemental Filing

Dear Mr. Williams:

Enclosed please find the original and ten (10) copies of a Request for Terms and Conditions – Supplemental Filing by Mid-America Railroad Company, LLC in the above-captioned abandonment proceedings. This filing is made at the request of your office, and adds Exhibit "8" (Certified Excerpts from UP Deeds) to Appendix A.

By my signature below, I certify service upon applicant's representative, at the address set forth below, by facsimile and by U. S. Mail, postage prepaid, first class, this 21st day of May, 2002

Sincerely yours,

Handwritten signature of William D. Bartine in cursive.

William D. Bartine
For the Firm

WDB:ej

d:\m0776\02\pld-suppl.doc

cc: Mack H. Shumate, Jr., Esq.
Senior General Attorney
Union Pacific Railroad Company
Law Department
101 North Wacker Dr.
Suite 1920
Chicago, IL 60606

Enclosures



BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. AB-33 (Sub-No. 170)

UNION PACIFIC RAILROAD COMPANY

—ABANDONMENT AND DISCONTINUATION OF OPERATION—

IN POLK COUNTY, IOWA

(BELL AVENUE INDUSTRIAL LEAD IN DES MOINES, IOWA)

ENTERED
Office of the Secretary

MAY 23 2002

Part of
Public Record

**REQUEST FOR TERMS AND CONDITIONS BY
MID-AMERICA RAILROAD, LLC -
SUPPLEMENTAL FILING**

MID-AMERICA DEVELOPMENT COMPANY

MID-AMERICA RAILROAD, LLC

Steven E. Zumbach
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ATTORNEYS FOR MID-AMERICA
DEVELOPMENT COMPANY AND
MID-AMERICA RAILROAD, LLC

Dated: May 21, 2002
Filed: May 22, 2002

CERTIFICATE OF SERVICE

Union Pacific Railroad Company
Mack H. Shumate, Jr.
Senior General Attorney
101 North Wacker Drive, #1920
Chicago, IL 60606

Ringling Brothers and Barnam
and Bailey Circus
8607 Westwood Center Drive
Vienna, VA 22182

Des Moines Water Works
2201 Valley Drive
Des Moines, IA 50321

Iowa Interstate Railroad, Ltd.
Terry Bailey
1300 Des Moines Building
405 Sixth Avenue
Des Moines, IA 50309

Iowa Transportation Department
Modal Division
Tom Jackson
800 Lincoln Way
Ames, IA 50010

Smurfit Stone Container Corporation
2201 Bell Avenue
Des Moines, IA 50321

Dated this 21st day of May, 2002.

MID-AMERICA DEVELOPMENT COMPANY

MID-AMERICA RAILROAD, LLC



Steven E. Zumbach
William D. Bartine
Holly M. Logan
Christopher M. Miller
BELIN LAMSON McCORMICK ZUMBACH
FLYNN, P.C.

ATTORNEYS FOR MID-AMERICA
DEVELOPMENT COMPANY and MID-
AMERICA RAILROAD, LLC

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- III. FACTUAL BACKGROUND
- IV. EVIDENCE AND LEGAL ARGUMENT
 - A. The UP's Appraisal of the Real Estate Element of the Subject Property is Self-Serving and Overstates the "Across the Fence Value" of the Subject Property.
 - B. The UP Appraisal Contains a Significant Error Resulting from the Appraiser's Erroneous Conclusion About the Quality of the UP's Title to Parcels 68, 70, 71, and 74. MAR's Appraisal Accurately States the Value of a Fee Interest in the Land Element of the Subject Property.
 - C. MAR's Appraisal Starts an Appropriate Analysis of the Value of Those Portions of the Subject Property in which UP Holds Fee Title. UP's Title to a Substantial Portion of the Subject Property is Reversionary in Nature.
 - D. Further Adjustments to the MAR Appraised Value Are Necessary to Reach the Purchase Price for the Real Estate Element of the Subject Property.
 - E. The UP's Appraisal of the Rail Assets Component of the Subject Property Ignores the Size of This Salvage Job and Costs That are Absorbed by the UP's Infrastructure, But Which Must be Considered in Determining the Removal Costs.
- V. CONCLUSION

AMENDED
APPENDICES AND EXHIBITS

Appendix A – Verified Statement of Joseph E. Pierce, Manager of Mid-America Railroad,
LLC

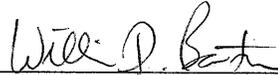
- Exhibit 1 – Map showing subject Property and Raccoon River Bridge.
- Exhibit 2 – Map showing UP Parcel Designations.
- Exhibit 3 – UP Deeds and Conveyances Represented by UP as being the Basis for its
Title to the Subject Property.
- Exhibit 4 – Memorandum of Mark McCormick, Esq., regarding Easement Titles to
Parcels 68, 71, 72 and 74.
- Exhibit 5 – Schedule – MAR Purchase Offer.
- Exhibit 6 – Schedule – UP Net Liquidation Value of Track and Bridges
- Exhibit 7 – Schedule of Additional Removal Costs.
- Exhibit 8 – Certified Excerpts From UP Deeds.

Appendix B – Verified Statement of Patrick J. Schulte, of Commercial Appraisers of Iowa, Inc.

- Exhibit 1 – Appraisal Report

WHEREFORE, MAR respectfully petitions the Board to accept the foregoing Supplemental Filing with respect to MAR's Request to Establish Terms and Conditions.

Respectfully Submitted,



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ATTORNEYS FOR MID-AMERICA
DEVELOPMENT COMPANY and
MID-AMERICA RAILROAD, LLC

A

APPENDIX A
EXHIBIT 8

MAR attached copies of various deeds as Exhibit 3 to Appendix A of its Request to Establish Terms and Conditions filed with the Board on May 20, 2002. In the opinion of the Board's staff, certain of these copies were of such poor quality that they could not be reproduced in usable form.

It was the intent of MAR to highlight the relevant language from the deeds to Parcels 68, 71, 72 and 74 to show that, under Iowa law (as explained in Exhibit 4 to Appendix A), these deeds created easements in favor of the UP, and that such titles will revert to adjoining land owners upon formal abandonment of the Subject Property and the removal of the Rail Assets therefrom.

Therefore, the undersigned certifies that the following excerpts of the relevant highlighted language from the copies of the UP Deeds for Parcels 68, 71, 72, and 74 are true and correct copies of the language contained in the instruments that the undersigned photocopied on April 2, 2002 from the original records held in the UP's Omaha Real Estate Office:

Parcel 68 – Certified Excerpt:

"It is understood that the premises hereby conveyed are to be used for right of way, division terminal grounds, shops, yards and other railing purposes only."

Parcel 71 – Certified Excerpt:

"It is understood that the premises hereby conveyed are to be used for right of way, division terminal grounds, shops, yards and other railing purposes only."

Parcel 72 – Certified Excerpt:

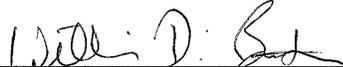
"It is understood that the premises hereby conveyed are to be used for right of way, division terminal grounds, shops, yards and other railing purposes only."

Parcel 74 – Certified Excerpt:

"It is understood that the premises hereby conveyed are to be used for right of way, division terminal grounds, shops, yards and other railing purposes only."

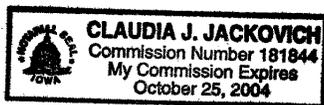
Copies of the deeds conveying Parcels 67, 69, 70 and 73 were included in Exhibit 3 of Appendix A. However, MAR concedes that those deeds conveyed fee title to the UP. Therefore, it is not necessary to excerpt any language from those deeds.

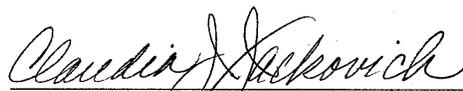
I hereby certify that the foregoing is true and correct as stated above.



William D. Bartine

SUBSCRIBED and sworn to before me this 21st day of May, 2002.





Notary Public for the State of Iowa