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**SURFACE
TRANSPORTATION BOARD**

Anne K Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W
Washington, DC 20423-001

RE. STB Finance Docket No. 35210, Nicholas B. Temple, Eric Temple, Columbia Basin Railroad Company, Central Washington Railroad Company and Portland Vancouver Junction Railroad, LLC - Corporate Family Transaction Exemption

Dear Acting Secretary Quinlan:

Enclosed for filing in the above-referenced proceeding are an original and 10 copies of the Verified Notice of Exemption pursuant to 49 C.F.R. § 1180.2(d)(3). Attached is a check in the amount of \$1,700 to cover the cost of the filing.

Also enclosed are 20 additional copies of the maps attached as Exhibit A pursuant to 49 C.F.R. § 1180.6(a)(6).

Please acknowledge receipt of this letter by date-stamping the enclosed acknowledgment copy and returning it to our messenger

Very truly yours,

Rose-Michele Nardi

FEE RECEIVED

DEC 31 2008

TRANSPORTATION BOARD

Enclosures

**NICHOLAS B. TEMPLE, ERIC TEMPLE, COLUMBIA BASIN
RAILROAD COMPANY, INC., CENTRAL WASHINGTON RAILROAD COMPANY
PORTLAND VANCOUVER JUNCTION RAILROAD, LLC –
CORPORATE FAMILY TRANSACTION EXEMPTION**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(3)**

STB FINANCE DOCKET NO. 35210

Applicants' names and current mailing addresses

Portland Vancouver Junction Railroad, I.I.C
Eric Temple
625 S. 4th St.
Renton, WA 98055

Columbia Basin Railroad Company, Inc
Central Washington Railroad Company
Nicholas B. Temple
111 South 33rd Street, Suite 200
Yakima, WA 98901

Applicant's representative to receive correspondence

Rose-Michele Nardi
Weiner Brodsky Sidman Kider PC
1300 19th Street, NW
Fifth Floor
Washington, DC 20036-1609

Brief summary of the proposed transaction

Nicholas B. Temple and Eric Temple (together, the "Temples") own a controlling interest in the Columbia Basin Railroad Company, Inc ("CBRW"), a class III rail carrier. Previously, CBRW obtained Board authority to lease and operate a certain 33-mile rail line from Clark County, WA ("Clark County Line"). See Finance Docket No. 34661, *Columbia Basin Railroad Company, Inc – Lease and Operation Exemption – Clark County, WA*, served March 3, 2005; Finance Docket No. 34472, *Columbia Basin Railroad Company, Inc – Lease and Operation Exemption – Clark County, WA*, served March 11, 2004. The Temples also own a controlling interest in Central Washington Railroad Company ("CWA"), a class III rail carrier.¹

As part of a corporate restructuring, CBRW intends to enter into an agreement, whereby CBRW will transfer its interests in the Clark County Line to Portland Vancouver Junction Railroad, I.I.C

¹ See Finance Docket No. 34641 *Nicholas B Temple and Eric Temple – Control Exemption – Central Washington Railroad Company*, served Jan 21, 2005

("PVJR"), a newly-formed, wholly-owned subsidiary of CBRW. More specifically, CBRW will transfer to PVJR CBRW's interests in the rail line extending from approximate milepost 0.0 at or near North Vancouver/Vancouver Junction, WA to approximate milepost 33.1, at or near Chelatchie, WA. The Clark County Line does not connect with any portion of the current rail system of CBRW or CWA.

Upon the closing of the proposed transaction, PVJR will assume the common carrier obligation with respect to the Clark County Line. The proposed transaction will "not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family." See 49 C.F.R. § 1180.2(d)(3). Thus, this transaction qualifies for the notice of exemption procedure for corporate family transactions.²

Proposed time schedule

The proposed transaction is expected to be consummated on or after January 30, 2009.

Purpose sought to be accomplished by the transaction

The purpose of this corporate family transaction is to reflect the fact that the Clark County Line is geographically and operationally distinct from the rest of the CBRW rail system, and to insulate each of CBRW and PVJR from the financial, legal and operational risks of the other.

States in which the property is situated

The Clark County Line is located in the state of Washington. The CBRW and CWA rail systems also are located in Washington state.

Maps

Maps of PVJR, CBRW and CWA are attached hereto as Exhibit A. Pursuant to 49 C.F.R. § 1180.6(a)(6), twenty additional copies of the maps have been provided.

Agreements pertaining to the proposed transaction

A copy of a draft Assignment and Assumption Agreement (the "Agreement") is attached hereto as Exhibit B.

Labor Protection

CBRW, CWA and PVJR are all class III rail carriers. Under 49 U.S.C. § 11326(c), no labor

² See STB Finance Docket No. 33136, *Canadian Pacific Limited, Canadian Pacific Railway Company, and Napierville Junction Railroad Company – Corporate Family Transaction Exemption – St. Lawrence & Hudson Railway Company Limited*, served October 9, 1996, petition to revoke denied by the Surface Transportation Board in this proceeding, served January 13, 1998, STB Finance Docket No. 33941, *Pioneer Railcorp and Michigan Southern Railroad Company – Corporate Family Transaction Exemption*, served October 10, 2000.

protection applies to a corporate family transaction, where only class III carriers are involved³

Environmental and Historic Report

Environmental documentation normally need not be prepared for rail operations that do not cause diversions from rail carriers to motor carriers greater than. "(A) 1,000 rail carloads a year, or (B) An average of 50 rail carloads per mile per year for any part of the affected line...." (49 C.F.R. § 1105.7(e)(4)), on the one hand, and that do not result in "(A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) An increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment...." (49 C.F.R. § 1105.7(e)(5)), on the other hand. See 49 C.F.R. § 1105.6(c)(2).

Because the proposed transaction will not result in significant operational changes, the above-listed thresholds will not be exceeded. Therefore, environmental documentation is not necessary for this Verified Notice of Exemption

Transactions involving "[a] sale, lease, or transfer of property between corporate affiliates" are exempt from the historic report requirements of 49 C.F.R. § 1105.8(a) if significant operational changes do not occur. See 49 C.F.R. § 1105.8(b)(2). Because the proposed transaction meets the requirements of 49 C.F.R. §§ 1105.8(b)(2), historic documentation is not necessary for this Verified Notice of Exemption

Respectfully submitted,



Rose-Michele Nardi
Weiner Brodsky Sidman Kider PC
1300 19th Street, NW
Fifth Floor
Washington, D.C. 20036-1609

Dated: December 31, 2008

³ In a decision served October 1, 1997, the Board affirmed that it is the class status of the carriers involved in the proposed transaction and not the involvement of noncarrier entities that determines whether or not section 11326(c) is applicable to a proceeding. See Finance Docket No 32863, *Genesee & Wyoming, Inc - Continuance in Control Exemption - Illinois & Midland Railroad, Inc*, 1997 STB LEXIS 243, served Oct 1, 1997, *aff'd per curiam, International Brotherhood of Locomotive Engineers v Surface Transportation Board*, 172 F 3d 919, 1998 WL 720670 (D.C. Cir Sept 14, 1998)

**NICHOLAS B. TEMPLE, ERIC TEMPLE, COLUMBIA BASIN
RAILROAD COMPANY, INC., CENTRAL WASHINGTON RAILROAD COMPANY
PORTLAND VANCOUVER JUNCTION RAILROAD, LLC –
CORPORATE FAMILY TRANSACTION EXEMPTION**

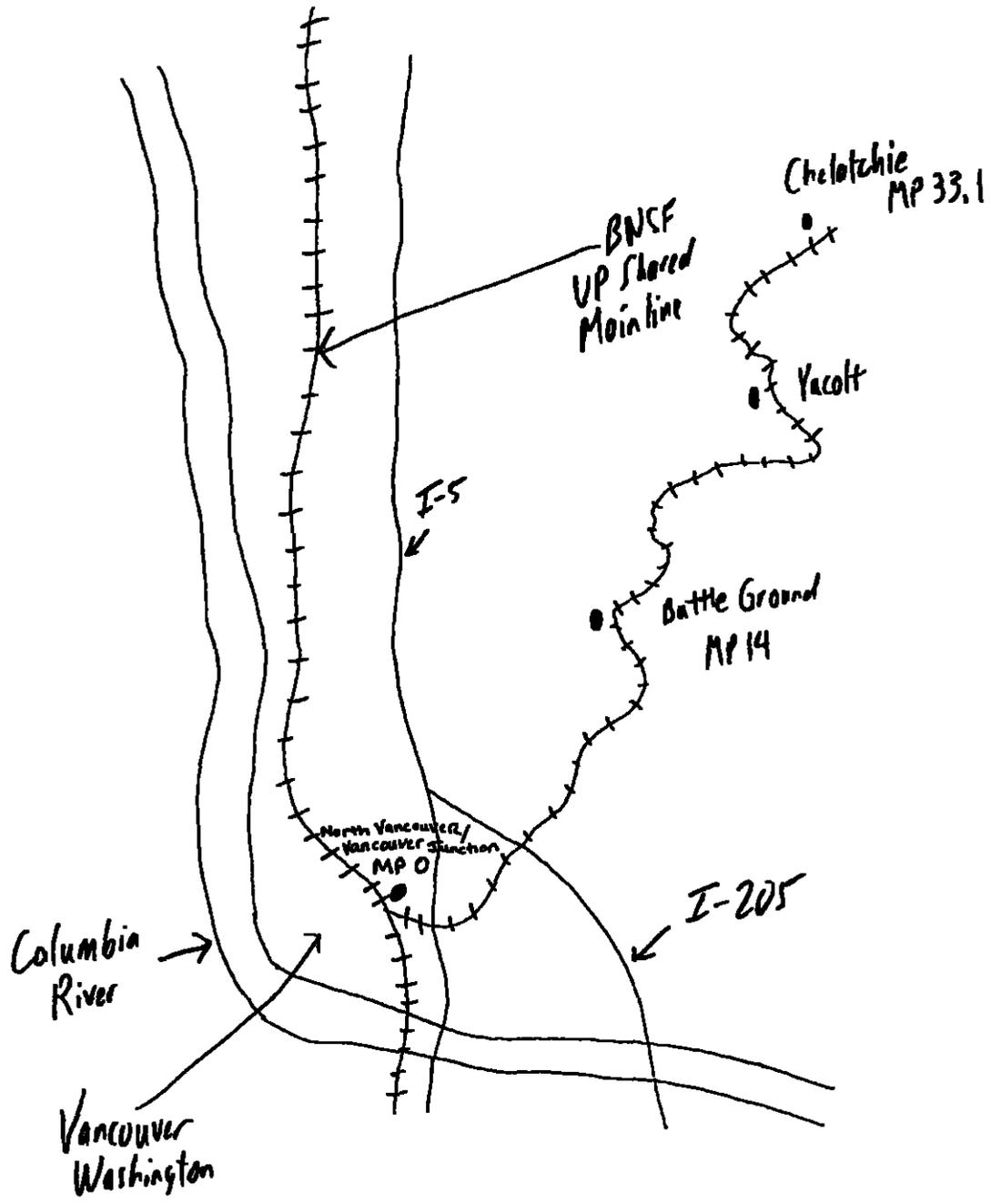
**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(3)**

STB FINANCE DOCKET NO. 35210

EXHIBIT A

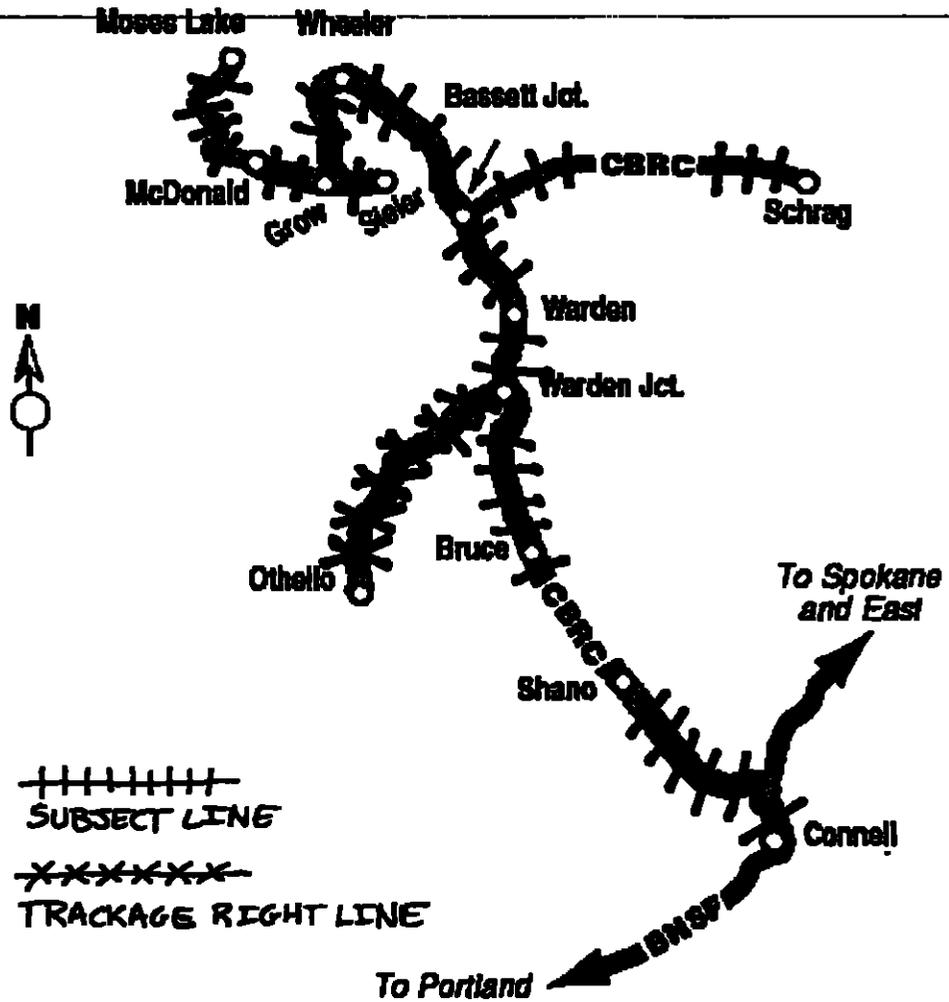
MAPS

PORTLAND VANCOUVER JUNCTION RAILROAD, LLC

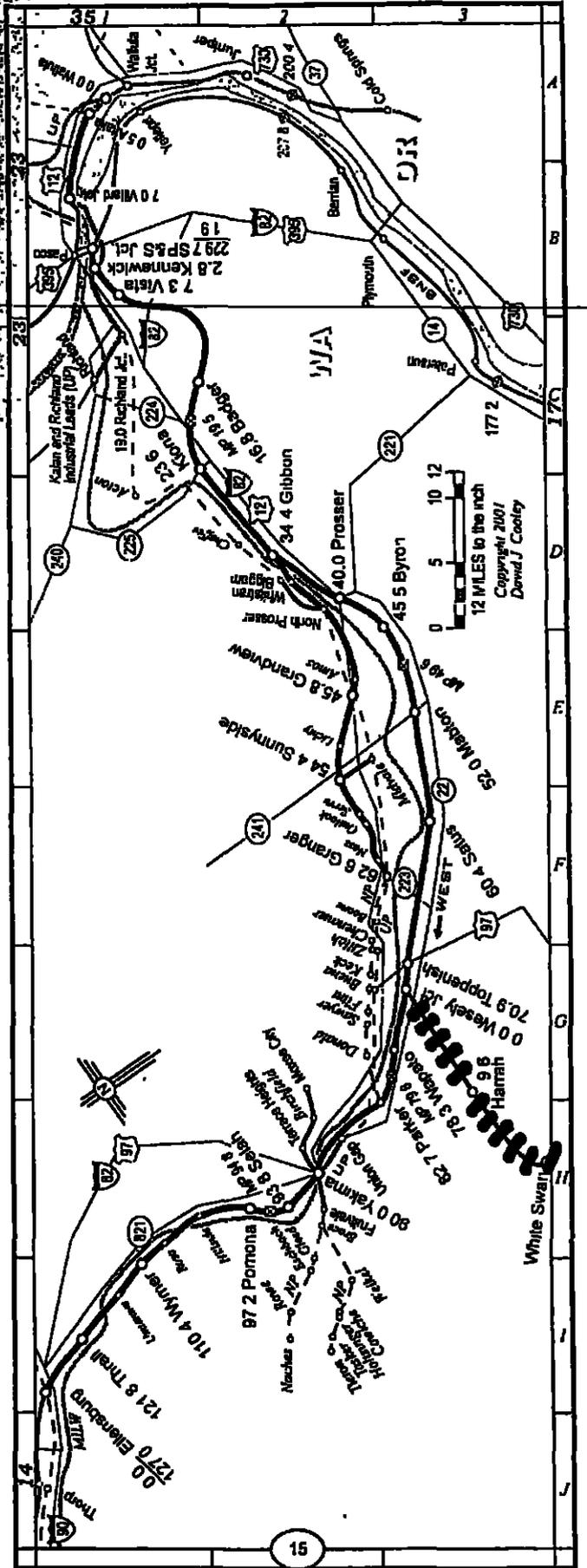


COLUMBIA BASIN RAILROAD

111 S. 33rd. ST, Suite 200 — YAKIMA, WA 98901
1-800-339-8582



CENTRAL WASHINGTON RAILROAD COMPANY



**NICHOLAS B. TEMPLE, ERIC TEMPLE, COLUMBIA BASIN
RAILROAD COMPANY, INC., CENTRAL WASHINGTON RAILROAD COMPANY
PORTLAND VANCOUVER JUNCTION RAILROAD, LLC --
CORPORATE FAMILY TRANSACTION EXEMPTION**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(3)**

STB FINANCE DOCKET NO. 35210

EXHIBIT B

AGREEMENT

**ASSIGNMENT AND ASSUMPTION
OF CONTRACTS**

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACTS ("Agreement" or "Assignment") is entered into as of the ____ day of _____ 2008, by and between Columbia Basin Railroad Company, Inc., a Washington corporation ("Assignor") and Portland Vancouver Junction Railroad, L.L.C. a Washington limited liability company ("Assignee")

WITNESSETH:

WHEREAS, Assignor is a party to a lease agreement between Clark County and Assignor,

WHEREAS, pursuant to that lease agreement, Assignor leases from Clark County a rail line that extends from North Vancouver to Chelatchie, as well as certain related assets;

WHEREAS, pursuant to that lease agreement, Clark County consented to Assignor's assignment of its entire right, title and interest in the Lease to a newly-created wholly-owned subsidiary of Assignor;

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to assume from Assignor, all of Assignor's rights, title, interests and obligations in or under that lease agreement;

WHEREAS, Assignor also desires to assign to Assignee, and Assignee also desires to assume from Assignor, all of Assignor's rights, title, interests and obligations in or under certain agreements and transactions related to the leased rail line; and

WHEREAS, Assignee is a wholly-owned subsidiary of Assignor.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements herein contained, and other good and valuable consideration the receipt and

sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows

1 COVERED PROPERTY

A Assignor and Clark County are parties to that certain Lease Agreement, dated December 20, 2004 (the "Lease").

B Pursuant to the Lease, Assignor leases from Clark County a certain rail line that extends from North Vancouver (milepost 0.0) to Chelatchie (approx milepost 33.1) and related assets, all as more particularly described in the Lease (the "Leased Assets")

C. Pursuant to the Lease, Assignor has certain rights, title, interests and/or obligations with respect to certain leases, permits, licenses, easements and other agreements or transactions related to the Leased Assets, all as more particularly described on Exhibit A (the "Contracts")

2 ASSIGNMENT

A. Assignor, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, to it in hand paid by Assignee, the receipt hereof is hereby acknowledged, does assign all of its rights, title and interests in the Lease and the Contracts.

B. Assignor hereby assigns, transfers and sets over unto Assignee, its successors and assigns, effective as of 12:01 a.m. Pacific Standard Time on _____, 2009 (the "Effective Date"), all rights, title, interests and obligations of Assignor in or under the Lease and the Contracts. Assignee accepts the foregoing assignment and assumes all the rights, title, interests and obligations of Assignor in or under the Lease and Contracts as of the Effective Date.

C. Assignor shall retain responsibility for all obligations and liabilities (including without limitation indemnification, taxes and other payment obligations) (i) under the Lease and Contracts that arose prior to the Effective Date, (ii) under the Lease and Contracts that arise on and/or after the Effective Date as a result of or in connection with acts, omissions or circumstances prior to the Effective Date, and (iii) that relate to Assignor's lease, operation, use and/or possession of the Leased Assets.

D. Assignee assumes all responsibility for all obligations and liabilities (including without limitation indemnification, taxes and other payment obligations) (i) under the Lease and Contracts that arise on and/or after the Effective Date (except to the extent set forth in Section 2 C(ii) of this Agreement), and (ii) that relate to Assignee's lease, operation, use and/or possession of the Leased Assets.

E. In the event that either party hereto determines after the Effective Date that one or more leases, easements, permits, licenses, or other agreements or transactions between Assignor and any third party relating to the Leased Assets were not included on Exhibit A hereto (an "Omitted Agreement"), then such Omitted Agreement shall be assigned by Assignor to Assignee as of the Effective Date once Assignee is notified or becomes aware of the existence of such Omitted Agreement, provided, however, that Assignee shall have the right to reject the assumption of duties and obligations of Assignor under any Omitted Agreement (a) that materially interferes with Assignee's provision of common carrier freight service, (b) that requires Assignee to make payments or expend out-of-pocket costs in excess of \$2,500 per year, or (c) under which Assignor is in material default.

F. Assignee shall have no recourse against Assignor in connection with the failure to obtain third-party authorization, consent or approval for the assignment of any Contract. If assignment of Assignor's rights, title, interests or obligations pursuant to this Assignment requires a third-party authorization, consent or approval, Assignor and Assignee agree to work together, in good faith, to obtain such authorization, consent or approval and to fulfill any of Assignor's obligations under such Contract.

3 COMMON CARRIER OBLIGATION

Without limiting the generality of Section 2, on and after the Effective Date, Assignee agrees to assume all of Assignor's obligations to perform common carrier rail freight service over the Leased Assets in accordance with applicable law.

4. NO REPRESENTATIONS

The assignment of the rights and obligations under this Assignment from Assignor to Assignee is made WITHOUT REPRESENTATION OR WARRANTY, express or implied, including without limitation any representation or warranty of merchantability or fitness for a particular purpose with respect to the Leased Assets. Assignee acknowledges that the Leased Assets are being assigned in "AS IS, WHERE IS" condition

5. TAXES

A. Assignor shall be responsible for all Taxes (as defined below in this subsection) for all Pre-Assignment Periods. A "Pre-Assignment Period" shall mean all taxable periods commencing before the Effective Date. Assignee shall be responsible for all Taxes for all Post-Assignment Periods. A "Post-Assignment Period" shall mean all taxable periods commencing on or after the Effective Date. For purposes of this Section 5, the term Taxes shall mean all ad

valorem and real property taxes, personal property taxes and similar taxes, assessments and charges relating to the Leased Assets.

B. Assignee agrees not to take a position that will increase the tax liability of the Assignor with respect to Taxes payable in or attributable to any Pre-Assignment Period without obtaining the prior written consent of the Assignor. If a taxing authority initiates an audit with respect to Taxes payable in or attributable to any Pre-Assignment Period that ended after the Closing Date, the party receiving notice of such audit shall promptly notify the other party, and both parties hereto shall have the right to participate in all proceedings and discussions with such taxing authority.

6. LABOR AND FILINGS

A. Assignor and Assignee each shall bear the full cost of (1) any labor protection obligations that are imposed on it by any governmental entity as a result of this Assignment, and (2) any grievances filed by its employees under any collective bargaining agreements with those employees as a result of this Assignment.

B. This Assignment shall be conditioned on the Surface Transportation Board's approval or exemption thereof.

7. MISCELLANEOUS.

A. This Agreement shall be binding upon, and inure to the benefit of the respective successors and permitted assigns of the parties hereto; provided, however, that this Agreement and any of the rights, title, interests or obligations under this Agreement may not be assigned, directly or indirectly, or by operation of law or otherwise, by either party hereto without the prior, written consent of the other party.

B. This Agreement represents the entire understanding of the parties hereto and supersedes all prior oral or written memoranda and agreements between the parties hereto to the extent they relate in any way to the subject matter hereof. No modification, addition or amendment to this Agreement shall be effective unless and until such modification, addition or amendment is reduced to a writing executed by authorized officers or agents of each party hereto.

C. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when said counterparts have been signed by both of the parties hereto and delivered to the other party, it being understood that both parties need not sign the same counterpart. A facsimile signature shall be deemed an original. Upon request of either party, the other party shall promptly provide an original signature.

D. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Washington (without regard to any choice or conflict of law rules under Washington law).

E. This Agreement is not intended to confer any rights or remedies under this Agreement upon any person other than the parties hereto (and their respective successors and permitted assigns, to the extent set forth in Section 7.A of this Agreement).

[Remainder of page intentionally left blank]

**IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed
as of the day and year first above written.**

COLUMBIA BASIN RAILROAD COMPANY, INC

By: _____

Its: _____

PORTLAND VANCOUVER JUNCTION RAILROAD, LLC

By: _____

Its: _____

EXHIBIT A
CONTRACTS

VERIFICATION

I, Nicholas B. Temple, President of Columbia Basin Railroad Company, Inc.,
certify under penalty of perjury that the foregoing notice of exemption is true and correct
to the best of my knowledge, information and belief. Further, I certify that I am qualified
and authorized to file this Verified Notice of Exemption.



Nicholas B. Temple, President
Columbia Basin Railroad Company, Inc.

Dated: Dec 23, 2008