

DID# 0101929003

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A T T O R N E Y S

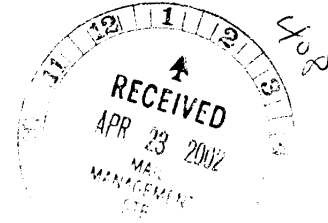
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205244

April 23, 2002



lgitomer@bjllp.com

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Suite 700
Washington, DC 20423

RE: Finance Docket No. 34198, *ARZC Operating Company, Inc.--
Acquisition and Operation Exemption—ParkSierra Corp.*

Dear Secretary Williams:

Enclosed for filing are the original and ten copies of a Verified Notice of Exemption under 49 CFR § 1150.31, three diskettes with the file Notice.doc, and a check covering the \$1,300.00 filing fee. Please time and date stamp the extra copy of this letter and the Verified Notice of Exemption and return them with our messenger.

If you have any questions, please contact me.

Sincerely yours,

Louis E. Gitomer
Attorney for ARZC Operating Company,
Inc.

Enclosures

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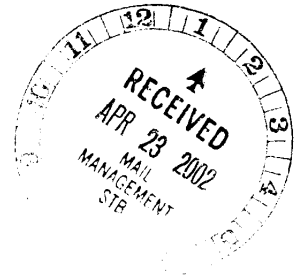
APR 23 2002

**SURFACE
TRANSPORTATION**

ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34198



ARZC OPERATING COMPANY, INC.—ACQUISITION AND OPERATION EXEMPTION—
PARKSIERRA CORP.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
ARZC Operating Company, Inc.
5300 Broken Sound Boulevard N.W.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer, Esq.
Of Counsel
BALL JANIK LLP
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Washington, D.C. 20005
(202) 638-3307

Attorneys for:
ARZC Operating Company, Inc.

Dated: April 23, 2002

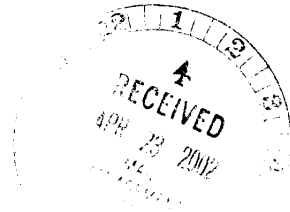
BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34198

ARZC OPERATING COMPANY, INC.—ACQUISITION AND OPERATION EXEMPTION—
PARKSIERRA CORP.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

ARZC Operating Company, Inc. (“ARZC”), a noncarrier, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart D -- Exempt Transactions, with the Surface Transportation Board (the “STB”) to permit ARZC to: (1) acquire and operate, the following lines in southern California and Arizona: (i) between Cadiz, CA, milepost 190.18, and Parker, AZ, milepost 105.8; (ii) between Parker, milepost 105.8, and Matthie, milepost 0.08, including the “Y” Track Number 1 near Matthie, milepost 134.92; and (iii) between Rice, CA, milepost 0, and Ripley, CA, milepost 49.4, at the end of the Ripley Subdivision, a distance of about 240 miles; and (2) operate overhead trackage rights on The Burlington Northern and Santa Fe Railway Company (“BNSF”) as follows: (i) tracks connecting at or near Cadiz, CA, between BNSF’s Cadiz Subdivision milepost 190.18 and BNSF’s Needles Subdivision milepost 647.99 on Track Nos. 2 and 36 at Cadiz; and (ii) connecting rail line between BNSF’s Parker Subdivision milepost 0.08 (also Phoenix Subdivision milepost 135.03) and BNSF’s Phoenix



Subdivision milepost 191.91, including all yard track in the Mobest Yard in Phoenix, AZ, a distance of about 60 miles, a total distance of about 300 miles (the "Lines").

In support of this Notice of Exemption, ARZC submits the following information as required by 49 C.F.R. § 1150.33:

a. Full name and address of applicant:

ARZC Operating Company, Inc.
P.O. Box AF
Parker, AZ 85344

b. Applicant's Representatives:

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
ARZC Operating Company, Inc.
5300 Broken Sound Boulevard N.W.
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer, Esq.
Of Counsel
Ball Janik LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

c. An agreement has been reached among ARZC, as buyer, and ParkSierra Corp., as seller.

d. The operator of the property will be ARZC.

e. Summary of proposed transaction:

1. The name and address of the railroad transferring the property is:

ParkSierra Corp.
221 Gateway Road West, Suite 401
Napa, CA 94558

2. The proposed time schedule for the consummation of the transaction is April 30, 2002,

or the date the concurrently filed waiver request is granted, whichever is later.

3. The mile-posts of the subject property, including any branch lines: (1) ARZC will acquire and operate, the following lines in southern California and Arizona: (i) between Cadiz, CA, milepost 190.18, and Parker, AZ, milepost 105.8; (ii) between Parker, milepost 105.8, and Matthie, milepost 0.08, including the "Y" Track Number 1 near Matthie, milepost 134.92; and (iii) between Rice, CA, milepost 0, and Ripley, CA, milepost 49.4, at the end of the Ripley Subdivision; and (2) ARZC will operate overhead trackage rights on the BNSF as follows: (i) tracks connecting at or near Cadiz, CA, between BNSF's Cadiz Subdivision milepost 190.18 and BNSF's Needles Subdivision milepost 647.99 on Track Nos. 2 and 36 at Cadiz; and (ii) connecting rail line between BNSF's Parker Subdivision milepost 0.08 (also Phoenix Subdivision milepost 135.03) and BNSF's Phoenix Subdivision milepost 191.91, including all yard track in the Mobest Yard in Phoenix, AZ.

4. ARZC is acquiring and operating about 240 route miles and operating over trackage rights for about 60 miles.

f. A map of the rail Lines is attached as Exhibit A.

g. A Certificate of Compliance with the provisions of 49 CFR § 1150.33(g) is attached as Exhibit B.

h. A caption summary, as required by 49 C.F.R. §1150.34, is attached as Exhibit C.

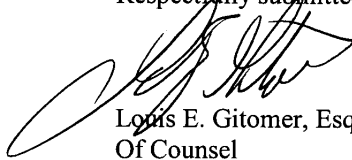
i. No environmental documentation is required because there will be no operational changes that would exceed the thresholds established in 49 CFR §1105.7(e)(4) or (5) and there will be no action that would normally require environmental documentation. Hence, this Notice of Exemption does not require environmental documentation under 49 CFR §1105.6(b)(4) and

(c)(2)(i).

j. An historic report is not required because ARZC will operate the Lines, will require further STB approval as required to discontinue and abandon any service, and there are no plans to dispose of or alter properties subject to STB jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. §1105.8(b)(1).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,



Gary A. Laakso, Esq.
Vice President Regulatory Counsel
ARZC Operating Company, Inc.
5300 Broken Sound Boulevard N.W.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer, Esq.
Of Counsel
BALL JANIK LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

Attorneys for:
ARZC Operating Company, Inc.

Dated: April 23, 2002

EXHIBIT A – MAP

ARZC Operating
Company, Inc.

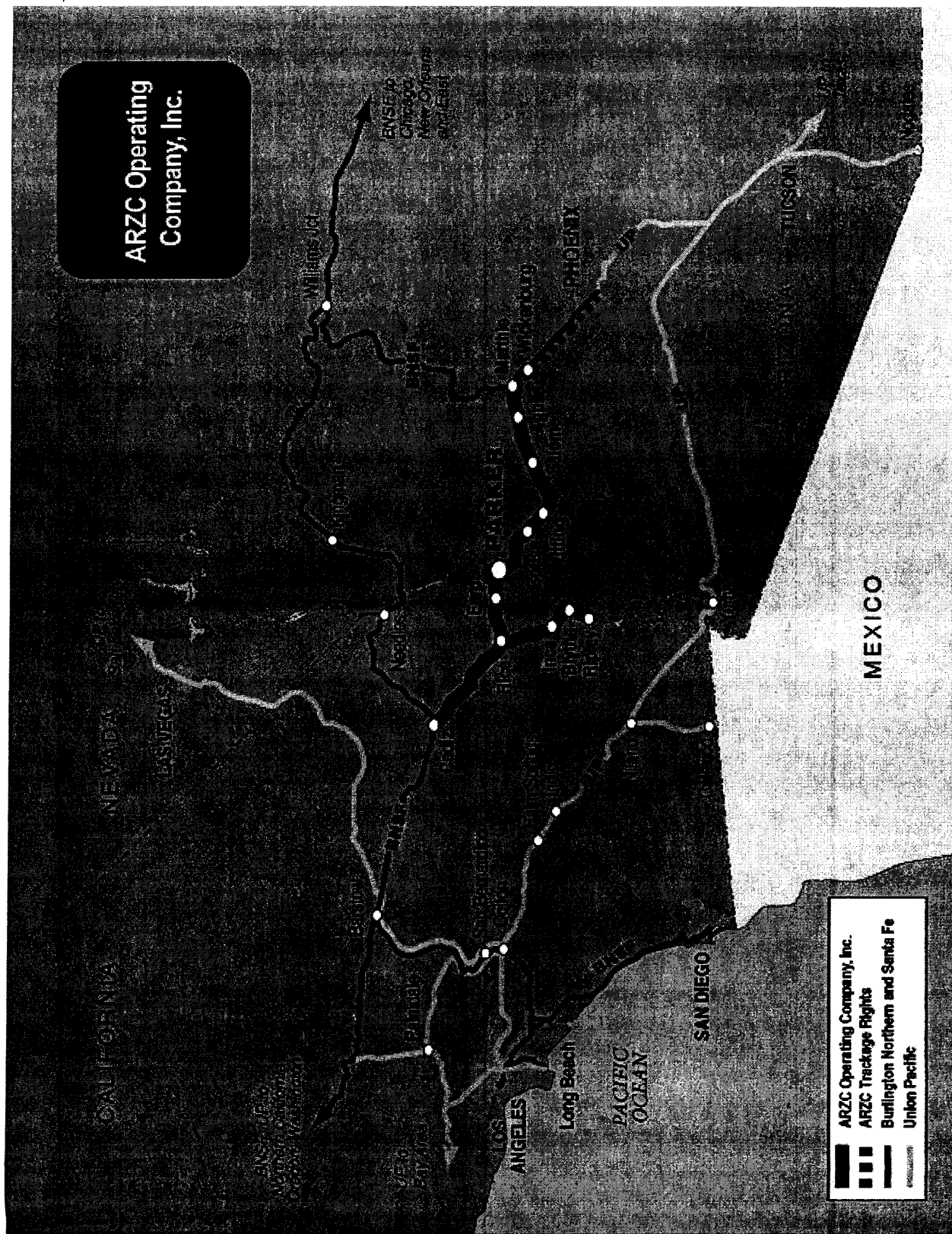


EXHIBIT B

EXHIBIT B

CERTIFICATION

State of Florida)
) ss:
County of Palm Beach)

I, Walter S. Zorkers, being duly sworn depose and state that I am Senior Vice President Strategic Planning of ARZC Operating Company, Inc., and that the projected annual revenues from the rail operations would not exceed those that would make it a Class III carrier under 49 CFR Part 1201(1-1).

Walter S. Zorkers
Walter S. Zorkers

Subscribed and sworn to before me this 18th day of April ~~March~~, 2002.

Bridget Lee West
Notary Public

(SEAL)



My Commission Expires: 8/20/04

EXHIBIT C – CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

FINANCE DOCKET NO. 34198

ARZC OPERATING COMPANY, INC.—ACQUISITION AND OPERATION EXEMPTION—
PARKSIERRA CORP.

ARZC Operating Company, Inc. has filed a notice of exemption (1) to acquire and operate ParkSierra Corp.'s lines in southern California and Arizona: (i) between Cadiz, CA, milepost 190.18, and Parker, AZ, milepost 105.8; (ii) between Parker, milepost 105.8, and Matthie, milepost 0.08, including the "Y" Track Number 1 near Matthie, milepost 134.92; and (iii) between Rice, CA, milepost 0, and Ripley, CA, milepost 49.4, at the end of the Ripley Subdivision, a distance of about 240 miles; and (2) to operate ParkSierra Corp.'s overhead trackage rights on The Burlington Northern and Santa Fe Railway Company ("BNSF") as follows: (i) tracks connecting at or near Cadiz, CA, between BNSF's Cadiz Subdivision milepost 190.18 and BNSF's Needles Subdivision milepost 647.99 on Track Nos. 2 and 36 at Cadiz; and (ii) connecting rail line between BNSF's Parker Subdivision milepost 0.08 (also Phoenix Subdivision milepost 135.03) and BNSF's Phoenix Subdivision milepost 191.91, including all yard track in the Mobest Yard in Phoenix, AZ, a distance of about 60 miles.

The transaction is scheduled to take place on or as soon as possible after the April 30, 2002 effective date of the exemption.

A class exemption for RailAmerica to continue in control of ARZC Operating Company, Inc., was concurrently filed in Finance Docket No. 34197, *RailAmerica, Inc., Et Al.—Corporate*

Family Reorganization Exemption.

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to reopen the proceeding to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34198, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Gary A. Laakso, Esq., Vice President Regulatory Counsel, ARZC Operating Company, Inc., 5300 Broken Sound Boulevard N.W., Boca Raton, FL 33487, (561) 994-6015, and Louis E. Gitomer, Esq., Of Counsel, Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, D.C. 20005, (202) 638-3307.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: ____ __, 2002.

By the Board, David M. Konschnik, Director, Office of Proceedings.

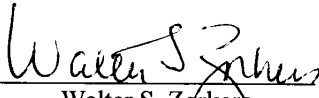
Vernon A. Williams

Secretary

VERIFICATION

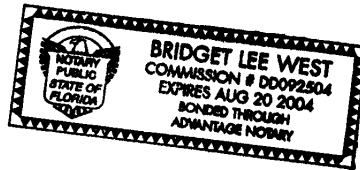
State of Florida)
) ss:
County of Palm Beach)

I, Walter S. Zorkers, being duly sworn depose and state that I am Senior Vice President Strategic Planning of ARZC Operating Company, Inc., that I am authorized to make this verification, and that I have read the foregoing notice of exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.


Walter S. Zorkers

Subscribed and sworn to before me this 18th day of ~~March~~ ^{April}, 2002.


Notary Public



(SEAL)

My Commission Expires: 8/20/04