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BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. 34486

OHIO VALLEY RAILROAD COMPANY – ACQUISITION AND OPERATION
EXEMPTION – HARWOOD PROPERTIES, INC.

PETITION FOR EXPEDITED RELIEF

ENTERED
Office of Proceedings **FOR SERVICE EMERGENCIES PURSUANT TO**

OCT 21 2004

49 C.F.R. §§1146 AND 1147

Part of
Public Record

ENTERED
Office of Proceedings

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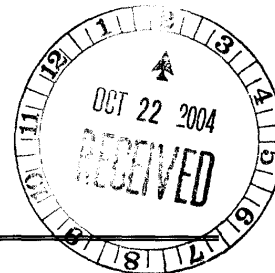
Part of
Public Record

FEE RECEIVED
OCT 22 2004
SURFACE
TRANSPORTATION BOARD

Richard R. Wilson, Esq.
Vuono & Gray, LLC
2310 Grant Building
Pittsburgh, PA 15219
412-471-1800
Attorney for Ohio Valley Railroad, Co.
Mid-America Locomotive & Car
Repair, Inc.

Dated: October 21, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD



DOCKET NO. 34486

OHIO VALLEY RAILROAD COMPANY – ACQUISITION AND OPERATION
EXEMPTION – HARWOOD PROPERTIES, INC.

**PETITION FOR EXPEDITED RELIEF
FOR SERVICE EMERGENCIES PURSUANT TO**

49 C.F.R. §§1146 and 1147

Handwritten notes:
OCT 22 2004
7:04
[Signature]

This Petition For Emergency Relief is filed on behalf of Ohio Valley Railroad Company (“OVR”) and Mid-America Locomotive and Car Repair, Inc. (“Mid-America”) pursuant to the provisions of 49 U.S.C. §§ 721, 705, 11101, 11102 and 11123 and Board regulations at 49 C.F.R. §§ 1146 and 1147 to restore interchange switch tracks illegally removed by Indiana Southwestern Railway Corp. (ISW) on October 16, 2004. Petitioners seek a Board order granting OVR authority to reinstall two switch connections between its rail yard and the line of ISW, a subsidiary of Pioneer Railcorp at ISW’s sole cost and expense, and authorizing interim direct interchange between OVR and CSX Transportation, Inc. over ISW track into Harwood Yard. The temporary relief requested herein is necessary to enable OVR to conduct common carrier rail operations authorized by the Board in STB Finance Docket No. 34486 and to free a car for a Mid-America customer which is presently trapped on OVR tracks in Harwood Yard. In support of this interim relief, OVR and Mid-America state as follows:

1. On October 16, 2004 at approximately 9:15 AM Central Time, Mr. Bruce E. Knight, President of Mid-America arrived at Harwood Yard and observed various individuals removing the switch and turn out from the ISW No. 3 track at the north and south end of OVR's Harwood Yard so as to completely sever OVR access to ISW tracks. ISW is the only railroad to which OVR directly connects. The individuals removing these switches were determined by Mr. Knight to be employees of Pioneer Railcorp and/or ISW as follows:

	Name/Phone	Title
1.	Roger Stice (319) 795-5478	General Foreman
2.	Dave Henry	Foreman
3.	Eric Schlotterback	Laborer
4.	Justin Stice	Laborer
5.	Steve Ash	Laborer
6.	Mike Parker (812) 422-3819	Acting GM-ISW
7.	Todd Childers	Laborer – ISW
8.	Joe Smith	Conductor/Laborer – ISW

2. Upon inquiry by Mr. Knight, Roger Stice and David Henry indicated that they were performing this switch and track removal on instructions given to them by their superior, Mr. Shane Cullen. Mr. Cullen is presently listed on the Pioneer Railcorp website as Chief Operating Officer located in Peoria, Illinois. Mr. Stice then used his cellular phone to call Mr. Cullen and Mr. Knight spoke with Mr. Cullen. Mr. Cullen confirmed that Mr. Stice had been given instructions by him to perform this switch and track removal and Mr. Cullen advised that he had been directed to undertake this action by his superior, Mr. Michael Carr. Mr. Carr is currently identified as President and Chief Financial Officer of Pioneer Railcorp. Mr. Cullen also advised Mr. Knight that the rail

was to be removed on the weekend of October 16 and 17, 2004, and that the work was to be completed prior to Monday, October 18, 2004.

3. After completing his conversation with Mr. Cullen, Mr. Knight, upon consultation with Mr. William Gray, President of OVR, directed the Pioneer Railcorp employees to remove their equipment from OVR property.

4. Mr. Knight also prevented Mr. Stice from using a chainsaw to cut the switch ties at the ISW/OVR property line. In order to accomplish this, Mr. Knight called the Vanderburg County Sheriff Department which responded to the scene and advised Mr. Knight that if they observed any individuals in the process of destroying property, they would make arrests. Since the Pioneer Railcorp crew was at lunch and not on property at the time the deputies arrived, they left without taking any action. Mr. Knight then advised Mr. Mike Parker and Mr. Stice when they returned from lunch that he would not hesitate to call the Sheriff's Department if they proceeded with the destruction of any of the switch ties using a chainsaw.

5. After this conversation, Mr. Henry called Mr. Cullen and consulted on how to proceed and then advised Mr. Knight that they would not cut the switch ties, but simply remove the connection to OVR and remove the ISW switches from track no. 3 at the north and south end of the yards and straight rail track 3 from the ISW lead. Attached as Exhibits A1 – A6 are digital photographs taken by Mr. Knight which show the existing north and south end lead track and switches from the ISW track into the OVR rail yard before and after the switch connections were removed by the ISW crew.

6. On March 23, 2004, OVR, in STB Docket No. 34486 invoked the Board's class exemption procedures to obtain acquisition and operating authority to provide

common carrier rail service to Mid-America and other potential shippers from the rail facilities at Harwood Yard. The sole connecting lines of railroad between OVR and its connecting carrier, ISW, are provided by the two switch connections at the north and south end of Harwood Yard which were removed by ISW/Pioneer Railcorp employees on October 16, 2004. ISW never advised or notified OVR or Mid-America that it intended to remove these switch connections or that the switch connections were unsafe or in need of repair.

7. On September 24, 2004, the Surface Transportation Board issued a further decision in STB Docket No. 34486, denying ISW's Petition To Revoke the OVR acquisition and operation exemption. ISW, as the carrier providing connecting rail service to and from OVR is subject to a statutory obligation under 49 U.S.C. §10742 to provide reasonable, proper and equal facilities for the interchange of traffic between and for the receiving, forwarding and delivering of passengers and property to and from its respective line and a connecting line of another rail carrier. The action taken by ISW is also inconsistent with ISW's own holding out of intermediate switching rates and service in Item 2000 of ISW Tariff 8000-E and F. (Exhibit B)

8. Additionally, ISW, as a common carrier railroad, is subject to a statutory obligation under 49 U.S.C. §10744 not to engage in a combination or arrangement to prevent the carriage of freight from being continuous from the place of shipment to the place of destination whether by change of time schedule, carriage in different cars, or by other means.

9. On October 20, 2004, counsel for petitioners faxed to counsel for ISW a request that ISW immediately reinstall the south and north end switch in order to restore

rail service so that ISW and OVR could meet the current transportation needs of Mid-America and future rail shippers. (Exhibit C) The response received from ISW counsel (Exhibit D) indicates that ISW and Pioneer Railcorp management are unwilling to negotiate an interchange arrangement within a time period that would enable OVR and Mid-America to pursue reasonable business activities and permit rail shipment of the car currently trapped by ISW's action in Harwood Yard.¹ It is thus clear from ISW's response that ISW is not inclined to promptly reinstall the switches it removed or promptly negotiate interchange arrangements in good faith with OVR. Accordingly, Petitioners have no option but to invoke the provisions of 49 C.F.R. §§1146 and 1147 to address ISW's inappropriate resort to unilateral self-help.

10. In order to address the service inadequacy created by ISW's removal of the north and south end switches and its refusal to reinstall those switches, OVR requests that the Board issue an order directing that OVR reinstall the south and north end switches to ISW's track at ISW's sole cost and expense and that OVR and CSX Transportation, Inc. be permitted to conduct interim direct interchange operations over the additional 300 feet of ISW track and the south end switch into Harwood Yard pursuant to the provisions of §11102. This minimal imposition of interchange trackage rights will enable CSXT or

¹ The assertions set forth in the Indiana Southwestern Railway Company response of October 20, 2004 are inaccurate and self serving. As indicated by the Ohio Valley Railroad correspondence dated August 27, 2004 and the responses received from the AAR and Railinc dated September 13, 2004, Ohio Valley Railroad Company has received valid recording marks. In particular, OVR advised the AAR that it planned to enter interchange agreements with both ISW and CSXT at a point within Harwood Yard in Evansville, IN and noted that interchange agreements had not been completed as of August 27, 2004. Thus OVR made no misrepresentations to the AAR. Moreover, given ISW's challenge to OVR's exemption notice, OVR had awaited the Board's decision regarding the ISW Petition to Revoke before proposing an interchange agreement to ISW. OVR had already prepared a proposal interchange agreement (Exhibit F) but ISW's actions on October 16, 2004 have preempted that proposal. Moreover, OVR has indicated to the AAR that it expected to start operations no later than January 1, 2005 and it has sent an e-mail to the AAR requesting that its reporting marks be made effective October 21, 2004. (Exhibit G) However, notwithstanding these preparatory arrangements, the effective date of OVR's reporting marks and the status of its interchange negotiations with ISW do not justify the precipitous action taken by ISW on October 16, 2004.

OVR to operate over approximately 300 ft. of ISW track for purposes of interchange until such time as OVR and ISW can negotiate and enter into appropriate interchange arrangements.

11. Direct interchange rights with CSXT were obtained by OVR's predecessors in interest from Evansville Terminal Company ("ETC") when the Harwood Yard properties were acquired by Mid-America in 1996. (See Exhibit H). Thus, when ISW took title to its rail line in March 2000, the operating rights and trackage which ISW acquired from ETC were already subject to ETC's prior grant of direct CSXT interchange rights to Mid-America. In September 2003, Mid-America conveyed Harwood Yard and the CSXT interchange rights to Harwood Properties, Inc. (Exhibit I). OVR now seeks to exercise these CSXT interchange rights under its lease and operating agreement with Harwood Properties, Inc.

12. Petitioners do not have a commitment from CSXT to provide the proposed interim interchange service to meet current transportation needs. CSXT has previously advised OVR that it prefers not to become engaged in an intercarrier dispute between OVR and ISW. However, given the extraordinary action undertaken by ISW on October 16, 2004, direct interchange with CSXT is the only expeditious and appropriate means to address the inadequacy of rail service created by ISW. Moreover, under an order from the STB to preserve common carrier rail service CSXT would not be acting at the behest of OVR or ISW but under STB authority.

13. OVR and Mid-America believe that the conduct of ISW and representations made to Mr. Knight by representatives of ISW/Pioneer Railcorp, indicate that the ISW has acted in retaliation for the dismissal of ISW's Petition to Revoke OVR's

exemption and to create financial conditions that will injure OVR and Mid-America and force the sale of the rail facilities at Harwood Yard to ISW at a distressed price. This conduct is blatantly anticompetitive and contrary to national rail transportation policy. 49 U.S.C. §10101

14. The alternative interchange arrangements with CSXT can be provided safely and without degrading service to existing customers of ISW and without unreasonably interfering in ISW's overall ability to provide service. The proposed alternative interchange service could take place within Harwood Yard on track operated by OVR. The proposed service would only entail operations for an additional 300 feet over the ISW track and the south end switch into Harwood Yard. The proposed service would be more efficient and less costly because it would eliminate the need for ISW intermediate switching between CSXT and OVR. Finally, the relief proposed would preclude ISW's current efforts to deny use of its rail facilities to OVR for interchange purposes.

WHEREFORE, Petitioners respectfully request that in view of the demonstrable service inadequacy created by the actions of ISW/Pioneer Railcorp the Board grant the relief requested by Petitioners so that common carrier rail service can be reestablished and provided to Mid-America and other potential shippers by OVR at the earliest possible date.

Respectfully submitted,

VUONO & GRAY, LLC

By:

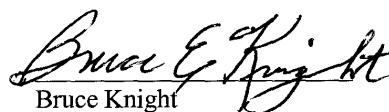


Richard R. Wilson
Attorney for Ohio Valley Railroad Co.
Mid-America Locomotive & Car
Repair, Inc.

VERIFICATION

I, Bruce Knight, verify under penalty of perjury state that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Petition.

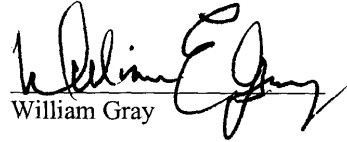
Executed on October 20, 2004.


Bruce Knight

VERIFICATION

I, William Gray, verify under penalty of perjury state that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Petition

Executed on October 20, 2004.


William Gray

CERTIFICATE OF SERVICE

I hereby certify that I have this 21st day of October, 2004 served a copy of
the Emergency Petition for Expedited Relief upon the following by First Class United
States Mail, postage prepaid:

Louis Gittomer, Esq.
BALL JANI, LLP
1455 F. Street, N.W., Ste. 225
Washington, D.C. 20005

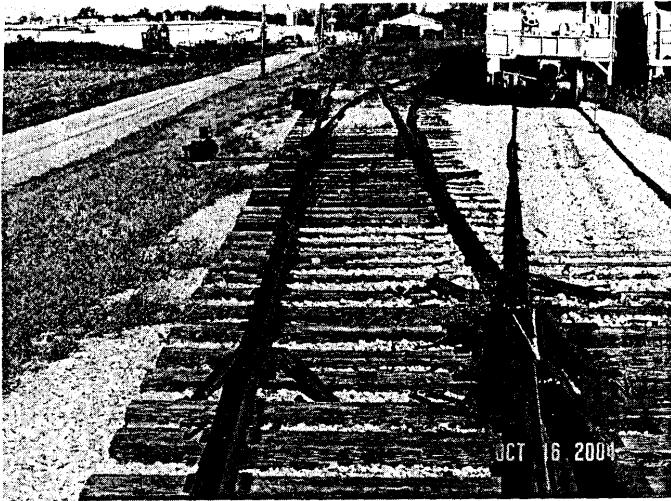
Daniel A. LeKemper, Esq., General Counsel
Pioneer Railcorp.
Indiana Southwestern Railroad Co.
1318 S. Johanson Road
Peoria, IL 61607



Richard R. Wilson
Attorney for Ohio Valley Railroad Co.
Mid-America Locomotive & Car
Repair, Inc.



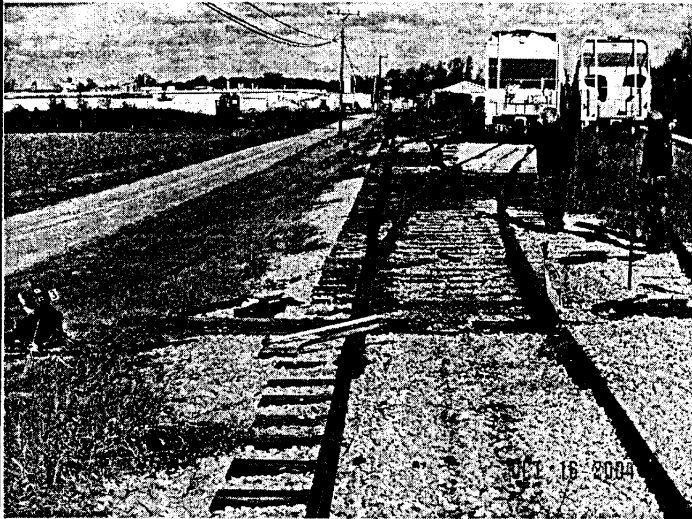
South end switch and lead track extending from
ISW line.



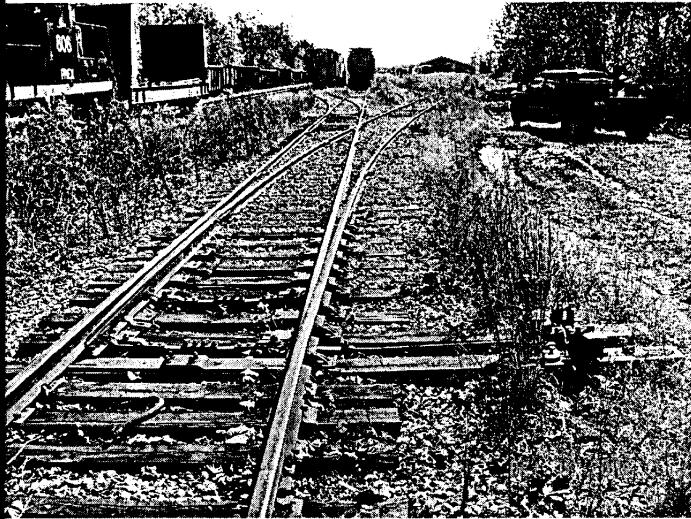
South end switch and lead track extending into Harwood Yard.



ISW crew removing South end switch.



ISW crew removing South end switch.



North end switch and lead track into
Harwood Yard.



North end switch after ISW removal.

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Apr 13 04 03:13p

p. 2

FT ISW 8000-E
(Cancels 8000-D)

INDIANA SOUTHWESTERN RAILWAY CO.

FREIGHT TARIFF ISW 8000-E (Cancels ISW 8000-D)

NAMING RATES AND CHARGES COVERING SWITCHING

BETWEEN

AND

ALL STATIONS
ON THE
ISW

INTERCHANGE WITH CONNECTIONS
AT
EVANSVILLE, IN

GENERAL SWITCHING TARIFF

This tariff is also applicable on intrastate traffic, except where expressly provided to the contrary in connection with Particular items.

ISSUED: April 13, 2004, 2003

EFFECTIVE: APRIL 14, 2004

ISSUED BY:

Catherine Busch, Director of Marketing
INDIANA SOUTHWESTERN RAILWAY CO.
1318 So. Johanson Road
Peoria, IL 61607

(The provisions published herein, if effective, will not result in an effect on the quality of the human environment.)

EXHIBIT B

FT ISW 8000-E

(Cancels FT ISW 8000-D)

**RULES AND OTHER GOVERNING PROVISIONS
GENERAL RULES AND REGULATIONS****ITEM 5 SUPPLEMENTS AND REISSUES**

When reference is made in this tariff, or supplements, to other publications for rates or other information, it includes "Supplements" thereto or successive issues thereof.

As this tariff is supplemented, numbered items with letter suffixes cancel correspondingly number items in the original Tariff, or in a prior supplement. Letter suffixes will be in Alphabetical sequence starting with A. Example: Item 100A cancels Item 100; and Item 300-B cancels Item 300-A in a prior supplement, which in turn cancelled Item 300.

ITEM 25 MILEAGE CHARGES ON PRIVATELY OWNED CARS

The ISW will not pay any mileage charges on privately owned or leased equipment when moving from, to, or via stations on the ISW.

**ITEM 30 CAR DEMURRAGE, DETENTION AND STORAGE
RULES AND CHARGES**

For rules and charges to apply, See Freight Tariff ISW 6004 series and Freight Tariff ISW 8998 series.

ITEM 40 NON-ABSORBED INTERMEDIATE SWITCH RATE

The rates listed herein do not absorb the intermediate switch rate between CSXT and NS. The ISW interchanges directly with CSXT at Evansville, IN.

**SECTION 1
SWITCHING****ITEM 1000 INTERCHANGE SWITCHING**
(See Notes 1, 2, 3, 4, 5, 6 and 7 for this item)

The Indiana Southwestern Railway Co. (ISW) will perform switching between industries located at stations shown below and interchange with CSXT (Direct) and NS (via intermediate switch) at Evansville, IN at the Charges indicated below:

(Charges are in Dollars and Cents per Cars, unless otherwise noted)

STATION	INDUSTRY	COMMODITY	INTERCHANGE	CHARGE
Evansville, IN	Mid America Locomotive and Car Repair Shop	Rail cars (other than locomotives, cabooses, and passenger cars)	CSX	\$ 250.00 (includes in & out)
			NS	\$ 250.00 (includes in & out)
		Locomotives	CSX	\$1,500.00 (includes in & out)
			NS	\$1,500.00 (includes in & out)
	Cabooses and Passenger cars		CSX	\$1,000.00 (includes in & out)
			NS	\$1,000.00 (includes in & out)
			CSX	\$1,000.00 (includes in & out)
			NS	\$1,000.00 (includes in & out)

Note 1: These charges apply only when customer is physically served by ISW. Intermediate switch charges will apply as noted in Item 2000.

Note: Switch charges for empty railcars, locomotives, and passenger cars will be billed to Mid America Locomotive at first move by ISW.

Switch charge monies are due and payable to ISW within 15 days of receipt of invoice, and/or all charges to be "PAID IN FULL" prior to rail cars moving offline.

*Loaded cars destined to Mid America Locomotive for the account of GE Plastics, will incur the \$250 switch charge with charges due and payable as follows: \$200.00 of the switch charge will be assessed against and billed to CSX; \$50.00 will be assessed against and billed to Mid America Locomotive. All switch charges will be billed at time of the inbound move or upon first move by ISW.

Cars will not be considered released, AND NO CARS WILL MOVE OFF LINE, UNTIL ALL CHARGES FOR SERVICES ARE "PAID IN FULL".

Apr 13 04 03:14P

SECTION 1

SWITCHING

(continued)

ITEM 1000 - continued

INTERCHANGE SWITCHING

(See Notes 1,2,3,4,5,6 and 7 for this item)

STATION	INDUSTRY	COMMODITY	INTERCHANGE	CHARGE
Evansville, IN	GE Plastics	Loads being held in storage or ISW owned tracks (Interference to Mt. Vernon, IN)	CSX	\$ 200.00 (includes in & out)

Note: Charges for switching of empties being held in storage as well as storage charges will be billed to GE Plastics.

Evansville, IN	All Other Industries	Freight, all kinds, except fertilizer and grain - See Note 7	CSX	\$ 530.00
			NS	\$ 530.00
Poseyville, IN	All Industries	Freight, all kinds, except fertilizer and grain - See Note 7	CSX	\$ 530.00
			NS	\$ 530.00
Cynthiana, IN	All Industries	Freight, all kinds, except fertilizer and grain - See Note 7	CSX	\$ 530.00
			NS	\$ 530.00

Note: The above charges apply only when customer is physically served by ISW. Intermediate switch charges will apply as noted in Item 2000.

ITEM 2000

INTERMEDIATE SWITCHING RATES

Application and Definition of Intermediate Switching

A switching movement of cars from the interchange tracks of one connecting carrier to the interchange tracks of another connecting carrier with the switching limits of the same station on which the switch carrier neither originates nor terminates the shipment nor receives a line-haul.

Charges Indicated Below:

(Charges are in Dollars and Cents per car, unless otherwise noted.)

STATION	COMMODITY	RATE
Evansville, IN	Freight All Kinds, not including cabooses, passenger cars and locomotives. Also - See Note 7.	\$ 250.00
	Locomotives	\$1500.00
	Cabooses and Passenger Cars	\$1000.00

Note: Rates apply in each direction on all movements, loaded or empty. Such charge will be assessed against the carrier handing off the car to the ISW, and will apply on loads and empties.

Note 1 - On all moves involving loaded cars, switch charges will be assessed against and billed to the connecting carrier.

See exception * for loaded cars moving to Mid America for account of GE Plastics.

Note 2 - No switching charges of the line haul charges will be absorbed by the ISW.

Note 3 - For cars moving to/from ISW, intermediate switch charges for cars moving between NS and CSX at Evansville, IN will not be absorbed by the ISW.

Note 4 - All charges will be "paid in full"; or acceptable arrangements will have been made for payment prior to final movement (inbound/outbound) of rail cars on/off ISW.

Note 5 Subject to Rule 5 - Switching Car Hire Expense recovery - Code of Car Hire Rules and Interpretation as published in the Official Railway Equipment Register - Circular O-1 - 10.

Note 6 - For grain switching rates to apply, see Freight Tariff ISW 8001. For fertilizer rates to apply, see Freight Tariff ISW 8002.

Note 7 - Above switch charges do not cover dimensional hi-wide loads/heavy loads/loads requiring lvy duty or special equipment. Contact ISW Marketing for charges (353) 697-1400.

Attn: Bruce Knight

FT ISW 8000-F
(Cancels 8000-E)

INDIANA SOUTHWESTERN RAILWAY CO.

FREIGHT TARIFF ISW 8000-F
(Cancels ISW 8000-E)NAMING
RATES AND CHARGES
COVERING
SWITCHING

BETWEEN

AND

ALL STATIONS
ON THE
ISWINTERCHANGE WITH CONNECTIONS
AT
EVANSVILLE, IN

GENERAL SWITCHING TARIFF

This tariff is also applicable on intrastate traffic, except where expressly provided to the contrary in connection with Particular items.

ISSUED: October 12, 2004

EFFECTIVE: November 1, 2004

ISSUED BY:

Catherine Busch, Director of Marketing
INDIANA SOUTHWESTERN RAILWAY CO.
1318 So. Johanson Road
Peoria, IL 61607

(The provisions published herein, if effective, will not result in an effect on the quality of the human environment.)

FT ISW 8000-F
(Cancels FT ISW 6000-E)

RULES AND OTHER GOVERNING PROVISIONS
GENERAL RULES AND REGULATIONS

ITEM 5 SUPPLEMENTS AND REISSUES

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The ISW will not pay any mileage charges on privately owned or leased equipment when moving from, to, or via stations on the ISW.

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The rates listed herein do not absorb the intermediate switch rate between CSXT and NS. The ISW interchanges directly with CSXT at Evansville, IN.

SECTION 1
SWITCHING

ITEM 1000 INTERCHANGE SWITCHING
(See Notes 1,2,3,4,5,6 and 7 for this item)

The Indiana Southwestern Railway Co. (ISW) will perform switching between industries located at stations shown below and interchange with CSXT (Direct) and NS (via intermediate switch) at Evansville, IN at the

Charges indicated below:

(Charges are in Dollars and Cents per Cars, unless otherwise noted)

STATION	INDUSTRY	COMMODITY	INTERCHANGE	CHARGE
Evansville, IN	Mid America Locomotive and Car Repair Shop	Rail cars (other than locomotives, cabooses, and passenger cars)	CSX	\$ 250.00 (includes in & out)
			NS	\$ 250.00 (includes in & out)
			CSX	\$2,500.00 (includes in & out)
			NS	\$2,500.00 (includes in & out)
		Locomotives	CSX	\$1,000.00 (includes in & out)
			NS	\$1,000.00 (includes in & out)
		Cabooses	CSX	\$2,500.00 (includes in & out)
			NS	\$2,500.00 (includes in & out)
		Passenger Cars	CSX	\$2,500.00 (includes in & out)
			NS	\$2,500.00 (includes in & out)

Note 1: These charges apply only when customer is physically served by ISW. Intermediate switch charges will apply as noted in Item 2000.
 Note: Switch charges for empty railcars, locomotives, and passenger cars will be billed to Mid America Locomotive at first move by ISW.
 Switch charge monies are due and payable to ISW within 15 days of receipt of invoice, and/or all charges to be "PAID IN FULL" prior to rail cars moving offline.
 "Loaded cars destined to Mid America Locomotive for the account of GE Plastics, will incur the \$250 switch charge with charges due and payable as follows: \$200.00 of the switch charge will be assessed against and billed to CSX; \$50.00 will be assessed against and billed to Mid America Locomotive.
 All switch charges will be billed at time of the inbound move or upon first move by ISW.
 Cars will not be considered released, AND NO CARS WILL MOVE OFF LINE, UNTIL ALL CHARGES FOR SERVICES ARE "PAID IN FULL."

SECTION 1
SWITCHING
(continued)

ITEM 1000 - continued

INTERCHANGE SWITCHING
(See Notes 1,2,3,4,5,6 and 7 for this item)

STATION	INDUSTRY	COMMODITY	INTERCHANGE	CHARGE
Evansville, IN	GE Plastics	Loads being held in storage on ISW owned tracks (if furtherance to Mt. Vernon, IN)	CSX	\$ 200.00 (includes in & out)

Note: Charges for switching of empties being held in storage as well as storage charges will be billed to GE Plastics.

Evansville, IN	All Other Industries	Freight, all kinds, except fertilizer and grain - See Note 7	CSX	\$ 530.00
			NS	\$ 530.00
Poseyville, IN	All Industries	Freight, all kinds, except fertilizer and grain - See Note 7	CSX	\$ 530.00
			NS	\$ 530.00
Cynthiana, IN	All Industries	Freight, all kinds, except fertilizer and grain - See Note 7	CSX	\$ 530.00
			NS	\$ 530.00

Note: The above charges apply only when customer is physically served by ISW. Intermediate switch charges will apply as noted in Item 2000

ITEM 2000

INTERMEDIATE SWITCHING RATES

Application and Definition of Intermediate Switching

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Charges Indicated Below:

(Charges are in Dollars and Cents per car, unless otherwise noted.)

STATION	COMMODITY	RATE
Evansville, IN	Freight All Kinds, not including cabooses, passenger cars and locomotives. Also - See Note 7	\$ 250.00
	Locomotives	\$2500.00
	Passenger Cars	\$2500.00
	Cabooses	\$1000.00

Note: Rates apply in each direction on all movements, loaded or empty. Such charge will be assessed against the carrier handing off the car to the ISW, and will apply on loads and empties.

Note 1 - On all moves involving loaded cars, switch charges will be assessed against and billed to the connecting carrier.

See exception * for loaded cars moving to Mid America for account of GE Plastics.

Note 2 - No switching charges of the line haul charges will be absorbed by the ISW.

Note 3 - For cars moving to/from ISW, intermediate switch charges for cars moving between NS and CSX at Evansville, IN will not be absorbed by the ISW.

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Note 5 Subject to Rule 5 - Switching Car Hire Expense recovery - Code of Car Hire Rules and Interpretation as published in the Official Railway Equipment Register - Circular OT - 10.

Note 6 - For grain switching rates to apply, see Freight Tariff ISW 8001. For fertilizer rates to apply, see Freight Tariff ISW 1002.

Note 7 - Above switch charges do not cover dimensional-hi-wide loads/heavy loads/loads requiring hvy.duty or special equipment. Contact ISW Marketing for charges (309) 697-1400.

Law Offices

VUONO & GRAY, LLC

2310 Grant Building

Pittsburgh, PA 15219-2383

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*Also Admitted in Florida
+Also Admitted in Maryland

Richard R. Wilson
of Counsel

Telephone
412-471-1800

Facsimile
412-471-4477

October 20, 2004

RE: Ohio Valley Railroad Company – Removal of Interchange Switch Connections –
Indiana Southwestern Railroad Company

Daniel A. LeKemper, Esq., General Counsel
Pioneer Railcorp.
Indiana Southwestern Railroad Co.
1318 S. Johanson Road
Peoria, IL 61607

SENT VIA FACSIMILE – (309) 697-5387
ORIGINAL SENT VIA U.S. MAIL

Dear Mr. LeKemper:

I am writing to you on behalf of my clients Ohio Valley Railroad Company (“OVR”) and Mid-America Locomotive and Car Repair, Inc. (“Mid-America”) in response to actions undertaken by employees of Indiana Southwestern Railroad Company (“ISW”) and/or Pioneer Railcorp. I have been advised by Mr. Bruce Knight, President of Mid-America and Mr. William Gray, President of OVR that on Saturday, October 16, 2004 employees of ISW or Pioneer Railcorp without notice to or consent from OVR, removed the south and north end switch connections between OVR tracks at Harwood Yard and ISW track No. 3 thereby preventing OVR from interchanging with ISW and trapping a car awaiting shipment to a customer of Mid-America.

Mr. Knight photographed the switch removals and spoke with Mr. Rodger Stice and Mr. David Henry on site who indicated they were performing the track removal work on the basis of instructions given to them by their superior Mr. Shane Cullen. Mr. Knight then spoke by cell phone with Mr. Cullen who confirmed that Mr. Stice had been given instructions by him to perform the switch removal. Mr. Cullen indicated that he had been directed to undertake this action by his superior, Mr. Michael Carr.

As you are aware, on September 24, 2004 the Surface Transportation Board denied ISW’s Petition to Revoke OVR’s acquisition and operation exemption notice thereby confirming OVR’s right and obligation to provide common carrier rail service in connection with ISW. It hardly seems necessary to point out to you that the action of ISW and Pioneer Railcorp violates the provisions of 49 U.S.C. §10744 which requires common carrier railroads subject to the jurisdiction of the STB to provide continuous carriage of freight between origins and destinations without stoppage or interruption. Moreover, as OVR’s connecting common carrier railroad, ISW, under 49 U.S.C. §10742, must provide reasonable and proper facilities for the interchange of traffic between common carrier railroads. Finally, there has been no communication between

EXHIBIT C

Daniel LeKemper, Esq.
October 20, 2004
Page 2

ISW and OVR regarding any operational problems, safety issues or other repair requirements regarding these two interchange switch connections.

ISW personnel advised Mr. Knight that they had been specifically instructed to perform this work over the weekend and to have it completed before Monday, October 18, 2004. These facts clearly indicted that the action undertaken by ISW personnel at the instruction of executives of Pioneer Railcorp was an illegal and improper interference with OVR's common carrier rail service and represents an attempt by Pioneer Railcorp/ISW to prevent OVR from exercising its right to provide common carrier rail service to Mid-America and to other industries at Harwood Yard. I must also point out that there can be both civil and criminal penalties for violation of the above provisions at 49 U.S.C §§ 11901, 11902, 11906 and 11907.

By this letter, I am requesting in the strongest possible terms that ISW/Pioneer Railcorp promptly reinstall the two switch connections which were improperly removed. Unless I receive a written confirmation from you by facsimile transmission not later than 5 p.m. EST October 20, 2004 that ISW will immediately reinstall these switches within twenty-four hours and engage in good faith negotiations to promptly conclude an interchange agreement with OVR, my clients will have no option but to initiate appropriate legal action to protect their interests.

Thank you for your immediate attention to this matter.

Very truly yours,

VUONO & GRAY, LLC



Richard R. Wilson, Esq.

RRW/bab

xc: Ohio Valley Railroad Co.
Mid-America Locomotive & Car Repair, Inc.

RICHARD R. WILSON, P.C.

Attorney at Law

A Professional Corporation

127 Lexington Avenue, Suite 100

Altoona, PA 16601

(814) 944-5302

888-454-3817 (Toll Free)

(814) 944-6978 FAX

rrwilson@atlanticbbn.net

851 Twelfth Street

Oakmont, PA 15139

Of Counsel to:

Vuono & Gray LLC

2310 Grant Building

Pittsburgh, PA 15219

(412) 471-1800

(412) 471-4477 FAX

FAX TRANSMISSION

Date: October 20, 2004

From: Richard R. Wilson, Esq.

To: Daniel A. LeKemper, Esq.

Fax: 309-697-5387

To:

Fax:

To:

Fax:

To:

Fax:

To:

Fax:

To:

Fax:

Comments:

WE ARE SENDING 03 pages (including this cover page). If you do not receive all pages satisfactorily, please call (814) 944-5302 and ask for Beth.

This message may constitute privileged attorney-client communication or attorney work product, and unauthorized use or disclosure is prohibited. If you are not the intended recipient of this message, please advise us by calling collect at (814) 944-5302 and forward the document to us by mail at the above address.

TRANSMISSION VERIFICATION REPORT

TIME : 10/20/2004 09:40
NAME : RICHARDRWILS
FAX : 18149446978
TEL : 18149445302

DATE, TIME	10/20 09:39
FAX NO./NAME	13096975387
DURATION	00:00:56
PAGE(S)	03
RESULT	OK
MODE	STANDARD
	ECM

RICHARD R. WILSON, P.C.

Attorney at Law

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Fax:

To:
Fax:

Comments:

OHIO VALLEY RAILROAD COMPANY

1601 WEST ALLENS LANE, EVANSVILLE, INDIANA 47710

TELEPHONE 412 736.5359

August 27, 2004

RAILINC
Mr. Scott R. Phillips
Business Services Division
7001 Weston Parkway, Suite 200
Cary, NC 27513

Re: Reporting Marks OVR

Dear Mr. Phillips:

Please find enclosed the information you requested in your letter to us dated March 29, 2004.

Included you will find the following signed documents:

- AAR Interchange Agreement (notarized)
- AAR Car Service and Car Hire Agreement
- AAR File CH-400.GEN
- Section 10706 Agreement
- AAR Plan of Organization December 14, 1990

As to specific points in your letter, we provide the following:

- Our \$400.00 application fee was mailed to RAILINC on April 2, 2004.
- OVR plans to enter Interchange Agreements with both Indiana Southwestern Railway (ISW) and CSX Transportation (CSX) at a point within Harwood Yard in Evansville, Indiana. OVR will operate approximately 2.8 miles of track with the entire line of road being located in Center Township, Vanderburgh County, Indiana.



"Ship OVR the route of friendly service"

EXHIBIT E

The operating address will be 1601 West Allens Lane, Evansville, IN 47710.

The phone contact is (412) 736-5359, the Fax number is (812) 421-1760, and the email is bgray@pullmans.com.

The officer and point of contact is William E. Gray, who serves as Chairman and President of the corporation.

- Interchange Agreements have not been completed as of this date. OVR expects to enter into these discussions in a timely basis.
- OVR expects to start operations by no later than January 1, 2005.
- A copy of the STB Finance Docket No. 34486 is enclosed.
- The OVR reporting marks were not previously in-use.

Hopefully this will address all pertinent items, kindly advise me if you need further information.

I appreciate your patience in working with me during the start-up phase of the operation of Ohio Valley Railroad. I look forward to learn much more about RAILINC services to assist in billing and daily operations.

Sincerely,

William E. Gray
Chairman and President



Date: September 13, 2004

File: 18.16

To: Mr. William E. Gray
President
Ohio Valley Railroad Company
1601 West Allens Lane
Evansville, IN 47710

From: Jim Moran, Director UMLER Services
E-mail: jim.moran@railinc.com

Sub: Confidential UMLER Passkey for Reporting Equipment to UMLER

The confidential UMLER passkey that has been assigned for the equipment mark **OVR** is: [REDACTED]

Confidential passkeys are assigned to each owner to protect unsolicited activity from being reported by non-owners to add, change or delete the owner's equipment from the UMLER file.

Please provide this passkey to the personnel responsible for submitting your UMLER information impressing upon them the confidentiality aspects of this passkey. The submissions received without passkeys or incorrect passkeys will cause your data to be rejected.

Owners providing their passkey to an agent should negotiate the security criteria in order to protect your equipment from unwanted activity. It is recommended that when an owner cancels the agent's contract that the owner apply for a new passkey. This can be accomplished by e-mailing UMLER@railinc.com.

In order to facilitate the appropriate marshalling of railroad cars to meet the age criteria of Interchange Rule 3, the age information will be provided to railroads and private shops to avoid a premature single car test (SCT) as required in Rule 3., A., 3.

Reporting information to register equipment in compliance with AAR Interchange Rules and Accounting Rules and/or applicable tariffs, the media is the UMLER On-line application or On-line TCAM (mainframe). In order to subscribe to one of these services, contact our Customer Service Center 800-544-7245 and a customer service represent will provide the necessary information to report equipment to the UMLER file and the applicable charges for using this application.

The annual fee for equipment registration in the UMLER file is \$2.00 per unit. Invoices are forwarded in January and July at the rate of \$1.00 per unit. Fleets of 10 units or less are billed \$20.00 annually and fleets of 11 – 100 are billed annually at \$2.00 per unit.

Business Services Division • Interline Service
7001 Weston Parkway • Suite 200 • Cary • NC • 27513 • Phone: (919) 651-5038 • Fax: (919) 651-5405

OHIO VALLEY RAILROAD COMPANY

1601 WEST ALLENS LANE, EVANSVILLE, INDIANA 47710

TELEPHONE 412 736.5359

August 27, 2004

RAILINC
Mr. Scott R. Phillips
Business Services Division
7001 Weston Parkway, Suite 200
Cary, NC 27513

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"Ship OVR the route of friendly service"

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The officer and point of contact is William E. Gray, who serves as Chairman and President of the corporation.

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- The OVR reporting marks were not previously in-use.

Hopefully this will address all pertinent items, kindly advise me if you need further information.

I appreciate your patience in working with me during the start-up phase of the operation of Ohio Valley Railroad. I look forward to learn much more about RAILINC services to assist in billing and daily operations.

Sincerely,

William E. Gray
Chairman and President



**ASSOCIATION
OF AMERICAN
RAILROADS**

John J. Carroll
Senior Asst. Vice President-Business Services

September 13, 2004

File: RM – Ohio Valley Railroad Company
OVR - 630

Mr. William E. Gray
President
Ohio Valley Railroad Company
1601 West Allens Lane
Evansville, IN 47710

Dear Mr. Gray:

Reporting mark OVR and AAR Accounting Rule 260 code number 630 are hereby assigned with the effective date of and SCAC inception date of January 1, 2005 to Ohio Valley Railroad Company, a Class III rail carrier. Those codes should be shown, as applicable, in all tariffs in which the new railroad participates.

We have also received the following documents:

- AAR Interchange Agreement.
- Car Service and Car Hire Agreement.
- Section 10706 Agreement.
- Copy of your Surface Transportation Board Finance Docket Number 34486.
- Participant Contact Form.
- **Operating address and telephone number of an officer of the new railroad who will be the contact for other railroads and for placing on our mailing list.**
You have requested to be added to our mailing list and will be the contact person for inquiries from railroads:

Tel: (412) 736-5359

Fax: (812) 421-1760

- **Approximate miles of track to be operated.**
2.8 miles of track in Vanderburgh County, IN
- **Name of any interchange carrier(s) that the new railroad has entered into agreement with for the interline receipt, delivery of equipment and the point(s) of interchange:**

OVR will interchange at Evansville, IN with CSXT and ISW.

- **Date or approximate date that the new railroad will begin operating.**
Scheduled to commence operations on January 1, 2005.

As information for those receiving copies of this letter, AAR Accounting Rule 260 code number 630 was not previously assigned (coupled) with reporting any mark.

The assignment of these reporting marks is based in part on your Notice of Exemption filed with the Surface Transportation Board (STB) on behalf of Ohio Valley Railroad Company. If at any time your authority to operate is denied or revoked by the STB, the AAR will cancel the assignment of the marks.

Sincerely,



Copies to:

Paul Levine-National Motor Freight Traffic Assn.
M. F. Clemens, Jr.-Surface Transportation Board
Irean Lewis-Federal Railroad Administration
Pete Coleman-Official Railway Equipment Register
M. B. Reilly, Jr.-American Short Line Railroad Assoc.
G. Ozburn-American Short Line Railroad Assoc.
Robert M. Perbohrner-U.S. Railroad Retirement Board

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28 be necessitated due to realignment and/or reconfiguration of the HY411
29 track structure.

30 2. For the sole purpose of reaching the Interchange Track (see attached
31 Diagram A) and to permit the actual interchange movement:

32 a. ISW grants OVR access to the ladder track at the South end of the
33 ISW Track Numbers One (1) through Three (3) (hereinafter referred
34 to as the "ISW Interchange Access Track") and,

35 b. OVR grants ISW access to the ladder track at the South end of the
36 OVR Track Numbers Four (4) through Eight (8) (hereinafter referred
37 to as the "OVR Interchange Access Track").

38 3. The party receiving the rolling stock in interchange shall be responsible for
39 making a mechanical inspection thereof in accordance with the current
40 rules of the Association of American Railroads. Each piece of rolling
41 stock, when accompanied by proper billing for forwarding, shall be
42 considered as interchanged from the account of one party to the other
43 when placed on the Interchange Track described in Paragraph 1; provided,
44 however, that if said rolling stock fails the mechanical inspection referred
45 to in the preceding sentence, then that rolling stock involved shall not be
46 considered as interchanged as provided above.

47 4. The interchange of rolling stock covered by this Agreement shall be
48 governed by the applicable Interchange Car Service and Car Hire Rules
49 and any supplements there-to, promulgated from time to time by the
50 Association of American Railroads ("AAR") and/or the American Shortline
51 and Regional Railroad Association ("ASLRR").

52 5. Car Hire accounting on all rolling stock interchanged to OVR will be
53 handled by OVR and it will be OVR's responsibility to settle with the
54 owner(s) of that rolling stock.

55 6. The responsibility of the parties hereto as between themselves for loss of,
56 damage to, or destruction of property whatsoever or injury or death of any
57 person or persons whomsoever (hereinafter collectively referred to as
58 "Damages"), resulting from, arising out of, incidental to, or occurring in
59 connection with this Agreement, shall be determined as follows:

60 a. Each party shall assume and pay for all Damages caused by its fault,
61 failure or negligence, or that of its officers, agents or employees,
62 solely or in conjunction with a third party or parties, or by defects in
63 equipment while in its care, custody or control, including without
64 limitation costs referred to in Paragraph 7 hereof, provided, however,
65 that Damages incurred by OVR caused by defects in the ISW
66 Interchange Access Track shall be borne solely by ISW, and that
67 Damages incurred by ISW caused by defects in the Interchange Track
68 or the OVR Interchange Access Track shall be borne solely by OVR.

69 b. Each party hereto shall assume and pay for all Damages to its
70 property and property in its care, custody or control, and Damages
71 suffered by its officers, agents and employees caused by the joint or
72 concurring negligence of the parties hereto and/or their officers,
73 agents or employees, or arising from undetermined causes. All other
74 Damages so caused shall be borne equally by the parties hereto,
75 including without limitation the costs referred to in Paragraphs 7 and 8
76 hereof.

77 c. Each party hereto shall release, indemnify, defend and save harmless
78 the other party and its officers, agents, and employees from and
79 against any and all Damages, cost, and expense for which it is
80 reasonably responsible under this Paragraph 6, and from and against
81 any and all claims, actions and demands therefor.

82 d. In every case of death or injury suffered by an employee of either
83 party hereto, when compensation to such employee or employee's
84 dependants is required to be paid under any Workmen's

85 Compensation, occupational disease, employer's liability or other law,
86 and either of said parties, under the provisions of this Agreement, is
87 required to pay said compensation, if such compensation is required
88 to be paid in installments over a period of time, such party shall not be
89 released from paying any such future installments by reason of the
90 expiration or other termination of this Agreement prior to any of the
91 respective dates upon which any future installments are to be paid.

92 7. The clearing of wrecks or derailments and the repair and restoration of
93 roadbed, track and structures, on the Interchange Track or the OVR
94 Interchange Access Track while OVR is operating on that Track will be
95 performed by OVR or its agent and the cost thereof will be borne solely by
96 OVR.

97 8. The clearing of wrecks or derailments and the repair and restoration of
98 roadbed, track and structures, on the Interchange Track or the OVR
99 Interchange Access Track while ISW is operating on that Track (for the
100 sole purpose of interchanging traffic with OVR) will be performed by OVR
101 or its agent and the cost thereof will be distributed in accordance with
102 Paragraph 6 above.

103 9. The clearing of wrecks or derailments involving rolling stock being
104 interchanged with ISW and the repair and restoration of roadbed, track and
105 structures, on the ISW Interchange Access Track while OVR is operating
106 on the Track (for the purpose of interchanging traffic with ISW) will be
107 performed by OVR or its agent and the cost thereof will be distributed in
108 accordance with Paragraph 6 above.

109 10. The clearing of wrecks or derailments involving rolling stock being
110 interchanged with OVR and the repair and restoration of roadbed, track
111 and structures, on the ISW Interchange Access Track while ISW is
112 operating on the Track will be performed by ISW or its agent and the cost
113 thereof will be solely the responsibility of ISW.

- 114 11. All OVR employees or agents operating locomotive(s) on the Access Track
115 will be governed by the then current ISW Operating Rulebook and will also
116 observe and comply with generally accepted safety practices. ***Under no***
117 ***circumstances will OVR employees or agents kick, hump or***
118 ***otherwise switch rolling stock detached from a locomotive while***
119 ***operating on the ISW Interchange Access Track. Furthermore, no***
120 ***OVR employee or agent will operate a train or locomotive on the ISW***
121 ***Interchange Access Track at a speed in excess of five (5) miles per***
122 ***hour. OVR employees or agents will obtain clearance authority from***
123 ***the designated ISW representative prior to operating on the ISW***
124 ***Interchange Access Track.***
- 125 12. All ISW employees or agents operating locomotive(s) on the Interchange
126 Track and the OVR Interchange Access Track will be governed by the then
127 current OVR Operating Rulebook and will also observe and comply with
128 generally accepted safety practices. ***Under no circumstances will ISW***
129 ***employees or agents kick, hump or otherwise switch rolling stock***
130 ***detached from a locomotive while operating on the Interchange Track***
131 ***or the OVR Interchange Access Track. Furthermore, no ISW***
132 ***employee or agent shall operate a train or locomotive on the***
133 ***Interchange Track or the OVR Interchange Access Track at a speed in***
134 ***excess of five (5) miles per hour. ISW employees or agents will***
135 ***obtain clearance authority from the designated OVR representative***
136 ***prior to operating on the Interchange Track or the OVR Interchange***
137 ***Access Track.***
- 138 13. Each party will obtain any regulatory approvals necessary to carry out the
139 provisions of this Agreement and will conform to all federal and state
140 statutes, regulatory requirements and orders relating to rail service to be
141 performed under this Agreement and will defend, indemnify and hold the
142 other party harmless against the costs of compliance, penalties, liabilities
143 for damages, or other consequences for any failures to obtain such

144 statutes and regulatory approvals or to adhere to such statutes and
145 regulatory requirements.

146 14. Each party to this Agreement acknowledges that they are acting as a part
147 of the national railroad system and as such will cooperate with the other
148 party to encourage the shipment of freight and rolling stock and prevent
149 restraint of trade. Each party also agrees that they will not frustrate the
150 flow of rail traffic by untimely placement, or by withholding placement of
151 rolling stock to or from the Interchange Track.

152 15. Settlement of account, payments and billings.

153 a. All payments called for under this Agreement shall be made by the
154 responsible party within thirty (30) days after receipt of bills therefor.
155 No payments shall be withheld because of any dispute as to the
156 correctness of items in the bills rendered, and any discrepancies
157 reconciled between the parties hereto shall be adjusted in the account
158 of the subsequent month. The records of each party hereto, insofar as
159 they pertain to matters covered by this Agreement, shall be open at all
160 reasonable times to inspection by the other party.

161 b. Bills rendered pursuant to the provisions of this Agreement shall
162 include direct labor (including contractors and sub-contractors) and
163 material costs, together with surcharges, overhead percentages, and
164 equipment rentals that the parties hereto may agree upon at the time
165 any work is performed.

166 16. This Agreement will become effective upon the Commencement of
167 Interchange and will continue in force and effect until terminated by either
168 party upon sixty (60) days written notice to the other party.

169 17. Termination of this Agreement shall not release either party hereto from
170 any liability which may have incurred or any obligations which may have
171 accrued under any provision of this Agreement or any amendment or
172 supplement hereto, prior to the effective date of termination.

173 18. All notices required to be given by either party to the other in regards to
174 modifications or amendments to this Agreement shall be in writing and
175 sent postage paid via a method with independently confirmed delivery
176 (e.g.: U. S. Postal Service—Certified Mail; FEDEX Letter; UPS Letter; etc.)
177 to the address as follows:

178 a. If to ISW:
179 Indiana Southwestern Railway
180 c/o Pioneer Railcorp
181 13185 Johanson Road
182 Peoria, IL 61607
183

184 b. If to OVR:
185 Ohio Valley Railroad Company
186 c/o Vuono & Gray, LLC
187 Mr. Richard W. Wilson
188 2310 Grant Building
189 Pittsburgh, PA 15219-2383

190 19. All notices required to be given by either party to the other in regards to
191 daily operations and Interchange shall be in writing and sent by electronic
192 means (Email or Telefax) with confirmation requested via return electronic
193 means:

194 a. If to ISW:
195 Indiana Southwestern Railway
196 _____
197

198 b. If to OVR:
199 Ohio Valley Railroad Company
200 _____
201

202 IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be
203 duly executed the day and year first hereinbefore written.

204 INDIANA SOUTHWESTERN RAILWAY

205 Attest:

206 By: _____ By: _____

207

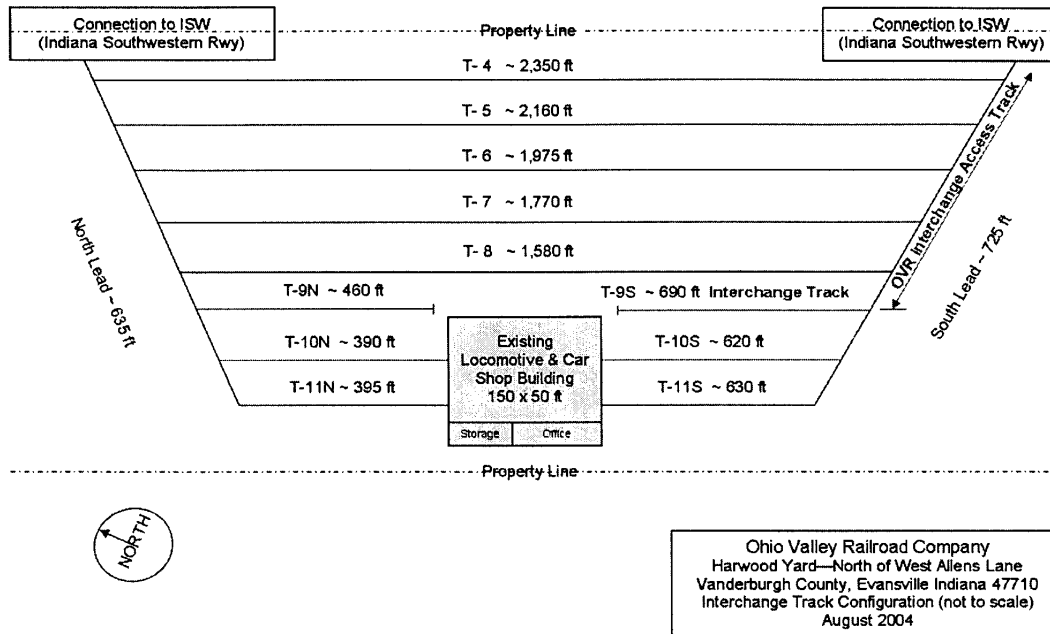
208 OHIO VALLEY RAILROAD COMPANY

209 Attest:

210 By: _____ By: _____

211

Diagram A – Interchange Track and OVR Interchange Access Track



212

Main Identity - Backup

From: "William E. Gray" <william.e.gray@worldnet.att.net>
To: "Phillips, Scott" <Scott.Phillips@railinc.com>
Sent: Wednesday, October 20, 2004 7:15 PM
Attach: OVR RRYASSIGN.DOC
Subject: OVR-630 Inception Date modification

Dear Scott,

Greetings from sunny (not!) Moon Township... Actually in rainy Charlotte now... Hope you are well.

Is it possible to amend the attached information to make our inception date effective immediately? If not, please let me know what information I must provide to you to move the date from January 1st, 2005.

Please advise me ASAP. I'll be available by mobile phone.

Thanks Very Much,
Bill Gray
President
Ohio Valley Railroad Company
Mobile 412 736-5359

EXHIBIT G

10/21/2004

PURCHASE AGREEMENT

THIS AGREEMENT, made this 29th day of June, 1996, by and between the EVANSVILLE TERMINAL COMPANY, ("Seller"), and MID AMERICA LOCOMOTIVE AND CAR REPAIR INC., ("Buyer")

WITNESSETH:

WHEREAS: Seller is the owner of real estate, buildings, equipment and inventory, and property appurtenant thereto, known as the Harwood Yard Repair Shop in Vanderburgh County, Indiana, (the "Shop"); and,

WHEREAS: Seller has agreed to sell, and Buyer has agreed to purchase the Shop subject to and in accordance with the further terms and conditions hereof;

NOW THEREFORE, for and in consideration of the mutual benefits expected to be derived by the parties hereto and of the mutual covenants and agreements contained herein, the Parties have agreed, and do hereby agree as follows:

1. **Assets Purchased and Sold:** The assets to be sold are the real estate and support tracks as depicted on Exhibit "1" attached hereto, together with the shop building at Harwood Yard and all equipment and inventory located therein and thereon. In addition Seller shall grant permanent access for movement between Harwood Yard and the CSXT lines located at MP 244.7; provided, however, that Seller reserves unto itself a permanent Easement sufficient to install a single track from the current locations of the North Switch Lead located between the mainline switch and the switch leading to #2 and #3 tracks as depicted on Exhibit "1" attached hereto.
2. **Purchase Price:** The purchase price shall be Three Hundred Thousand Dollars (\$300,000) payable as follows: Forty Five Thousand Dollars (\$45,000.00), payable as follows: Forty Thousand Dollars (\$40,000.00) cash at execution hereof and balance of \$5000.00 in exchange of services from Buyer to Seller. The balance of the Purchase Price is payable in equal monthly installments of principle and interest at the rate of 10% per annum calculated on a 15 year amortization, in arrears, of \$2,740.24, and with a balloon payment of the unpaid balance at the end of 5 years, at which time title shall pass; provided however, that Buyer may pay the balance of the Purchase Price at any time with no prepayment penalty and title shall pass upon such payment in full.
3. **Switching Services:** Seller agrees to provide switching services to Buyer as needed to conduct Buyer's operations at the Shop for the sum Twenty Five Dollars (\$25.00) per car (which includes movement both ways) if moved in existing trains subject to annual adjustment based upon mutually agreed upon indices. Additional switching services and those provided other than in existing trains shall be at the then current tariff rates.
4. **Locomotive Inspections:** As partial consideration hereof, Buyer agrees to perform, and certify quarterly federal locomotive inspections on any and all locomotives leased or

EXHIBIT H

owned by Seller and located for inspection purposes at Harwood Yard for the sum of Five Hundred Dollars (\$500.00) per inspection plus material costs; provided however, that the amount reflected herein is subject to annual adjustment based upon mutually agreed indices.

5. Storage of Equipment: The parties agree that following the sale Buyer shall have the use, at no cost to buyer, of tracks #2 and #3 located in Harwood Yard as depicted on Exhibit "I" attached hereto on an as needed and when available basis to store equipment. Following the sale Seller shall have the use, at no cost to it, of tracks #4 and #5 as depicted on Exhibit "I" attached hereto on an as needed and when available basis to store equipment.

6. Environmental: Buyer agrees to indemnify and hold Seller harmless of and from any and all claims or demands arising from any and all environmental incidents that may arise as a result of Buyer's ownership and use of the Shop. Seller agrees to contribute up to Five Thousand Dollars (\$5000.00) to the cost of installation of a track pan and related equipment at the fueling facility located in Harwood Yard.

7. Disclaimer of Warranties-Condition of Shop and Equipment: With respect to the Shop, Equipment and Inventory located at Harwood Yard, Seller, expressly disclaims and makes Buyer no warranty or representation, expressed or implied, of merchantability or fitness for any particular purpose or otherwise; including, but not limited to, the fitness for use, design or condition, the quality or capacity, the workmanship, or that it will satisfy the requirements of law, rule, regulation, or specification pertaining thereto; it being expressly agreed that all such risks, as between the parties hereto, are to be borne by Buyer. Seller shall not be responsible or liable for any direct or indirect incidental or consequential damages to or resulting from the installation, operation, or use of the Shop, Equipment or Inventory. Buyer's acceptance of delivery of the Line and its Shop, Equipment, and Inventory shall be conclusive evidence as between the parties hereto that all of the above is in condition satisfactory to Buyer.

8. Representations and Warranties:

Of Seller:

1. Seller is the owner of the Shop and all authorizations have been secured permitting Seller to enter into this Agreement.
2. To Seller's knowledge there are no unsatisfied judgments or liens against or threatening the Shop and there is no litigation, proceeding or investigation pending or threatened against the Seller or the Shop which would result in any material adverse change in the Shop or the condition or value thereof, or which may materially affect the Seller's right or ability to perform and carry out fully its obligations hereunder.
3. The persons executing this Agreement on behalf of Seller are authorized and empowered to enter into this Agreement on behalf of Seller.

Of Buyer:

1. Buyer is incorporated and in good standing in the State of Indiana.
2. Buyer knows of no facts defects events or conditions which would disqualify it from entering into this Agreement and carrying out the terms and conditions imposed upon it hereunder.
3. The execution delivery and performance of this Agreement is not prohibited by or in conflict with any provisions of any loan or other outstanding Agreements or commitments applicable to the Buyer.
4. The persons executing this Agreement on behalf of Buyer are duly authorized and empowered to enter into this Agreement on behalf of Buyer.
9. **Closing Date:** Closing shall take place on June 29, 1996, or at such other date as the parties shall mutually agree.
10. **Survival of Representations and Warranties:** All agreements, covenants, representations and warranties contained in this Agreement shall be true and correct in all material respects on the Closing Date as if made on and as of such date, and survive the Closing Date, execution and delivery of this Agreement and any other instruments in writing in respect thereof.
11. **Assignment:** Neither of the parties may assign or transfer its rights, benefits, duties or obligations hereunder without the prior consent of the other party.
12. **Notices:** All necessary notices, demands and requests required or permitted to be given under the provisions hereof shall be deemed duly given if mailed by certified mail, postage prepaid and properly addressed as follows:

If to Seller:

Evansville Terminal Company
King Street Station
1800 Diagonal Road, Suite 150
Alexandria, VA, 22314
Attn: John Marino, President

with copy to
RailAmerica Inc.,
301 Yamato Road, Suite 2222
Boca Raton, FL 33431
Attn: Gary Marino, Chairman

If to Buyer:
Mid America Locomotive and Car Repair Inc.
201 West Main Street
Newburgh, Indiana, 47630
Attn: Charles E. Jensen, Executive Vice President

13. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties, and supersedes all prior oral agreements or contracts, formal or informal, between the parties.

14. **Applicable Law:** This Agreement shall be governed and construed in accordance with the laws of the State of Indiana.

15. **Counterparts:** This Agreement may be executed in multiple counterparts, each of which when executed shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument notwithstanding the actual date of the execution thereof.

16. **Miscellaneous:** This Agreement may be modified only by an agreement in writing executed by the parties hereto. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, personal representatives, successors and assigns, subject, however, to the restrictions against assignment as provided in Section 8 hereof. The waiver by either party of a breach of a provision hereof shall not operate or be construed as a waiver of any subsequent breach hereof. All paragraph headings contained herein are supplied for convenience of reference and shall be given no weight or value in the construction of this Agreement, nor shall any weight or value be given to the relative position of any part or provision hereof in relation to the further provisions hereof in determining such construction.

WITNESS THE EXECUTION hereof and as of the date first above written:

Attest:

Gay A. Carlisle

Attest:

Virginia L. Jensen
Charles E. Jensen

Seller:

Evansville Terminal Company

By:

John H. Harkin
Its President

Buyer:

Mid America Locomotive and
Car Repair Inc.

By:

Charles E. Jensen
Its Executive Vice President

Page 1



No SCALE

Harwood Yard
South End
6-29-96

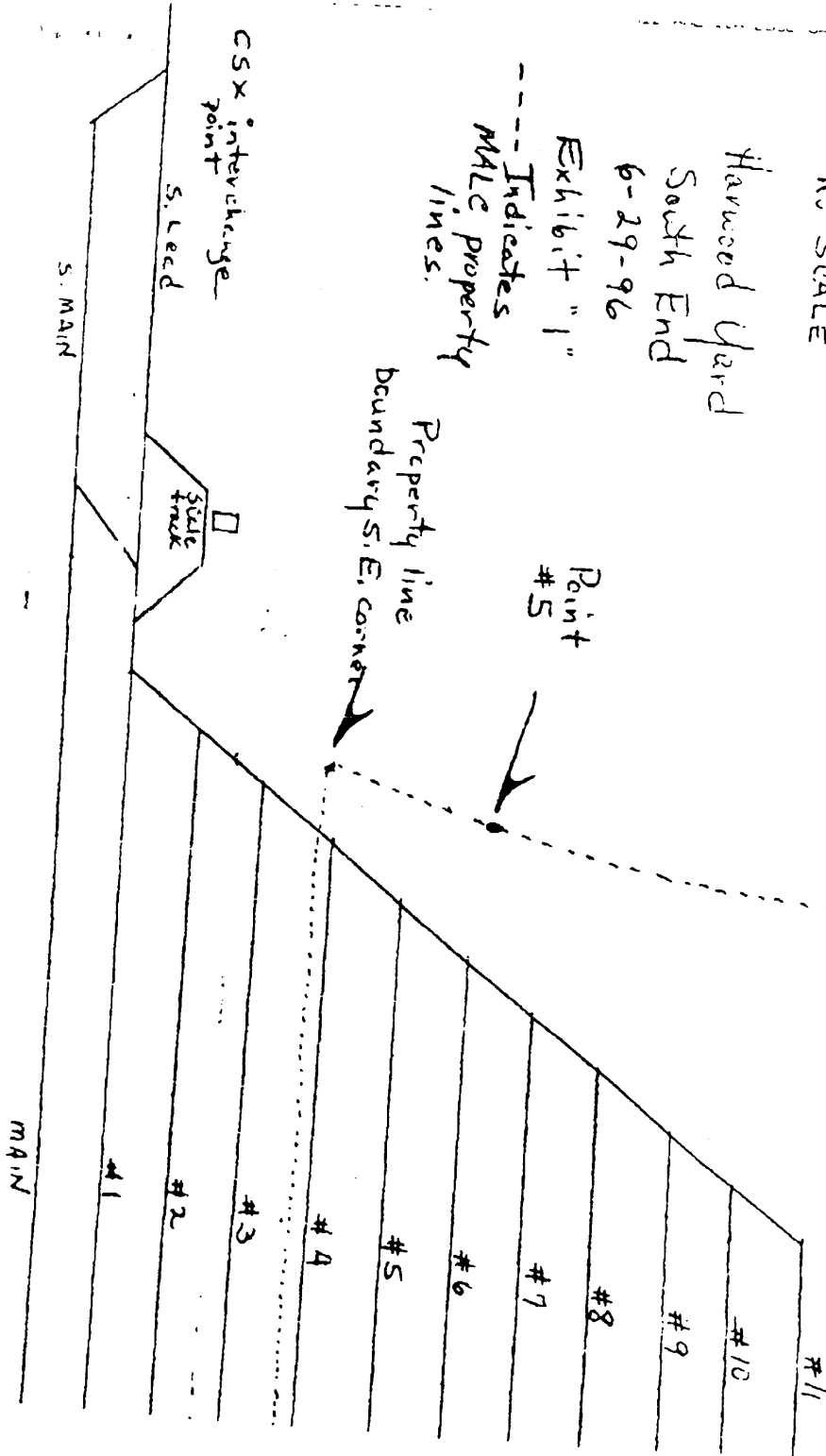
----- Indicates
M&C Property
lines.

Property line
boundary S.E. corner

Point
#5

Point
#4

152.5



QUIT-CLAIM DEED

THIS INDENTURE WITNESSETH that Mid-America Locomotive and Car Repair, Incorporated ("Grantor"), a corporation organized and existing under the laws of the State of Indiana, QUITCLAIMS to Harwood Properties, Incorporated ("Grantee"), a corporation organized and existing under the laws of the State of Indiana, for the sum of One Dollar (\$1.00) and other valuable consideration, the receipt of which is hereby acknowledged, the following described real estate in Vanderburgh County, Indiana, to wit

See Attached Exhibit "A"

The undersigned person executing this deed represents and certifies that the undersigned is a duly elected officer of the grantor and has been fully empowered by proper resolution, or the by-laws of the grantor, to execute and deliver this deed; that the grantor is a corporation in good standing in the State of Indiana and, where required, in the State where the subject real estate is located; that the grantor has full corporate capacity to convey the real estate described herein; and that all necessary corporate action for the making of such conveyance has been taken.

Grantor also transfers and assigns to Grantee its right of permanent access for movement between Harwood Yard and the CSXT lines located at MP 244.7, as the same is sold to Grantor by Evansville Terminal Company in a Purchase Agreement dated June 29, 1996. Grantor further transfers and assigns to Grantee all its rights and interest, including any easements or rights of access, ways of necessity or easements, by prescription or otherwise, of ingress or egress that may be determined to exist in a certain "Complaint to establish and quiet title to easement" which is now pending in the Vanderburgh Superior Court as Cause #82D03-0308-PL-3530 and entitled, "Mid-America Locomotive and Car Repair, Inc. v. Indiana Southwestern Railway, Co."

Grantor certifies that the above described real estate is not "property" as defined in I.C. 13-7-22.5-6. It has not been used as a landfill or dump, contains no underground gas storage tank(s) and contains no hazardous wastes. Thus, no disclosure statement as required by I.C. 13-7-22.5-1, et seq., is required.

IN WITNESS WHEREOF, Mid-America Locomotive and Car Repair, Incorporated has caused this deed to be executed this 23rd day of September 2003.

MID-AMERICA LOCOMOTIVE AND CAR REPAIR,
INCORPORATED

By: 
Bruce E. Knight
Its: President

EXHIBIT I

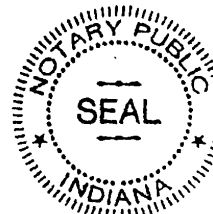
STATE OF INDIANA)
)SS:
COUNTY OF VANDERBURGH)

Before me, a Notary Public in and for said County and State, personally appeared Bruce E. Knight, the President of Mid-America Locomotive and Car Repair, Incorporated, who acknowledged execution of the foregoing Deed for and on behalf of said Grantor, and who, having been duly sworn, stated that the representations therein contained are true.

Witness my hand and Notarial Seal this 20th day of, October 2003.

(Printed)
Notary Public

(Signed)
Jerry F. Jones
JERRY F. JONES



My commission expires: 08/14/2009
My county of residence: Vanderburgh

JERRY F. JONES
Notary Public, State of Indiana
No. 505802
Qualified in Vanderburgh County
Commission Expires August 14, 2009

This instrument was prepared by Marilyn R. Ratliff, Attorney at Law, 123 N.W. 4th Street; Suite 304, Evansville, Indiana 47708.

Send tax statements to Grantee at:

Harwood Properties, Inc.
1601 West Allens Lane, Suite B
Evansville, IN 47710

Exhibit "A"
To Quitclaim Deed
from
Mid-America Locomotive and Car Repair, Incorporated
to
Harwood Properties, Inc.

Part of the Northwest Quarter and part of the Southwest Quarter of Section Twelve (12), Township Six (6) South, Range Eleven (11) West, in Vanderburgh County, Indiana, being more particularly described as follows:

Commencing at the Northwest corner of the Northeast Quarter of the Northwest Quarter of said Section Twelve; thence along the West line of said Quarter Quarter Section South 00 degrees 03 minutes 25 seconds East Four Hundred Twenty-five and Sixty-seven Hundredths (425.67) feet to a point located Thirty-three (33) feet Southwest of and perpendicular to the centerline of the mainline track, said point being the true point of beginning; thence along a line Thirty-three (33) feet Southwest of and parallel to the mainline track South 25 degrees 14 minutes 00 seconds East Two Thousand Four Hundred Twenty-five and Seventy-three Hundredths (2,425.73) feet to a point on the South line of the Southeast Quarter of the Northwest Quarter of said Section Twelve (12); thence continue along a line Thirty-three (33) feet Southwest of and parallel to the mainline track South 25 degrees 14 minutes 00 seconds East Three Hundred Seventy-nine and Fifty Hundredths (379.50) feet; thence North 33 degrees 26 minutes 15 seconds West Four Hundred Nine and Seventy-two Hundredths (409.72) feet to a point on the South line of the Southeast Quarter of the Northwest Quarter of said Section Twelve (12); thence along said South line South 83 degrees 46 minutes 00 seconds West One Hundred Twenty-seven and Fifty-six Hundredths (127.56) feet to a point located Two Hundred Eight (208) feet Southwest of and perpendicular to the centerline of the mainline track, said point also being the Easternmost corner of Kauai Industrial Park, recorded in Plat Book "K", page 166, in the office of the Recorder of Vanderburgh County, Indiana; thence along a line Two Hundred Eight (208) feet Southwest of and parallel to the centerline of the mainline track and also along the Easternmost line of said Kauai Industrial Park, North 25 degrees 14 minutes 00 seconds West One Thousand Five Hundred Seventy-five and Ninety-five Hundredths (1,575.95) feet to the Northeast corner of said Kauai Industrial Park; thence along the North line of said Kauai Industrial Park South 88 degrees 46 minutes 00 seconds West One Hundred Seventy and Two Hundredths (170.02) feet to a point on the West line of the Northeast Quarter of the Northwest Quarter of said Section Twelve (12); thence along said West line North 00 degrees 03 minutes 25 seconds West Seven Hundred Seventy-six and Forty-eight Hundredths (776.48) feet to the true point of beginning and containing a Gross Area of 9.808 acres. And including all of Mid-America Locomotive and Car Repair, Incorporated's right, title and interest in and to the structures, improvements and appurtenances, including all tracks, rail, ties, ballast, roadbed, switches, and other track material.

Subject to all easements and rights-of-way of record.