

June 30, 2004

Mr. Mathew R. Dietrich
Secretary-Treasurer
Ohio Rail Development Commission
50 West Broad Street, Suite 1510
Columbus, OH 43215

Re: Valuation of Panhandle Rail Corridor

Dear Mr. Dietrich:

Pursuant to our agreement dated January 14, 2004 and signed by James Seney, Executive Director of the Ohio Rail Development Commission, we are transmitting the accompanying appraisal of the Panhandle Rail Corridor.

The following is included within the attached appraisal documents:

- The inventory of the rail, bridges, and other track materials and fixtures.
- Results of the inspection of the rails, bridges and other track materials including photos.
- Valuation of the track, bridges and other track materials.
- Results of comparable sales research.
- Analysis of valuation maps and the determination of valuation segments.
- Valuation of each valuation segment.
- Final analysis and correlation of value.

Please know that the final analysis is a result of across the fence valuation technique for the right of way and the depreciated value in place for the track and fixtures. The total valuation includes the jointly owned interest with CSX.

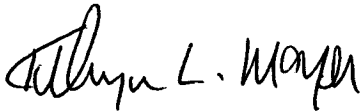
Upon consideration of the relevant factors involving the valuation of the right of way, building, rails, fixtures and other track material it is our conclusion that the value of the Panhandle Rail Corridor is **\$63,300,000**. This value includes \$18,300,000 for right of way and \$45,000,000 for rails, bridges, and other track materials. The portion of the Panhandle that is wholly owned by the ORDC is valued at \$42,761,100 and the portion that is jointly owned by the ORDC and CSX Railroad is valued at \$20,538,900.

We trust that this report is responsive to your request and that it will provide guidance in your decisions relative to your ownership of this asset.

Per our discussions of June 29, 2004, we are submitting two copies of the voluminous report at this time with the understanding that we will provide additional copies upon the completion of the appraisal review process.

Our firm thanks you for giving us the opportunity to provide our services to the ORDC .

Respectfully,

A handwritten signature in black ink, appearing to read "Kelvyn L. Moyer". The signature is written in a cursive style with a large initial 'K'.

Kelvyn L. Moyer
Senior Real Estate Specialist