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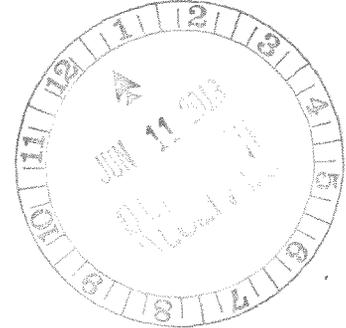
June 7, 2013

Ms. Cynthia T. Brown, Chief
Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

ENTERED
Office of Proceedings

SEP 23 2013

Part of
Public Record



Re: STB Docket No. AB-1110; Lackawaxen – Honesdale Shipper Association; Stourbridge Railroad Company and Delaware Lackawaxen and Stourbridge Railroad Company – Adverse Discontinuance of Operating Authority – Morristown & Erie Railway, Inc. d/b/a Stourbridge Railway for M.P. 0.0 at Lackawaxen, PA to M.P. 24.80 at Honesdale, PA

Dear Ms. Brown:

Enclosed for filing please find the original and ten copies of the Petition for Waiver of STB Discontinuance Regulations related to a proposed Application for Adverse Discontinuance of Operating Authority which Petitioners intend to file with the Board on or after July 1, 2013. Please note that this Petition also requests that the Board grant a waiver of filing fees pursuant to 49 C.F.R. §1002.2(e) due to the limited resources of the Petitioners. Petitioners also seek expedited consideration of this pleading.

Please time stamp the additional copy of this letter as proof of filing and return it to the undersigned in the self addressed, stamped envelope provided for that purpose.

Very truly yours,

RICHARD R. WILSON, P.C.

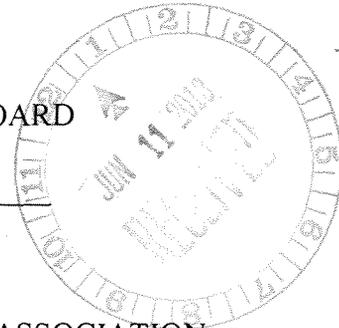
Richard R. Wilson, Esq.
Attorney for Lackawaxen – Honesdale Shipper Association and Delaware, Lackawaxen and Stourbridge Railroad Company

RRW/bab
Enclosure

xc: Lackawaxen-Honesdale Shipper Assoc.
Delaware Lackawaxen and Stourbridge Railroad Co.
Morristown & Erie Railway, Inc.
Stourbridge Railroad Company

FILING FEE WAIVED

Before the
SURFACE TRANSPORTATION BOARD



Docket No. AB - 1110

LACKAWAXEN – HONESDALE SHIPPERS ASSOCIATION;
STOURBRIDGE RAILROAD COMPANY AND DELAWARE LACKAWAXEN &
STOURBRIDGE RAILROAD COMPANY –
ADVERSE DISCONTINUANCE OF OPERATING AUTHORITY –
MORRISTOWN & ERIE RAILWAY, INC. d/b/a STOURBRIDGE RAILWAY FOR
M.P. 0.0 AT LACKAWAXEN, PA TO M.P. 24.80 AT HONESDALE, PA

PETITION FOR WAIVER
(EXPEDITED CONSIDERATION REQUESTED)

RICHARD R. WILSON, P.C.
Richard R. Wilson, Esq.
Attorney for Delaware, Lackawaxen
& Stourbridge Railroad Company
518 N. Center Street, Ste. 1
Ebensburg, PA 159361
(814) 419-8152
(814) 419-8156 – Fax

Dated: June 7, 2013

SURFACE TRANSPORTATION BOARD

Docket No. AB - 1110

LACKAWAXEN – HONESDALE SHIPPERS ASSOCIATION;
STOURBRIDGE RAILROAD COMPANY AND DELAWARE LACKAWAXEN &
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ADVERSE DISCONTINUANCE OF OPERATING AUTHORITY –
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M.P. 0.0 AT LACKAWAXEN, PA TO M.P. 24.80 AT HONESDALE, PA

PETITION FOR WAIVER
(EXPEDITED CONSIDERATION REQUESTED)

A. Background Facts

Pursuant to 49 C.F.R. §1152.24(e)(5), the Lackawaxen & Honesdale Shippers Association (“Association”), Stourbridge Railroad Company (“SRC”) and Delaware Lackawaxen and Stourbridge Railroad Company (“DL&S”)(collectively “Petitioners”) seek waiver of certain requirements of the Surface Transportation Board (“STB”) abandonment regulations for an adverse discontinuance application that Petitioners intend to file in this proceeding. Petitioners also seek certain minor related exemptions as described below. These requirements are inapplicable or unnecessary in an adverse discontinuance context, and the STB has consistently granted waivers and exemptions from such provisions in previous adverse discontinuance cases. Petitioners intend to seek an adverse discontinuance of operations by Morristown & Erie Railway, Inc. d/b/a Stourbridge Railway (“M&E”). Petitioners intend to file its adverse discontinuance application on or about July 1, 2013.

Petitioners will ask the STB to find that the public convenience and necessity permit the adverse discontinuance of operations by M&E over approximately 24.80 miles of track in Wayne and Pike Counties, Pennsylvania (the “Subject Line”).

M&E has been operating the Subject Line pursuant to an Operating Agreement dated December 8, 2008 (the “Agreement”)(Exhibit A). The Agreement contained an initial ten year term; after which either Party could terminate the Agreement upon 90 day written notice to the other. On November 9, 2011, M&E provided written notice of its demand to terminate the existing agreement and renegotiate a new agreement (Exhibit B). On December 13, 2011, counsel for M&E advised Stourbridge that without a new agreement, M&E would “close down the railway” as soon as Friday, December 16, 2011 (Exhibit C). On December 27, 2011, Stourbridge Railroad Company advised M&E that it could not agree to a new contract (Exhibit D) and M&E ceased railroad operations on the line.

Upon approval of Petitioners’ application for M&E discontinuance of service, DL&S will file a Notice of Exemption to operate the subject line. Adverse discontinuance is necessary to terminate M&E’s operating authority for the Subject Line under STB jurisdiction so that Stourbridge Railroad Company can proceed to resolve its differences with M&E under state law and so that DL&S can commence rail operations in place of M&E. Petitioners anticipate that the only objection to the adverse discontinuance will come from M&E.

B. Waiver Requests

As the STB and its predecessor have consistently found, much of the information that the STB’s regulations otherwise require in an abandonment or discontinuance

application is largely inapplicable or irrelevant to the issues in an adverse discontinuance proceeding. Furthermore, these waivers are justified on the grounds that the Subject Line is contained entirely in Pennsylvania, consists of only 24.80 miles and will serve approximately four or five potential customers, and several potential transload sites. Service on the Subject Line will be conducted by DL&S, a new, for profit corporation formed by the Association. Association members have preserved this line and operated passenger excursions on the line for over 30 years. Stourbridge Railroad Company will continue to own the line. Thus, Petitioners are familiar with the Subject Line and its demands.

In addition, little of the information in the regulations sought to be waived is relevant to the merits of an adverse discontinuance application. Waiver of these inapplicable and unneeded portions of the STB's abandonment regulations is routine in adverse discontinuance cases. Chelsea Property Owners – Abandonment Portion of Consolidated Rail Corporation's West 30th Street Secondary Track in New York, NY, Docket No. Ab-167 (Sub. No. 1094) (ICC served July 19, 1989); Grand Trunk Western Railroad Incorporated – Adverse Discontinuance of Trackage Rights Application – A Line of Norfolk and Western Railway Company in Cincinnati, Hamilton County, OH, Docket No. AB-31 (Sub No. 30) (STB served Feb. 13, 1998); City of Rochelle, Illinois, - Adverse Discontinuance – Rochelle Railroad Company, Docket No. AB-549 (STB served June 5, 1998).

Petitioners request waiver of the following informational requirements of 49 C.F.R. §1152 Subpart C:

1. 49 C.F.R. §1152.22(a)(5), 1152.10-1152.14 – System Diagram Map

Petitioners seek waiver of the system diagram map requirements of §1152 Subpart B. There is no need for filing a system map in an application, which is designed to permit a change of operations, not discontinuance of service entirely. City of Rochelle at 3; see also Grand Trunk Western Railroad Incorporated at 2 (finding that the filing of a system diagram map is not appropriate in the context of adverse abandonment). The system map requirements are not relevant to adverse discontinuance proceedings. Maine Central Railroad Company, State of New Hampshire – Adverse Discontinuance – Line Between Whitefield, NH and St. Johnsbury, VT., Docket no. AB-848-0 (STB served July 1, 2003) at 4.

2. 49 C.F.R. §1152.22(b), (c), (d) and (e) – Condition of Properties, Service provided, Revenue and cost data and Rural and community impact.

Because the adverse discontinuance arises in the context of Petitioners' efforts to restore rail service, "there is no point in requiring the submission of traffic data, data on revenues and costs, and information about transportation alternatives." Fore River Railroad Corporation – Discontinuance of Service Exemption – Norfolk County, MA, Docket No. AB-539 (ICC served Feb. 13, 1992) at 2, citing Chelsea. Moreover, revenue and cost data is "intended to apply to carriers seeking to discontinue their own operations on the grounds that those operations are a burden on interstate commerce". Canadian National Railway Company – Adverse Discontinuance – Lines of Bangor and Aroostook Railroad Company and Van Buren Bridge Company in Aroostook County, ME, Docket No. AB-279-3 (STB served September 25, 2002) at 7.

3. 49 C.F.R. §1152.20(c); 49 C.F.R. §1105 – Environmental and historical requirements.

Because this adverse discontinuance arises in the context of the restoration of rail operations and does not result in significant changes that exceed the thresholds established in Section 1105.7, this proceeding is exempt from the environmental and historical reporting requirement of §1105 pursuant to 49 C.F.R. §1105.6(c)(2) and 1105.8(b)(1). See City of Rochelle at 2; See also The Kansas City Southern Railway Company – Adverse Discontinuance Application – A Line of Arkansas & Missouri Railroad Company, Docket No. AB-103 (Sub. No. 14) (STB served Nov. 24, 1998) at 2, n.3. Petitioners also request any further exemption or waiver that the STB may find necessary to confirm the inapplicability of environmental and historical reporting requirements to this proceeding.

4. 49 C.F.R. §1152.20 – Notice and Publication Requirements.

Petitioners request waiver of all notice and publication requirements under §§1152.20(a)(1),(2), (3) and (4) and 49 C.F.R. 1152.20(b)(1) except for the following:

(a) This Petition for Waiver will be served on the Association, SRC, DL&S, all connecting rail carriers and, of course, M&E. This Petition for Waiver shall serve as the notice of intent to adversely discontinue rail service required under 49 C.F.R. §1152.20. There are no known railroad employees which would be adversely affected by the application.

(b) A copy of the application will be served upon the aforementioned relevant parties and on the Pennsylvania Department of Transportation and the Pennsylvania Public Utility Commission. See City of Peoria and Village of Peoria Heights, IL – Adverse Discontinuance – Pioneer Industrial Railway Company, Docket No. AB-878-0, (STB served Sept. 10, 2004).

5. 49 C.F.R. §1002.2(e) – Waiver of Filing Fee

Petitioners respectfully request that the Board waive or reduce the \$22,800.00 filing fee for the adverse discontinuance of service application and the \$1,800.00 filing fee for the instant waiver request pursuant to the provisions of 49 C.F.R. §1002.2(e). The Association is a nonprofit entity organized by small local businesses to promote economic development of rail facilities and services for the community served by the subject line. In response to the refusal of M&E to provide rail service, the Association has formed DL&S to work cooperatively with the rail line owner, SRC, to reinstate rail service on the line. As a result of M&E's refusal to honor its Operating Agreement with SRC, SRC has been deprived of its major source of funds. Thus, Petitioners can not afford the substantial filing fees associated with the adverse discontinuance application which will impose an undue hardship on those who are seeking to restore rail service on this line. Accordingly, waiver or reduction of the Board's filing fee is in the best interest of the public because it will expedite and facilitate the restoration of rail service on the subject line.

Petitioners request exemption from the following requirements:

1. 49 U.S.C. §10903(c)(2) – System Diagram Map.

Petitioners request an exemption from the system diagram map requirements of 49 U.S.C. §10903(c)(2), pursuant to 49 U.S.C. §10502, to the extent deemed necessary for the adverse discontinuance application.

2. 49 U.S.C. §10903(a)(3)(B) – Posting Requirements.

Because Petitioners are not legally in possession of the line, they cannot comply with the notice and publication requirements (and related regulations, 49 C.F.R.

1152.20(a)(3)) of this Section. Moreover, this provision is “designed for carriers, [unlike Petitioners], [who] are proposing to voluntarily discontinue their own service over a line”. See Canadian National, *surpa*.

3. 49 U.S.C. §10904 – Financial Assistance Requirements.

Petitioners request an exemption from the financial assistance requirements of 49 U.S.C. §10904 (and waiver of related regulations, 49 C.F.R. § 1152.27) See Modern Handcraft, Inc. – Abandonment, 363 I.C.C. 969 (1981).

Given that Petitioners will seek to have the line operated by DL&S, application of the above provisions is not necessary to carry out the national rail transportation policy of 49 U.S.C. §10101. Rather, exemption will promote that policy by eliminating unnecessary procedures, and thus will expedite regulatory decisions [49 U.S.C. §10101(2)], foster sound economic conditions in transportation [49 U.S.C. §10101(5)], and encourage efficient restoration of rail service and management of the railroad [49 U.S.C. §10101(9)]. Furthermore, other aspects of the rail transportation policy will not be adversely affected.

Petitioners understand that, as applicants in the adverse discontinuance proceeding, they bear the burden of proof to submit sufficient relevant information to allow the STB to reach a decision on the merits and grant the requested relief.

REQUEST FOR EXPEDITED CONSIDERATION

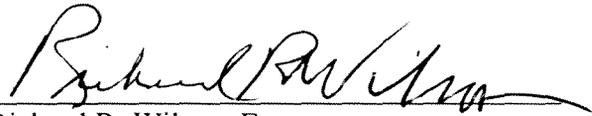
Petitioners seek to file their adverse discontinuance of service application on or after July 1, 2013. All concerned will benefit from prompt consideration of the discontinuance of service application. Grand Trunk Western Railroad Incorporated – Adverse Discontinuance of Trackage Rights Application – A Line of Norfolk and

Western Railway Company in Cincinnati, Hamilton County, OH, Docket No. AB-31

(Sub No. 30) (STB served Feb. 13, 1998). Therefore, Petitioners respectfully request expedited consideration of this Waiver Petition and a Board decision issued and effective on or before July 1, 2013.

WHEREFORE, Petitioners respectfully requests that the STB grant the requested waivers and exemptions set forth herein as soon as possible.

Respectfully submitted,

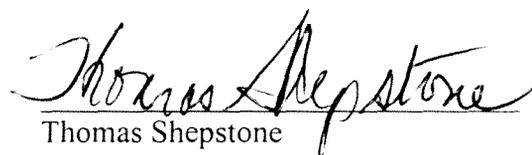


Richard R. Wilson, Esq.
Attorney for Lackawaxen & Honesdale
Shipper Association and Delaware,
Lackawaxen & Stourbridge Railroad
Company
518 N. Center Street, Ste. 1
Ebensburg, PA 159361
(814) 419-8152

VERIFICATION

I, Thomas Sheptstone, Executive Director of the Lackawaxen – Honesdale Shipper Association, verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing document.

Executed on June 7, 2013.


Thomas Sheptstone

RAILROAD OPERATING AGREEMENT

For valuable consideration, including their mutual agreements contained herein, the Morristown & Erie Railway, Inc., a NJ corporation having offices at 49 Abbett Avenue, PO Box 2206, Morristown, NJ 07962, trading during the term of this agreement as "Stourbridge Railway", and the Stourbridge Railroad Company, a PA corporation having offices at 100 Fourth Street, Honesdale, PA 18431, hereby enter into this agreement on this Eighth day of December 2008.

Definitions

- A. "The line" is the Stourbridge Railroad Line, including approximately 26 miles of existing track and any adjoining properties, rights-of-way, crossings, engine houses, bridges, buildings, or other areas, as indicated in "Schedule A", that are currently owned by Owner.
- B. "Owner" is Stourbridge Railroad Company.
- C. "Operator" is Morristown and Erie Railway, Inc.

Operator's Responsibilities

1. Operator will use its best efforts to maintain, operate, market and promote the line in a manner that maximizes total revenue. Operator shall have the exclusive right to provide passenger and common carrier freight services across the lines.
2. Operator shall maximize, administer and collect revenues from all existing and future leases, licenses, ticket sales, rail freight services, or other activities associated with the provision of rail freight services on the line. Operator will provide and pay for all of the necessary equipment (including without limitation, locomotives), staff, offices and other items or expenses required to operate the line in a safe, orderly and efficient fashion.
3. Operator will be solely responsible for all the reasonable expenses associated with the maintenance and operation of the line, with the sole exception of extraordinary repairs and capital improvements requested by Owner and those extraordinary repairs which are required to be incurred by the Operator to continue operations. In addition Owner agrees to fund all matching contributions necessary for rail improvement projects for which the Owner and Operator have applied and which are granted by the State, Municipal, County and/or Federal government.
4. Operator shall comply with all regulatory and reporting requirements to any and all governmental agencies (including, without limitation, taxing authorities) with jurisdiction over the line. The Operator has inspected the line and accepts the same "as is, where is" and owner makes no representation of warranty regarding the physical condition of the line or the quality of its legal title. The Operator shall use its best efforts to maintain the line to FRA Class I standards and Owner shall have the right to inspect the line upon reasonable advance notice to the Operator.



5. Operator shall maintain general railroad operator's liability insurance which shall cover general liability including property damage to third parties and personal injury, environmental damages. The insurance shall be in an amount of not less than \$10,000,000.00 per occurrence and Operator shall cause the Owner to be named as an additional insured under the aforesaid insurance coverages and shall furnish the Owner with appropriate certificates of such insurance which shall state that the insurance company shall furnish to the Owner at least thirty (30) days notice of any lapse or change in such insurance.

6. Operator shall provide a list of third party contractors who will work on the property to the Owner whose approval of said list shall be assumed unless approval of a specific contractor is denied by Owner for a specific and reasonable cause which will be stated to the Operator. Said denial shall be made by the Owner within seven days of the submission of the list containing the contractors name to the Owner. Operator will supplement the list from time to time as new contractors are hired and Owner shall have seven days from the submission of said supplemental lists to specifically give cause to why a newly named contractor shall not be approved.

7. Operator shall keep the right of way free from snow, ice, debris or any other dangerous or potentially injurious conditions.

8. Operator shall provide a qualified forklift operator for unloading of steel products for the period from March 1, 2009 to September 30, 2011. Owner will provide a forklift during that period for this purpose with the Operator reimbursing the Owner for the fair rental value of the forklift used during the period March 1, 2009 to September 30, 2011 in January 2013.

Compensation, Taxes, Owner's Obligations

9. Operator shall indemnify, defend and hold harmless the Owner, its officers, agents, employees, successors and assigns from and against all claims, actions and all costs or expenses, including reasonable attorney's fees based upon or arising out of (a) Operator's breach of its obligations under this Agreement, or (b) damages, injuries or death to persons or property (including the line) caused by or related to the acts or omissions of the Operator or its officers, agents, employees, guests, invitees, contractors, suppliers of materials or providers of services in connection with the use or occupancy of the line by the Operator.

10. As compensation, the Operator shall be entitled to keep 50% (and remit 50% to the Owner) of the gross revenues associated with the line identified in Paragraph 2 which accrue after the date of this agreement. Operator shall collect all such revenues and then remit monthly statements with the Owner's 50% share (by check). Owner shall also be entitled to review the Operator's records and conduct regular and reasonable audits to verify that Owner is receiving its appropriate share of the gross revenues. Operator shall not receive any share of revenue paid directly to Owner by



entities owned or controlled by Paul Brancato, Giacomo Brancato or their immediate family members for services other than the actual movement of freight cars or passengers. Without limitation storage, leasing, licensing paid directly to owner by affiliated entities will not be shared with the Operator.

11. Any revenue collected by Operator which accrued (became due prior to this agreement) shall be remitted to Owner in full (100%).

12. Owner will be responsible for all real estate taxes. Owner will reimburse Operator for 51% of any Pennsylvania Utility taxes that it pays associated with the Line.

13. Payments for extraordinary repairs or capital improvements performed by the Operator shall be made in reasonable progress payments *after* completion of the entire project or, in the case of projects of more than \$200,000K, in progress payments *after* completion of reasonable portions of not less than 20% of the entire project.

Assignment, Term, Authority, Venue, Modification, Severable Terms

14. This agreement cannot be assigned by Operator. This agreement cannot be assigned by the Owner. This agreement shall expire on June 1, 2018. In the event of the change of control of ownership of Operator, Owner may upon ninety (90) days written notice terminate this agreement.

15. The Operator shall have no authority to bind the Owner to any other contract. This agreement does not constitute the formation of a partnership or other entity of any kind.

16. This contract has been negotiated and signed in the State of New York, City of New York. Any litigation pertaining to this agreement, between the parties, shall take place in NY the agreement shall be governed by the laws of the State of New York or before the Surface Transportation Board for matters within the jurisdiction of the Board.

17. Operator shall be relieved of its obligation to operate common carrier freight service and excursion passenger service over any portion of the property to the extent that it is prevented or hindered there from by Acts of God, public authority, strikes, riots, labor disputes or any cause beyond the Operator's reasonable control.

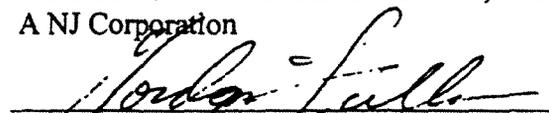
18. This writing represents the sole and entire agreement of the parties. This agreement may not be modified, except by an additional writing signed by both parties.

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to consist of several overlapping loops and lines.

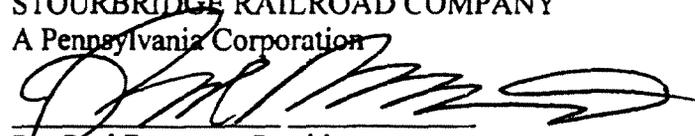
19. To the extent that any clause or portion of this contract is deemed unenforceable, the rest of the agreement shall not be affected.

Dated: December 8, 2008
Queens County, NY

MORRISTOWN & ERIE RAILWAY, INC.
A NJ Corporation


By: Gordon Fuller, Chief Operating Officer
With Full Authority to Bind the Corporation

STOURBRIDGE RAILROAD COMPANY
A Pennsylvania Corporation


By: Paul Brancato, President
With Full Authority to Bind the Corporation



MORRISTOWN & ERIE RAILWAY INC.

OFFICE ADDRESS:
49 ABBETT AVENUE
MORRISTOWN, NJ 07960

MAILING ADDRESS:
P.O. Box 2206
MORRISTOWN, NJ 07962-2206

November 9, 2011

Paul Brancato
President
Stourbridge Railroad Company
106-43 157th Street
Jamaica, NY 11433

Re: Stourbridge Railroad Company (Railroad) - Morristown & Erie Railway Agreement

Dear Paul:

This letter is in response to our meeting with John Fiorilla in NYC. Please accept my apology for the delay in responding to your concerns on this matter, but both John and I have been working to find an amicable solution to this problem. The outcome of our brainstorming is that there is no quick solution to this problem. However we have gleaned some information from our books and offer the following solution.

Facts:

A. Assuming we can resolve this matter we have instructed Reltek to begin forwarding all collected rents to you directly to be applied as noted in the proposed solution below.

B. The gross revenue from ticket sales for 2010 and 2011 was \$134,127.00.

C. The total cost to operate the Stourbridge line during this period was \$343,304.00.

Clearly the M&E cannot continue the operation of the Stourbridge Rwy. under the current agreement. M&E cannot pay Stourbridge for the privilege of losing money to operate your railroad.

We propose the following solution to this problem:

1. The current agreement will be terminated as of December 31, 2010 with a new agreement being back dated to take effect on January 1, 2011.

2. The new agreement will provide that all revenues due from the M&E to the Stourbridge Railroad Company through December 31, 2010 shall be paid as described below.

3. M&E will continue to operate the Stourbridge Rwy. without incurring any liability to share revenue unless and until the operation of the Railroad becomes profitable. Profitable is defined as comparing all expenses for the operation to all gross revenues collected from freight, passenger and leases and occupations. If this number is positive, then there will be "net profit" to be shared with Stourbridge as per the former agreement.

4. M&E will be given the right to, work with RELTEK, to review and revise all current leases and to enter into new leases for pipe, fiber optic, encroachments, wire occupations and leasing of land not currently used for railroad purposes. All revenue produced would be included in determining

PHONE: (973) 267-4300

FAX: (973) 267-3138

WEB: WWW.MERAIL.COM



MORRISTOWN & ERIE RAILWAY INC.

OFFICE ADDRESS:
49 ABBETT AVENUE
MORRISTOWN, NJ 07960

MAILING ADDRESS:
P.O. BOX 2206
MORRISTOWN, NJ 07962-2206

the net annual revenue. The Stourbridge's owner, Paul Brancato, (Owner) would cooperate with M&E and Reltek in getting all needed information

5. M&E will be permitted to operate and maintain the Railroad under normal conditions. In the occurrence of a force majeure (including but not limited to a washout of the railroad caused by PPL), M&E would have no obligation to repair any force majeure damage and could embargo the line or a portion of the line which could not be operated. Owner would retain the right to repair the force majeure and continue to have M&E operate the line.

6. Regarding funds due Owner under the old agreement, M&E proposes that Reltek pay directly to Owner 100% of all rents and occupations collected (less Reltek's fees) until the entire balance due Owner from prior operations are paid in full. This would now be approximately \$ 20,000 per year currently and could increase significantly if new leases are entered into. The amount collected by Reltek would go into the calculation as revenue collected in determining the Net profit.

7. Owner and his accountant would have the right to examine Stourbridge's books regarding revenue and expenses at the end of each tax year.

8. Provisions regarding payments of taxes, liability, assignments etc. would remain substantially the same as in the current contract.

9. The agreement would be for a period of one year and can be renewed by the M&E on a yearly basis for a period of ten years, or terminated at the end of each term by M&E giving three months' notice to Owner.

Please acknowledge your acceptance of this proposal by signing one copy and returning it to me in the SASE.

Upon receipt of your signed copy, I will have John Fiorilla prepare a formal document for signatures by both parties.

Very truly yours,

Wesley R. Weis,

President

Morristown & Erie Railway, Inc..

Accepted: _____

Paul Brancato

From: John K. Fiorilla
Sent: Tuesday, December 13, 2011 2:47 PM
To: 'Paul'
Cc: wweis@merail.com
Subject: Stourbridge Railway
Importance: High

Paul- Without a response to ME's letter suggesting a new agreement to run the Stourbridge Railway, ME is planning to close down the railway as soon as Friday December 16. Please advise ASAP if and when ME can expect a reply to its offer.

YOUR ATTENTION TO THIS MATTER IS KINDLY APPRECIATED

JKF

John K. Fiorilla, Esq.
Capehart Scatchard
jfiorilla@capehart.com
phone (856) 914-2054
fax (856) 235-2786

*****Confidentiality Note*****

This transmission is intended only for the addressee, and may contain privileged and/or confidential information from the law firm of Capehart & Scatchard, P.A. If you are not the intended recipient, please do not use, disseminate, or copy this material. If you have received this transmission in error, please notify us immediately by telephone, return this transmission, and delete or destroy any

Exhibit C

From: Paul [mailto:Paul@idealsteelny.com]
Sent: Tuesday, December 27, 2011 8:20 AM
To: 'John K. Fiorilla '
Subject: Stourbridge Railway

John,

Merry Christmas to you, Wes and your families. December has been a hectic month here in NY.

I certainly **cannot** agree to a new contract on the terms demanded in Wes's letter of November 9, 2011.

As you know, M&E already signed a contract (in December 2008) agreeing to operate the railroad until **June 1, 2018** .

That contract clearly prohibits M&E from, as you wrote, "planning to close down the railway" in late 2011.

In light of M&E's standing obligations, kindly retract your stated threat to "close down" the line.

I will be in Northeast PA later this week if you would like to get together. Let me know.

Talk soon,

Paul

From: John K. Fiorilla [<mailto:jfiorilla@capehart.com>]
Sent: Thursday, December 22, 2011 11:20 AM
To: 'Paul'
Cc: wweis@merail.com
Subject: FW: Stourbridge Railway

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 7th day of June, 2013, a copy of the Petition for Waiver was filed in the above mentioned proceeding and was served by first class mail, postage prepaid, upon:

Thomas Shepstone
Lackawaxen – Honesdale Shippers Association
Delaware Lackawaxen and Stourbridge Railroad Co.
100 Fourth Street, Suite 33
Honesdale, PA 18431

Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Paul Brancato
Stourbridge Railroad Company
106-43 157th Street
Jamaica, NY 11433

Barry J. Schock, P.E., Secretary
Pennsylvania Department of Transportation
Keystone Building
420 North Street
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