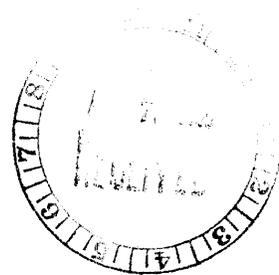


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Norfolk Southern Corporation
Law Department
Three Commercial Place
Norfolk, Virginia 23510-9241

James R. Paschall
Senior General Attorney



Writer's Direct Dial Number
(757) 629-2759
fax (757) 533-4872

Highly Confidential
Under Seal
APR 21 2005
Not for Public Inspection

April 19, 2005

via DHL Express

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

213872

Re: STB Docket No. AB-290 (Sub-No. 259X), Tennessee Railway Company -
Abandonment Exemption - In Anderson and Campbell Counties, TN;
STB Docket No. AB-290 (Sub-No. 260X), Tennessee Railway Company
- Abandonment Exemption - Between Oneida, Tennessee and Nicks
Creek, Tennessee - In Scott County, Tennessee - Petition for Exemption

Dear Mr. Williams:

213873

In line with the Board's decision served February 22, 2005 in STB Docket No. AB-290 (Sub-No. 259X), this letter notifies the Board that Tennessee Railway Company, a wholly-owned subsidiary of Norfolk Southern Railway Company, has provided National Coal Corporation, through its attorney, the information required to be produced in the Board's decision.

I enclose an original and ten copies of my letters of April 15, 2005 and April 19, 2005 to Mr. Kelvin J. Dowd, Attorney for National Coal Corporation, with respect to each of the subject dockets. Provision of the appraisal report, which Mr. Dowd should receive tomorrow, April 20, 2005, completes the process of providing this information to NCC. In addition to the two enclosed letters and the appraisal report, we have permitted NCC representatives access to the Line, have sent via e-mail attachment on March 14, 2005 the track profiles or charts (9 pages) for these lines in pdf format, and voluntarily provided cost of repairing the Line between Nicks Creek, TN and Devonia, TN (AB-290, Sub-No. 259X) in order to put it back in service under the Board's conservative assumptions for the calculation of rehabilitation costs at \$2,110,251 in its February 14, 2004 letter to the Board with copy to Mr. Charles W. Kite of National Coal Corporation. Our March 3, 2005 letter to Mr. Kite provided additional detail with respect to these costs and directed him to contact our Division Superintendent in Knoxville personally to arrange access to the Lines that are the subject of these proceedings.

In connection with my April 19, 2005 letter to Mr. Dowd, I enclosed a full copy of

Operating Subsidiary: Norfolk Southern Railway Company

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Honorable Vernon A. Williams
STB No. AB-290 (Sub-No. 259X)
STB No. AB-290 (Sub-No. 260X)
April 19, 2005
Page 2 of 2

the appraisal report with respect to the land values of the rail lines that are the subject of the two subject proceedings. Mr. Dowd agreed that his firm would adhere to the conditions and restrictions on the possession, distribution and use of the appraisal report as set forth by the appraisers in the report and in my April 15, 2005 letter. I expect Mr. Dowd will provide similar agreement from his client, National Coal Corporation.

I enclose a copy of the report that we have provided to Mr. Dowd. I request that in view of the modified confidentiality requested by the appraisers in the report, that the Board not post a copy of the full report on the Board's web site. The conclusions from the report are in my April 15, 2005 letter to Mr. Dowd. Anyone interested in this proceeding other than the parties therefore can have access to the most important information from the report.

Thank you for your consideration of this matter.

Very truly yours,



James R. Paschall

Enclosure

cc w/ enclosure and request that report not be posted on the Board's web site

Mr. Kelvin J. Dowd
Slover and Loftus
1224 17th Street, N.W.
Washington, D.C. 20036-3003

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Norfolk Southern Corporation
Law Department
Three Commercial Place
Norfolk, Virginia 23510-9241

James R. Paschall
Senior General Attorney

Writer's Direct Dial Number
(757) 629-2759
fax (757) 533-4872

April 19, 2005

via DHL Express

Mr. Kelvin J. Dowd
Slover and Loftus
1224 17th Street, N.W.
Washington, D.C. 20036-3003

Re: STB Docket No. AB-290 (Sub-No. 259X), Tennessee Railway Company -
Abandonment Exemption - In Anderson and Campbell Counties, TN;
STB Docket No. AB-290 (Sub-No. 260X), Tennessee Railway Company
-- Abandonment Exemption -- Between Oneida, Tennessee and Nicks
Creek, Tennessee - In Scott County, Tennessee - Petition for Exemption

Dear Mr. Dowd:

Based on your representation that Slover and Loftus agrees to adhere to the conditions and restrictions on the possession, distribution and use of the appraisal report performed by White, McPherson and Tuck, LLC of Knoxville, TN with respect to the land values of the rail lines that are the subject of the two subject proceedings, as set forth in my April 15, 2005 letter to you, I am sending to you herewith a full copy of that report. I also enclose two copies of my April 15, 2005 letter to you.

As of the time this letter is written, I have not received confirmation from you that National Coal Corporation will agree to abide by the conditions and restrictions with respect to the possession, distribution and use of the appraisal report. I assume they will do so, but I also request that you not provide a copy of the report to National Coal Corporation until an authorized representative of NCC agrees to these conditions in writing and that you adhere to the conditions and restrictions with respect to disclosure of the report to NCC. I assume that any brief delay in completing this formality will not hinder your use of the report to prepare your further representation of NCC in these matters.

Very truly yours,

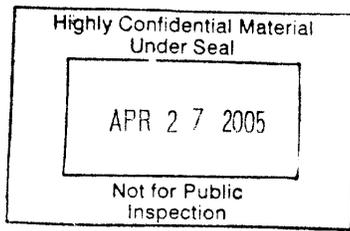

James R. Paschall

Enclosure

Operating Subsidiary: Norfolk Southern Railway Company

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SUMMARY REPORT OF
A COMPLETE APPRAISAL
RAILROAD CORRIDOR PROPERTIES
ONEIDA TO DEVONIA, TENNESSEE

For

Mr. Jeff George, Property Manager
Norfolk Southern Corporation
110 Franklin Road, S.E.
Roanoke, VA 24042-0059

By

Donald White, MAI, SRA
Tennessee Certified General Real Estate Appraiser No. CG-155

And

Scott McPherson
Tennessee Certified General Real Estate Appraiser No. CG-2467

As of

March 25, 2005

White, McPherson and Tuck, LLC

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White, McPherson & Tuck, LLC
Real Estate Appraisers and Consultants

10308 Starkey Lane
Knoxville, Tennessee 37932
Phone: (865) 966-7410 Fax: (865) 966-8052

Donald W. White, MAI, SRA, CG-155
Scott P. McPherson, Associate, CG-2467
Sandra C. Tuck, SRA, Associate, CR-459
Sherry L. Kaley, Associate, CR-2811

April 1, 2005

Jeff George, Property Manager
Norfolk Southern Corporation
10 Franklin Road, S.E.
Roanoke, Virginia 24042-0059

RE: Activity No. 1075912
Railroad Corridor Properties
Oneida to Devonia, Tennessee

The following report responds to your request to prepare a complete appraisal in a summary format for various parcels along two contiguous segments of railroad corridor extending from Oneida to Devonia, Tennessee. One segment requested reflects Milepost TE 0.95 in Oneida through Milepost TE 27.96 at Nick's Creek Road at the Scott County Line. The second segment you identified reflects Milepost TE 27.96 at Nick's Creek Road through Milepost TE 42.00 in Devonia, Anderson County, Tennessee. The subject corridor extends from south of Jeffers Road in Oneida, Scott County, Tennessee to north of Dunlap Lane in Devonia, Anderson County, Tennessee.

The purpose of this appraisal is to establish an across-the-fence market value for the 54 subject properties described in this report based on the highest and best non-rail use. This appraisal will be used for satisfying requirements to formally abandon these two segments of the railroad corridor.

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and

White, McPherson and Tuck, LLC

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- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale¹

In accordance with the Uniform Standards of Professional Appraisal Practice, exposure time must be included in each report. This is the length of time required to market the property up to the effective date of the appraisal. In the appraiser's opinion, exposure time will require three to six months based on interviews with local real estate agents. Given the current market conditions, the anticipated marketing time would require six months to one year.

We have summarized our final value opinions in the following tables for each segment as of March 25, 2005, the date of the inspection.

| SWICKLEY, PHILLIPSON & DITVON Milepost 11E 27/26 to Milepost 11E 42/00 | | | | |
|---|--------|------------|-----------------------------|------------------------|
| Map | Parcel | Size/Acres | Across-The-Fence Value/Acre | Value Opinion, Rounded |
| 13 | 2 | 0.73 | \$550 | \$ 400 |
| 13B | 2 | 5.74 | \$550 | \$3,200 |
| 15 | 2 | 2.70 | \$550 | \$1,500 |
| 15 | 3 | 0.87 | \$350 | \$ 300 |
| 15 | 4 | 1.06 | \$350 | \$ 400 |
| 15 | 5 | 1.36 | \$350 | \$ 500 |
| 15 | 6 | 5.34 | \$350 | \$1,900 |
| 15 | 7 | 0.23 | \$350 | \$ 100 |
| 15 | 8 | 3.55 | \$350 | \$1,200 |
| 15 | 11 | 1.56 | \$350 | \$ 500 |
| 16 | 1 | 5.29 | \$350 | \$1,900 |
| 16 | 2 | 4.89 | \$350 | \$1,700 |
| 16 | 4 | 5.56 | \$350 | \$1,900 |
| 16 | 5 | 0.95 | \$350 | \$ 300 |
| 16 | 6 | 5.90 | \$350 | \$2,100 |

¹ (12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994)

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| ONEIDA TO SMOKEY JUNCTION Milepost EE 0.95 to Milepost EE 27.96 | | | | |
|--|--------|------------|-----------------------------|------------------------|
| Map | Parcel | Size/Acres | Across-The-Fence Value/Acre | Value Opinion, Rounded |
| 1 | 1 | 18.69 | \$10,000 | \$186,900 |
| 1 | 2 | 2.69 | \$10,000 | \$ 26,900 |
| 1 | 4 | 0.26 | \$ 7,000 | \$ 1,800 |
| 1 | 5 | 0.26 | \$ 7,000 | \$ 1,800 |
| 1 | 6 | 0.26 | \$ 7,000 | \$ 1,800 |
| 1 | 7 | 3.80 | \$ 1,000 | \$ 3,800 |
| 1 | 8 | 4.30 | \$ 1,000 | \$ 4,300 |
| 1 | 9 | 0.80 | \$ 1,000 | \$ 800 |
| 3 | 2 | 0.29 | \$ 1,000 | \$ 300 |
| 3 | 3 | 4.25 | \$ 1,000 | \$ 4,300 |
| 2 | 2 | 25.00 | \$ 500 | \$ 12,500 |
| 3 | 4 | 4.25 | \$ 500 | \$ 2,100 |
| 3 | 6 | 4.82 | \$ 500 | \$ 2,400 |
| 3 | 7 | 8.38 | \$ 500 | \$ 4,200 |
| 3 | 8 | 1.98 | \$ 500 | \$ 1,000 |
| 3 | 9 | 2.28 | \$ 500 | \$ 1,100 |
| 3 | 10 | 4.59 | \$ 500 | \$ 2,300 |
| 3 | 11 | 3.66 | \$ 500 | \$ 1,800 |
| 4 | 2 | 5.04 | \$ 500 | \$ 2,500 |
| 4 | 3 | 8.33 | \$ 500 | \$ 4,200 |
| 4 | 5 | 2.40 | \$ 500 | \$ 1,200 |
| 5 | 1 | 3.81 | \$ 500 | \$ 1,900 |
| 6 | 2 | 3.44 | \$ 750 | \$ 2,600 |
| 6 | 3 | 2.67 | \$ 750 | \$ 2,000 |
| 6A | 1 | 2.98 | \$ 750 | \$ 2,200 |
| 7 | 1 | 6.70 | \$ 750 | \$ 5,000 |
| 7 | 3 | 3.34 | \$ 550 | \$ 1,800 |
| 7 | 4 | 7.70 | \$ 550 | \$ 4,200 |
| 9 | 2 | 3.54 | \$ 550 | \$ 1,900 |
| 9 | 3 | 5.26 | \$ 550 | \$ 2,900 |
| 9 | 4 | 9.35 | \$ 550 | \$ 5,100 |
| 10 | 3 | 40.65 | \$ 550 | \$ 22,400 |
| 10 | 5 | 1.12 | \$ 550 | \$ 600 |
| 11 | 2 | 10.43 | \$ 550 | \$ 5,700 |
| 11 | 3 | 2.12 | \$ 550 | \$ 1,200 |
| 11 | 5 | 3.47 | \$ 550 | \$ 1,900 |
| 12 | 4 | 0.87 | \$ 550 | \$ 500 |
| 12 | 5 | 1.25 | \$ 550 | \$ 700 |
| 12 | 7 | 1.80 | \$ 550 | \$ 1,000 |

White, McPherson and Tuck, LLC

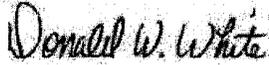
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The appraisal complies with all the regulations issued by the appropriate regulatory entities regarding the enactment of Title XI of the Financial Institution, Reform, Recovery and Enforcement Act of 1989 (FIRREA).

Thank you for the opportunity to serve you.

Respectfully submitted,



Donald White, MAI, SRA

Tennessee State Certified General Real Estate Appraiser No. CG-155



Scott McPherson

Tennessee State Certified General Real Estate Appraiser No. CG-2467

White, McPherson and Tuck, LLC

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White, McPherson and Tuck, LLC

EXECUTIVE SUMMARY

| | |
|------------------------------|---|
| Project Name: | Norfolk Southern Railroad Corridor |
| Address/Location: | Milepost TE 0.95 through Milepost TE 42.00 |
| Ownership: | Norfolk Southern |
| Effective Date of Appraisal: | 3/25/2005 |
| Date of Report: | April 1, 2005 |
| Type of Value Sought: | Market Value |
| Property Rights Appraised: | Fee Simple |
| Tax Maps & Parcel No(s): | Scott County: Corridor Designated as CLT Map No. 62, parcel 410. Corridor extends through CLT Map Nos. 52, 62, 70, 71, 79, 87, 96, 105, 114, 115, 123, 124, 125, 133, and 141. Campbell County: Corridor extends through CLT Map Nos. 116, 126, 127, 136, 135 & 144 Anderson County: Corridor extends through CLT Map Nos. 25, 26, 37, 48, 49, 50 & 60 |
| Zoning: | Scott County: None in County Oneida: Industrial & Residential Campbell County: None in County Anderson County: A-1, A-2 and F-1 |
| Flood Maps: | Scott County: 470170 0004A-06/17/1986 Zones C & A 470341 0002A-12/23/1977 Zones C & A 470341-0004A-12/23/1997 Zones C & A 470341-0005A-12/23/1997 Zones C & A 470341-0007A-12/23/1997 Zones C & A Campbell County: 470016-0125B-08/05/1986 Zones C & A Anderson County: 470217-0100B-09/05/1984 Zones C & A 470217-0025B-09/05/1984 Zones C & A |
| Site Data: | 54 Parcels ranging in size from 0.23 acres up to 40.65 acres |
| Improvements Description: | Site improvements include cross-ties, rail and gravel. |

White, McPherson and Tuck, LLC

Highest and Best Non-Rail Use:
As Vacant:
As Improved:
Indicated Values:
Cost Approach:
Direct Sales Comparison:
Income Approach:
Final Value Opinions:

Industrial, Residential and Agricultural
Not applicable

Not Applicable

See Below

Not Applicable

Summarized in the following Tables

| Map | Parcel | Size/Acres | Across-The-Fence Value/Acre | Value Opinion, Rounded |
|-----|--------|------------|-----------------------------|------------------------|
| 13 | 2 | 0.73 | \$550 | \$ 400 |
| 13B | 2 | 5.74 | \$550 | \$3,200 |
| 15 | 2 | 2.70 | \$550 | \$1,500 |
| 15 | 3 | 0.87 | \$350 | \$ 300 |
| 15 | 4 | 1.06 | \$350 | \$ 400 |
| 15 | 5 | 1.36 | \$350 | \$ 500 |
| 15 | 6 | 5.34 | \$350 | \$1,900 |
| 15 | 7 | 0.23 | \$350 | \$ 100 |
| 15 | 8 | 3.55 | \$350 | \$1,200 |
| 15 | 11 | 1.56 | \$350 | \$ 500 |
| 16 | 1 | 5.29 | \$350 | \$1,900 |
| 16 | 2 | 4.89 | \$350 | \$1,700 |
| 16 | 4 | 5.56 | \$350 | \$1,900 |
| 16 | 5 | 0.95 | \$350 | \$ 300 |
| 16 | 6 | 5.90 | \$350 | \$2,100 |

White, McPherson and Tuck, LLC

| ONIEDA TO SMOKEY HUNTER | | | | |
|---------------------------------------|--------|------------|-----------------------------|------------------------|
| Milepost DE 09.5 to Milepost DE 27.96 | | | | |
| Map | Parcel | Size/Acres | Across-The-Fence Value/Acre | Value Opinion, Rounded |
| 1 | 1 | 18.69 | \$10,000 | \$186,900 |
| 1 | 2 | 2.69 | \$10,000 | \$ 26,900 |
| 1 | 4 | 0.26 | \$ 7,000 | \$ 1,800 |
| 1 | 5 | 0.26 | \$ 7,000 | \$ 1,800 |
| 1 | 6 | 0.26 | \$ 7,000 | \$ 1,800 |
| 1 | 7 | 3.80 | \$ 1,000 | \$ 3,800 |
| 1 | 8 | 4.30 | \$ 1,000 | \$ 4,300 |
| 1 | 9 | 0.80 | \$ 1,000 | \$ 800 |
| 3 | 2 | 0.29 | \$ 1,000 | \$ 300 |
| 3 | 3 | 4.25 | \$ 1,000 | \$ 4,300 |
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| 7 | 3 | 3.34 | \$ 550 | \$ 1,800 |
| 7 | 4 | 7.70 | \$ 550 | \$ 4,200 |
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| 9 | 3 | 5.26 | \$ 550 | \$ 2,900 |
| 9 | 4 | 9.35 | \$ 550 | \$ 5,100 |
| 10 | 3 | 40.65 | \$ 550 | \$22,400 |
| 10 | 5 | 1.12 | \$ 550 | \$ 600 |
| 11 | 2 | 10.43 | \$ 550 | \$ 5,700 |
| 11 | 3 | 2.12 | \$ 550 | \$ 1,200 |
| 11 | 5 | 3.47 | \$ 550 | \$ 1,900 |
| 12 | 4 | 0.87 | \$ 550 | \$ 500 |
| 12 | 5 | 1.25 | \$ 550 | \$ 700 |
| 12 | 7 | 1.80 | \$ 550 | \$ 1,000 |

White, McPherson and Tuck, LLC

CERTIFICATION

The appraisers certify that, to the best of their knowledge and belief:

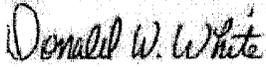
1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice
8. Scott McPherson has made a personal inspection of the property that is the subject of this report. Donald White did not physically inspect the subject property.

Additional Appraisal Institute Certification Requirements

1. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
2. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
3. As of the date of this report, Donald White has completed the requirements of the continuing education program of the Appraisal Institute.

White, McPherson and Tuck, LLC

Respectfully,



Donald W. White, MAI, SRA, CG-155
State Certified General Real Estate Appraiser No. 155



Scott McPherson
State Certified General Real Estate Appraiser No. 2467

UNDERLYING ASSUMPTIONS

The appraisers prepared this appraisal report with the following general assumptions:

1. The appraisers assume no liability for the legal description or for matters including legal or title considerations. The appraisers assume that title to the property is good and marketable unless otherwise stated.
2. The appraisers valued the subject property as if free and clear of any or all liens or encumbrances unless otherwise stated.
3. The appraisers assume responsible ownership and competent property management.
4. The appraisers assume that the information furnished by others to be reliable. However, the appraisers do not warrant its accuracy.
5. The appraisers assume that all engineering is correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. The appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. The appraisers assume no responsibility for such conditions or for arranging for engineering studies that may be required to discover them.
7. The appraisers assume that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. The appraisers assume that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.

White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

9. The appraisers assume that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. The appraisers assume that the utilization of the land and improvements are within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances such as asbestos, urea formaldehyde foam insulation or other hazardous substances or environmental conditions, may affect the value of the property, the values estimated are predicated on the assumption that there is no such condition on or in the properties or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The appraiser is not trained to assess the impact of any adverse effects of electromagnetic radiation from overhead electrical transmission lines.
12. By accepting this report, the client acknowledges and accepts these Extraordinary Assumptions, Underlying Assumptions and General Limiting Conditions.
13. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

GENERAL LIMITING CONDITIONS

The appraisers have prepared this appraisal with the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers and in any event only with proper written qualification and only in its entirety.
3. The appraisers herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.

SCOPE OF THE APPRAISAL

This is a complete appraisal, which employs all approaches and does not depart from any standards of the Uniform Standards of Professional Appraisal Practice.

This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such it presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop our value opinions. Supporting documentation concerning the data, reasoning, and analyses, is retained in the appraiser's work file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraisers are not responsible for unauthorized use of this report.

In preparing this appraisal,

Scott McPherson and Donald White inspected the subject corridor, existing improvements, architectural plans and specifications provided, and the neighborhood and made photographs of both the subject and its surroundings.

We collected and verified improved sites sales data, tax information, zoning information, and flood zone information.

We considered the three approaches to value, analyzed the data, and developed a value indication by each applicable approach for the subject property.

We reconciled the applicable value indications and developed a final value opinion as of the effective date of this appraisal for each parcel.

White, McPherson and Tuck, LLC

IDENTIFICATION AND HISTORY OF THE PROPERTY

The subject corridor reflects the conglomeration of several parcels owned by Norfolk Southern. The subject properties reflects 54 parcels identified by Norfolk Southern scattered between Oneida and Devonia, Tennessee. We have included a summary sheet of the transfers provided by Norfolk Southern in the addenda section of this report. The corridor has not been in use for over two years and extends from Oneida, Tennessee at Milepost TE 0.95 through Smoky Junction at the Scott County Line near Milepost TE 27.96. The corridor continues into Campbell County along Nick's Creek finally crossing into Anderson County ending at Milepost 42.00 in Devonia, Tennessee.

From Oneida, the corridor extends south along Pine Creek then picking up at Paint Rock Creek near Tunnel Hill Road extending underneath Baker Highway(SR63). The corridor extends south of SR63 along Paint Rock Creek for approximately one mile. The corridor then follows New River through Campbell County into Anderson County and ending in Devonia, Tennessee northeast of Frozen Head State Park. The subject corridor extends through CLT Map Nos. 52, 62, 70, 71, 79, 87, 96, 105, 114, 115, 123, 124, 125, 133 and 141 in Scott County. The subject crosses Campbell County CLT Map Nos. 116, 126, 127, 136, 135 and 144. The subject crosses Anderson County CLT Map Nos. 25, 26, 37, 48, 49 and 60.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide a value opinion for the fee simple interest in the properties described herein based on their highest and best non-rail use. The fee simple estate is defined as

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.²

INTENDED USE OF THE REPORT

The client intends to use the report for establishing an across-the-fence value opinion for satisfying the governmental requirements to formally abandon the railroad line.

INTENDED USERS OF THE REPORT

The intended users of the report include Mr. Jeff George and assigns of Norfolk Southern Corporation. Additionally, their attorneys and duly authorized governmental agencies may rely on this report for abandonment and litigation purposes. No other person or entity is authorized to rely on this appraisal report without our express written consent of the appraisers.

² *The Dictionary of Real Estate Appraisal, Third Edition*, Appraisal Institute, Chicago, 1993, page 140.

EFFECTIVE DATE OF THE APPRAISAL AND DATE OF THE REPORT

The effective date of the appraisal reflects March 25, 2005, the last date of the inspection.
The date of the report reflects April 1, 2005.

SCOPE OF THE APPRAISAL AND REPORTING REQUIREMENTS

We made independent investigations and analysis of land sales of similar non-rail use properties along the corridor. Sources include our data base, public record data confirmed by a principal or agent in the transaction, Commercial and Industrial MLS Data and data provided and confirmed by other appraisers. We selected the most similar available comparable sales to support our value opinions. At your request, we developed an across-the-fence value of the properties based on the highest and best non-rail use. We considered the cost and income approaches. However, we conclude they do not apply to this assignment.

AREA ANALYSIS

Economic, political, environmental and social forces of the subject's region influence the market value of real property. This section of the report presents an overview of the Scott County, Campbell County and Anderson County regions.

SCOTT COUNTY

Location

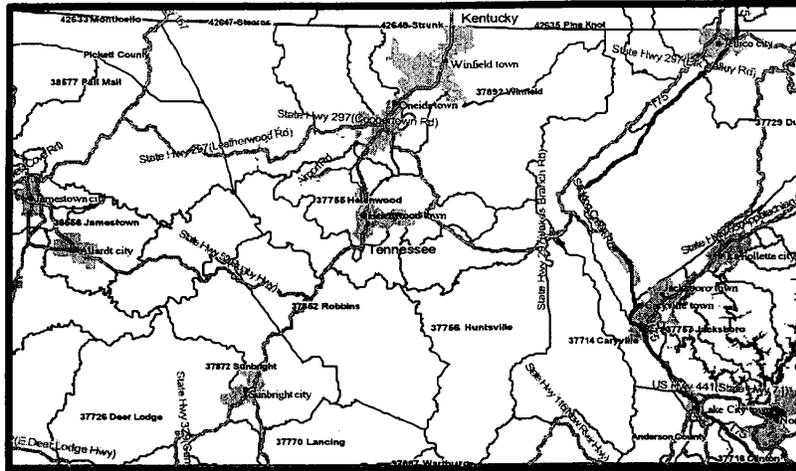
Scott County is located in northeastern Tennessee on the Cumberland Plateau in the western foothills of the Appalachian Mountains in a rugged and scenic region. The eastern portion of Scott County contains the Appalachian Mountains and the western part contains the Big South Fork Cumberland River Gorge. Scott County is approximately 65 miles northwest of Knoxville, approximately 175 miles northeast of Nashville, and approximately 120 miles south of Lexington, KY. Scott County encompasses 536 square miles or 348,160 acres of land. It is bordered on the north by Kentucky, to the east by Campbell County, to the east southeast by Anderson County, to the south by Morgan County, and to the west by Fentress County.

Scott County was established in 1849 from portions of Fentress, Morgan, and Campbell Counties. It was named in honor of General Winfield Scott, a veteran of the War of 1812 and the Mexican War, who served as the Chief of Staff for the Army and as an advisor to the President. The earliest known settlers came to Scott County in 1786 and settled along the New River and its tributaries. The mild climate, abundant rainfall, and prime agricultural land attracted settlers to stay.

Scott County has three incorporated municipalities; Huntsville, Oneida and Winfield and several smaller communities.

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MAP OF SCOTT COUNTY



The area topography consists of moderately rolling terrain and steep ridges. Big South Fork National River and Recreation Area lies in the western portion of Scott County.

Population

Population Demographics

| | 1990 Census | 2000 Census | 2004 Estimate | 2009 Projection | Percent Change 1990 to 2000 | Percent Change 2004 to 2009 |
|------------------------------|----------------|----------------|------------------|--------------------|--------------------------------------|--------------------------------|
| Total Population | 18,358 | 21,127 | 21,840 | 22,667 | 15.1% | 3.8% |
| Total Households | 6,534 | 8,203 | 8,802 | 9,507 | 25.5% | 8.0% |
| Population by Gender: | | | | | | |
| Male | 8,944 48.7% | 10,423 49.3% | 10,841 49.6% | 11,333 50.0% | 16.5% | 4.5% |
| Female | 9,414 51.3% | 10,704 50.7% | 10,999 50.4% | 11,334 50.0% | 13.7% | 3.0% |

In 2004, the population in Scott County was 21,840. The census revealed a population of 21,127 in 2000, and a population of 18,358 in 1990. The total change in population between 1990 and 2000 was 15.08% indicating an annual average growth rate of 1.51%. By 2009, the population is projected to be 22,667, representing a change of 3.79% from 2004. The projected annual average population growth rate between 2004 and 2009 is 0.76%. The annual average growth rate based on future projections appears to be decreasing as compared to historical growth rate figures.

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APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

Males comprise 49.64% of the current population, while females comprise the remaining 50.36%. Of the total population, 25.05% are under the age of 18 years. Another 65.74% are between the ages of 18 and 64, an indication of the potential workforce in the area. The remaining 11.97% of the people are aged 65 or older. In 2004, the median age of the population in the identified market was 35.6 years, as compared to the 37.0 year median age reported for the State of Tennessee base geography. The population density was 41.0 people per square mile.

| Household Status | | | | | | | | | | |
|-----------------------------|-------------|-------|-------------|-------|---------------|-------|-----------------|-------|----------------|--------------|
| | | | | | | | | | Percent Change | |
| | 1990 Census | | 2000 Census | | 2004 Estimate | | 2009 Projection | | 1990 to 2000 | 2004 to 2009 |
| Total Households | 6,534 | | 8,203 | | 8,802 | | 9,507 | | 25.5% | 8.0% |
| Size of Household: | | | | | | | | | | |
| 1 Person | 1,311 | 20.1% | 1,990 | 24.3% | 2,093 | 23.8% | 2,447 | 25.7% | 51.9% | 16.9% |
| 2 Person | 1,937 | 29.6% | 2,593 | 31.6% | 2,803 | 31.9% | 2,954 | 31.1% | 33.7% | 5.4% |
| 3 Person | 1,342 | 20.5% | 1,651 | 20.1% | 1,788 | 20.3% | 1,878 | 19.8% | 23.2% | 5.0% |
| 4 Person | 1,146 | 17.5% | 1,342 | 16.4% | 1,446 | 16.4% | 1,518 | 16.0% | 17.3% | 5.0% |
| 5 Person | 535 | 8.2% | 453 | 5.5% | 457 | 5.2% | 483 | 5.1% | -20.4% | 5.7% |
| 6 Person | 171 | 2.6% | 111 | 1.4% | 147 | 1.7% | 154 | 1.6% | -20.5% | 4.8% |
| 7 + Person | 92 | 1.4% | 63 | 0.8% | 68 | 0.8% | 73 | 0.8% | -31.5% | 7.4% |
| Ave Hhld Size | 2.78 | | 2.55 | | 2.46 | | 2.36 | | 0.0% | -3.9% |
| Length of Residence: | | | | | | | | | | |
| Stability (In Res. 5+ Yrs) | 64.0% | | 60.8% | | 22.6% | | N/A | | -5.0% | N/A |
| Turnover (% Yearly) | 14.0% | | 15.9% | | 12.9% | | N/A | | 13.6% | N/A |

In 2004, there were 8,802 households in Scott County. The Census revealed household counts of 6,534 in 1990 and 8,203 in 2000. The total change in households was 25.54% over that 10 year period. The indicated average annual growth rate in households was 2.55%. By 2009, the number of households is projected to be 9,507 indicating a change of 8.01% from 2004. Between 2004 and 2009, the indicated average annual household growth rate is expected to be 1.60%. The annual average growth rate based on future projections appears to be decreasing as compared to historical growth rate figures.

In 2004, the average household size was 2.46 persons. In 1990, the average household size was 2.78, as compared to 2.55 in 2000 indicating that average household size is decreasing during that period.

In 2004, the median number of years in residence was 2.8 as compared to 3.4 years in the State of Tennessee. The average number of vehicles per household was 1.9. The number of households without a vehicle was 641.

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APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****Households By Income**

| | 1990 | | 2000 | | 2004 | | 2009 | | Percent Change | |
|-----------------------|----------|-------|----------|-------|----------|-------|------------|-------|----------------|--------------|
| | Census | | Census | | Estimate | | Projection | | 1990 to 2000 | 2004 to 2009 |
| \$0 - \$9,999 | 2,059 | 31.5% | 1,530 | 18.7% | 1,621 | 18.4% | 1,697 | 17.9% | -25.7% | 4.7% |
| \$10,000 - \$14,999 | 1,056 | 16.2% | 1,080 | 13.2% | 1,074 | 12.2% | 1,050 | 11.0% | 2.3% | -2.2% |
| \$15,000 - \$19,999 | 828 | 12.7% | 879 | 10.7% | 868 | 9.9% | 816 | 8.6% | 6.2% | -6.0% |
| \$20,000 - \$24,999 | 611 | 9.4% | 728 | 8.9% | 768 | 8.7% | 805 | 8.5% | 19.1% | 4.8% |
| \$25,000 - \$29,999 | 531 | 8.1% | 790 | 9.6% | 769 | 8.7% | 720 | 7.6% | 48.8% | -6.4% |
| \$30,000 - \$34,999 | 482 | 7.4% | 555 | 6.8% | 637 | 7.2% | 781 | 8.2% | 15.1% | 22.6% |
| \$35,000 - \$39,999 | 266 | 4.1% | 534 | 6.5% | 514 | 5.8% | 576 | 6.1% | 100.8% | 12.1% |
| \$40,000 - \$49,999 | 353 | 5.4% | 693 | 8.4% | 842 | 9.6% | 840 | 8.8% | 96.3% | -0.2% |
| \$50,000 - \$59,999 | 183 | 2.8% | 486 | 5.9% | 537 | 6.1% | 662 | 7.0% | 165.6% | 23.3% |
| \$60,000 - \$74,999 | 72 | 1.1% | 493 | 6.0% | 556 | 6.3% | 587 | 6.2% | 584.7% | 5.6% |
| \$75,000 - \$99,999 | 35 | 0.5% | 227 | 2.8% | 346 | 3.9% | 582 | 6.1% | 548.6% | 68.2% |
| \$100,000 - \$124,999 | 23 | 0.4% | 76 | 0.9% | 106 | 1.2% | 159 | 1.7% | 230.4% | 50.0% |
| \$125,000 - \$149,999 | 7 | 0.1% | 9 | 0.1% | 26 | 0.3% | 72 | 0.8% | 28.6% | 176.9% |
| \$150,000 + | 37 | 0.6% | 123 | 1.5% | 138 | 1.6% | 160 | 1.7% | 232.4% | 15.9% |
| Average Hhld Income | \$21,692 | | \$33,140 | | \$34,636 | | \$36,691 | | 52.8% | 5.9% |
| Median Hhld Income | \$15,884 | | \$24,206 | | \$25,446 | | \$27,671 | | 52.4% | 8.7% |
| Per Capita Income | \$7,766 | | \$12,867 | | \$14,052 | | \$15,491 | | 65.7% | 10.2% |

In 2004, the median household income in Scott County was \$25,446. The State of Tennessee index base had a reported median household income of \$39,431. In 2000, the median household income was \$15,884 as compared to \$24,206 in 1990. The total change in median household income between 1990 and 2000 was 52.40%. The indicated average annual growth rate was 5.24%. By 2009, the median household income is projected to be \$27,671, indicating a projected total growth rate of 8.75% from 2004. The projected annual average growth equates to 1.75%. The annual average growth rate based on future projections appears to be decreasing as compared to historical growth rate figures.

In 2004, the per capita income in Scott County was \$14,052, as compared to the State of Tennessee base which reported a per capita income of \$21,375. In 2004, the average household income was \$34,636, as compared to the STATE_TN base which reported an average household income of \$52,015. In 2004, 49.20% of all households reported an average household income of less than \$24,999. In addition, 43.80% of households reported an average income of between \$25,000 and \$74,999, and 5.14% averaged between \$75,000 and \$124,999. The remaining 1.57% of all households reported an average household income exceeding \$125,000.

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APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

Page No. 19

Housing Units

| | 1990 Census | | 2000 Census | | 2004 Estimate | | 2009 Projection | | Percent Change 1990 to 2004 to 2000 2009 | |
|---------------------|-------------|-------|-------------|-------|---------------|-------|-----------------|-------|--|------|
| | | | | | | | | | | |
| Total Housing Units | 7,122 | | 8,909 | | 9,563 | | 10,325 | | 25.1% | 8.0% |
| Owner-Occupied | 4,924 | 69.1% | 6,269 | 70.4% | 6,771 | 70.8% | 7,369 | 71.4% | 27.3% | 8.8% |
| Renter-Occupied | 1,610 | 22.6% | 1,934 | 21.7% | 2,031 | 21.2% | 2,138 | 20.7% | 20.1% | 5.3% |
| Vacant | 588 | 8.3% | 706 | 7.9% | 761 | 8.0% | 818 | 7.9% | 20.1% | 7.5% |

Owner Occupied Home Value

| | 1990 Census | | 2000 Census | | Percent Change 1990 to 2000 | |
|--------------------------|-------------|-------|-------------|-------|--------------------------------|----------|
| | | | | | | |
| \$ 0 to \$14,999 | 542 | 18.6% | 676 | 10.8% | | 24.7% |
| \$ 15,000 to \$19,999 | 216 | 7.4% | 332 | 5.3% | | 53.7% |
| \$ 20,000 to \$29,999 | 510 | 17.5% | 691 | 11.0% | | 35.5% |
| \$ 30,000 - \$39,999 | 551 | 18.9% | 741 | 11.8% | | 34.5% |
| \$ 40,000 - \$49,999 | 402 | 13.8% | 635 | 10.1% | | 58.0% |
| \$ 50,000 to \$99,999 | 617 | 21.1% | 2,224 | 35.5% | | 240.5% |
| \$ 100,000 - \$ 149,999 | 61 | 2.1% | 522 | 8.3% | | 755.7% |
| \$ 150,000 - \$ 199,999 | 12 | 0.4% | 229 | 3.7% | | 1,808.3% |
| \$ 200,000 - \$ 299,999 | 3 | 0.1% | 119 | 1.9% | | 3,866.7% |
| \$ 300,000 - \$ 399,999 | 6 | 0.2% | 22 | 0.4% | | 266.7% |
| \$ 400,000 to \$ 499,999 | 0 | 0.0% | 25 | 0.4% | | N/A |
| \$ 500,000 or more | 1 | 0.0% | 53 | 0.8% | | 5,200.0% |
| Median Home Value | \$33,667 | | \$51,056 | | | 51.7% |

In 2000, the median housing value in Scott was \$51,056 representing a change of 51.65% from the reported median housing value of \$33,667 in 1990. This comparison indicates annual average growth rates in housing values of 5.17%. During that same period the State of Tennessee median housing value ranged from \$58,288 in 1990 to \$88,215 in 2000, indicating a total growth of 51.34% and an annual average growth rate of 5.13%.

In 2004, the total reported occupancy level in all housing units was 8,802, or 92.04%. Of that total, there were 6,771 reported owner occupied housing units and 2,031 renter occupied units. Owner occupied units represent 70.80% of all occupied housing units as compared to the 21.24% occupied by renters. Between 1990 and 2000, the reported occupancy level in all housing units ranged from 6,534 (92%) to 8,203 (92%). The annual average occupancy level in all housing units appears to be increasing.

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APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****Employment and Business**

| | 1990 | | 2000 | | 2004 | | 2009 | | Percent Change | |
|---------------------|--------|-------|--------|-------|----------|-------|------------|-------|----------------|--------------|
| | Census | | Census | | Estimate | | Projection | | 1990 to 2000 | 2004 to 2009 |
| Age 16 + Population | 13,615 | | 16,261 | | 16,974 | | 17,689 | | 19.4% | 4.2% |
| In Labor Force | 7,146 | 52.5% | 8,516 | 52.4% | 8,907 | 52.5% | 9,282 | 52.5% | 19.2% | 4.2% |
| Employed | 6,413 | 89.7% | 7,881 | 92.5% | 8,255 | 92.7% | 8,600 | 92.7% | 22.9% | 4.2% |
| Unemployed | 727 | 10.2% | 626 | 7.4% | 643 | 7.2% | 672 | 7.2% | -13.9% | 4.5% |
| In Armed Forces | 2 | 0.0% | 9 | 0.1% | 9 | 0.1% | 10 | 0.1% | 350.0% | 11.1% |
| Not In Labor Force | 6,469 | 47.5% | 7,745 | 47.6% | 8,067 | 47.5% | 8,407 | 47.5% | 19.7% | 4.2% |

In 2004, there were 16,974 people over the age of 16 in Scott County. Of that total, 92.68% were employed, 7.22% were unemployed, 47.53% were not in the labor force and 0.10% was in the armed forces. In 2000, unemployment was reported to be 3.85%, as compared to 5.34% in 1990.

In 2004, there were 6,989 employees (daytime population) and 852 business establishments. In 2000, white collar workers comprised 40.62% of the employed workforce, while those employed in blue collar occupations comprised the remaining 59.38%. In 2000, manufacturing jobs accounted for 15.43% of the employed workforce and, service industry jobs accounted for 10.58% of the workforce.

In 2000, the average time traveled to work was 19 minutes, as compared to 10 minutes in 1990. During that period average travel time to work changed by 87.2%. In comparison, the average travel time reported in the State of Tennessee was 21 minutes in 2000.

ANNUAL RETAIL SALES(1000's of Dollars)

| Item | 2001 | 2002 | 2003 | Percent Change 2001 to 2002 | Percent Change 2002 to 2003 |
|---------------------|---------|---------|---------|-----------------------------|-----------------------------|
| Building Supplies | 13,194 | 12,650 | 12,580 | -4.1% | 0.6% |
| General Merchandise | 46,280 | 47,712 | 52,566 | 3.1% | 7.5% |
| Food Stores | 32,740 | 31,189 | 25,362 | -4.7% | -20.8% |
| Automotive | 12,957 | 12,902 | 13,067 | -0.4% | 0.5% |
| Apparel | 1,422 | 1,283 | 1,030 | -9.8% | -26.6% |
| Furniture | 3,294 | 3,564 | 3,649 | 8.2% | 3.2% |
| Eating Est. | 11,649 | 12,471 | 13,281 | 7.1% | 8.8% |
| Service Station | 2,202 | 2,175 | 2,353 | -1.2% | 8.2% |
| Miscellaneous | 21,589 | 24,628 | 30,054 | 14.4% | 22.0% |
| Area Total | 145,327 | 148,577 | 153,944 | 2.2% | 3.6% |

Overall, retail sales grew 3.6 from 2002 to 2003. The largest decrease reflects apparel and the largest increase reflects eating establishments.

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Transportation

The closest interstate, Interstate 75, is approximately 20 miles east of Scott County. The primary highway serving Scott County is Highway 27 being a north-south highway from Lexington, Kentucky to Chattanooga, Tennessee. One-third of the nation's population is located within 500 miles, one day's drive, of Scott County.

The Scott County Airport has a 5,500 foot paved runway. Scheduled air service is available at the Knoxville McGhee Tyson Airport approximately 90 miles south of Scott County. Rail service is provided by Norfolk Southern Railway. The rail line runs in a north-south direction. Norfolk Southern provides direct and indirect service to many major industrial cities in the eastern United States.

The nearest navigable port is located in Clinton, Tennessee approximately 45 miles southwest of Oneida, Tennessee.

Major Employers

We have summarized the largest employers in Scott County Below.

| SCOTT COUNTY EMPLOYERS | | |
|-----------------------------|--------------------------|-----------|
| Company | Industry | Employees |
| Hartco-Tibbals Flooring Co. | Hardwood Flooring | 700 |
| Tennier Industries | Clothing | 340 |
| HBD Industries, Inc. | Industrial Hoses | 240 |
| Jim Barna Log Systems, Inc. | Log Homes | 159 |
| Container Technologies, LLC | Containers | 90 |
| US Coal | Coal Mining | 73 |
| Team Apparel | Clothing | 69 |
| Highland Steel Erectors | Steel Erectors | 65 |
| Scott Appalachia Industries | Workshop for Handicap | 55 |
| Jacobs & Associates, Inc. | Cargo & Utility Trailers | 50 |

Government

Scott County consists of five formal government jurisdictions-- the county and four incorporated municipalities. Helenwood is located along U.S. Highway 27, in the geographic center of Scott County. This town is Scott County's newest town, having been incorporated in August, 1998. Huntsville, the county seat, is located along Tennessee Highway 63 in the geographic center of the county. Huntsville was incorporated in 1965 being primarily a residential community. Huntsville contains the county's administrative offices and a limited number of retail establishments. Oneida is situated along U.S. Highway 27, about five miles south of the Tennessee-Kentucky border. It is the largest town in Scott County and was incorporated in 1913. Oneida serves as the residential, commercial, and industrial center of the county. The town's population grew from 2,602 in 1970 to 3,502 in 1990. Winfield is located along U.S. Highway 27 in the extreme northern part of Scott County and was incorporated in 1983. Winfield possesses a rural character and a small town atmosphere. Limited commercial and industrial development exists in Winfield with a 1990 population of 564. Most residents

reside along the main roads of intersection U.S. Highway 27.

The cities are governed by a Mayor and Alderman and the County is governed by a County Mayor and Commission.

Utilities

The Tennessee Valley Authority, one of the nation's largest electric power systems, provides electrical power to Plateau Electric Cooperative who locally provides electricity to Scott County. Water and Sewer are provided by Huntsville Utility District and Oneida Water and Sewer Works in their respective communities. Citizens Gas Utility District provides natural gas to the area. Highland Telephone Cooperative offers telephone, internet service, and long distance.

Health Care

Scott County features one hospital with 100 beds. Three outpatient clinics also serve the county featuring 14 doctors, 6 dentists and 2 nursing homes. MPHCC, Mountain People's Health Councils operate the rural health clinics.

Educational Attainment

| | 1990 Census | | 2000 Census | | 2004 Estimate | | 2009 Projection | | Percent Change | |
|-------------------------|-------------|-------|-------------|-------|---------------|-------|-----------------|-------|----------------|--------------|
| | | | | | | | | | 1990 to 2000 | 2004 to 2009 |
| Age 25+ Population | 11,094 | | 13,449 | | 14,188 | | 14,935 | | 21.2% | -13.5% |
| Grade K - 8 | 3,422 | 30.9% | 2,312 | 17.2% | 2,704 | 19.1% | 2,854 | 19.1% | -32.4% | 5.5% |
| Grade 9 - 12 | 2,006 | 18.1% | 2,722 | 20.2% | 2,881 | 20.3% | 3,038 | 20.3% | 35.7% | 5.4% |
| High School Graduate | 3,878 | 35.0% | 5,122 | 38.1% | 5,385 | 38.0% | 5,662 | 37.9% | 32.1% | 5.1% |
| Some College, No Degree | 851 | 7.7% | 1,647 | 12.3% | 1,742 | 12.3% | 1,831 | 12.3% | 93.5% | 5.1% |
| Associates Degree | 195 | 1.8% | 385 | 2.9% | 409 | 2.9% | 430 | 2.9% | 97.4% | 5.1% |
| Bachelor's Degree | 448 | 4.0% | 550 | 4.1% | 576 | 4.1% | 605 | 4.0% | 22.8% | 5.0% |
| Graduate Degree | 297 | 2.7% | 460 | 3.4% | 491 | 3.5% | 515 | 3.5% | 54.9% | 4.9% |
| No Schooling Completed | | | 251 | 1.9% | | | | | | |

In 2004, 60.64% of the population over the age of 25 had earned a high school diploma Scott County, while 39.36% did not earn a high school diploma. In comparison, 75.94% of the population over the age of 25 in the State of Tennessee earned a high school diploma. In 1990, the population attaining a high school diploma was 51.10%, as compared to 60.70% in 2000.

These figures indicate high school graduation rates within Scott County have been decreasing since 2000.

In 2004, a total of 12.28% of the population over 25 in Scott County attended some college courses, while 2.88% earned an Associates Degree. Another 4.06% earned a Bachelor's degree, and 3.46% earned a Graduate degree. In comparison, the State of Tennessee reported 20.04% of the population attended some college courses, while 4.75% earned an Associates degree. Within the State of Tennessee, another 12.78% earned a Bachelor's degree, and 6.79% earned a Graduate degree.

Recreation

Scott County features an abundance of outdoor recreational opportunities. Scott County features three parks including Huntsville, Oneida and Winfield Parks. Additionally, Scott County provides access to the Big South Fork National River Recreation Area, an 110,000 acre wild area administered by the National Park Service. This park features opportunities for camping, canoeing, fishing, hiking trail riding and site seeing.

Scott County Area Trends and Conclusions

Overall, the demographic and economic conditions for Scott County appear stable and are projected to continue to grow. The county's unemployment base is diversified among various industry segments and the low unemployment rates indicate the area continues to benefit from its strategic location. The per capita income levels will likely remain below state levels but sufficient to support an adequate quality of life given the lower cost of living. Scott County features primarily small to mid-sized businesses with a diverse economic base less vulnerable to industry shut-downs, bad weather and other factors that affect commerce. These factors indicate a moderately growing economy that provides a stable environment for the subject properties.

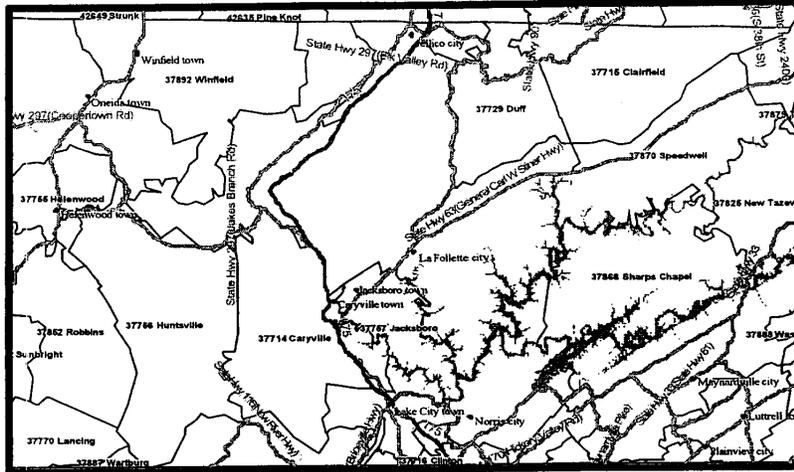
CAMPBELL COUNTY

Location

Campbell County is located in northeastern Tennessee on the Cumberland Plateau in the western foothills of the Appalachian Mountains in a rugged and scenic region. Campbell County was formed in 1806 from parts of Anderson and Claiborne Counties. Campbell County has three distinct geographical regions. The northern portion is within the Cumberland Plateau, the central portion in the Powell Valley, and the southern portion consists of ridges and rolling hills. The Cumberland Plateau within Campbell County begins at Caryville and ends at Cumberland Gap. The mountains from the Powell Valley extend across the southwest portion of the county. Campbell County is approximately 65 miles northwest of Knoxville, approximately 175 miles northeast of Nashville, and approximately 120 miles south of Lexington, KY. Campbell County encompasses 480 square miles of land. It is bordered on the north by Kentucky, to the East by Claiborne and Union Counties, to the South by Anderson County, to the West by Scott County, and to the North by Whitley County, Kentucky.

Lafollette and Jellico reflect cities in Campbell County. Jacksboro and Caryville reflect towns in Campbell County. Jacksboro reflects the County seat.

MAP OF CAMPBELL COUNTY



The development of Campbell County has been heavily influenced by its topography and natural resources. Coal mining and timber production were primary businesses for many years. The coal industry has declined since the late 1970's and the easily removed timber has been exhausted. Norris Lake forms the majority of the southern boundary. A number of retirement and recreation oriented developments have been developed over the past 25 years.

Population

Population Demographics

| | | | | | Percent Change | |
|--------------------------------|--------------------|--------------------|----------------------|------------------------|-----------------------|---------------------|
| | 1990 Census | 2000 Census | 2004 Estimate | 2009 Projection | 1990 to 2000 | 2004 to 2009 |
| Total Population | 35,080 | 39,854 | 40,188 | 40,505 | 13.6% | 0.8% |
| Population Density (Pop/Sq Mi) | 70.4 | 80.0 | 80.7 | 81.3 | 13.6% | 0.8% |
| Total Households | 13,151 | 16,125 | 16,826 | 17,651 | 22.6% | 4.9% |
| Population by Gender: | | | | | | |
| Male | 16,733 | 19,199 | 19,244 | 19,248 | 14.7% | 0.0% |
| Female | 18,347 | 20,655 | 20,944 | 21,257 | 12.6% | 1.5% |

In 2004, the Campbell County population was 40,188. The census revealed a population of 39,854 in 2000, and a population of 35,080 in 1990. The total change in population between 1990 and 2000 was 13.61% indicating an annual average growth rate of 1.36%. By 2009, the population is projected to be 40,505, representing a change of 0.79% from 2004. The projected annual average population growth rate between 2004 and 2009 is 0.16%. The annual average growth rate based on future projections appears to be decreasing as compared to historical growth rate figures.

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APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR**

Males comprise 47.88% of the current population, while females comprise the remaining 52.12%. Of the total population, 21.96% are under the age of 18 years. Another 64.39% are between the ages of 18 and 64, an indication of the potential workforce in the area. The remaining 16.16% of the people are aged 65 or older. In 2004, the median age of the Campbell County population was 39.5 years, as compared to the 37.0 year median age reported for the State of Tennessee. The population density was 80.7 people per square mile.

Household Status

| | 1990 | | 2000 | | 2004 | | 2009 | | Percent Change | |
|-----------------------------|--------|-------|--------|-------|----------|-------|------------|-------|-----------------|-------|
| | Census | | Census | | Estimate | | Projection | | 1990 to 2004 to | 2009 |
| Total Households | 13,151 | | 16,125 | | 16,826 | | 17,651 | | 22.6% | 4.9% |
| Size of Household: | | | | | | | | | | |
| 1 Person | 2,789 | 21.2% | 4,091 | 25.4% | 4,194 | 24.9% | 4,761 | 27.0% | 46.7% | 13.5% |
| 2 Person | 4,269 | 32.5% | 5,701 | 35.4% | 6,003 | 35.7% | 6,131 | 34.7% | 33.8% | 2.1% |
| 3 Person | 2,766 | 21.0% | 3,101 | 19.2% | 3,250 | 19.3% | 3,319 | 18.8% | 11.8% | 2.1% |
| 4 Person | 2,123 | 16.1% | 2,117 | 13.1% | 2,212 | 13.2% | 2,252 | 12.8% | -0.5% | 1.8% |
| 5 Person | 772 | 5.9% | 802 | 5.0% | 801 | 4.8% | 816 | 4.6% | -0.5% | 1.9% |
| 6 Person | 282 | 2.1% | 220 | 1.4% | 248 | 1.5% | 252 | 1.4% | -16.7% | 1.6% |
| 7 + Person | 149 | 1.1% | 93 | 0.6% | 118 | 0.7% | 120 | 0.7% | -24.8% | 1.7% |
| Ave Hhld Size | 2.64 | | 2.44 | | 2.36 | | 2.27 | | 0.0% | -3.9% |
| Length of Residence: | | | | | | | | | | |
| Stability (In Res. 5+ Yrs) | 62.0% | | 57.0% | | 18.5% | | N/A | | -8.1% | N/A |
| Turnover (% Yearly) | 15.0% | | 16.6% | | 16.3% | | N/A | | 10.7% | N/A |

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APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****Households by Income**

| | 1990 | | 2000 | | 2004 | | 2009 | | Percent Change | |
|-----------------------|----------|-------|----------|-------|----------|-------|------------|-------|----------------|--------------|
| | Census | | Census | | Estimate | | Projection | | 1990 to 2000 | 2004 to 2009 |
| \$0 - \$15,000 | 6,049 | 46.0% | 5,190 | 32.2% | 5,191 | 30.9% | 5,142 | 29.1% | -14.2% | -0.9% |
| \$15,000 - \$24,999 | 2,823 | 21.5% | 2,785 | 17.3% | 2,765 | 16.4% | 2,661 | 15.1% | -1.3% | -3.8% |
| \$25,000 - \$34,999 | 1,954 | 14.9% | 2,737 | 17.0% | 2,661 | 15.8% | 2,567 | 14.5% | 40.1% | -3.5% |
| \$35,000 - \$49,999 | 1,476 | 11.2% | 2,563 | 15.9% | 2,795 | 16.6% | 2,913 | 16.5% | 73.6% | 4.2% |
| \$50,000 - \$74,999 | 646 | 4.9% | 1,854 | 11.5% | 2,085 | 12.4% | 2,438 | 13.8% | 323.3% | 16.9% |
| \$75,000 - \$99,999 | 88 | 0.7% | 536 | 3.3% | 727 | 4.3% | 1,074 | 6.1% | 509.1% | 47.7% |
| \$100,000 - \$149,999 | 91 | 0.7% | 282 | 1.7% | 397 | 2.4% | 597 | 3.4% | 209.9% | 50.4% |
| \$150,000 + | 31 | 0.2% | 178 | 1.1% | 205 | 1.2% | 259 | 1.5% | 474.2% | 26.3% |
| Average Hhld Income | \$21,566 | | \$32,597 | | \$34,071 | | \$36,217 | | 51.1% | 6.3% |
| Median Hhld Income | \$16,440 | | \$25,319 | | \$26,736 | | \$29,355 | | 54.0% | 9.8% |
| Per Capita Income | \$8,140 | | \$13,189 | | \$14,398 | | \$15,933 | | 62.0% | 10.7% |

In 2004, there were 16,826 households in Campbell County. The Census revealed household counts of 13,151 in 1990 and 16,125 in 2000. The total change in households was 22.61% over that 10 year period. The indicated average annual growth rate in households was 2.26%. By 2009, the number of households is projected to be 17,651 indicating a change of 4.90% from 2004. Between 2004 and 2009, the indicated average annual household growth rate is expected to be 0.98%. The annual average growth rate based on future projections appears to be decreasing as compared to historical growth rate figures.

In 2004, the average household size was 2.36 persons. In 1990, the average household size was 2.65, as compared to 2.44 in 2000 indicating that average household size is decreasing during that period.

In 2004, the median number of years in residence was 2.5 as compared to 3.4 years in the State of Tennessee. The average number of vehicles per household was 1.7. The number of households without a vehicle was 1,891.

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NORFOLK SOUTHERN RAILROAD CORRIDOR

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Housing Units

| | 1990 Census | | 2000 Census | | 2004 Estimate | | 2009 Projection | | Percent Change 1990 to 2004 to 2009 | |
|---------------------|-------------|-------|-------------|-------|---------------|-------|-----------------|-------|---|------|
| | | | | | | | | | | |
| Total Housing Units | 14,817 | | 18,527 | | 19,338 | | 20,280 | | 25.0% | 4.9% |
| Owner-Occupied | 9,709 | 65.5% | 11,837 | 63.9% | 12,333 | 63.8% | 12,915 | 63.7% | 21.9% | 4.7% |
| Renter-Occupied | 3,441 | 23.2% | 4,288 | 23.1% | 4,493 | 23.2% | 4,736 | 23.4% | 24.6% | 5.4% |
| Vacant | 1,667 | 11.3% | 2,402 | 13.0% | 2,512 | 13.0% | 2,629 | 13.0% | 44.1% | 4.7% |

Owner Occupied Home Value

| | 1990 Census | | 2000 Census | | Percent Change 1990 to 2000 | |
|--------------------------|-------------|-------|-------------|-------|--------------------------------|----------|
| | | | | | | |
| \$ 0 to \$14,999 | 787 | 11.6% | 820 | 6.9% | | 4.2% |
| \$ 15,000 to \$19,999 | 454 | 6.7% | 578 | 4.9% | | 27.3% |
| \$ 20,000 to \$29,999 | 1,140 | 16.7% | 1,072 | 9.1% | | -6.0% |
| \$ 30,000 - \$39,999 | 1,291 | 18.9% | 1,298 | 11.0% | | 0.5% |
| \$ 40,000 - \$49,999 | 1,012 | 14.9% | 1,258 | 10.6% | | 24.3% |
| \$ 50,000 to \$99,999 | 1,867 | 27.4% | 4,790 | 40.5% | | 147.0% |
| \$ 100,000 - \$ 149,999 | 181 | 2.7% | 1,222 | 10.3% | | 575.1% |
| \$ 150,000 - \$ 199,999 | 42 | 0.6% | 455 | 3.8% | | 983.3% |
| \$ 200,000 - \$ 299,999 | 34 | 0.5% | 217 | 1.8% | | 538.2% |
| \$ 300,000 - \$ 399,999 | 6 | 0.1% | 88 | 0.7% | | 1,366.7% |
| \$ 400,000 to \$ 499,999 | 0 | 0.0% | 7 | 0.1% | | N/A |
| \$ 500,000 or more | 0 | 0.0% | 32 | 0.3% | | N/A |
| Median Home Value | \$37,895 | | \$57,636 | | | 52.1% |

In 2000, the median housing value in Campbell County was \$57,636 representing a change of 52.09% from the reported median housing value of \$37,895 in 1990. This comparison indicates annual average growth rates in housing values of 5.21%. During that same period the State of Tennessee median housing value ranged from \$58,288 in 1990 to \$88,215 in 2000, indicating a total growth of 51.34% and an annual average growth rate of 5.13%.

In 2004, the total reported occupancy level in all housing units was 16,826, or 87.01%. Of that total, there were 12,333 reported owner occupied housing units and 4,493 renter occupied units. Owner occupied units represent 63.78% of all occupied housing units as compared to the 23.23% occupied by renters. Between 1990 and 2000, the reported occupancy level in all housing units ranged from 13,151 (89%) to 16,125 (87%). The annual average occupancy level in all housing units appears to be decreasing.

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APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****Employment and Business**

| | 1990 | | 2000 | | 2004 | | 2009 | | Percent Change | |
|---------------------|--------|-------|--------|-------|----------|-------|------------|-------|----------------|--------------|
| | Census | | Census | | Estimate | | Projection | | 1990 to 2000 | 2004 to 2009 |
| Age 16 + Population | 27,271 | | 31,795 | | 32,387 | | 32,822 | | 16.6% | 1.3% |
| In Labor Force | 13,782 | 50.5% | 15,657 | 49.2% | 15,926 | 49.2% | 16,107 | 49.1% | 13.6% | 1.1% |
| Employed | 12,289 | 89.2% | 14,592 | 93.2% | 14,843 | 93.2% | 15,006 | 93.2% | 18.7% | 1.1% |
| Unemployed | 1,489 | 10.8% | 1,042 | 6.7% | 1,060 | 6.7% | 1,078 | 6.7% | -30.0% | 1.7% |
| In Armed Forces | 12 | 0.0% | 23 | 0.1% | 23 | 0.1% | 23 | 0.1% | 91.7% | 0.0% |
| Not In Labor Force | 13,489 | 49.5% | 16,138 | 50.8% | 16,461 | 50.8% | 16,715 | 50.9% | 19.6% | 1.5% |

In 2004, there were 32,387 people over the age of 16 in the identified market area. Of that total, 93.20% were employed, 6.66% were unemployed, 50.83% were not in the labor force and 0.14% was in the armed forces. In 2000, unemployment was reported to be 3.28%, as compared to 5.46% in 1990.

In 2004, there were 9,670 employees (daytime population) and 1,247 business establishments. In 2000, white collar workers comprised 40.66% of the employed workforce, while those employed in blue collar occupations comprised the remaining 61.71%. In 2000, manufacturing jobs accounted for 10.38% of the employed workforce and, service industry jobs accounted for 12.01% of the workforce.

In 2000, the average time traveled to work was 24 minutes, as compared to 11 minutes in 1990. During that period average travel time to work changed by 113.5%. In comparison, the average travel time reported in the State of Tennessee was 21 minutes in 2000.

ANNUAL RETAIL SALES

| 1999 | 2000 | 2001 | 2002 | Percent Change 2000 to 2001 | Percent Change 2001 to 2002 |
|---------------|---------------|---------------|---------------|--------------------------------|--------------------------------|
| \$268,918,452 | \$281,643,920 | \$294,974,162 | \$295,127,317 | 4.7% | 0.05% |

Annual retail sales grew by 4.7% from 2000 to 2001. The growth was minor from 2001 to 2002 following the economic turn in 2001.

Transportation

Interstate 75, U.S Highway 26W and State Routes 63 and 90 serve Campbell County. The primary highway serving Campbell County reflects Interstate 75 being a north-south highway. One-third of the nation's population is located within 500 miles, one day's drive, of Scott County.

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APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

The Campbell County Airport has a 3,500 foot paved runway located two miles south of Lafollette. Scheduled air service is available at the Knoxville McGhee Tyson Airport approximately 90 miles south of Campbell County.

Rail service is provided by CSX and Norfolk Southern Railway. The rail line runs in a north-south direction. Norfolk Southern provides direct and indirect service to many major industrial cities in the eastern United States.

The nearest navigable port is located in Clinton, Tennessee approximately 45 miles southwest of Caryville, Tennessee.

Major Employers

We have summarized the largest employers in Campbell County Below.

| CAMPBELL COUNTY EMPLOYERS | | |
|------------------------------|----------------------|-----------|
| Company | Industry | Employees |
| Campbell County Board of Ed. | Education | 1,030 |
| Lafollette Medical Center | Medical | 490 |
| Wal-Mart | Retail | 450 |
| A & S Steel Building Systems | Steel Buildings | 325 |
| Campbell County Government | Government | 290 |
| Jellico Community Hospital | Medical | 281 |
| Advance Food Company | Food Products | 235 |
| Thermador Corporation | Ranges, Stove Tops | 227 |
| Sunbridge Care and Rehab | Rehabilitation | 150 |
| Lincoln Brass Works, Inc. | Grill, Range Burners | 136 |

Utilities

The Tennessee Valley Authority, one of the nation's largest electric power systems, provides electrical power to Lafollette Utilities Board who locally provides electricity to Campbell County. Water and Sewer are provided by Lafollette Utilities Board where available.

Health Care

Campbell County features one hospital with 56 beds. Three outpatient clinics also serve the county featuring 16 doctors, 10 dentists and 2 nursing homes.

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APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****Educational Attainment**

| | 1990 | | 2000 | | 2004 | | 2009 | | Percent Change | |
|-------------------------|--------|-------|--------|-------|----------|-------|------------|-------|----------------|--------------|
| | Census | | Census | | Estimate | | Projection | | 1990 to 2000 | 2004 to 2009 |
| Age 25+ Population | 22,562 | | 27,327 | | 27,790 | | 28,245 | | 21.1% | -14.1% |
| Grade K - 8 | 7,187 | 31.9% | 5,228 | 19.1% | 5,943 | 21.4% | 6,053 | 21.4% | -27.3% | 1.9% |
| Grade 9 - 12 | 4,648 | 20.6% | 5,467 | 20.0% | 5,545 | 19.9% | 5,649 | 20.0% | 17.6% | 1.9% |
| High School Graduate | 6,436 | 28.5% | 9,703 | 35.5% | 9,888 | 35.6% | 10,039 | 35.5% | 50.8% | 1.5% |
| Some College, No Degree | 2,202 | 9.8% | 3,742 | 13.7% | 3,785 | 13.6% | 3,840 | 13.6% | 69.9% | 1.5% |
| Associates Degree | 606 | 2.7% | 677 | 2.5% | 690 | 2.5% | 699 | 2.5% | 11.7% | 1.3% |
| Bachelor's Degree | 933 | 4.1% | 1,142 | 4.2% | 1,147 | 4.1% | 1,161 | 4.1% | 22.4% | 1.2% |
| Graduate Degree | 545 | 2.4% | 781 | 2.9% | 792 | 2.9% | 804 | 2.9% | 43.3% | 1.5% |
| No Schooling Completed | | | 587 | 2.1% | | | | | | |

In 2004, 58.66% of the population over the age of 25 had earned a high school diploma in Campbell County, while 41.34% did not earn a high school diploma. In comparison, 75.94% of the population over the age of 25 in the State of Tennessee earned a high school diploma. In 1990, the population attaining a high school diploma was 47.52%, as compared to 58.71% in 2000. These figures indicate high school graduation rates within the identified market area have been decreasing since 2000.

In 2004, a total of 13.62% of the population over 25 attended some college courses, while 2.48% earned an Associates Degree. Another 4.13% earned a Bachelor's degree, and 2.85% earned a Graduate degree. In comparison, the State of Tennessee reported 20.04% of the population attended some college courses, while 4.75% earned an Associates degree. Within the State of Tennessee, another 12.78% earned a Bachelor's degree, and 6.79% earned a Graduate degree.

Recreation

Campbell County features an abundance of areas to relax, hike, camp, fish, para-sail, or play golf. The County features Cove Lake and Indian Mountain State Parks. Big Ridge and Norris State Parks also join Campbell County with neighboring Anderson and Union Counties. Each of these parks makes available the full menu of traditional, recreational activities.

Norris Lake offers year-round opportunities for fishing, boating and a multitude of other water sports. A range of facilities around the lake are aimed at easy access. They include three TVA Small Wildlife Areas, campgrounds, six hiking trails, two wildlife management areas consisting of thousands of beautiful acres of natural beauty, numerous boat docks and 12 public boat ramps.

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There are also numerous privately operated recreational facilities available that include sites such as Deerfield, with its own landing strip providing visitors the opportunity to fly in and taxi to their own condo or take their golf cart to the first hole to tee off.

Campbell County Area Trends and Conclusions

Overall, the foregoing statistics indicate the economic well being is fairly stable. Although most economic indicators are positive, the growth rate is anticipated to be modest with population increasing slowly. The Campbell County market provides a stable environment for the subject properties.

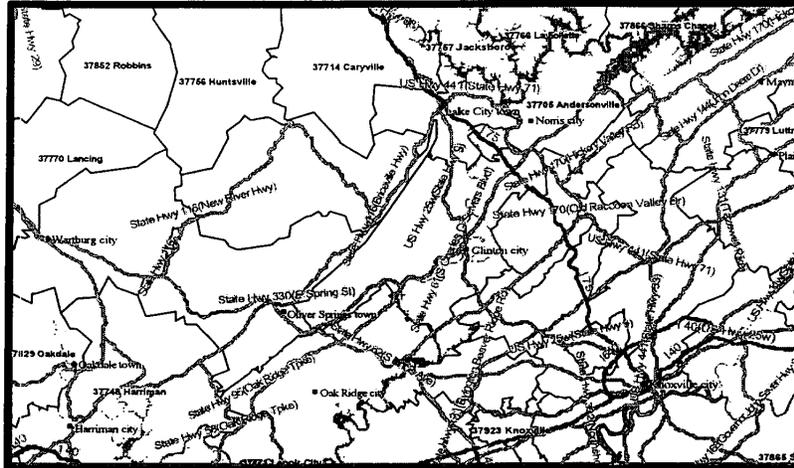
ANDERSON COUNTY

Location

Anderson County is located in the upper eastern section of Tennessee encompasses 598 square miles. Anderson County is bound by Scott, Campbell and Union Counties to the North, Knox County to the Southeast, Roane and Morgan Counties to the Southwest and West. Anderson County features a land area totaling 338 square miles. The terrain dictates much of the land use in Anderson County. The Clinch Mountains lie along the northern border and Chestnut Ridge lies in the southern part of the County. The Clinch River is impounded by Norris Dam to the East of Clinton and Melton Hill Dam, west of Oak Ridge. Norris Lake forms part of the County's northern and eastern boundaries. The Clinch River runs through Clinton and extends westward forming the boundary with Knox County.

The county is home to two planned communities - Norris, built in the Great Depression to house those working on Norris Dam, and Oak Ridge, which came into existence during World War II as a secret city devoted to helping build the first atomic bomb. Other cities in Anderson County include Clinton, Lake City, which straddles Anderson and Campbell counties, and Oliver Springs, parts of which are also in Roane and Morgan counties. A number of smaller unincorporated communities also dot the county map, including Claxton, Briceville and Marlow. The most remote section of the county is called New River, an isolated community only reached by a winding state Highway 116.

MAP OF ANDERSON COUNTY



Population

Population Demographics

| | | | | | Percent Change | |
|------------------------------|-------------|-------------|---------------|-----------------|----------------|--------------|
| | 1990 Census | 2000 Census | 2004 Estimate | 2009 Projection | 1990 to 2000 | 2004 to 2009 |
| Total Population | 68,250 | 71,330 | 72,110 | 73,141 | 4.5% | 1.4% |
| Density (Pop/Sq Mi) | 198.0 | 206.9 | 209.2 | 212.2 | 4.5% | 1.4% |
| Total Hsholds | 27,383 | 29,780 | 30,658 | 31,691 | 8.8% | 3.4% |
| Population by Gender: | | | | | | |
| Male | 32,534 | 47.7% | 34,009 | 47.7% | 34,514 | 47.9% |
| Female | 35,716 | 52.3% | 37,321 | 52.3% | 37,596 | 52.1% |
| | | | | | 35,178 | 48.1% |
| | | | | | 4.5% | 1.9% |
| | | | | | 4.5% | 1.0% |

In 2004, the Anderson County population totaled 72,110. The census revealed a population of 71,330 in 2000, and a population of 68,250 in 1990. The total change in population between 1990 and 2000 was 4.51% indicating an annual average growth rate of 0.45%. By 2009, the population is projected to be 73,141, representing a change of 1.43% from 2004. The projected annual average population growth rate between 2004 and 2009 is 0.29%. The annual average growth rate based on future projections appears to be decreasing as compared to historical growth rate figures.

Males comprise 47.86% of the current population, while females comprise the remaining 52.14%. Of the total population, 21.89% are under the age of 18 years. Another 64.02% are between the ages of 18 and 64, an indication of the potential workforce in the area. The remaining 16.73% of the people are aged 65 or older. In 2004, the median age of the population was 41.1 years, as compared to the 37.0 year median age reported for the State of Tennessee. The population density was 209.2 people per square mile.

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

Household Status

| | 1990 Census | | 2000 Census | | 2004 Estimate | | 2009 Projection | | Percent Change | |
|-----------------------------|-------------|-------|-------------|-------|---------------|-------|-----------------|-------|----------------|--------------|
| | Count | % | Count | % | Count | % | Count | % | 1990 to 2000 | 2004 to 2009 |
| Total Households | 27,383 | | 29,780 | | 30,658 | | 31,691 | | 8.8% | 3.4% |
| Size of Household: | | | | | | | | | | |
| 1 Person | 6,910 | 25.2% | 8,261 | 27.7% | 8,118 | 26.5% | 8,826 | 27.9% | 19.5% | 8.7% |
| 2 Person | 9,514 | 34.7% | 10,654 | 35.8% | 11,172 | 36.4% | 11,357 | 35.8% | 12.0% | 1.7% |
| 3 Person | 5,014 | 18.3% | 5,221 | 17.5% | 5,447 | 17.8% | 5,528 | 17.4% | 3.8% | 1.5% |
| 4 Person | 3,964 | 14.5% | 3,806 | 12.8% | 3,995 | 13.0% | 4,030 | 12.7% | -3.5% | 0.9% |
| 5 Person | 1,396 | 5.1% | 1,289 | 4.3% | 1,367 | 4.5% | 1,384 | 4.4% | -6.2% | 1.2% |
| 6 Person | 413 | 1.5% | 404 | 1.4% | 414 | 1.4% | 419 | 1.3% | -4.1% | 1.2% |
| 7 + Person | 173 | 0.6% | 145 | 0.5% | 145 | 0.5% | 147 | 0.5% | -20.8% | 1.4% |
| Ave Hhld Size | 2.47 | | 2.37 | | 2.32 | | 2.28 | | 0.0% | -1.9% |
| Length of Residence: | | | | | | | | | | |
| Stability (In Res. 5+ Yrs) | 59.0% | | 57.0% | | 37.3% | | N/A | | -3.4% | N/A |
| Turnover (% Yearly) | 17.0% | | 16.5% | | 13.3% | | N/A | | -2.9% | N/A |

Households by Income

| | 1990 Census | | 2000 Census | | 2004 Estimate | | 2009 Projection | | Percent Change | |
|-----------------------|-------------|-------|-------------|-------|---------------|-------|-----------------|-------|----------------|--------------|
| | Count | % | Count | % | Count | % | Count | % | 1990 to 2000 | 2004 to 2009 |
| \$0 - \$15,000 | 7,923 | 28.9% | 5,833 | 19.6% | 5,773 | 18.8% | 5,637 | 17.8% | -26.4% | -2.4% |
| \$15,000 - \$24,999 | 4,981 | 18.2% | 4,396 | 14.8% | 4,172 | 13.6% | 3,727 | 11.8% | -11.7% | -10.7% |
| \$25,000 - \$34,999 | 4,646 | 17.0% | 4,452 | 14.9% | 4,256 | 13.9% | 4,149 | 13.1% | -4.2% | -2.5% |
| \$35,000 - \$49,999 | 4,611 | 16.8% | 5,289 | 17.8% | 5,332 | 17.4% | 5,053 | 15.9% | 14.7% | -5.2% |
| \$50,000 - \$74,999 | 3,764 | 13.7% | 5,310 | 17.8% | 5,627 | 18.4% | 5,872 | 18.5% | 156.6% | 4.4% |
| \$75,000 - \$99,999 | 936 | 3.4% | 2,288 | 7.7% | 2,705 | 8.8% | 3,462 | 10.9% | 144.4% | 28.0% |
| \$100,000 - \$149,999 | 370 | 1.4% | 1,628 | 5.5% | 2,077 | 6.8% | 2,754 | 8.7% | 340.0% | 32.6% |
| \$150,000 + | 162 | 0.6% | 584 | 2.0% | 716 | 2.3% | 1,037 | 3.3% | 260.5% | 44.8% |
| Average Hhld Income | \$32,217 | | \$44,996 | | \$47,726 | | \$48,373 | | 39.7% | 1.4% |
| Median Hhld Income | \$26,548 | | \$35,481 | | \$37,872 | | \$40,898 | | 33.6% | 8.0% |
| Per Capita Income | \$13,103 | | \$18,786 | | \$20,507 | | \$21,203 | | 43.4% | 3.4% |

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APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR**

In 2004, there were 30,658 households Anderson County. The Census revealed household counts of 27,383 in 1990 and 29,780 in 2000. The total change in households was 8.75% over that 10 year period. The indicated average annual growth rate in households was 0.88%. By 2009, the number of households is projected to be 31,691 indicating a change of 3.37% from 2004. Between 2004 and 2009, the indicated average annual household growth rate is expected to be 0.67%. The annual average growth rate based on future projections appears to be decreasing as compared to historical growth rate figures.

In 2004, the average household size was 2.32 persons. In 1990, the average household size was 2.47, as compared to 2.37 in 2000 indicating that average household size is decreasing during that period.

In 2004, the median number of years in residence was 4.2 as compared to 3.4 years in the State of Tennessee. The average number of vehicles per household was 1.8. The number of households without a vehicle was 2,298.

Housing Units

| | 1990 Census | | 2000 Census | | 2004 Estimate | | 2009 Projection | | Percent Change 1990 to 2004 to 2000 2009 | |
|-----------------|---------------------|--------|-------------|--------|---------------|--------|-----------------|--------|--|-------|
| | Total Housing Units | 29,323 | | 32,451 | | 33,419 | | 34,533 | | 10.7% |
| Owner-Occupied | 19,402 | 66.2% | 21,592 | 66.5% | 22,459 | 67.2% | 23,492 | 68.0% | 11.3% | 4.6% |
| Renter-Occupied | 7,983 | 27.2% | 8,188 | 25.2% | 8,199 | 24.5% | 8,199 | 23.7% | 2.6% | 0.0% |
| Vacant | 1,938 | 6.6% | 2,671 | 8.2% | 2,761 | 8.3% | 2,842 | 8.2% | 37.8% | 2.9% |

Owner Occupied Home Value

| | 1990 Census | | 2000 Census | | Percent Change 1990 to 2000 | |
|--------------------------|------------------|----------|-------------|----------|--------------------------------|----------|
| | \$ 0 to \$14,999 | 492 | 3.3% | 670 | 3.1% | |
| \$ 15,000 to \$19,999 | 300 | 2.0% | 347 | 1.6% | | 15.7% |
| \$ 20,000 to \$29,999 | 1,016 | 6.8% | 820 | 3.8% | | -19.3% |
| \$ 30,000 - \$39,999 | 1,992 | 13.3% | 952 | 4.4% | | -52.2% |
| \$ 40,000 - \$49,999 | 2,624 | 17.5% | 1,386 | 6.4% | | -47.2% |
| \$ 50,000 to \$99,999 | 6,771 | 45.2% | 9,466 | 43.8% | | 35.7% |
| \$ 100,000 - \$ 149,999 | 1,243 | 8.3% | 4,497 | 20.8% | | 261.8% |
| \$ 150,000 - \$ 199,999 | 347 | 2.3% | 1,770 | 8.2% | | 410.1% |
| \$ 200,000 - \$ 299,999 | 168 | 1.1% | 1,131 | 5.2% | | 573.2% |
| \$ 300,000 - \$ 399,999 | 28 | 0.2% | 338 | 1.6% | | 1,107.1% |
| \$ 400,000 to \$ 499,999 | 6 | 0.0% | 105 | 0.5% | | 1,650.0% |
| \$ 500,000 or more | 6 | 0.0% | 110 | 0.5% | | 1,733.3% |
| Median Home Value | | \$54,852 | | \$83,327 | | 51.9% |

White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR**

In 2000, the median housing value in Anderson County totaled \$83,327 representing a change of 51.91% from the reported median housing value of \$54,852 in 1990. This comparison indicates annual average growth rates in housing values of 5.19%. During that same period the State of Tennessee median housing value ranged from \$58,288 in 1990 to \$88,215 in 2000, indicating a total growth of 51.34% and an annual average growth rate of 5.13%.

In 2004, the total reported occupancy level in all housing units was 30,658, or 91.74%. Of that total, there were 22,459 reported owner occupied housing units and 8,199 renter occupied units. Owner occupied units represent 67.20% of all occupied housing units as compared to the 24.53% occupied by renters. Between 1990 and 2000, the reported occupancy level in all housing units ranged from 27,383 (93%) to 29,780 (92%). The annual average occupancy level in all housing units appears to be decreasing.

Employment and Business

| | 1990 | | 2000 | | 2004 | | 2009 | | Percent Change | |
|---------------------|--------|-------|--------|-------|----------|-------|------------|-------|----------------|--------------|
| | Census | | Census | | Estimate | | Projection | | 1990 to 2000 | 2004 to 2009 |
| Age 16 + Population | 53,860 | | 56,790 | | 58,137 | | 59,847 | | 5.4% | 2.9% |
| In Labor Force | 32,894 | 61.1% | 33,099 | 58.3% | 33,856 | 58.2% | 34,836 | 58.2% | 0.6% | 2.9% |
| Employed | 30,766 | 93.5% | 31,332 | 94.7% | 32,026 | 94.6% | 32,947 | 94.6% | 1.8% | 2.9% |
| Unemployed | 2,063 | 6.3% | 1,736 | 5.2% | 1,798 | 5.3% | 1,857 | 5.3% | -15.9% | 3.3% |
| In Armed Forces | 66 | 0.1% | 31 | 0.1% | 32 | 0.1% | 32 | 0.1% | -53.0% | 0.0% |
| Not In Labor Force | 20,966 | 38.9% | 23,691 | 41.7% | 24,281 | 41.8% | 25,011 | 41.8% | 13.0% | 3.0% |

In 2004, 58,137 people over the age of 16 resided in Anderson County. Of that total, 94.59% were employed, 5.31% were unemployed, 41.77% were not in the labor force and 0.09% was in the armed forces. In 2000, unemployment was reported to be 3.06%, as compared to 3.83% in 1990.

In 2004, there were 37,437 employees (daytime population) and 3,053 business establishments. In 2000, white collar workers comprised 57.06% of the employed workforce, while those employed in blue collar occupations comprised the remaining 44.05%. In 2000, manufacturing jobs accounted for 8.33% of the employed workforce and, service industry jobs accounted for 21.33% of the workforce.

In 2000, the average time traveled to work was 21 minutes, as compared to 11 minutes in 1990. During that period average travel time to work changed by 84.4%. In comparison, the average travel time reported in the State of Tennessee was 21 minutes in 2000.

White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR***Income*

| Income | 1998 | 1999 | 2000 | 2001 | 2001 Rank in Tn |
|-------------------|-------------|-------------|-------------|-------------|------------------------|
| Per Capita Income | \$24,500 | \$24,994 | \$26,473 | \$27,194 | 8 |

The Anderson County per capita income has increased 2.7% from 2000 to 2001 and ranked eighth in the State of Tennessee. The income has increased around 3% per annum since 1998.

ANNUAL RETAIL SALES

| 1999 | 2000 | 2001 | 2002 | Percent Change 2000 to 2001 | Percent Change 2001 to 2002 |
|---------------|---------------|---------------|---------------|--|--|
| \$740,691,235 | \$761,600,624 | \$815,556,686 | \$828,385,542 | 7.1% | 1.57% |

Annual retail sales grew by 7.1% from 2000 to 2001. The growth was minor from 2001 to 2002 following the economic turn in 2001.

Transportation

Interstate 75, U.S Highway 25W and State Highway 61 serve the Anderson County area. The primary highway serving Campbell County reflects Interstate 75 being a north-south highway. One-third of the nation's population is located within 500 miles, one day's drive, of Anderson County.

Scheduled air service is available at the Knoxville McGhee Tyson Airport approximately 30 miles from Oak Ridge along Pellissippi Parkway. General Aviation is located in Campbell County.

Rail service is provided by CSX and Norfolk Southern Railway. The rail line runs in a north-south direction. Norfolk Southern provides direct and indirect service to many major industrial cities in the eastern United States. The nearest truck terminal facilities are in Knoxville.

The nearest navigable port is located along the Clinch River which borders part of the Oak Ridge Corporate Limits.

Major Employers

We have summarized the largest manufacturers by employment in Anderson County on the following page.

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APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

| ANDERSON COUNTY EMPLOYERS | | |
|---------------------------|-------------------------|-----------|
| Company | Industry | Employees |
| Bwxt-12, LLC | Guided Missiles | 4,300 |
| Boeing Oak Ridge, Co. | Aircraft Parts | 950 |
| Eagle Bend Mfg. Inc. | Automotive Stampings | 600 |
| Carlisle Tire & Wheel | Tires & Inner Tubes | 450 |
| Coors Tek | Porcelain Electrical | 300 |
| Techmer Pm LLC | Paints, Varnishes, etc. | 285 |
| Modine Mfg. Co. | Fabricated Plate Work | 225 |
| Clayton Homes | Mobile Homes | 220 |
| Perkin-Elmer Instruments | Electricity Instruments | 200 |

Utilities

The Tennessee Valley Authority, one of the nation's largest electric power systems, provides electrical power to Clinton Utilities Board and Oak Ridge Electric who locally provides electricity to Anderson County. Water and Sewer are provided by local providers where available.

Health Care

Methodist Medical Center of Oak Ridge is a 301-bed acute care hospital staffed by more than 175 physicians representing 30 medical/surgical specialties. Several small outpatient and health care facilities are available throughout Anderson County.

Educational Attainment

| | 1990 | | 2000 | | 2004 | | 2009 | | Percent Change | |
|-------------------------|--------|-------|--------|-------|----------|-------|------------|-------|----------------|--------------|
| | Census | | Census | | Estimate | | Projection | | 1990 to 2000 | 2004 to 2009 |
| Age 25+ Population | 46,012 | | 49,469 | | 50,187 | | 51,271 | | 7.5% | -13.3% |
| Grade K - 8 | 6,611 | 14.4% | 4,095 | 8.3% | 4,792 | 9.6% | 4,908 | 9.6% | -38.1% | 2.4% |
| Grade 9 - 12 | 6,078 | 13.2% | 5,764 | 11.7% | 5,880 | 11.7% | 6,024 | 11.8% | -5.2% | 2.4% |
| High School Graduate | 14,681 | 31.9% | 16,250 | 32.9% | 16,510 | 32.9% | 16,860 | 32.9% | 10.7% | 2.1% |
| Some College, No Degree | 7,958 | 17.3% | 9,871 | 19.9% | 10,033 | 20.0% | 10,245 | 20.0% | 24.0% | 2.1% |
| Associates Degree | 2,124 | 4.6% | 2,615 | 5.3% | 2,638 | 5.3% | 2,690 | 5.3% | 23.1% | 2.0% |
| Bachelor's Degree | 5,010 | 10.9% | 5,902 | 11.9% | 5,925 | 11.8% | 6,039 | 11.8% | 17.8% | 1.9% |
| Graduate Degree | 3,548 | 7.7% | 4,377 | 8.8% | 4,409 | 8.8% | 4,505 | 8.8% | 23.4% | 2.2% |
| No Schooling Completed | | | 595 | 1.2% | | | | | | |

In 2004, 78.74% of the population over the age of 25 had earned a high school diploma in Anderson County, while 21.26% did not earn a high school diploma. In comparison, 75.94% of the population over the age of 25 in the State of Tennessee earned a high school diploma. In 1990, the population attaining a high school diploma was 72.42%, as compared to 78.87% in

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APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

2000. These figures indicate high school graduation rates within Anderson County have been decreasing since 2000.

In 2004, a total of 19.99% of the Anderson County population over 25 attended some college courses, while 5.26% earned an Associates Degree. Another 11.81% earned a Bachelor's degree, and 8.79% earned a Graduate degree. In comparison, the State of Tennessee reported 20.04% of the population attended some college courses, while 4.75% earned an Associates degree. Within the State, another 12.78% earned a Bachelor's degree, and 6.79% earned a Graduate degree.

Recreation

Anderson County features an abundance of areas to relax, hike, camp, fish, or play golf. Anderson County lies within 90 minutes from the Great Smoky Mountains National Park and the Big South Fork National River and Recreational Area. The County features Norris Dam State Park and several museums.

Anderson County Area Trends and Conclusions

Overall, the foregoing statistics indicate the economic well being is fairly stable. Although most economic indicators are positive, the growth rate is anticipated to be modest with population increasing slowly. The Anderson County market provides a stable environment for the subject properties.

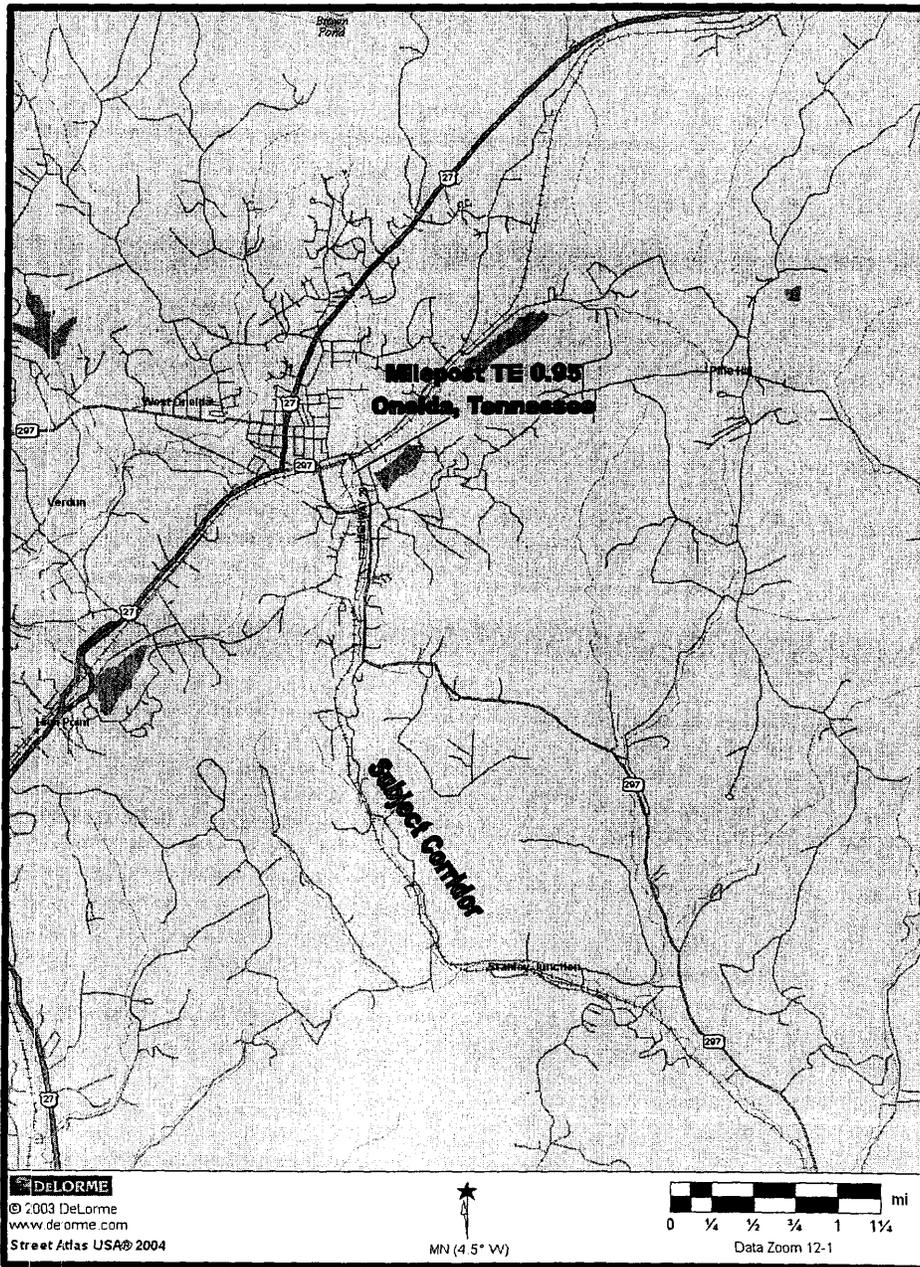
NEIGHBORHOOD DESCRIPTION

The subject corridor is located in three counties extending from Oneida, Scott County, Tennessee across the southwestern portion of Campbell County and ending in the northwestern corner of Anderson County. The neighborhood consists of the rural areas meandering along with the railroad corridor. The corridor extends through an industrial area of Oneida into rugged terrain meandering through Stanley Junction along Paint Rock Creek with some valleys. The neighborhood and corridor follows Paint Rock Creek underneath Highway 63 east of Huntsville to intersect with New River. The corridor/neighborhood continues to follow New River through Winona and Norma through the mountains the Scott County/Campbell County Line at Smokey Junction. From Smokey Junction, the neighborhood continues to follow New River through Nick's Creek and Campbell County south past Roberts Ford into Anderson County intersecting with State Route 116. The neighborhood/corridor continues meandering southwest along New River and State Route 116 through Charley's Branch into Devonia ending at the Anderson County/Morgan County line.

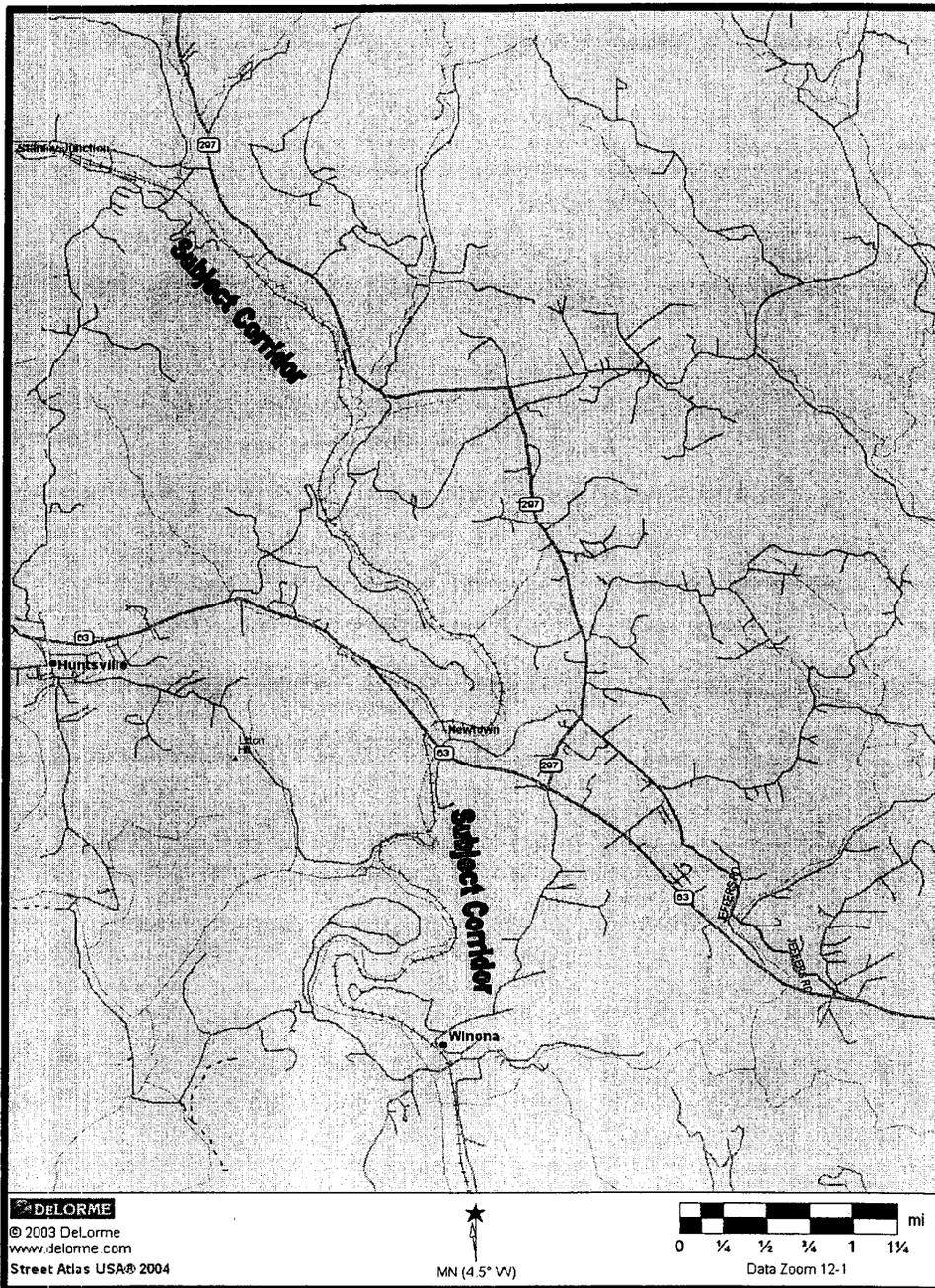
The neighborhood features steep ridges with some valleys along the river. The majority of the area is heavily wooded with some pasture areas. In most areas, electricity is available. Water service is provided in the more populated areas. Sewer service is only available near Oneida. Access to this area is provided primarily Highway 27, State Route 63 and State Route 116. Interior access generally follows gravel and dirt roads. We have included several maps of the neighborhood on the following pages.

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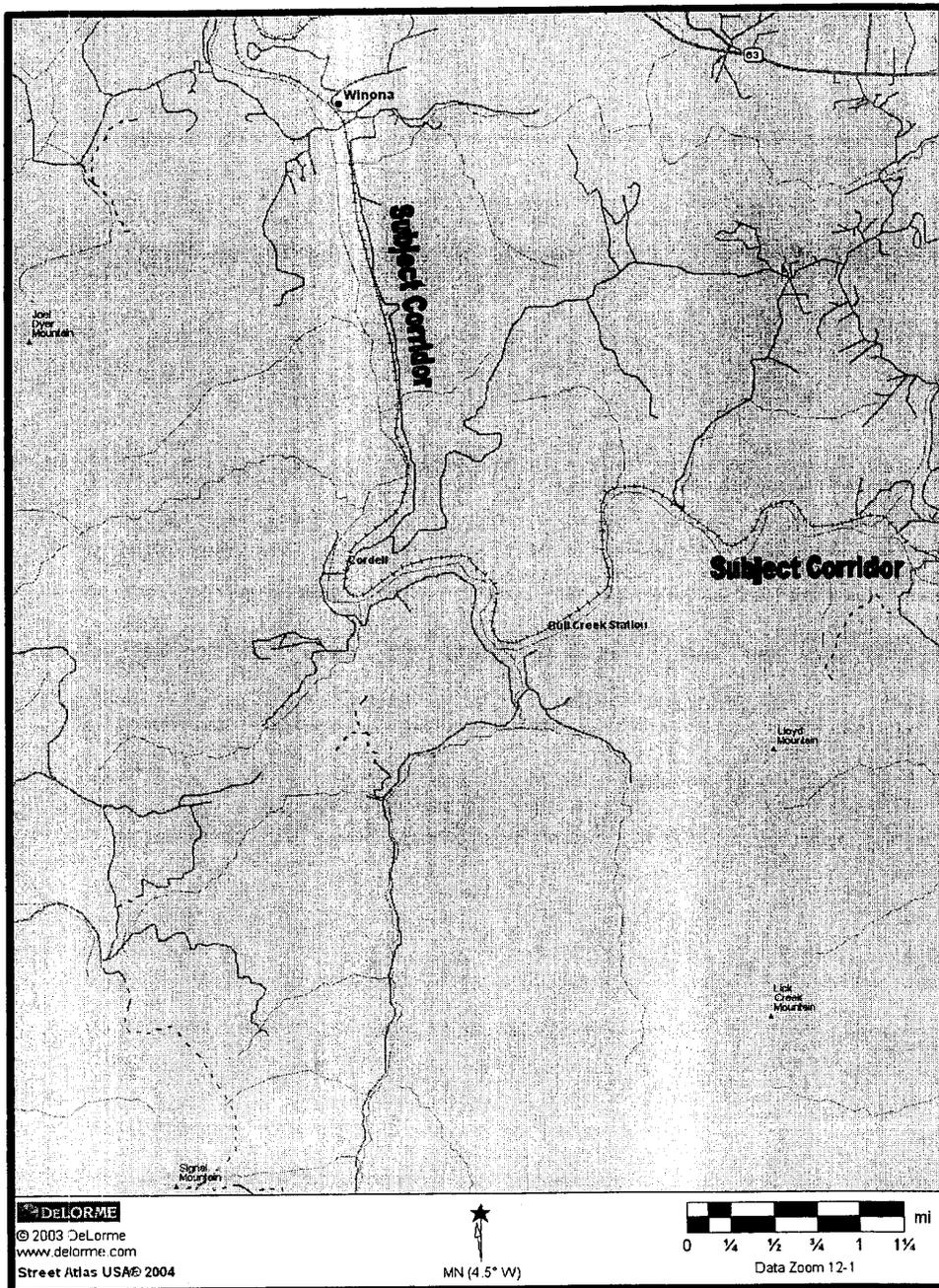
NEIGHBORHOOD MAPS AND SUBJECT CORRIDOR IDENTIFICATION



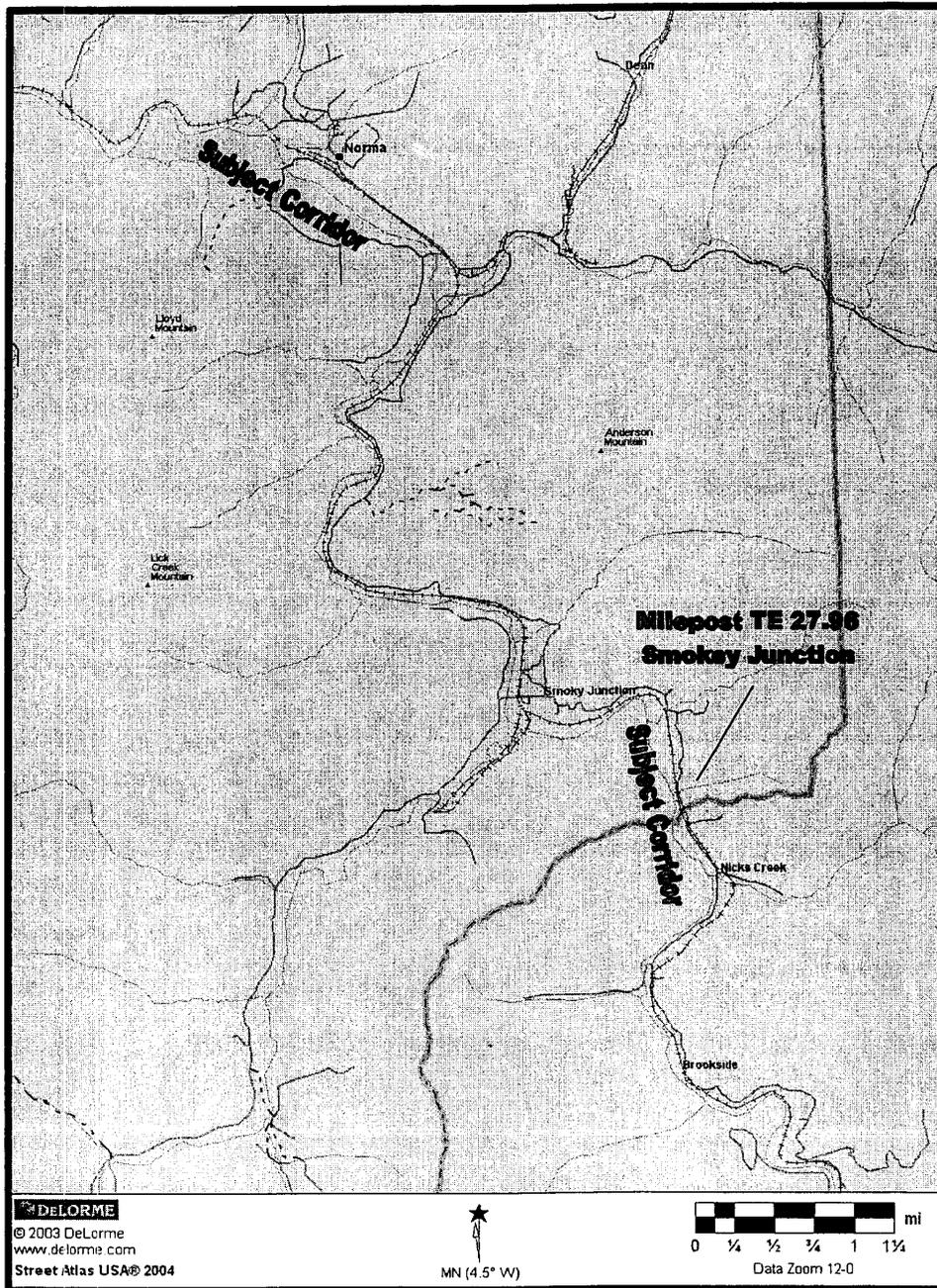
White, McPherson and Tuck, LLC



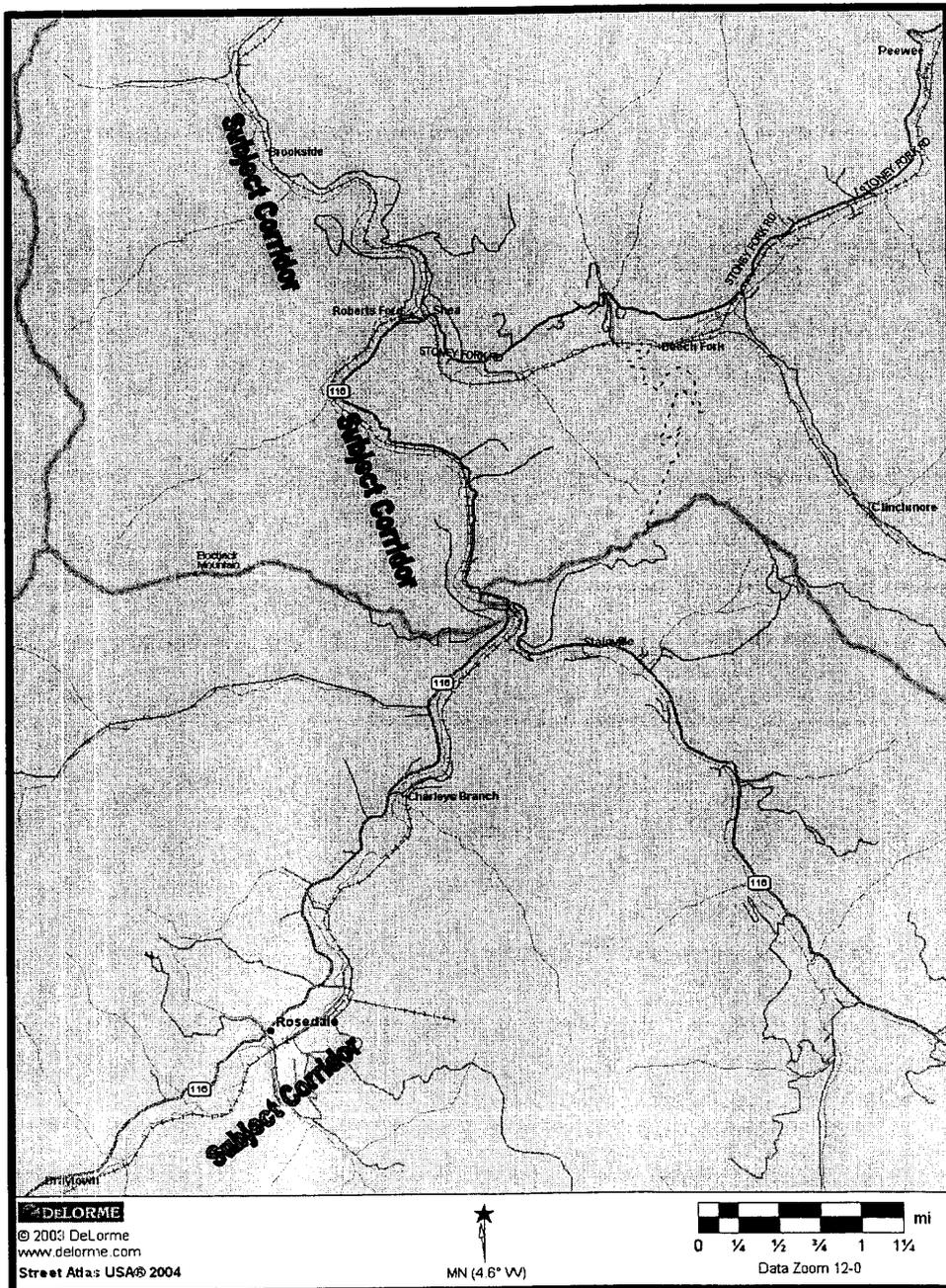
White, McPherson and Tuck, LLC



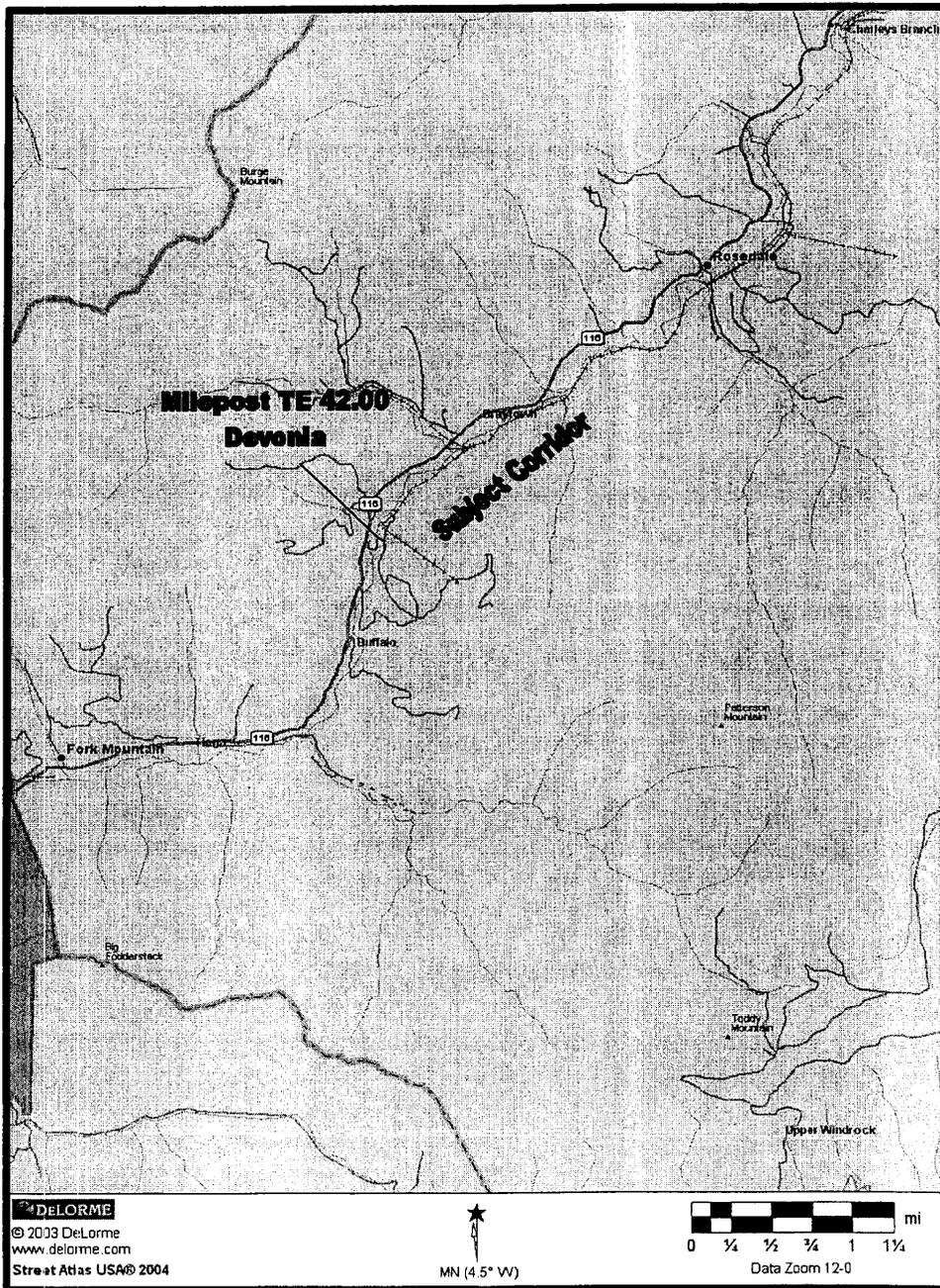
White, McPherson and Tuck, LLC



White, McPherson and Tuck, LLC



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White, McPherson and Tuck, LLC

ZONING

Scott County

The properties located in the Oneida Corporate Limits are located in both industrial and residential districts. The corridor properties located outside all corporate limits have no zoning restrictions. As a result, any use is permissible. The subject corridor outside the Oneida City Limits features characteristics and location which are agricultural and residential.

Campbell County

The properties located in Campbell County outside a corporate limit have no zoning restrictions. As a result, any use is permissible. The subject corridor features attributes which are agricultural and residential.

Anderson County

The subject corridor properties are located outside all corporate limits. The zoning in these areas reflect A-1 and A-2. The A-1 district reflects agricultural and forestry uses. The A-2 district reflects agricultural and suburbanizing residential uses.

TAX DATA

The subject corridor extends from Oneida, Scott County across Campbell County and ends in Anderson County. The subject corridor is tax exempt for local assessment. The railroad corridor is part of package taxed at the state level. The State of Tennessee bases their assessment on the value of the business as a whole instead of the value of each parcel of real estate. In Tennessee, residential use properties are assessed at 25% of value. Commercial and income producing properties are assessed at 40% of tax value. We have summarized the 2005 tax rates for each county below.

| LOCATION | TAX RATE PER \$100 ASSESSED VALUE |
|------------------|-----------------------------------|
| Scott County: | \$3.40 |
| Oneida: | \$1.00 |
| Huntsville: | \$0.29 |
| Campbell County: | \$2.34 |
| Anderson County: | \$3.40 |

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FLOOD CLASSIFICATION

The subject corridor extends from Scott County and across Campbell County ending in Anderson County. The subject corridor properties generally follow the river through the mountains and valleys. As a result, the corridor appears to meander along Zones C and A. A survey would provide a more reliable indicator. Zone A reflects a flood hazard area. The "C" classification reflects an area of minimal flooding. This means that it is outside any 100-year and 500-year flood plain areas. It is the most desirable in terms of floodway classification. We have summarized the maps and zones in the following table.

| Location | Flood Insurance Rate Map | Date | Zones |
|-----------------|--------------------------|-------------------|-------|
| Oneida | 470170-0004A | June 17, 1986 | C & A |
| Scott County | 470341-0002A | December 23, 1977 | C & A |
| Scott County | 470341-0004A | December 23, 1977 | C & A |
| Scott County | 470341-0004A | December 23, 1977 | C & A |
| Scott County | 470341-0004A | December 23, 1977 | C & A |
| Campbell County | 470016-0125B | August 5, 1986 | C & A |
| Anderson County | 470217-0025B | September 5, 1984 | C & A |
| Anderson County | 470217-0100B | September 5, 1984 | C & A |

SUBJECT PROPERTY DESCRIPTION

The subject properties reflect 54 miscellaneous railroad right-of-way parcels part of a corridor extending from Oneida, Scott County, Tennessee at Milepost TE 0.95 to Milepost TE 42.00 in Devonia, Anderson County, Tennessee. The parcels along this corridor are broken into two segments. One segment begins in Oneida at Milepost TE 0.95 and extends to Smokey Junction at Milepost TE 27.96. The second segment continues from Smokey Junction at Milepost TE 27.96 extending to Devonia at Milepost TE 42.00.

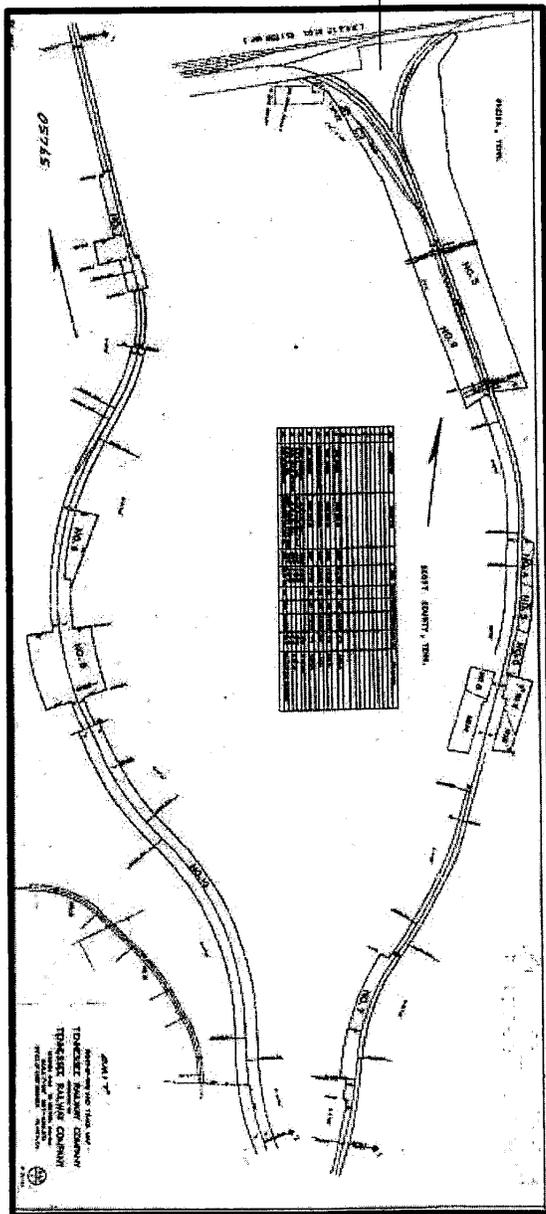
The corridor parcels range in size from 0.23 acres up to 40.6 acres, according to the plans and specifications provided by Norfolk Southern. The corridor parcels reflects portions of the railroad right-of-way measuring from 40 feet in width up to approximately 276 feet in width. The railroad corridor generally follows Paint Rock Creek and New River featuring primarily both mountainous and valley terrain. We have included a summary of the subject parcels referenced by Norfolk Southern's map number and parcel numbers by segment on the following page.

| Norfolk Southern Map References | | | | | | |
|---------------------------------|--------|------------|-------------------------------|-----|--------|------------|
| Milepost TE 0.95 to TE 27.96 | | | Milepost TE 27.96 to TE 42.00 | | | |
| Map | Parcel | Size/Acres | | Map | Parcel | Size/Acres |
| 1 | 1 | 18.69 | | 13 | 2 | 0.73 |
| 1 | 2 | 2.69 | | 13B | 2 | 5.74 |
| 1 | 4 | 0.26 | | 15 | 2 | 2.70 |
| 1 | 5 | 0.26 | | 15 | 3 | 0.87 |
| 1 | 7 | 3.80 | | 15 | 4 | 1.06 |
| 1 | 8 | 4.30 | | 15 | 5 | 1.36 |
| 1 | 9 | 0.80 | | 15 | 6 | 5.34 |
| 2 | 2 | 25.00 | | 15 | 7 | 0.23 |
| 3 | 2 | 0.29 | | 15 | 8 | 3.55 |
| 3 | 3 | 4.25 | | 15 | 11 | 1.56 |
| 3 | 4 | 4.25 | | 16 | 1 | 5.29 |
| 3 | 6 | 4.82 | | 16 | 2 | 4.89 |
| 3 | 7 | 8.38 | | 16 | 4 | 5.56 |
| 3 | 8 | 1.98 | | 16 | 5 | 0.95 |
| 3 | 9 | 2.28 | | 16 | 6 | 5.90 |
| 3 | 10 | 4.59 | | | | |
| 3 | 11 | 3.66 | | | | |
| 4 | 2 | 5.04 | | | | |
| 4 | 3 | 8.33 | | | | |
| 4 | 5 | 2.40 | | | | |
| 5 | 1 | 3.81 | | | | |
| 6 | 2 | 3.44 | | | | |
| 6 | 3 | 2.67 | | | | |
| 6A | 1 | 2.98 | | | | |
| 7 | 1 | 6.70 | | | | |
| 7 | 3 | 3.34 | | | | |
| 7 | 4 | 7.70 | | | | |
| 9 | 2 | 3.54 | | | | |
| 9 | 3 | 5.26 | | | | |
| 9 | 4 | 9.35 | | | | |
| 10 | 3 | 40.65 | | | | |
| 10 | 5 | 1.12 | | | | |
| 11 | 2 | 10.43 | | | | |
| 11 | 3 | 2.12 | | | | |
| 11 | 5 | 3.47 | | | | |
| 12 | 4 | 0.87 | | | | |
| 12 | 5 | 1.25 | | | | |
| 12 | 7 | 1.80 | | | | |

We have included all maps provided by Norfolk Southern on the following pages of this report identifying the Norfolk Southern map and parcel numbers. The subject parcels are yellow highlighted.

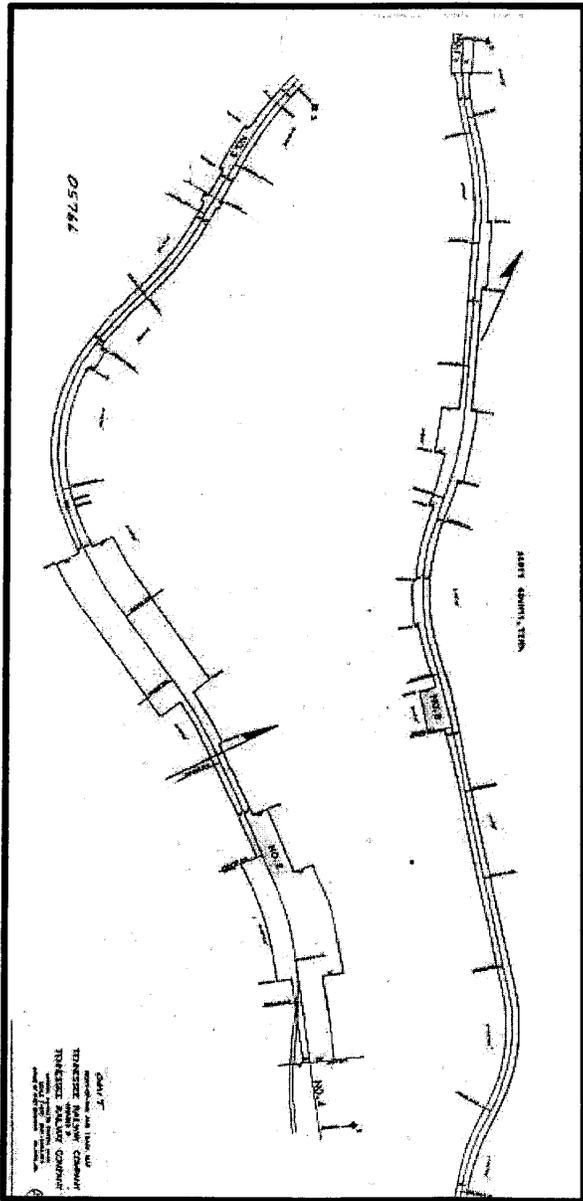
Oneida, Tennessee at Milepost TE 0.95

Map 1



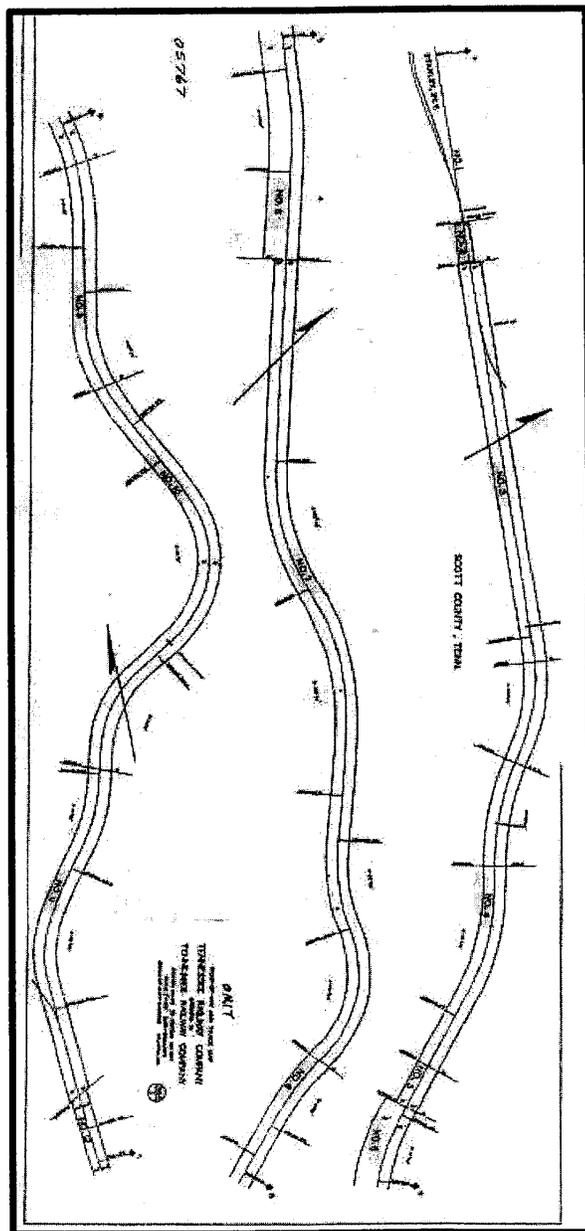
White, McPherson and Tuck, LLC

Map 2



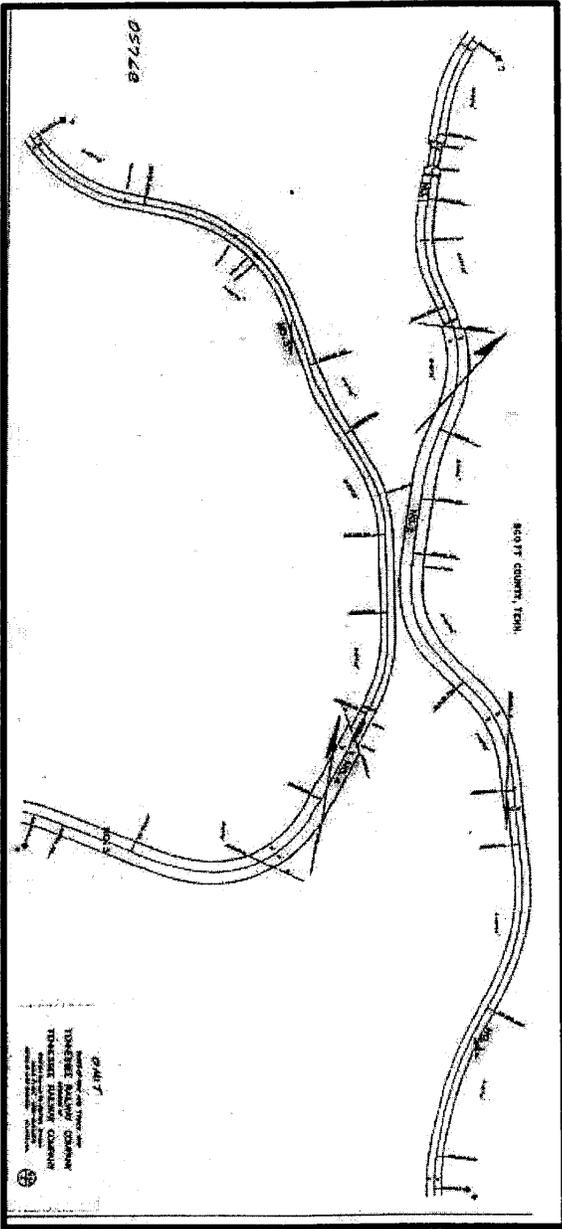
White, McPherson and Tuck, LLC

Map 3



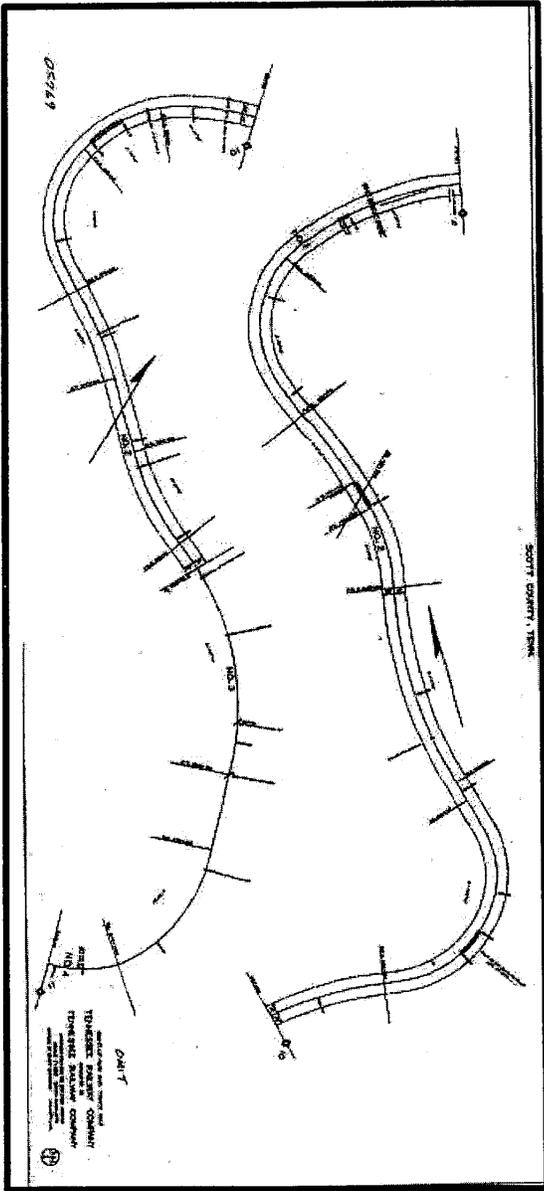
White, McPherson and Tuck, LLC

Map 4



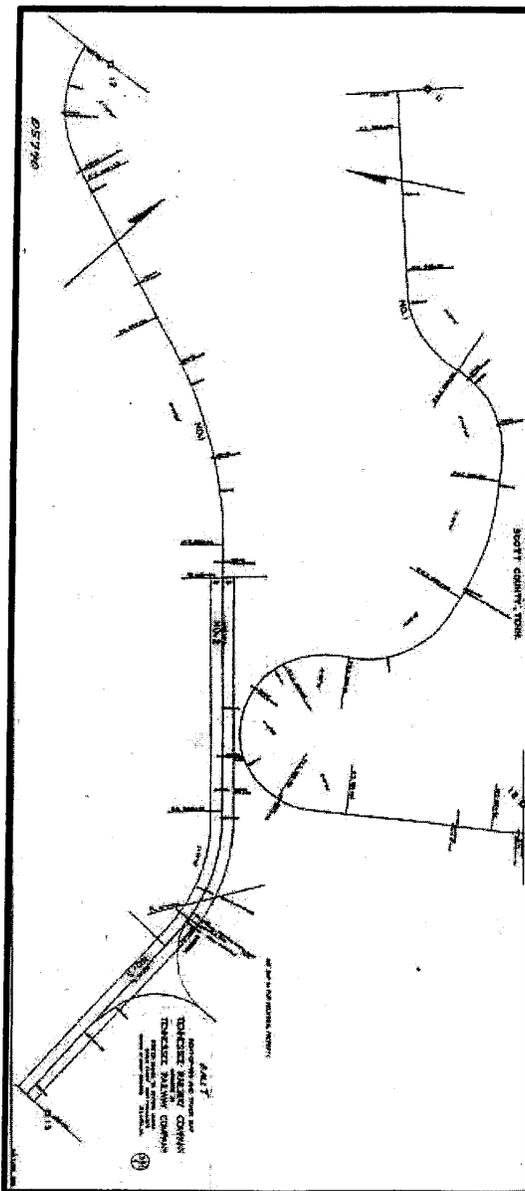
White, McPherson and Tuck, LLC

Map 5



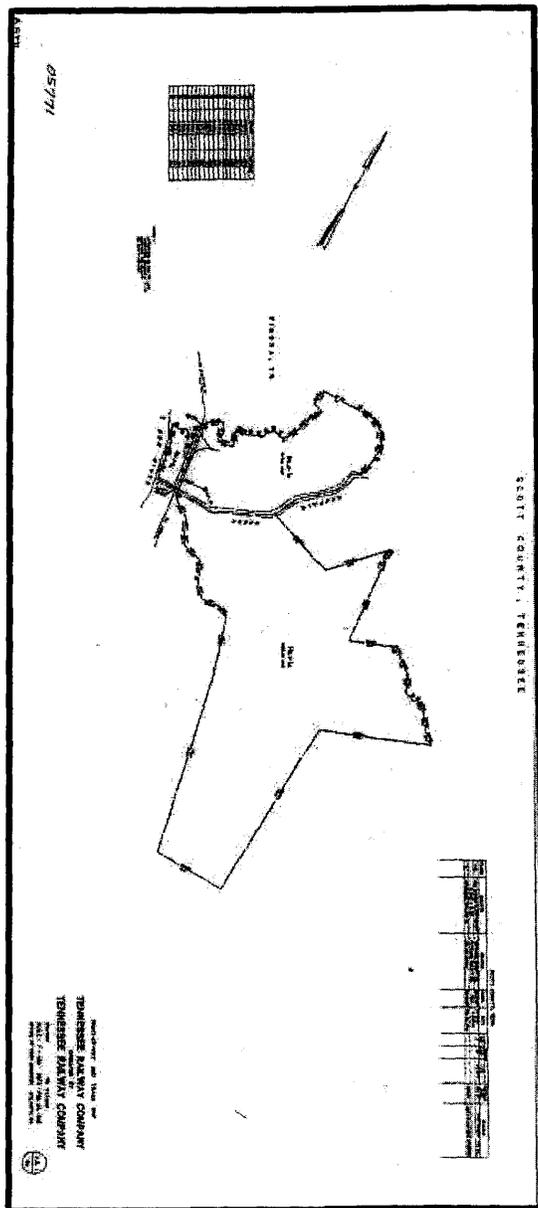
White, McPherson and Tuck, LLC

Map 6



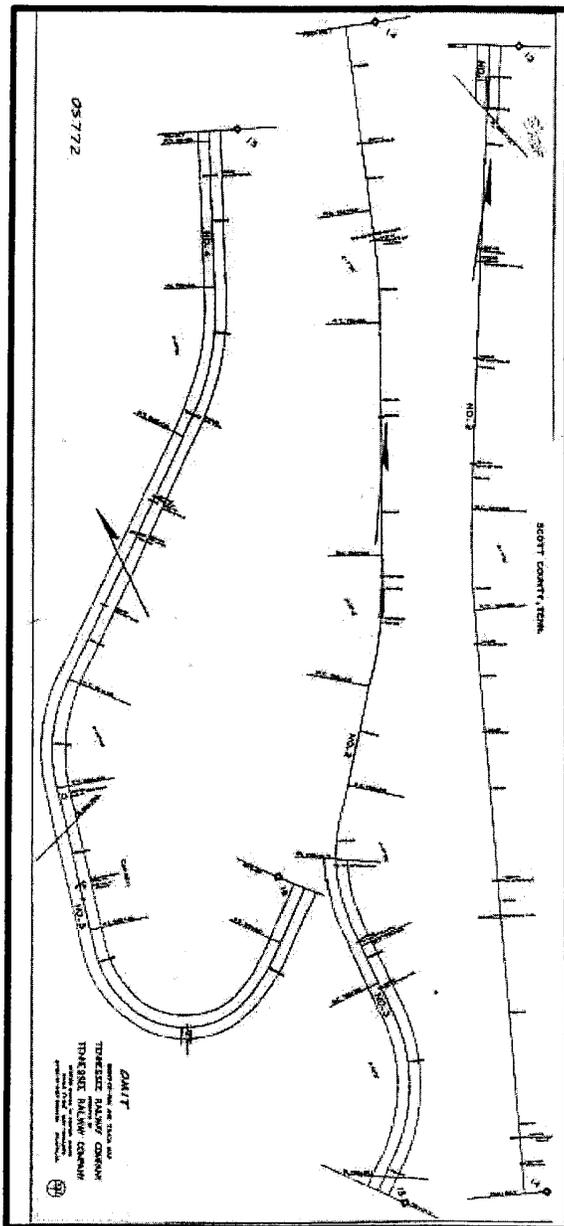
White, McPherson and Tuck, LLC

Map 6A



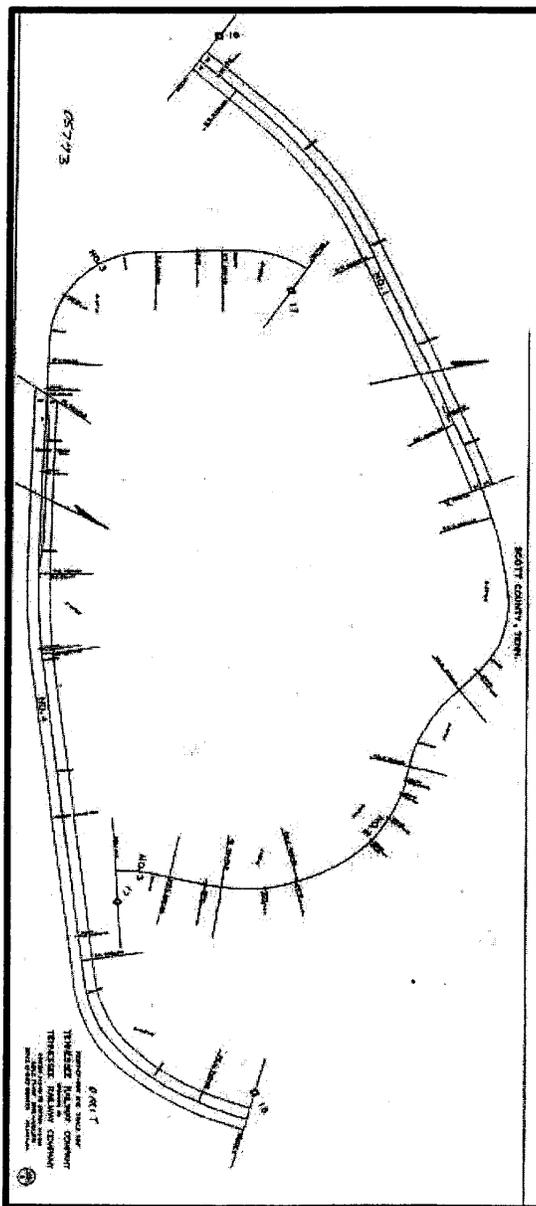
White, McPherson and Tuck, LLC

Map 7



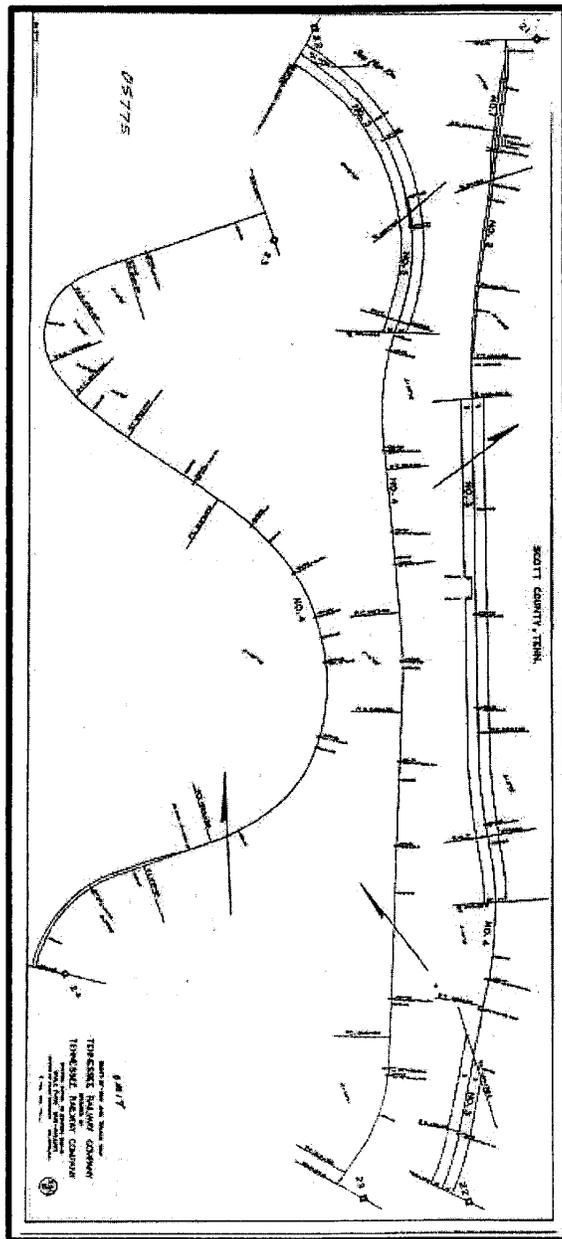
White, McPherson and Tuck, LLC

Map 8



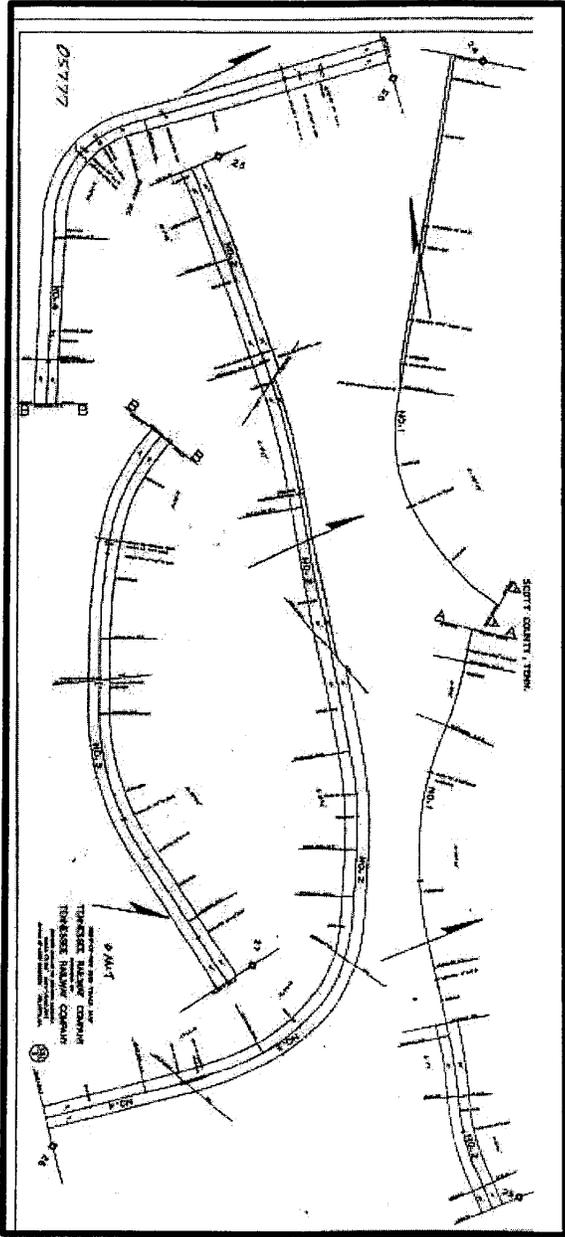
White, McPherson and Tuck, LLC

Map 10



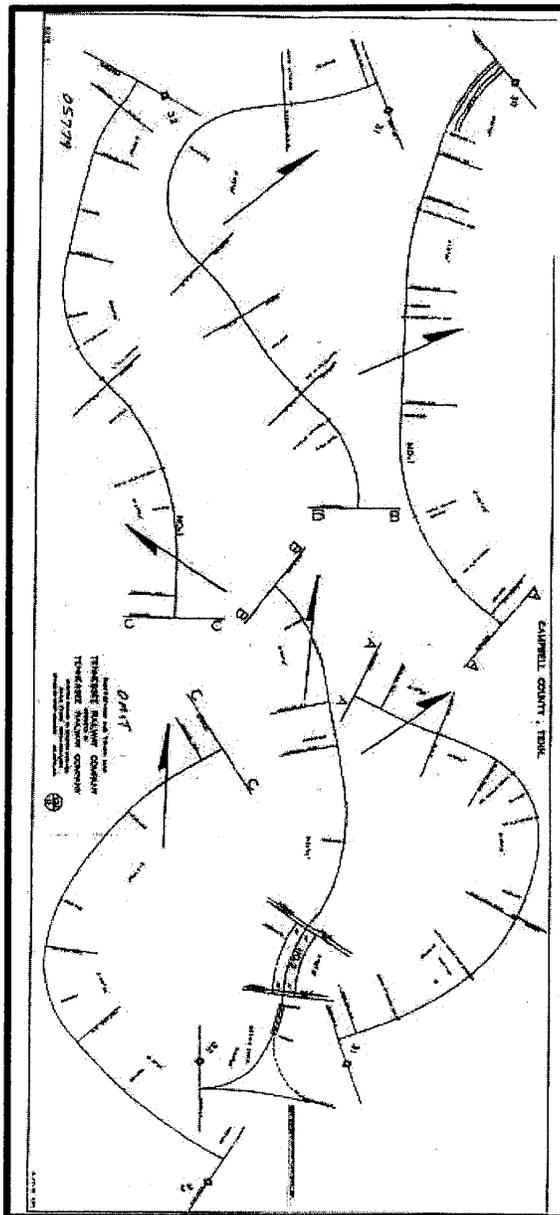
White, McPherson and Tuck, LLC

Map 11



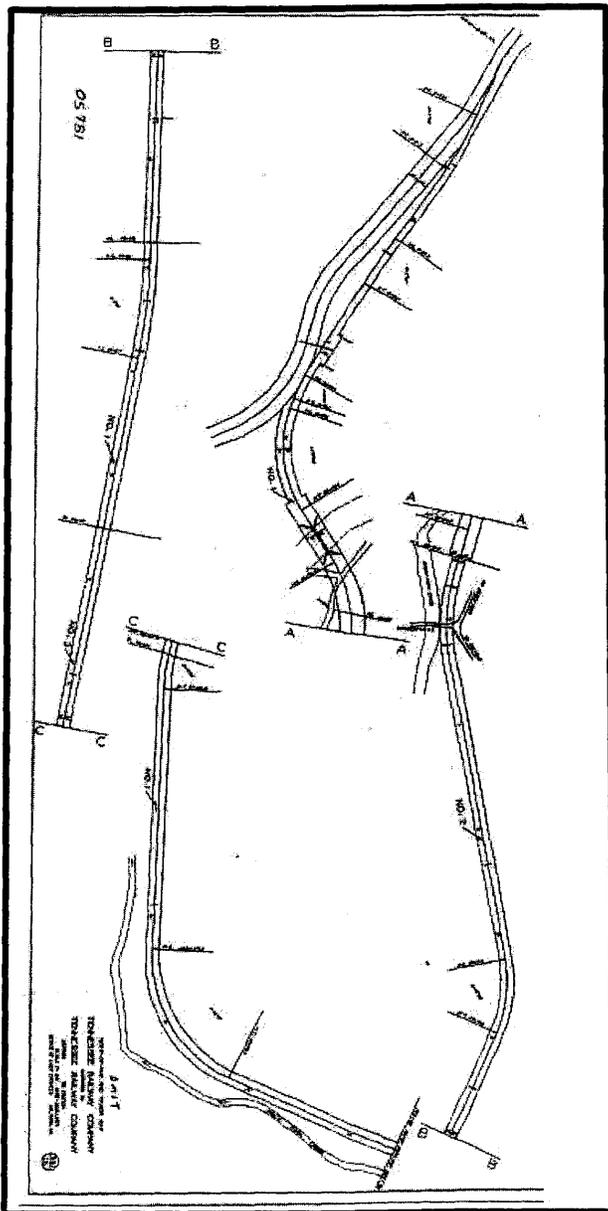
White, McPherson and Tuck, LLC

Map 13



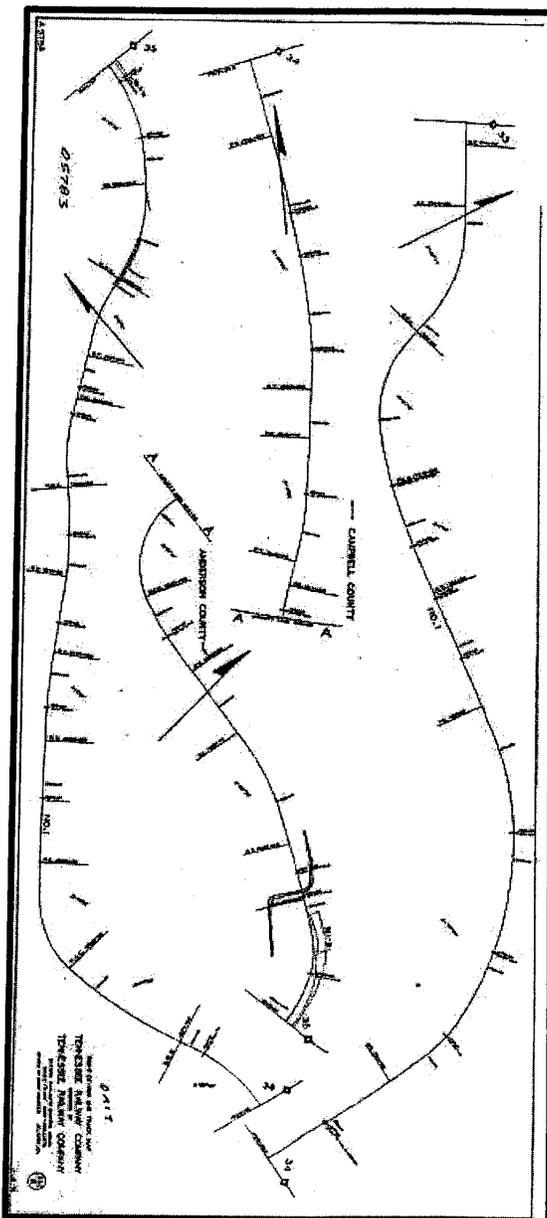
White, McPherson and Tuck, LLC

Map 13B



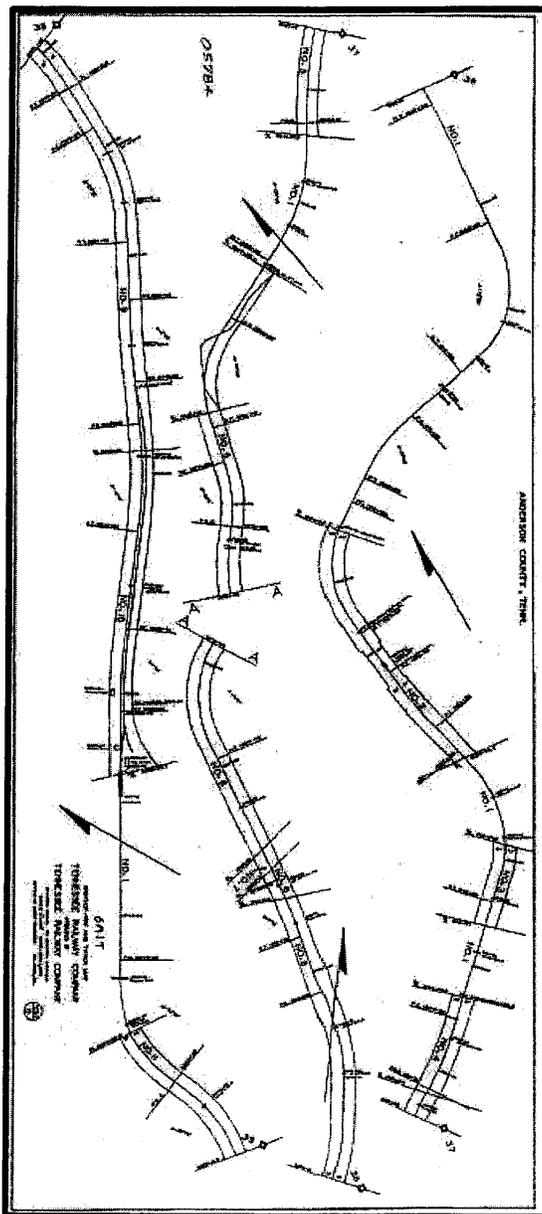
White, McPherson and Tuck, LLC

Map 14



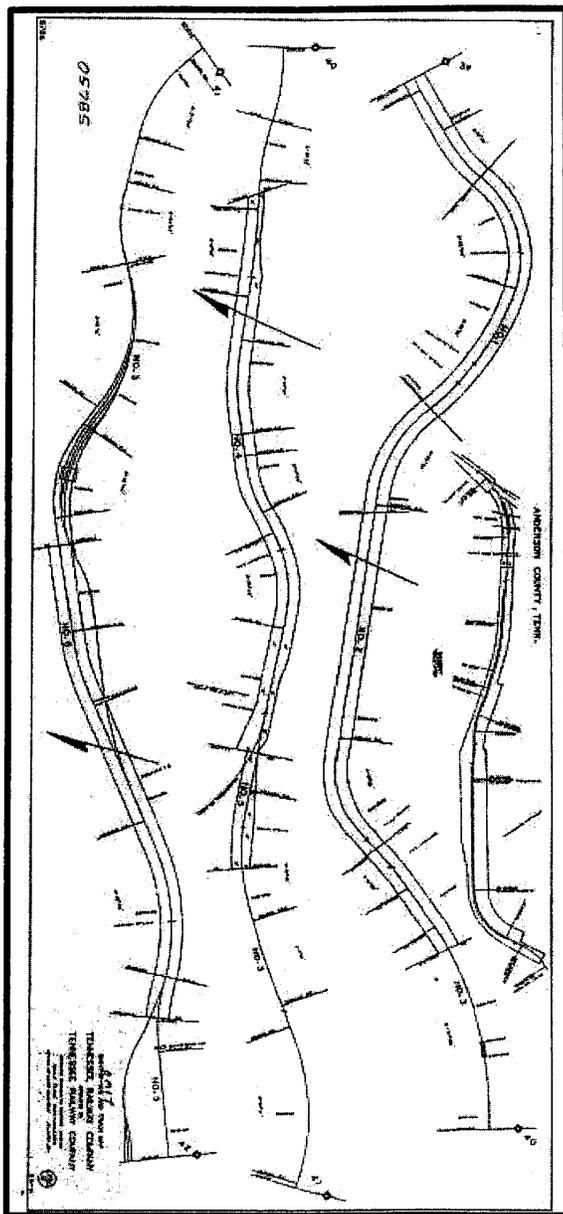
White, McPherson and Tuck, LLC

Map 15



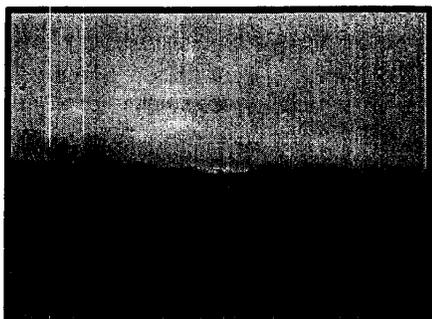
White, McPherson and Tuck, LLC

Map 16



White, McPherson and Tuck, LLC

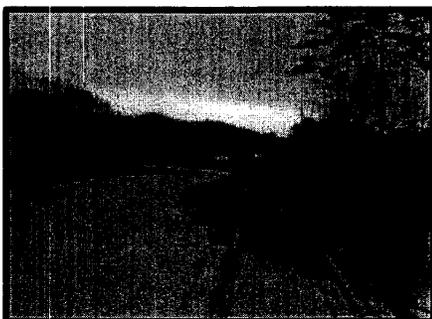
We have included the following pictures of the subject corridor.



Typical View of Industrial Area in Oneida Facing South from Jeffers Road



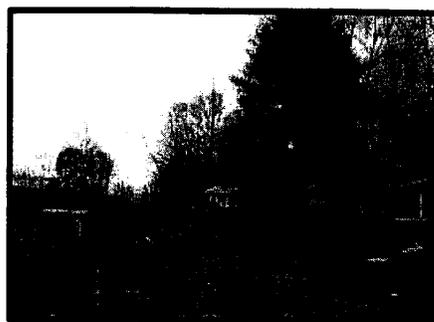
Typical View of Oneida Residential Area from Perry Lane and Chambers Lane



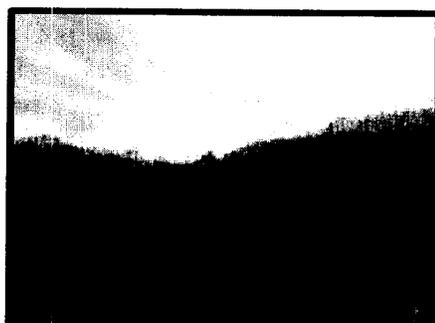
Typical View of Subject From Sherman Carson Road and Butler Lane



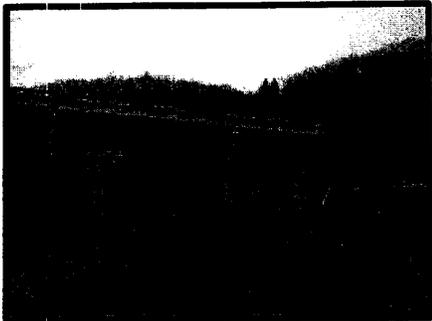
View of Subject Corridor From Goodman Hollow Road



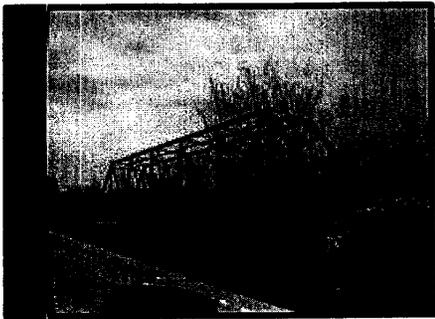
Typical Views of Subject around Stanley Junction



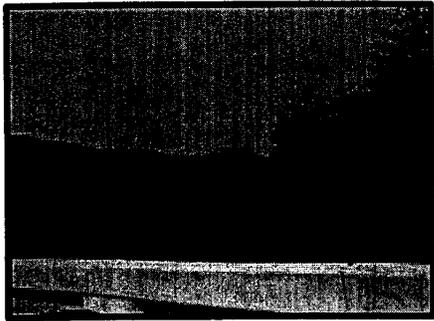
Typical Views of Subject along Mine Rock Road and Old Highway 63 South of Bridge



View at Highway 63 Bridge and at River Road Facing South

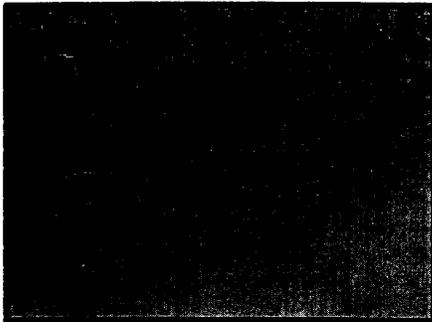
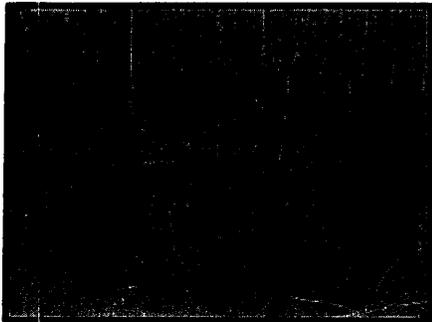


View of Bridge over Buffalo Creek and Facing South at Bull Creek Rd

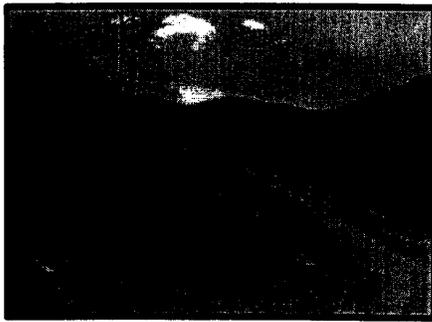
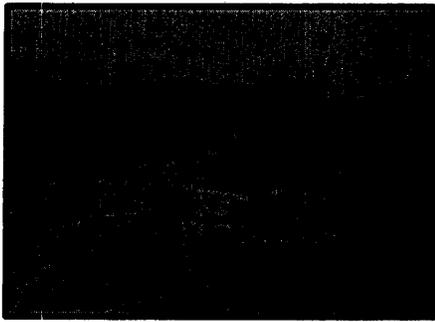


Typical Views at Mill Branch Road and Swinging Bridge Road

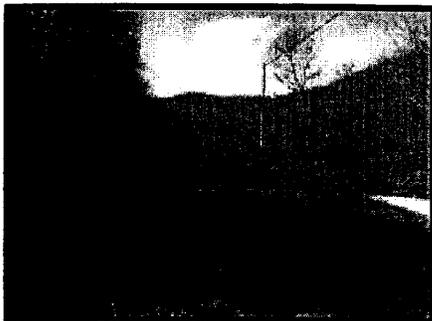
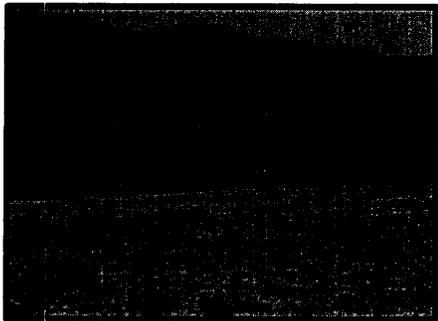
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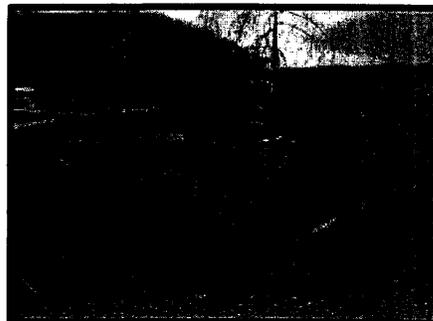
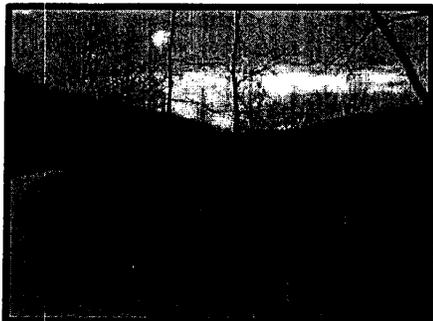
Typical Views of Subject From Norma Road North of Stanley Junction



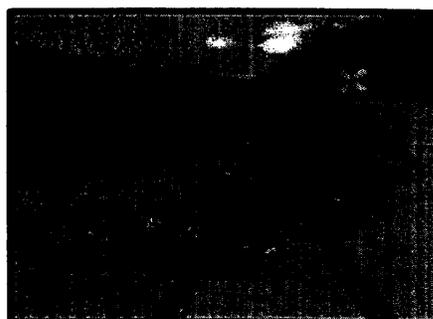
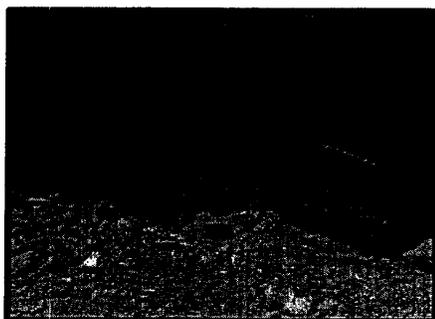
Views of Subject From Smokey Junction Road and Shea Road



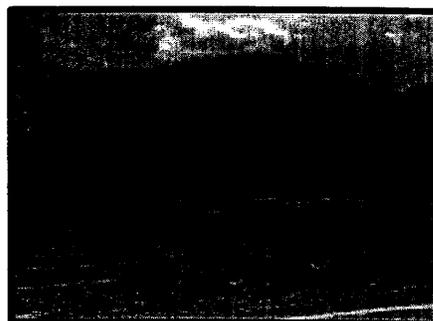
Views of Subject in Campbell County Near Nick's Creek Road



View of Subject along Stoney Fork Road and at Roberts Ford



View of Subject from Stoney Fork Road and at New River Highway

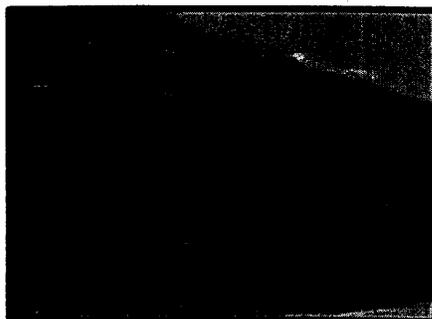
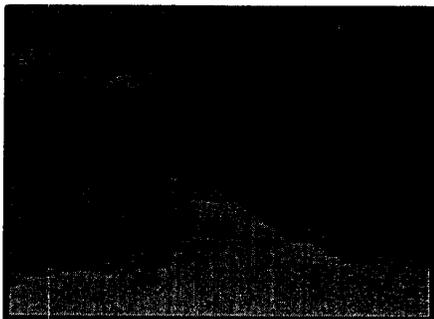


View of Subject at New River Highway Facing South and near Charley's Branch

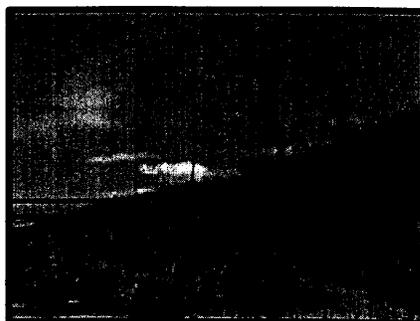
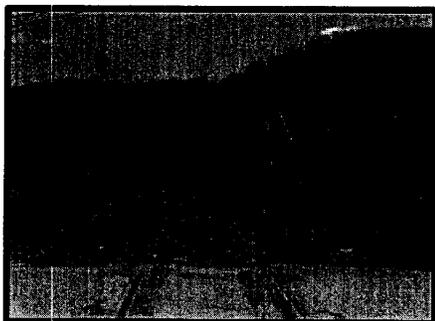
White, McPherson and Tuck, LLC



Typical Views of Subject along New River Highway in Anderson County



View of Subject along New River Highway and at Indian Fork Road



Typical Views of Subject at Indian Fork Road at end of Corridor in Devonia.

White, McPherson and Tuck, LLC

IMPROVEMENTS DESCRIPTION

The subject properties are located along an unused railroad corridor. No permanent building structures are located on the properties. Site improvements include gravel, cross-ties and steel rails. These improvements do not contribute any value to the property for non-rail use.

HIGHEST AND BEST USE:

Highest and best use is defined as

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.³

Highest and best use of land or a site as though vacant means

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.⁴

Highest and Best Use of Property as Improved means

the use that should be made of property, as it exists. An existing property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.⁵

The legitimacy of an appraisal depends on the consideration and conclusion of the highest and best use analysis. This analysis requires an in-depth look at "the most profitable legal use" influenced by the competitive market where the property is located, supply and demand, physical characteristics of the site, and investor behavior. The value of a vacant site directly relates to its highest and best use. However, an improved property may have a highest and best use that is the same or different than the land supporting the improvements when considering land as vacant. Therefore, when analyzing improved property, both highest and best use decisions must be considered separately. Also, sale and lease comparisons are usually considered with properties having a similar highest and best use with the subject.

³ Ibid., page 171

⁴ Ibid., page 171

⁵ Ibid. page 171

Norfolk Southern requested an appraisal of the subject properties based on their highest and best non-rail use. In other words, what is the value of the subject properties if they were part of their respective surrounding properties? The value opinions could possibly be considerably different if based on their actual highest and best use.

Highest and Best Non-Rail Use of the Subject Properties

The highest and best non-rail use of the properties is for similar use as their respective surrounding properties. The parcels located in the Oneida Corporate Limits from Jeffers Road to Perry Lane are located adjacent industrial use properties. Therefore, their highest and best non-rail use is for industrial use. The remaining properties from Perry Lane through the remainder of Scott County, Campbell County and Anderson County are bordered by residential and agricultural use properties. As a result, their respective highest and best non-rail use is for agricultural/residential use based on the adjacent use properties.

Highest and Best Use, as Developed

In order for an improvement to have contributive value, the value of the property, as improved, must exceed the value of the property, as if vacant. The subject properties are not improved with any non-rail use improvements. As a result, this section does not apply to the subject properties.

THE APPRAISAL PROCESS

Ideally, there are three basic approaches to an estimate of value. These three approaches are:

Direct Sales Comparison Approach: This approach, also called the Market Approach, develops a value estimate by direct sales comparison of properties with the subject that are similar in nature or have adapted to the same use which have recently sold in the open market under competitive conditions.

Income Approach: This approach develops a value indication by capitalization of projected net income over a specified span of time. The Gross Income Estimate and expenses are deducted to estimate net income. A capitalization rate is then selected, and the net income is capitalized into an indication of value.

Cost Approach: This approach develops a value estimate by estimating the land value and adding this value to the replacement or reproduction cost of the improvement, less accrued depreciation.

In this assignment, we considered and employed all applicable approaches to value.

DIRECT SALES COMPARISON APPROACH

To develop a value opinion for the subject properties, we developed the direct sales comparison approach analyzing and comparing similar use properties from Oneida to Devonia in the subject corridor's neighborhood. We have identified the following industrial, residential and agricultural use sales.

Industrial Use Sales

INDUSTRIAL LAND SALE NO. 1

Property Identification

| | |
|---------------|---|
| Property Type | Industrial Land |
| Address | 141 Sonny Boshears Lane |
| Location | Collins Industrial Park, Caryville, Campbell County |
| Tax ID | 089-009.01 |

Sale Data

| | |
|--------------------|-------------------|
| Grantor | Town of Caryville |
| Grantee | Matix Corporation |
| Sale Date | 8/3/2001 |
| Deed Book/Page | 381/661 |
| Property Rights | fee simple |
| Conditions of Sale | arm's length |

| | |
|------------|-----------|
| Sale Price | \$115,000 |
|------------|-----------|

Land Data

| | |
|------------|----------------------|
| Zoning | Industrial |
| Topography | Level |
| Utilities | All public available |
| Shape | Irregular |

Land Size Information

| | |
|-----------------|---------------------|
| Gross Land Size | 15.04 acres |
| Front Footage | Sonny Boshears Lane |

Indicators

| | |
|-----------------------|---------|
| Sale Price/Gross Acre | \$7,646 |
|-----------------------|---------|

Remarks

Reflects sale of industrial tract located in Carvyille, Tennessee. The property is now improved with an industrial use building.

INDUSTRIAL LAND SALE NO. 2

Property Identification

Property Type Industrial Land
Address N. 27th Street & Canyon Lane
Location Lafollette, Campbell County
Tax ID 091-E-J-001.01

Sale Data

Grantor HMF Enterprises, Inc.
Grantee Carolyn Hatmaker
Sale Date 5/13/2003
Deed Book/Page 397/339
Property Rights fee simple
Conditions of Sale arm's length

Sale Price \$45,000

Land Data

Zoning Industrial
Topography Rolling
Utilities All public available
Shape Irregular

Land Size Information

Gross Land Size 7.26 acres
Front Footage N. 27th Street

Indicators

Sale Price/Gross Acre \$6,198

Remarks

Reflects sale of industrial use acreage tract in Lafollette, Campbell County. The southern property line abuts the railroad right-of-way.

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INDUSTRIAL LAND SALE NO. 3

Property Identification

Property Type Industrial Land
Address S. Side of Industrial Lane & W. of Marlow Street
Location Oneida
Tax ID 052-46

Sale Data

Grantor Cyndi M. Thompson & Charles Losey, Jr.
Grantee Bernard C. Terry, Jr.
Sale Date 2.19/2002
Deed Book/Page 235/833
Property Rights fee simple
Conditions of Sale arm's length

Sale Price \$31,000

Land Data

Zoning Industrial/Commercial
Topography Level
Utilities All public available
Shape Irregular

Land Size Information

Gross Land Size 1.01 acres
Front Footage Industrial Lane

Indicators

Sale Price/Gross Acre \$30,693

Remarks

Reflects sale of industrial use tract along Industrial Lane now improved with service garage building.

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APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

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Residential and Agricultural Use Land Sales

LAND SALE NO. 1

Property Identification

Record ID 1779
Property Type Acreage, vacant acreage
Address 670 Chicken Brustal Road, Robbins, Scott County, Tennessee 37852
Location Scott County
Tax ID 120-109

Sale Data

Grantor Mary Lou Crawford
Grantee Rex Looney et ux Lanette
Sale Date October 7, 2004
Deed Book/Page 248 / 357
Property Rights fee simple
Conditions of Sale arm's length
Verification Agent

Sale Price \$45,000

Land Data

Zoning None
Topography Moderately rolling-partially wooded
Utilities Water, telephone, electric
Shape Irregular
Fencing Partial

Land Size Information

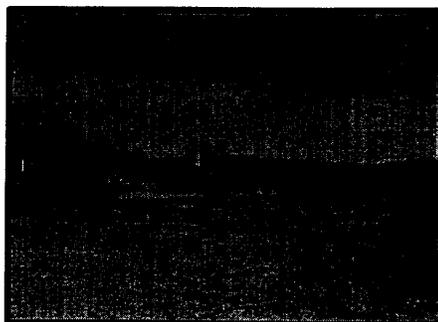
Gross Land Size 38.000 Acres or 1,655,280 SF
Front Footage Chicken Brustal Road

Indicators

Sale Price/Gross Acre \$1,184
Sale Price/Gross SF \$0.03

Remarks

Reflects sale of acreage parcel for residential and agricultural use. The sale included mineral rights, and there is presently an oil and gas lease. Accessed by a gravel road, it rolls moderately and is partially wooded and partially cleared. It contains several agricultural use improvements which have minimal if any value.



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LAND SALE NO. 2

Property Identification

Record ID 1780
Property Type Agricultural and Residential, vacant acreage
Address West Side of Ridge Road, Robbins, Scott County, Tennessee 37852
Location Scott County
Tax ID 120-120, 121, 122, 129, 130, 131 & 132

Sale Data

Grantor Robert C. Klan
Grantee Roger Best
Sale Date February 22, 2005
Deed Book/Page 250/102
Recorded Plat Cab B, sl 177
Property Rights fee simple
Conditions of Sale arm's length
Verification Agent

Sale Price \$92,400

Land Data

Zoning None
Topography Gently rolling
Utilities Telephone, gas, electric
Shape Irregular

Land Size Information

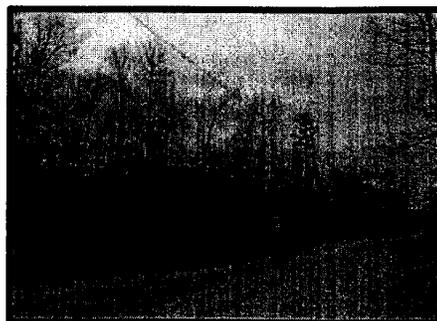
Gross Land Size 140.680 Acres or 6,128,021 SF
Front Footage West side of Ridge Road

Indicators

Sale Price/Gross Acre \$657
Sale Price/Gross SF \$0.02

Remarks

The previous owner assembled these parcels in 1998. They were listed for sale at \$700 per acre at the time of purchase. These wooded tracts are being cleared with access from gravel roads. They feature a mountain view.



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LAND SALE NO. 3

Property Identification

Record ID 1781
Property Type Agricultural and Residential, vacant acreage
Address Lot 20 Ridge Road, Robbins, Scott County, Tennessee 37852
Location West side of Ridge Road
Tax ID 120-119

Sale Data

Grantor Robert C. Klan et ux
Grantee James C. Seaton et ux
Sale Date February 18, 2005
Deed Book/Page 250 / 144
Recorded Plat B/173
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller
Verification Agent

Sale Price \$27,300

Land Data

Zoning None
Topography Heavily rolling
Utilities Telephone, Gas, Electric
Shape Irregular

Land Size Information

Gross Land Size 38.790 Acres or 1,689,692 SF
Front Footage Ridge Road

Indicators

Sale Price/Gross Acre \$704
Sale Price/Gross SF \$0.02

Remarks

Reflects sale of heavily rolling and wooded acreage tract. This property listed for \$700 an acre at time of sale.



White, McPherson and Tuck, LLC

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NORFOLK SOUTHERN RAILROAD CORRIDOR

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LAND SALE NO. 4

Property Identification

Record ID 1782
Property Type Agricultural and Residential, vacant acreage
Address Brimstone Creek Road, Robbins, Scott County, Tennessee 37852
Location Brimstone Creek Rd southeast of Newport Rd
Tax ID 121-009

Sale Data

Grantor Dennis L. Ranch
Grantee Brimstone Ranch LLC
Sale Date January 21, 2005
Deed Book/Page 225/800
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller
Verification Agent

Sale Price \$54,000

Land Data

Zoning None
Topography NE of rd: steep; SW of rd: rolling
Utilities Telephone, electric
Shape Irregular
Rail Service RR divides property

Land Size Information

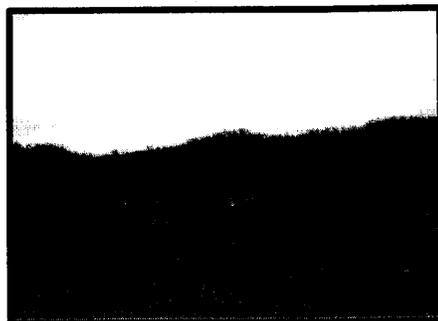
Gross Land Size 109.500 Acres or 4,769,820 SF
Front Footage Both sides of Brimstone Creek Rd

Indicators

Sale Price/Gross Acre \$493
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of large tract divided by railroad and a creek. Property features two pastures and two steep ridges. Toward the rear of the rolling pastures, topography changes to steep. A railway runs through the property.



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LAND SALE NO. 5

Property Identification

Record ID 1783
Property Type Residential, Vacant residential
Property Name Home site
Address 1022 Dexter Laxton Road, Robbins, Scott County, Tennessee 37841
Location Dexter Laxton Road
Tax ID 52-039.13

Sale Data

Grantor Sharon Jane Reed
Grantee Scott E. Burke et ux
Sale Date August 13, 2002
Deed Book/Page 239 / 251
Property Rights fee simple
Conditions of Sale Arm's length
Financing Cash to seller

Sale Price \$7,500

Land Data

Zoning None
Topography home site; rolling & wooded
Utilities Telephone, electric
Shape Irregular

Land Size Information

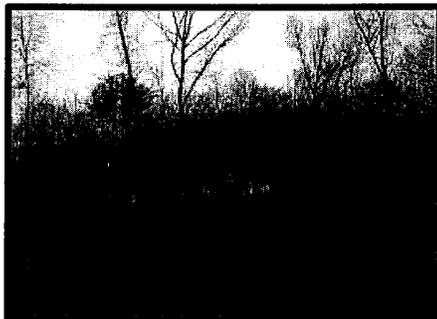
Gross Land Size 5.310 Acres or 231,304 SF
Front Footage none

Indicators

Sale Price/Gross Acre \$1,412
Sale Price/Gross SF \$0.03

Remarks

Reflects sale purchased for a residential home site. Access to the property is shared gravel drive. Property is located north of Oneida, Tennessee.



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LAND SALE NO. 6

Property Identification

Record ID 1784
Property Type Agricultural and Residential, vacant acreage
Address Off Butler Lane, Scott County, Tennessee
Location Off Tunnel Hill Rd at end of Butler Lane
Tax ID 062-026

Sale Data

Grantor Kenneth Jeffers et ux Jean
Grantee Imogene Blevins
Sale Date August 18, 2003
Deed Book/Page 243 / 311
Property Rights Fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$8,500

Land Data

Zoning None
Topography steep with small level area
Utilities Telephone, electric
Shape Irregular

Land Size Information

Gross Land Size 17.000 Acres or 740,520 SF
Front Footage Butler Lane

Indicators

Sale Price/Gross Acre \$500
Sale Price/Gross SF \$0.01

Remarks

Sale reflects acreage tract adjacent the railroad tracks. The property features a level home site and a steep bank/mountainside, which is heavily wooded. Property surrounds a residence.



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LAND SALE NO. 7

Property Identification

Record ID 1785
Property Type Agricultural and Residential, Vacant residential
Address Phillips Cemetery Road, Scott County, Tennessee
Location End of Phillips Cemetery Road
Tax ID 070-002.06

Sale Data

Grantor Clarence Blevins et ux Imogene
Grantee Travis J. Fry et ux
Sale Date December 22, 2003
Deed Book/Page 244 / 820
Recorded Plat B/144
Property Rights Fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$13,500

Land Data

Zoning None
Topography Heavy rolling, rises steeply from road
Utilities Telephone, electric
Shape Irregular

Land Size Information

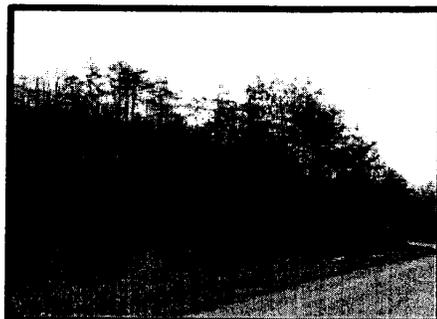
Gross Land Size 29.800 Acres or 1,298,088 SF
Front Footage Phillips Cemetery Road

Indicators

Sale Price/Gross Acre \$453
Sale Price/Gross SF \$0.01

Remarks

Acreage sale accessed by a gravel and dirt road, this sale features heavily rolling topography and rises steeply from the road.



White, McPherson and Tuck, LLC

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NORFOLK SOUTHERN RAILROAD CORRIDOR

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LAND SALE NO. 8

Property Identification

Record ID 1786
Property Type Acreage, vacant acreage
Property Name Phillips Cemetery Road (lot 4)
Address 322 Phillips Cemetery Road, Helenwood, Scott County, Tennessee
37755
Location Northeast side of Phillips Cemetery Rd just north of Cherry Fork Rd
Tax ID 70-54.03

Sale Data

Grantor Tammy Gist
Grantee Ayers LP
Sale Date March 31, 2004
Deed Book/Page 246 / 258
Property Rights fee simple
Conditions of Sale Arm's length
Financing Cash to seller

Sale Price \$9,350

Land Data

Zoning none
Topography Heavily rolling/wooded
Utilities Telephone, electric
Shape Irregular

Land Size Information

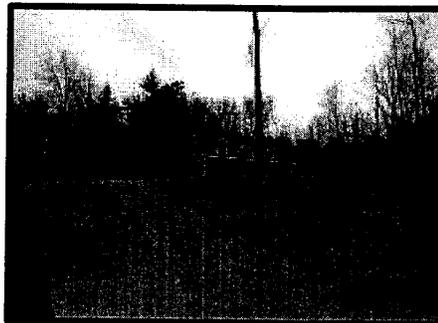
Gross Land Size 8.840 Acres or 385,070 SF
Front Footage Phillips Cemetery Road

Indicators

Sale Price/Gross Acre \$1,058
Sale Price/Gross SF \$0.02

Remarks

This sale lies just southwest of the Tennessee Railway, with heavily rolling topography, and is wooded. Now improved with a residence.



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LANDSALE NO. 9

Property Identification

Record ID 1787
Property Type Acreage, vacant acreage
Address Phillips Cemetery Road, Helenwood, Scott County, Tennessee 37755
Location Northeast side of Phillips Cemetery Rd
Tax ID 70-54.02

Sale Data

Grantor Dallas R. Duncan et ux
Grantee Ayers LP
Sale Date July 10, 2001
Deed Book/Page 235 / 829
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$7,000

Land Data

Zoning None
Topography Steep slope/wooded
Utilities Telephone, electric
Shape Irregular

Land Size Information

Gross Land Size 7.750 Acres or 337,590 SF
Front Footage Phillips Cemetery

Indicators

Sale Price/Gross Acre \$903
Sale Price/Gross SF \$0.02

Remarks

Reflects acreage tract along Phillips Cemetery Road featuring sharply sloping topography and is heavily wooded. Gravel road provides access north of Cherry Ford Rd.



White, McPherson and Tuck, LLC

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NORFOLK SOUTHERN RAILROAD CORRIDOR

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LAND SALE NO. 10

Property Identification

Record ID 1788
Property Type Acreage, vacant acreage
Address Cherry Fork Road, Helenwood, Scott County, Tennessee 37755
Location West side of Cherry Fork Road
Tax ID 070-063.05

Sale Data

Grantor Kenneth Phillips
Grantee Zane Roberts
Sale Date October 11, 2001
Deed Book/Page 234/664
Property Rights Fee simple
Conditions of Sale Arm's length
Financing Cash to seller

Sale Price \$23,000

Land Data

Zoning none
Topography Steep/wooded
Utilities All municipal available
Shape Irregular

Land Size Information

Gross Land Size 23.060 Acres or 1,004,494 SF
Front Footage Cherry Fork Road

Indicators

Sale Price/Gross Acre \$997
Sale Price/Gross SF \$0.02

Remarks

This sale consists of a large, wooded ravine dropping steeply from the Cherry Fork Road making access difficult. Property is heavily wooded. All municipal utilities are available to this tract.



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LAND SALE NO. 11

Property Identification

Record ID 1790
Property Type Acreage, vacant acreage
Address Off South Side of Cherry Fork Road, Helenwood, Scott County, Tennessee 37755
Location Between Cherry Ford Rd & Huntsville Paint Rock Rd
Tax ID 78-006

Sale Data

Grantor Wallace F. Velander
Grantee Timothy C. Mitter
Sale Date October 5, 2002
Deed Book/Page 239/470
Property Rights Fee simple
Conditions of Sale Arm's-length
Financing Cash to seller

Sale Price \$100,000

Land Data

Zoning none
Topography Mountainous/wooded
Utilities Telephone, water, gas, electric
Shape Irregular

Land Size Information

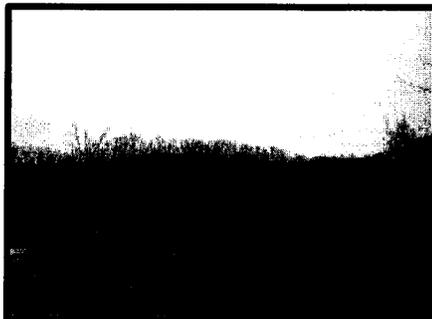
Gross Land Size 400.000 Acres or 17,424,000 SF

Indicators

Sale Price/Gross Acre \$250
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of a large tract featuring mountainous terrain which is heavily wooded. Utilities available include water, electricity and gas. Access to the property is limited.



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APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR Page No. 88

LAND SALE NO. 12

Property Identification

Record ID 1792
Property Type Acreage, vacant acreage
Address Mine Rock Road, Scott County, Tennessee
Location East Side of Mine Rock Rd @ Paint Rock Rd
Tax ID 079-007

Sale Data

Grantor Glen C. Jeffers & Carrie S. Posey
Grantee David R. Brewster
Sale Date November 14, 2001
Deed Book/Page 235/314
Recorded Plat C/29
Property Rights Fee simple
Conditions of Sale Arm's length
Financing Cash to seller

Sale Price \$30,000

Land Data

Zoning None
Topography Steep/wooded
Utilities Telephone, electric
Shape Irregular

Land Size Information

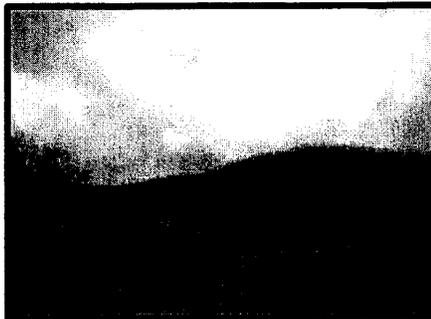
Gross Land Size 69.960 Acres or 3,047,458 SF
Front Footage Mine Rock Road; Paint Rock Road

Indicators

Sale Price/Gross Acre \$429
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of acreage tract with primary frontage along Mine Rock Road and secondary frontage along Paint Rock Road. Property drops sharply from Paint Rock Road and features a small pasture area then features mountainous topography. Property surrounds a barn.



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NORFOLK SOUTHERN RAILROAD CORRIDOR

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LAND SALE NO. 13

Property Identification

Record ID 1795
Property Type Acreage, vacant acreage
Address 1017 Old Buffalo Road, Oneida, Scott County, Tennessee 37841
Location Off Old Buffalo Road
Tax ID 087-018.05

Sale Data

Grantor Kathy D. Adkins
Grantee Curtis Lee Carson et ux Mary Lyn
Sale Date April 19, 2001
Deed Book/Page 232/567
Property Rights fee simple
Conditions of Sale Arm's length
Financing Cash to seller

Sale Price \$1,500

Land Data

Zoning None
Topography Steep
Utilities Telephone, water
Shape Irregular

Land Size Information

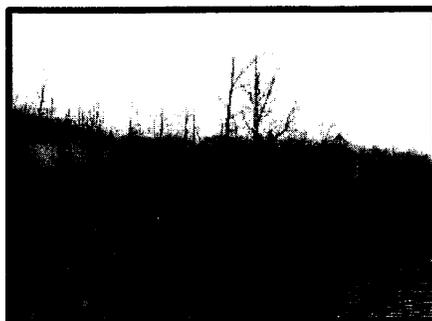
Gross Land Size 6.000 Acres or 261,360 SF

Indicators

Sale Price/Gross Acre \$250
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of acreage tract featuring steep topography and is heavily wooded. Property is divided by railroad right-of-way.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR Page No. 90

LAND SALE NO. 14

Property Identification

Record ID 1796
Property Type Acreage, vacant acreage
Address Ditney Trail, Scott County, Tennessee
Location East side of Ditney Trail
Tax ID 87-042

Sale Data

Grantor William H. Smith & Nadine
Grantee Jerry Aaron Thompson et ux Jami Nicole
Sale Date November 5, 2004
Deed Book/Page 248/737
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$66,000

Land Data

Zoning None
Topography Gently rolling
Utilities Telephone
Shape Generally triangular

Land Size Information

Gross Land Size 25.270 Acres or 1,100,761 SF
Front Footage Ditney Trail

Indicators

Sale Price/Gross Acre \$2,612
Sale Price/Gross SF \$0.06

Remarks

Reflects sale of gently rolling acreage tract featuring primarily pasture land.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

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LAND SALE NO. 15

Property Identification

Record ID 1797
Property Type Acreage, vacant acreage
Address Winona Rd, Scott County, Tennessee
Location Winona Rd off Hwy 63
Tax ID 96-045.04

Sale Data

Grantor Sandra Lynn Kennedy King
Grantee Daniel Wayne Posey
Sale Date February 26, 2004
Deed Book/Page 245/820
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$50,000

Land Data

Zoning Zone
Topography Rolling-wooded
Utilities Telephone, electric
Shape Irregular

Land Size Information

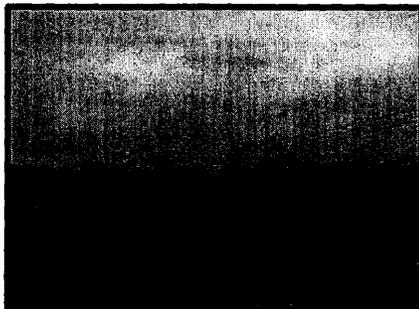
Gross Land Size 94.960 Acres or 4,136,458 SF
Front Footage Highway 63; Huntsville to Jacksboro Rd; Winona

Indicators

Sale Price/Gross Acre \$527
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of large acreage tract featuring rolling topography and is heavily wooded near Highway 63.



White, McPherson and Tuck, LLC

LAND SALE NO. 16

Property Identification

Record ID 1800
Property Type Acreage, vacant acreage
Address Winona Road, Scott County, Tennessee
Location East side Winona
Tax ID 105-027

Sale Data

Grantor Beulah W. Byrd
Grantee Ricky Gibson et ux Donna
Sale Date April 23, 2004
Deed Book/Page 246/289
Property Rights fee simple
Conditions of Sale Arm's length
Financing Cash to seller

Sale Price \$16,225

Land Data

Zoning None
Topography Mountainous
Utilities Telephone, water, electric
Shape Irregular

Land Size Information

Gross Land Size 24.800 Acres or 1,080,288 SF
Front Footage Winona Road

Indicators

Sale Price/Gross Acre \$654
Sale Price/Gross SF \$0.02

Remarks

Reflects sale of acreage tract featuring steep and mountainous topography and is heavily wooded.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

Page No. 93

LAND SALE NO. 17

Property Identification

Record ID 1801
Property Type Agricultural and Residential, vacant acreage
Address New River Road & William Newport Rd, Scott County, Tennessee
Location Both sides of New River Rd
Tax ID 114-005 & 006

Sale Data

Grantor Big South Fork Land Company, Inc.
Grantee Harry V. Empting Jr.
Sale Date November 19, 2991
Deed Book/Page 235/29
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$200,000

Land Data

Zoning None
Topography Pasture and Mountainous
Utilities Telephone, electric
Shape Irregular

Land Size Information

Gross Land Size 176.000 Acres or 7,666,560 SF
Front Footage Cordell

Indicators

Sale Price/Gross Acre \$1,136
Sale Price/Gross SF \$0.03

Remarks

Reflects sale of two acreage tracts divided by railroad right-of-way. Property features pasture land on west side along New River and mountain land on east side of Cordell Road.



White, McPherson and Tuck, LLC

LAND SALE NO. 18

Property Identification

Record ID 1802
Property Type Agricultural and Residential, vacant acreage
Address East side of Hurricane Road, Scott County, Tennessee
Location Near Eagles Landing development
Tax ID 114-004

Sale Data

Grantor Charles W. Riddell Jr. et ux Bonnie
Grantee Eugene R. Battisti Jr.
Sale Date August 11, 2004
Deed Book/Page 247/546
Recorded Plat C/37
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$95,000

Land Data

Zoning None
Topography Mountainous
Utilities Telephone, electric
Shape Irregular

Land Size Information

Gross Land Size 108.620 Acres or 4,731,487 SF
Front Footage Hurricane Road

Indicators

Sale Price/Gross Acre \$875
Sale Price/Gross SF \$0.02

Remarks

This sale consists of a large, mountainous acreage tract which is heavily wooded located near Eagles Landing Development.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

LAND SALE NO. 19

Property Identification

Record ID 1806
Property Type Agricultural and Residential, vacant acreage
Property Name Lot 11 Eagles Landing
Address Hurricane Road, Scott County, Tennessee
Location South side of Hurricane Road in Eagles Landing S/D
Tax ID 114-26

Sale Data

Grantor William Hopkins
Grantee George D. Manley et ux
Sale Date December 7, 2001
Deed Book/Page 235/125
Recorded Plat C/9
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$4,500

Land Data

Zoning None
Topography Ridge top/rolling
Utilities Telephone, electric
Shape Rectangular

Land Size Information

Gross Land Size 5.110 Acres or 222,592 SF
Front Footage Hurricane Road

Indicators

Sale Price/Gross Acre \$881
Sale Price/Gross SF \$0.02

Remarks

Reflects acreage tract in Eagles Landing development on top of ridge. Property features rolling topography and is heavily wooded. Access is via gravel/dirt road.



White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****LAND SALE NO. 20****Property Identification**

Record ID 1807
Property Type Agricultural and Residential, vacant acreage
Property Name Lot 13 Eagles Landing
Address Hurricane Road, Scott County, Tennessee
Location South side of Hurricane Road in Eagle Landing S/D
Tax ID 114-024

Sale Data

Grantor William E. Hopkins
Grantee Robert E. Hartsook et ux
Sale Date May 18, 2001
Deed Book/Page 233/26
Recorded Plat C/9
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$4,900

Land Data

Zoning None
Topography Moderate roll/wooded
Utilities Telephone, electric
Shape Irregular

Land Size Information

Gross Land Size 5.130 Acres or 223,463 SF
Front Footage Hurricane Road

Indicators

Sale Price/Gross Acre \$955
Sale Price/Gross SF \$0.02

Remarks

Reflects acreage sale in Eagles Landing development featuring moderately rolling topography which is heavily wooded. Property features gravel/dirt road access on top of ridge.



White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****LAND SALE NO. 21****Property Identification**

Record ID 1808
Property Type Agricultural and Residential, vacant acreage
Property Name Eagles Landing lot
Address Hurricane Circle, Scott County, Tennessee
Location North side of Hurricane Circle
Tax ID 115-001.04

Sale Data

Grantor David Bruce Coffey
Grantee William E. Hopkins
Sale Date May 11, 2001
Deed Book/Page 232/813
Recorded Plat C/9
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$70,000

Land Data

Zoning None
Topography Mountainous ridge top
Utilities Telephone, electric
Shape Irregular

Land Size Information

Gross Land Size 134.130 Acres or 5,842,703 SF
Front Footage Hurricane Circle

Indicators

Sale Price/Gross Acre \$522
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of 12 lots in Eagles Landing development. Majority of lots were resold. Property features rolling and mountainous topography and is heavily wooded. Based on improvements, several parcels were purchased for hunting.



White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****LAND SALE NO. 22****Property Identification**

Record ID 1813
Property Type Agricultural and Residential, vacant acreage
Property Name Eagles Landing property
Address Hurricane Rd, Scott County, Tennessee
Location East side of Hurricane Road
Tax ID 115-001.05

Sale Data

Grantor William E. Hopkins
Grantee Nancy Rush
Sale Date August 10, 2001
Deed Book/Page 233/827
Recorded Plat C/9
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$14,000

Land Data

Zoning None
Topography Heavy rolling
Utilities Telephone, electric
Shape Irregular

Land Size Information

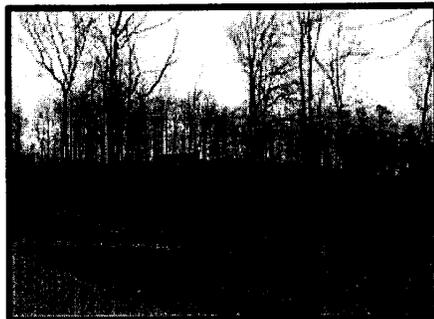
Gross Land Size 17.230 Acres or 750,539 SF
Front Footage Hurricane Road

Indicators

Sale Price/Gross Acre \$813
Sale Price/Gross SF \$0.02

Remarks

Reflects acreage sale part of Eagles Landing development on Hurricane Road. Property is heavily wooded and features rolling topography with site on top of hill providing view of mountains.



White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****LAND SALE NO. 23****Property Identification**

Record ID 1814
Property Type Agricultural and Residential, vacant acreage
Address Patton Lane south of Hurricane Rd, Scott County, Tennessee
Location West side of Patton Lane
Tax ID 115-001

Sale Data

Grantor David Bruce Coffey
Grantee Ronnie Griffith
Sale Date June 21, 2001
Deed Book/Page 233/404
Recorded Plat C/9
Property Rights fee simple
Conditions of Sale arm's length

Sale Price \$19,000

Land Data

Zoning None
Topography Mountainous
Utilities Telephone, electric
Shape Irregular

Land Size Information

Gross Land Size 34.940 Acres or 1,521,986 SF
Front Footage Patton Lane

Indicators

Sale Price/Gross Acre \$544
Sale Price/Gross SF \$0.01

Remarks

This tract contains approximately 35 acres of wooded, mountainous land primarily in a ravine.



White, McPherson and Tuck, LLC

LAND SALE NO. 24

Property Identification

Record ID 1815
Property Type Agricultural and Residential, vacant acreage
Address Both sides of Bowling Branch Road, Scott County, Tennessee
Location End of Patton Lane
Tax ID 115-37.00 & 37.01

Sale Data

Grantor Robert Tompkins
Grantee Jeannie Burress
Sale Date December 31, 2002
Deed Book/Page 241/521
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$30,911

Land Data

Zoning None
Topography Pasture and wooded ridge top
Utilities Telephone, electric
Shape Irregular

Land Size Information

Gross Land Size 40.790 Acres or 1,776,812 SF
Front Footage Patton Lane

Indicators

Sale Price/Gross Acre \$758
Sale Price/Gross SF \$0.02

Remarks

Reflects sale of 2 adjoining parcels divided by Bowling Branch on top of ridge. Central portion of property features pasture land dropping off on southern portion steeply to railroad right-of-way.



White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****LAND SALE NO. 25****Property Identification**

Record ID 1817
Property Type Agricultural and Residential, vacant acreage
Address Mill Branch Road, Scott County, Tennessee
Location East side of Mill Branch Road/S. of Hurricane
Tax ID 115-034

Sale Data

Grantor June Pyles
Grantee SBS Company
Sale Date October 1, 2004
Deed Book/Page 248/301
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$110,000

Land Data

Zoning None
Topography Mountainous-wooded
Utilities Telephone, electric
Shape Irregular

Land Size Information

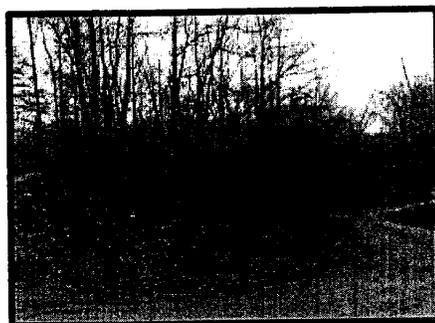
Gross Land Size 122.000 Acres or 5,314,320 SF
Front Footage Mill Branch Road

Indicators

Sale Price/Gross Acre \$902
Sale Price/Gross SF \$0.02

Remarks

Acreage tract of land featuring steep and mountainous wooded topography along a gravel access road.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

LAND SALE NO. 26

Property Identification

Record ID 1818
Property Type Agricultural and Residential, vacant acreage
Property Name Mountain land
Address Old Bull Creek Road, Scott County, Tennessee
Location Both sides of Norma Road N. of Ridge Rd
Tax ID 155-055

Sale Data

Grantor Haywood Pennington et ux Mabel
Grantee Tommy Newport
Sale Date September 24, 2003
Deed Book/Page 244/51
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$50,000

Land Data

Zoning None
Topography Mountainous-wooded
Utilities Telephone, electric
Shape Irregular

Land Size Information

Gross Land Size 94.500 Acres or 4,116,420 SF
Front Footage Old Bull Creek Road

Indicators

Sale Price/Gross Acre \$529
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of mountainous and wooded acreage tract divided by Norma Road north of Ridge Road.



White, McPherson and Tuck, LLC

LAND SALE NO. 27

Property Identification

Record ID 1819
Property Type Agricultural and Residential, vacant acreage
Property Name Mountainous land
Address Norma Road & Ridge Road, Scott County, Tennessee
Location Norma & Ridge Road
Tax ID 115-020

Sale Data

Grantor Johnny R. Phillips & Lloyd J. Phillips
Grantee Jerico LLC
Sale Date February 23, 2004
Deed Book/Page 245/610
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$270,813

Land Data

Zoning None
Topography Mountainous-wooded
Utilities Telephone, electric
Shape Irregular

Land Size Information

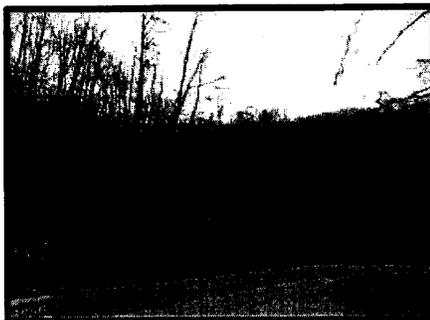
Gross Land Size 486.000 Acres or 21,170,160 SF
Front Footage Ridge Road; Norma Road

Indicators

Sale Price/Gross Acre \$557
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of large acreage tract featuring mountainous topography which is heavily wooded. Ridge Road reflects a dirt trail.



White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR**

LAND SALE NO. 28

Property Identification

Record ID 1824
Property Type Agricultural and Residential, vacant acreage
Address W. Side of Norma Road abutting railroad, Scott County, Tennessee
Location Norma Road
Tax ID 133-001.01

Sale Data

Grantor Cumberland Timber Company LLC
Grantee Arlin Ward et ux Linda
Sale Date October 7, 2002
Deed Book/Page 239/459
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$8,000

Land Data

Zoning None
Topography Gently rolling below grade-wooded
Utilities electricity, telephone
Shape Irregular

Land Size Information

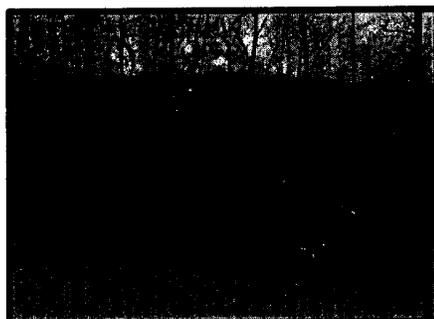
Gross Land Size 13.170 Acres or 573,685 SF
Front Footage Norma Road

Indicators

Sale Price/Gross Acre \$607
Sale Price/Gross SF \$0.01

Remarks

This sale consists of an acreage tract with moderately to gently rolling topography that is wooded. It is bottom land that is below road grade. All mineral rights were retained by the Grantor.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

LAND SALE NO. 29

Property Identification

Record ID 1826
Property Type Agricultural and Residential, vacant acreage
Address End of Johnnie Lawson Road, Scott County, Tennessee
Location Johnnie Lawson Road
Tax ID 124-005

Sale Data

Grantor Torri Ann Snidor
Grantee Mark E. Love et ux Karla
Sale Date February 25, 2002
Deed Book/Page 236/156
Recorded Plat Plat G; sl 166
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$24,000

Land Data

Zoning None
Topography Mountainous-wooded
Utilities Telephone, electric
Shape Irregular

Land Size Information

Gross Land Size 47.000 Acres or 2,047,320 SF
Front Footage Johnny Lawson Road

Indicators

Sale Price/Gross Acre \$511
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of large acreage tract featuring mountainous topography with gravel/dirt road access. Property is heavily wooded.



White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR**

LAND SALE NO. 30

Property Identification

Record ID 1827
Property Type Agricultural and Residential, vacant acreage
Property Name Mountain land
Address Johnnie Lawson Road, Scott County, Tennessee
Location End of Johnnie Lawson Road
Tax ID 124-004.01

Sale Data

Grantor Emerson A. Stewart
Grantee Mark E. Love et ux
Sale Date March 15, 2002
Deed Book/Page 236/284
Recorded Plat C/20
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$30,000

Land Data

Zoning None
Topography Mountainous/wooded
Utilities Telephone, electric
Shape Irregular

Land Size Information

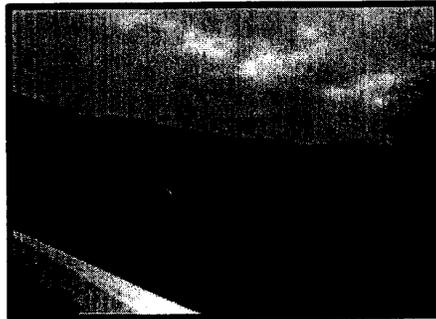
Gross Land Size 65.997 Acres or 2,874,829 SF
Front Footage Johnnie Lawson Road

Indicators

Sale Price/Gross Acre \$455
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of acreage tract featuring mountainous topography at end of Johnnie Lawson Road, a gravel and dirt road. Property is heavily wooded.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

LAND SALE NO. 31

Property Identification

Record ID 1829
Property Type Agricultural, vacant acreage
Address Buffalo Creek, Scott County, Tennessee
Location Along the south side of Buffalo Creek east of Bull Creek Rd/Cordell Road
Tax ID 105-031

Sale Data

Grantor Virginia W. Turner
Grantee Harry V. Empting Jr.
Sale Date February 19, 2004
Deed Book/Page 245/721
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$50,000

Land Data

Zoning None
Topography Mountainous-wooded
Utilities Telephone, electric, gas
Shape Irregular

Land Size Information

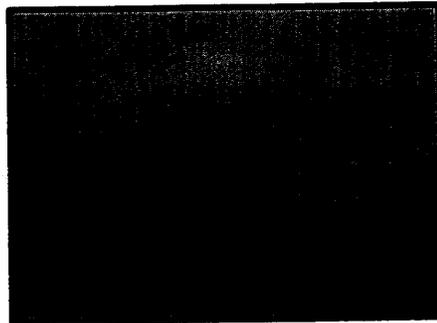
Gross Land Size 231.170 Acres or 10,069,765 SF
Front Footage Buffalo Creek-trail

Indicators

Sale Price/Gross Acre \$216
Sale Price/Gross SF \$0.00

Remarks

This large acreage tract features mountainous topography and is heavily wooded. Access provided by dirt road.



White, McPherson and Tuck, LLC

LAND SALE NO. 32

Property Identification

Record ID 1830
Property Type Agricultural, vacant acreage
Address Buffalo Creek, Scott County, Tennessee
Location Along the south/east side of Buffalo Creek east of Bull Creek Rd/Cordell Rd
Tax ID 105-032

Sale Data

Grantor Richard C. Haskins
Grantee Audy Byrd et ux Debra L.
Sale Date September 8, 2003
Deed Book/Page 244/181
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$42,500

Land Data

Zoning None
Topography Mountainous & valley
Utilities Telephone, electric
Shape Irregular

Land Size Information

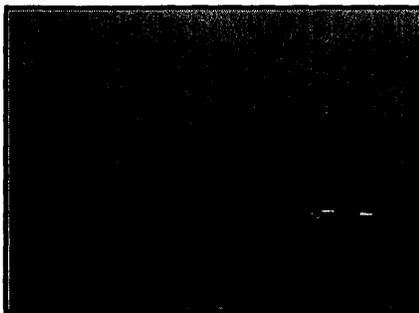
Gross Land Size 52.000 Acres or 2,265,120 SF
Front Footage Buffalo Creek

Indicators

Sale Price/Gross Acre \$817
Sale Price/Gross SF \$0.02

Remarks

Reflects acreage tract along Buffalo Creek featuring bottom land and mountain land.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

LAND SALE NO. 33

Property Identification

Property Type Residential
Address Oak Circle Drive
Location Oneida
Tax ID 062-093.33

Sale Data

Grantee Michael Hill et ux
Sale Date September 5, 2002
Deed Book/Page 239/134
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$12,000

Land Data

Zoning None
Topography Rolling
Utilities Gas, water, electricity
Shape Irregular

Land Size Information

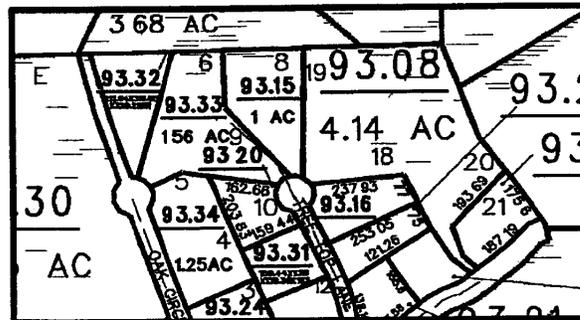
Gross Land Size 1.56 acres
Front Footage Oak Circle

Indicators

Sale Price/Gross Acre \$7,692

Remarks

Reflects sale of residential acreage on Oak Circle Drive.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR Page No. 110

LAND SALE NO. 34

Property Identification

Property Type Residential
Address Brookfield Drive
Location Oneida
Tax ID 052-009.23

Sale Data

Grantee Breda Lloyd & Phil Byrd, Jr.
Sale Date September 21, 2004
Deed Book/Page 248/84
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$6,000

Land Data

Zoning Residential
Topography Gently rolling
Utilities Gas, water, electricity
Shape Irregular

Land Size Information

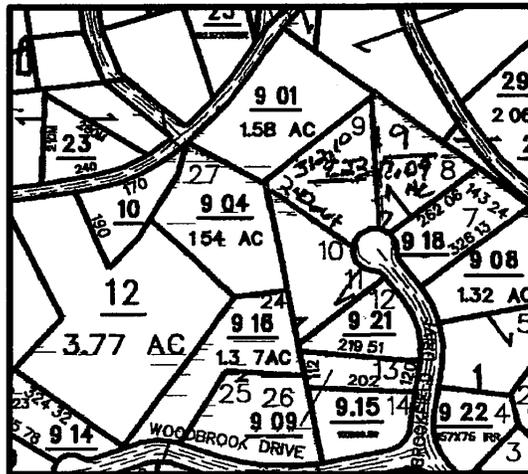
Gross Land Size 0.97 acres
Front Footage Brookfield Drive

Indicators

Sale Price/Gross Acre \$6,186

Remarks

Reflects sale of residential tract in Brookfield Estates, Oneida.



White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****LAND SALE NO. 38****Property Identification**

Record ID 1833
Property Type Agricultural
Address Nick's Creek Road, Campbell County, Tennessee
Location North side of Nick's Creek Road
Tax ID 126-004.02

Sale Data

Grantor JoAnn Burress
Grantee Larry Russell
Sale Date August 24, 2001
Deed Book/Page 381/599
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller
Verification JoAnn Burress (grantor), (423) 663-2328, March 8, 2005

Sale Price \$10,000

Land Data

Zoning None
Topography Mountainous & wooded
Utilities electric, telephone
Shape irregular

Land Size Information

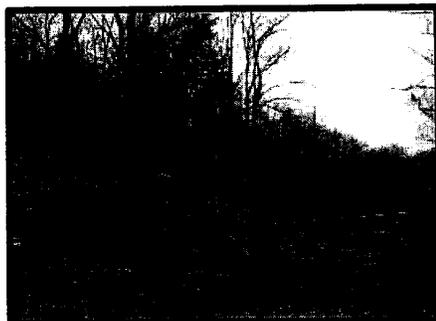
Gross Land Size 40.400 Acres or 1,759,824 SF
Front Footage Nick's Creek Road

Indicators

Sale Price/Gross Acre \$248
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of wooded acreage tract featuring mountainous topography.



White, McPherson and Tuck, LLC

LAND SALE NO. 39

Property Identification

Record ID 1845
Property Type Agricultural and Residential
Address Stoney Fork Road, Campbell County, Tennessee
Location South of Nick's Creek Rd
Tax ID 126-005

Sale Data

Grantor Cumberland Timber Company, LLC
Grantee Alin Ward et ux
Sale Date May 8, 2003
Deed Book/Page 400/660
Property Rights Fee simple
Conditions of Sale Arm's-length
Financing Cash to seller

Sale Price \$3,196

Land Data

Zoning None
Topography Gently rolling
Utilities Electric, telephone
Shape Irregular

Land Size Information

Gross Land Size 7.520 Acres or 327,571 SF
Front Footage Stoney Fork Rd

Indicators

Sale Price/Gross Acre \$425
Sale Price/Gross SF \$0.01

Remarks

Reflects tract of land divided by Stoney Fork Road between the railroad and New River. Property reflects mostly cleared pasture land.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

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LAND SALE NO. 40

Property Identification

Record ID 1835
Property Type Agricultural and Residential
Address New River Highway-Stainville, Anderson County, Tennessee
Location Southwest side of New River Highway
Tax ID 026-027.02 & 028.01

Sale Data

Grantor Larry W. Ramsey
Grantee Ligias Fork Creek Partnership
Sale Date May 13, 2004
Deed Book/Page 1363/1147
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller
Verification David Davenport (grantee), (865) 435-2507, May 13, 2004

Sale Price \$30,000

Land Data

Zoning None
Topography River bottom & mountain
Utilities Electric, telephone
Shape Irregular

Land Size Information

Gross Land Size 57.000 Acres or 2,482,920 SF
Front Footage New River Hwy. (116)

Indicators

Sale Price/Gross Acre \$526
Sale Price/Gross SF \$0.01

Remarks

Acreage tract of land divided by river featuring bottom land between road and river then featuring mountainous property on west side of river. Property purchased for recreational use.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

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NORFOLK SOUTHERN RAILROAD CORRIDOR

LAND SALE NO. 41

Property Identification

Record ID 1836
Property Type Agricultural
Address New River Hwy, Anderson County, Tennessee
Location Off New River Hwy near Charley's Branch
Tax ID 025-008.00

Sale Data

Grantor Tennessee Mining, Inc.
Grantee Cumberland Timber Company, LLC
Sale Date June 25, 2002
Deed Book/Page 1278/696
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller
Verification Harry D. Sabine (grantee's attny.), (931) 484-9593, March 8, 2005

Sale Price \$703,000

Land Data

Zoning A-1, Agricultural
Topography Mountainous/wooded
Utilities Electricity, water
Shape Irregular

Land Size Information

Gross Land Size 1,503.030 Acres or 65,471,987 SF
Front Footage New River Highway

Indicators

Sale Price/Gross Acre \$468
Sale Price/Gross SF \$0.01

Remarks

Reflects large tract featuring mountainous topography which is heavily wooded.



White, McPherson and Tuck, LLC

LAND SALE NO. 42

Property Identification

Record ID 1838
Property Type Residential, vacant acreage
Address State Hwy 116, Anderson County, Tennessee
Location Devonia
Tax ID 025-009.00

Sale Data

Grantor Cumberland Timber Company, LLC
Grantee Keith Goodman
Sale Date May 8, 2003
Deed Book/Page 1346/1001
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller
Verification Harry D. Sabine (grantor's attny), (931) 484-9593, March 8, 2005

Sale Price \$5,000

Land Data

Zoning A-2
Topography Gently rolling
Utilities Water, electric, telephone, gas
Shape Irregular

Land Size Information

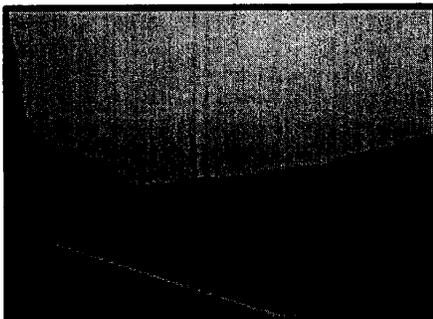
Gross Land Size 13.510 Acres or 588,496 SF
Front Footage State Highway 116

Indicators

Sale Price/Gross Acre \$370
Sale Price/Gross SF \$0.01

Remarks

Reflects tract of land extending adjacent the New River featuring gently rolling topography used as pasture. Railroad corridor is located on east side of river.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

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LAND SALE NO. 43

Property Identification

Record ID 1844
Property Type Agricultural, vacant acreage
Address New River Highway, Anderson County, Tennessee
Location West side of New River Highway/south of Charley's Branch
Tax ID 025-001 & 037-007

Sale Data

Grantor Robert T. Cardwell
Grantee Davy Phillips
Sale Date June 20, 2001
Deed Book/Page 1206/548
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller

Sale Price \$32,900

Land Data

Zoning A-1
Topography Mountainous/wooded
Utilities Electric, telephone
Shape Irregular

Land Size Information

Gross Land Size 69.600 Acres or 3,031,776 SF
Front Footage New River Highway

Indicators

Sale Price/Gross Acre \$473
Sale Price/Gross SF \$0.01

Remarks

This sale consists of two tracts (totaling 69.6 acres) that do not adjoin. The grantee, Phillips, already owned the 16.9 acre tract in between. He purchased these tracts for assemblage.



White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****LAND SALE NO. 44****Property Identification**

Record ID 1840
Property Type Agricultural and Residential, vacant acreage
Address Indian Fork Lane, Anderson County, Tennessee
Location Off Indian Fork Lane
Tax ID 037-043

Sale Data

Grantor Cumberland Timber Company, LLC
Grantee Gregory A. Daugherty et ux Linda
Sale Date October 4, 2002
Deed Book/Page 1315/610
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller
Verification Harry D. Sabine (grantor's attny), (931) 484-9593, March 8, 2005

Sale Price \$21,500

Land Data

Zoning Agricultural
Topography Sloping, wooded
Utilities Electricity, water
Shape Irregular

Land Size Information

Gross Land Size 35.850 Acres or 1,561,626 SF
Front Footage Indian Fork Lane

Indicators

Sale Price/Gross Acre \$600
Sale Price/Gross SF \$0.01

Remarks

Reflects acreage tract featuring sloping topography which is heavily wooded with shared access.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

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LAND SALE NO. 45

Property Identification

Record ID 1839
Property Type Agricultural, vacant acreage
Address New River Highway, Anderson County, Tennessee
Location East side of New River Hwy.
Tax ID 049-045 & 060-004

Sale Data

Grantor Cumberland Timber Company, LLC
Grantee Kyle Robinson et ux Vickie
Sale Date October 4, 2002
Deed Book/Page 1324/188
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller
Verification Harry D. Sabine (grantor's atny), (931) 484-9593, March 8, 2005

Sale Price \$67,500

Land Data

Zoning Agricultural
Topography Rolling/partially wooded
Utilities water, electricity
Shape Irregular

Land Size Information

Gross Land Size 114.960 Acres or 5,007,658 SF
Front Footage New River Highway

Indicators

Sale Price/Gross Acre \$587
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of two adjacent tracts of land along river used for farming and residential use. Property touches railroad corridor.



White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

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LAND SALE NO. 46

Property Identification

Record ID 1837
Property Type Agricultural and Residential
Address Fork Mountain Road, Anderson County, Tennessee
Location Off Fork Mountain Road
Tax ID 48-14,15,16,49-47&48,&50-3

Sale Data

Grantor Tennessee Mining, Inc.
Grantee Cumberland Timber Company, LLC
Sale Date August 20, 2002
Deed Book/Page 1286/470
Property Rights fee simple
Conditions of Sale arm's length
Financing Cash to seller
Verification Harry D. Sabine (grantee's attny), (931) 484-9593, March 8, 2005

Sale Price \$200,000

Land Data

Zoning A-1, Agricultural
Topography Mountainous/wooded
Utilities Water, electricity, gas
Shape Irregular

Land Size Information

Gross Land Size 464.670 Acres or 20,241,025 SF
Front Footage Fork Mountain Road; Patterson Mountain Road; Buffalo Mountain Road

Indicators

Sale Price/Gross Acre \$430
Sale Price/Gross SF \$0.01

Remarks

Reflects purchased of several adjacent tracts featuring mountainous topography which is heavily wooded. Property purchased as part of a timber operation.



White, McPherson and Tuck, LLC

LAND SALE NO. 47

Property Identification

Record ID 1846
Property Type Agricultural and Residential
Address Off New River Highway, Anderson County, Tennessee
Location Devonia
Tax ID 037-041

Sale Data

Grantor Johnnie Cagley et al
Grantee Frankie Lynn Hite & Dickie L. Hite
Sale Date October 27, 2004
Deed Book/Page 1377/837
Property Rights Fee simple
Conditions of Sale Arm's-length
Financing Cash to seller

Sale Price \$25,000

Land Data

Zoning A-1, Agricultural
Topography Rolling & wooded
Utilities Electricity, water
Shape Irregular

Land Size Information

Gross Land Size 43.000 Acres or 1,873,080 SF
Front Footage Off New River Highway

Indicators

Sale Price/Gross Acre \$581
Sale Price/Gross SF \$0.01

Remarks

Reflects sale of acreage tract located on the east side of the railroad corridor accessed by joint access road. Property features both pasture and mountainous topography.

White, McPherson and Tuck, LLC

COMPARABLE LAND SALES SUMMARY

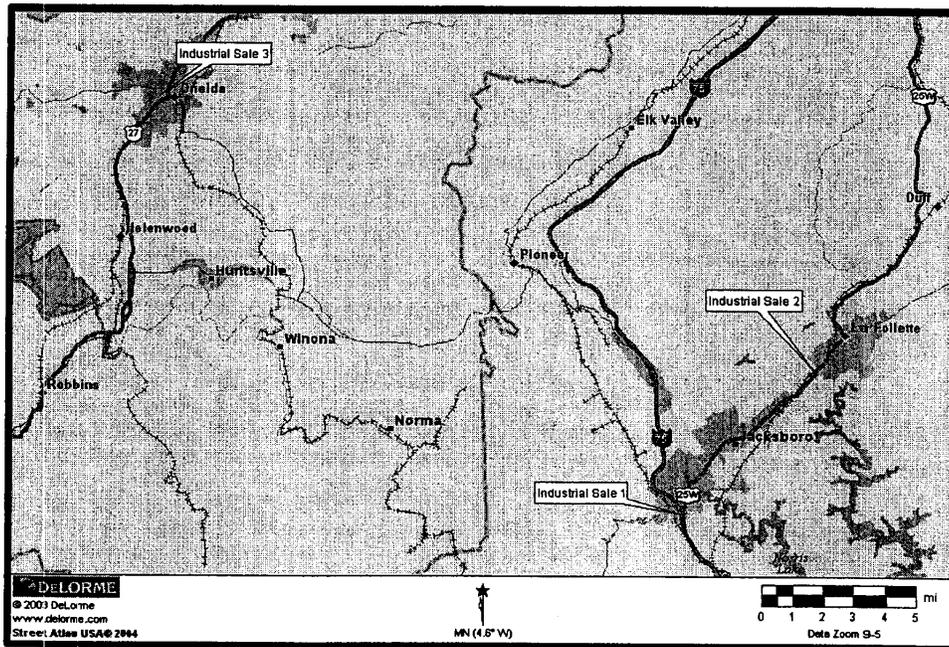
| Location | Sale Date | Price | Size in Acres | Price/Acre |
|--|-----------|-----------|---------------|------------|
| Industrial Land Sales | | | | |
| 1. Sonny Boshears Lane-Caryville | 08/01 | \$115,000 | 15.040 | \$7,646 |
| 2. N. 27 th Street & Canyon Lane-Lafollette | 05/03 | \$45,000 | 7.260 | \$6,198 |
| 3. Industrial Lane-Scott County | 02/02 | \$31,000 | 1.010 | \$30,693 |
| Scott County Residential and Agricultural Sales | | | | |
| 1. 670 Chicken Brustal Road | 10/04 | \$45,000 | 38.000 | \$1,184 |
| 2. West Side of Ridge Road | 02/05 | \$92,400 | 140.680 | \$657 |
| 3. Lot 20 Ridge Road | 02/05 | \$27,300 | 38.790 | \$704 |
| 4. Brimstone Creek Road | 01/05 | \$54,000 | 109.500 | \$493 |
| 5. 1022 Dexter Laxton Road | 08/02 | \$7,500 | 5.310 | \$1,412 |
| 6. Off Butler Lane | 08/03 | \$8,500 | 17.000 | \$500 |
| 7. Phillips Cemetery Road | 12/03 | \$13,500 | 29.800 | \$453 |
| 8. 322 Phillips Cemetery Road | 03/04 | \$9,350 | 8.840 | \$1,058 |
| 9. Phillips Cemetery Road | 07/01 | \$7,000 | 7.750 | \$903 |
| 10. Cherry Fork Road | 10/01 | \$23,000 | 23.060 | \$997 |
| 11. Off South Side of Cherry Fork Road | 10/02 | \$100,000 | 400.000 | \$250 |
| 12. Mine Rock Road | 11/01 | \$30,000 | 69.960 | \$429 |
| 13. 1017 Old Buffalo Road | 04/01 | \$1,500 | 6.000 | \$250 |
| 14. Ditney Trail | 11/04 | \$66,000 | 25.270 | \$2,612 |
| 15. Winona Rd | 02/04 | \$50,000 | 94.960 | \$527 |
| 16. Winona Road | 04/04 | \$16,225 | 24.800 | \$654 |
| 17. New River Road & William Newport Rd | 11/91 | \$200,000 | 176.000 | \$1,136 |
| 18. East side of Hurricane Road | 08/04 | \$95,000 | 108.620 | \$875 |
| 19. Hurricane Road | 12/01 | \$4,500 | 5.110 | \$881 |
| 20. Hurricane Road | 05/01 | \$4,900 | 5.130 | \$955 |
| 21. Hurricane Circle | 05/01 | \$70,000 | 134.130 | \$522 |
| 22. Hurricane Rd | 08/01 | \$14,000 | 17.230 | \$813 |
| 23. Patton Lane south of Hurricane Rd | 06/01 | \$19,000 | 34.940 | \$544 |
| 24. Both sides of Bowling Branch Road | 12/02 | \$30,911 | 40.790 | \$758 |
| 25. Mill Branch Road | 10/04 | \$110,000 | 122.000 | \$902 |
| 26. Old Bull Creek Road | 09/03 | \$50,000 | 94.500 | \$529 |
| 27. Norma Road & Ridge Road | 02/04 | \$270,813 | 486.000 | \$557 |
| 28. W. Side of Norma Road abutting railroad | 10/02 | \$8,000 | 13.170 | \$607 |
| 29. End of Johnnie Lawson Road | 02/02 | \$24,000 | 47.000 | \$511 |
| 30. Johnnie Lawson Road | 03/02 | \$30,000 | 65.997 | \$455 |
| 31. Buffalo Creek | 02/04 | \$50,000 | 231.170 | \$216 |
| 32. Buffalo Creek | 09/03 | \$42,500 | 52.000 | \$817 |
| 33. Oak Circle Drive | 09/02 | \$12,000 | 1.560 | \$7,692 |
| 34. Brookfield Drive | 09/04 | \$6,000 | 0.970 | \$6,186 |
| 35. Woodbrook Drive | 06/03 | \$9,500 | 1.370 | \$6,934 |
| Campbell County Sales | | | | |
| 36. Old Highway 63 | 04/04 | \$150,000 | 265.972 | \$564 |
| 37. Nick's Creek Road | 05/01 | \$6,000 | 27.200 | \$221 |
| 38. Nick's Creek Road | 08/01 | \$10,000 | 40.400 | \$248 |
| 39. Stoney Fork Road | 05/03 | \$3,196 | 7.520 | \$425 |
| Anderson County Sales | | | | |
| 40. New River Highway-Stainville | 05/04 | \$30,000 | 57.000 | \$526 |
| 41. New River Hwy | 06/02 | \$703,000 | 1,503.030 | \$468 |
| 42. State Hwy 116 | 05/03 | \$5,000 | 13.510 | \$370 |

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| | | | | |
|---------------------------|-------|-----------|---------|-------|
| 43. New River Highway | 06/01 | \$32,900 | 69.600 | \$473 |
| 44. Indian Fork Lane | 10/02 | \$21,500 | 35.850 | \$600 |
| 45. New River Highway | 10/02 | \$67,500 | 114.960 | \$587 |
| 46. Fork Mountain Road | 08/02 | \$200,000 | 464.670 | \$430 |
| 47. Off New River Highway | 10/04 | \$25,000 | 43.000 | \$581 |

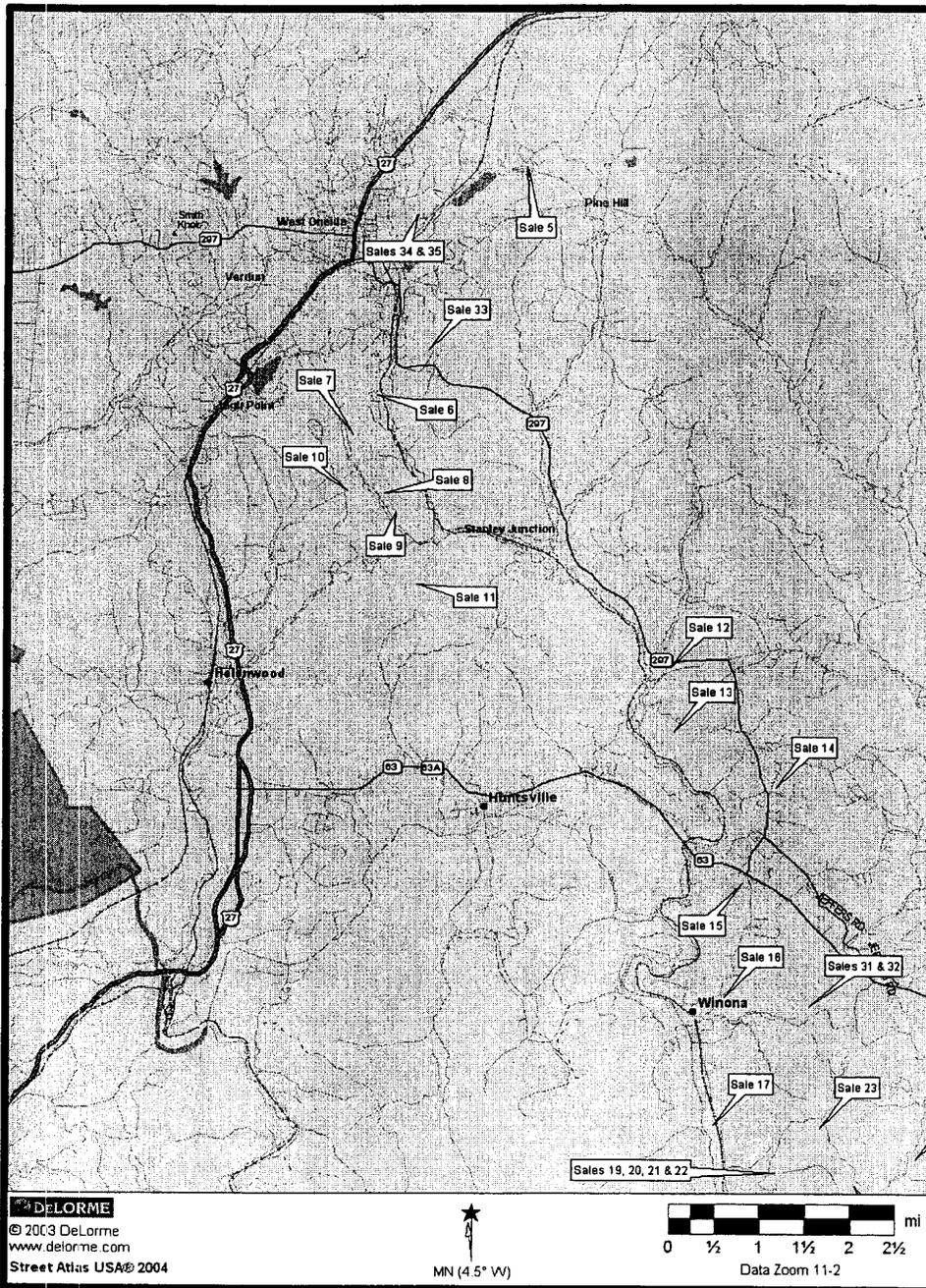
SALES LOCATION MAPS

Oneida Industrial Sales

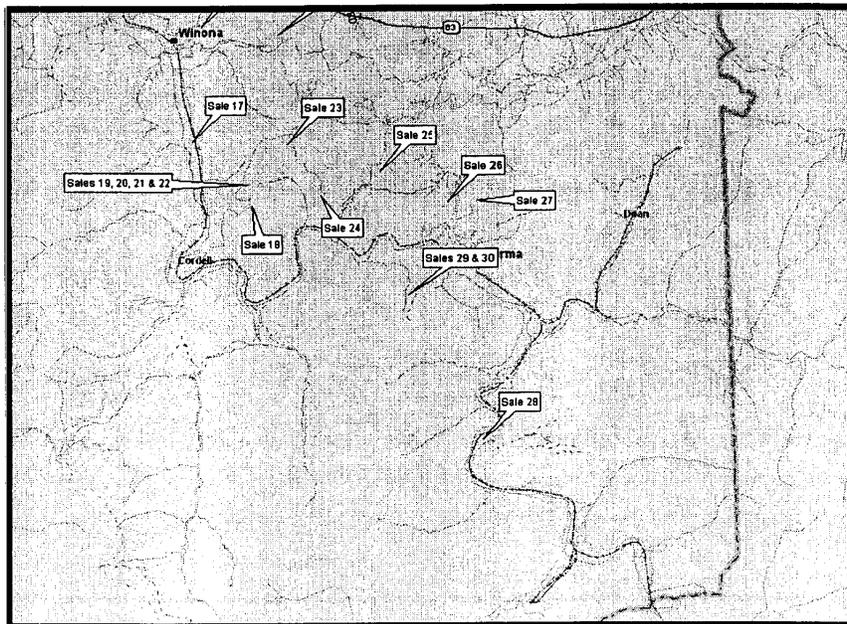
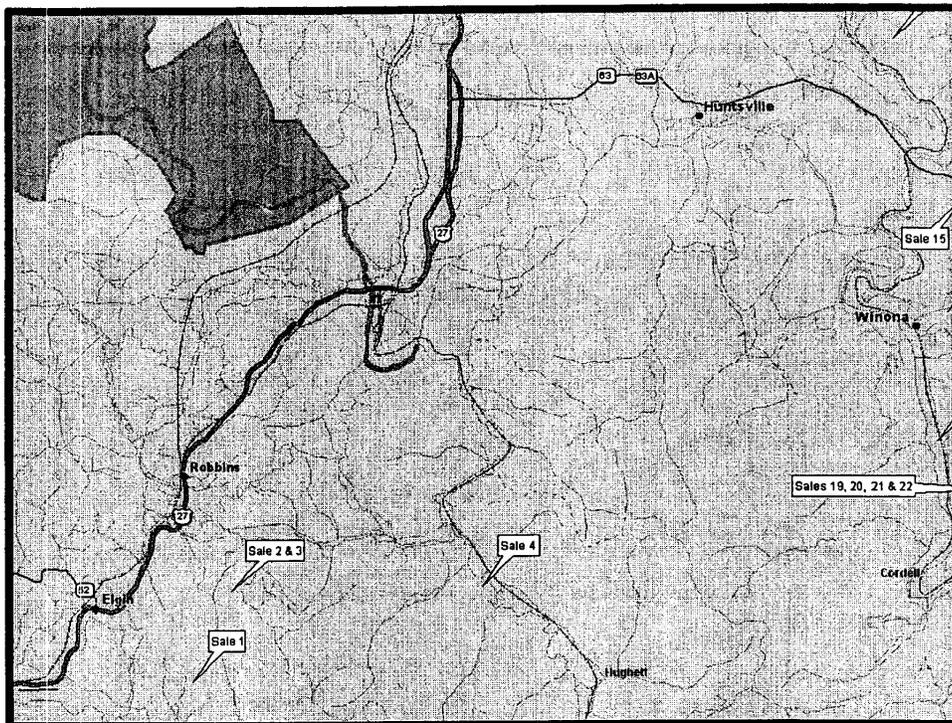


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Scott County Residential and Agricultural Sales

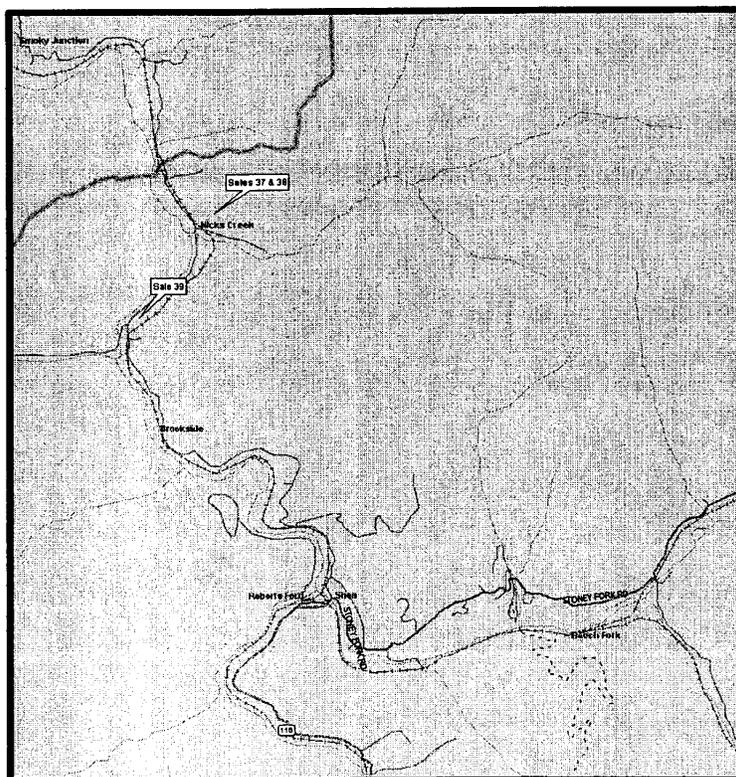
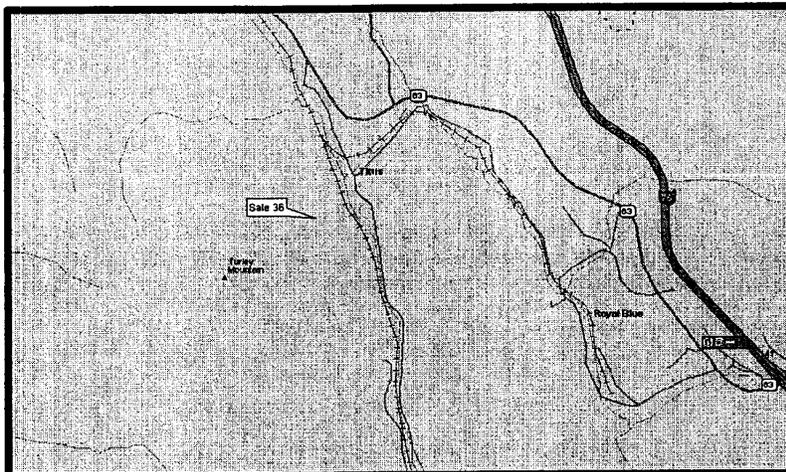


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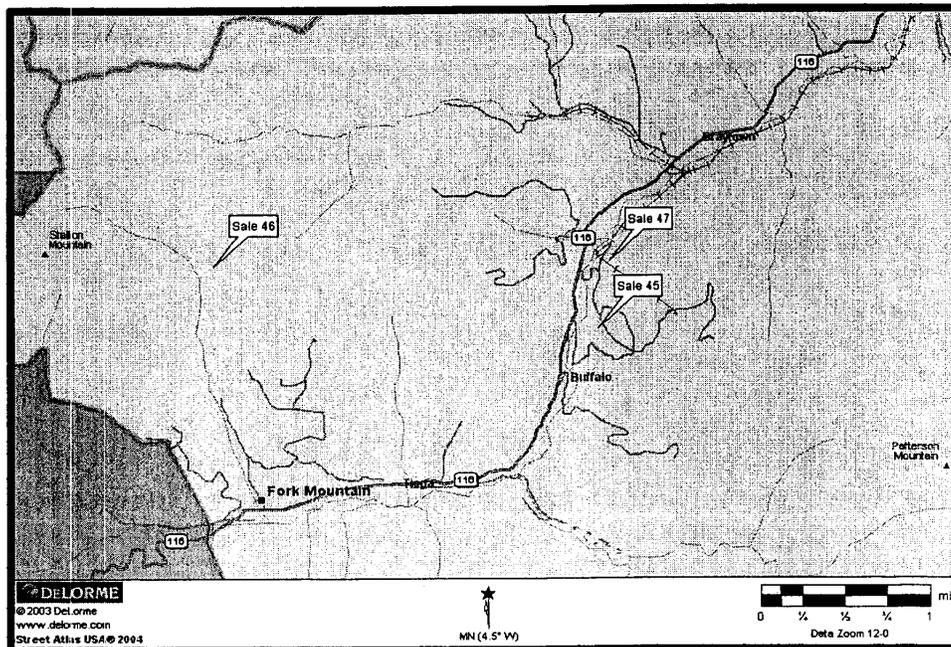
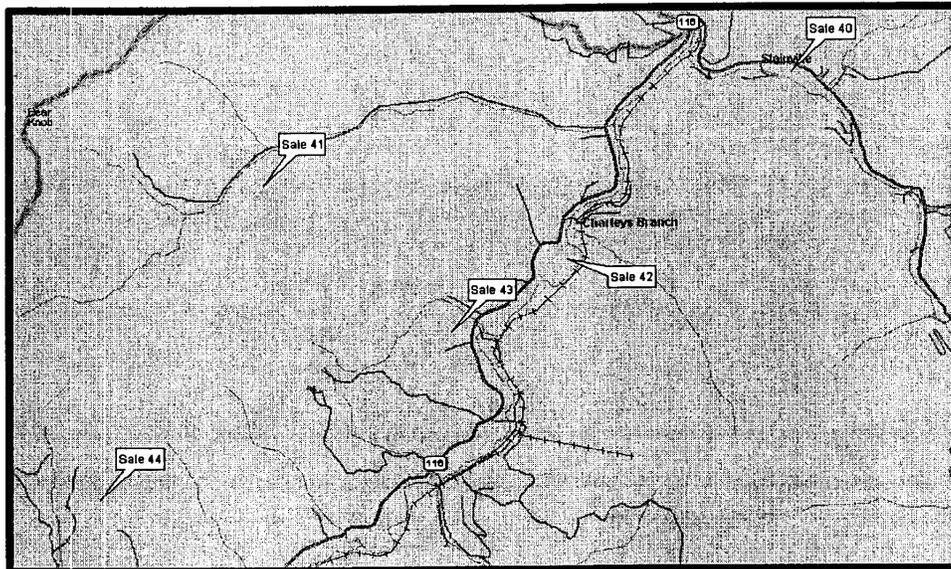
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Campbell County Residential and Agricultural Sales



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Anderson County Residential and Agricultural Sales



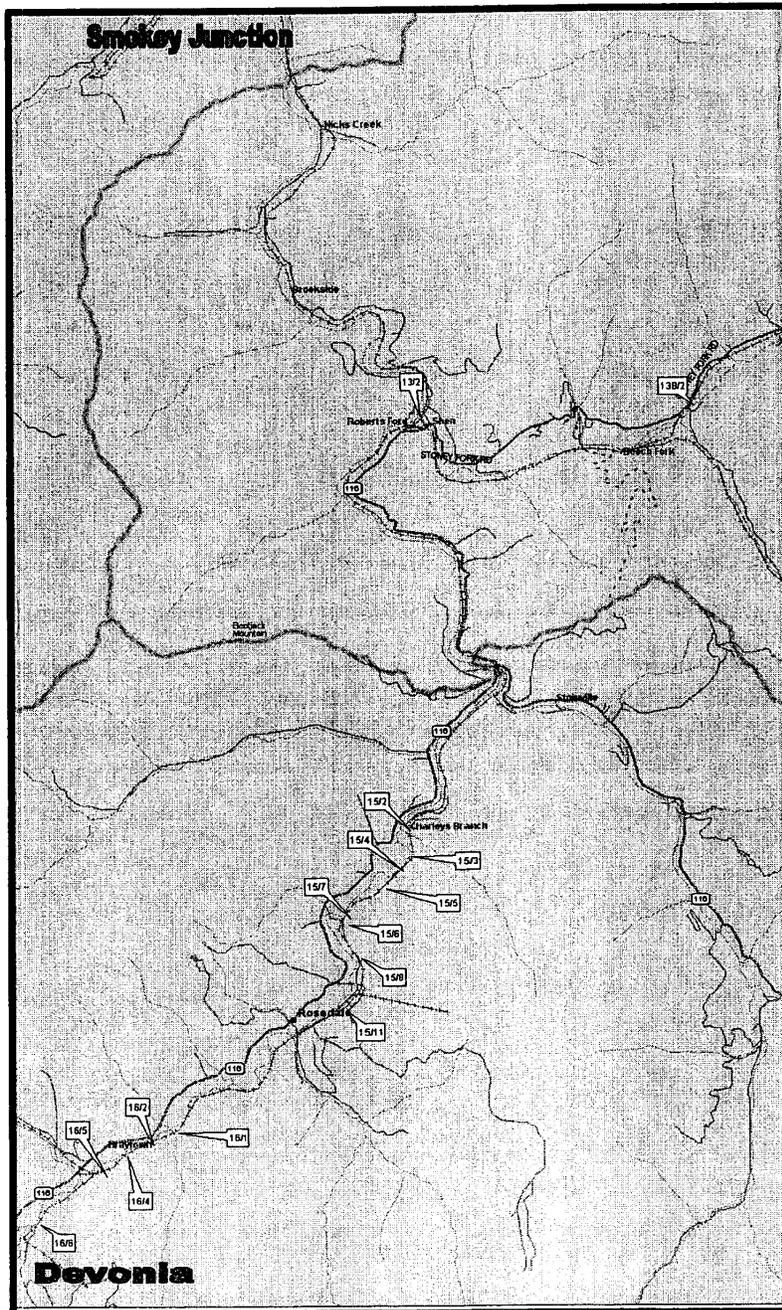
White, McPherson and Tuck, LLC

ANALYSIS OF SMOKEY JUNCTION TO DEVONIA SEGMENT

One of the segments requested extends from Smokey Junction at Milepost TE 27.96 to Milepost TE 42.00 in Devonia, Tennessee. This segment contains 15 parcels summarized below. The identifications are based on Norfolk Southern's identification map and associated parcel number.

| Milepost TE 27.96 to TE 42.00 | | | | |
|-------------------------------|--------|------------|-----------------------------|--------------|
| Map | Parcel | Size/Acres | Location | Topography |
| 13 | 2 | 0.73 | Roberts Ford | Pasture Area |
| 13B | 2 | 5.74 | Round Rock Creek | Pasture Area |
| 15 | 2 | 2.70 | Charley's Branch | Pasture Area |
| 15 | 3 | 0.87 | S. of Charley's Branch | Mountainous |
| 15 | 4 | 1.06 | S. of Charley's Branch | Mountainous |
| 15 | 5 | 1.36 | Goodman Lane | Mountainous |
| 15 | 6 | 5.34 | Goodman Lane | Mountainous |
| 15 | 7 | 0.23 | Goodman Lane | Mountainous |
| 15 | 8 | 3.55 | Off Phillips Cemetary Ln | Mountainous |
| 15 | 11 | 1.56 | Off Phillips Cemetary Ln | Mountainous |
| 15 | 1 | 5.29 | Slick Rock Branch | Mountainous |
| 15 | 2 | 4.89 | South West of Ursery Branch | Mountainous |
| 15 | 4 | 5.56 | NE of Indian Fork Rd | Mountainous |
| 15 | 5 | 0.95 | Indian Fork Road | Mountainous |
| 15 | 6 | 5.90 | Off Dunlap & Moore Rd | Mountainous |

We have included a location map for the subject parcels on the following page. The map identifies the subject tracts based on Norfolk Southern's map and parcel identification numbers. The subject locations are based on our calculations from the plans provided by the client.



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In our opinion, the comparable sales identified earlier in this report which are comparable to the subject tracts include all the Campbell County and Anderson County Sales. The Scott County sales which are comparable include Sales 27 through 32 in the summary table. The subject properties are located in one of two topographical areas. These include pasture areas and mountainous areas. We have broken down the subject tracts according to these two type areas in the following tables. We will analyze the appropriate sales for determining an across-the-fence value for each type property.

Analysis of Pasture Areas

| Map | Parcel | Size/Acres | Location | Topography |
|-----|--------|------------|------------------|--------------|
| 13 | 2 | 0.73 | Roberts Ford | Pasture Area |
| 13B | 2 | 5.74 | Round Rock Creek | Pasture Area |
| 15 | 2 | 2.70 | Charley's Branch | Pasture Area |

This land evaluation analyzes five comparable sales then arriving at an estimated across-the-fence value for the subject properties located in the pasture areas between Smokey Junction Milepost TE 27.96 and Devonia Milepost 42.00. The sales are adjusted to account for differences between the subject and the comparable sales. The quantitative adjustments include property rights, financing, conditions of sale, and market conditions. The qualitative analysis is subjective and influences the direction of value instead of calculating a specific amount. These influential items include location, topography, access, utility and size. The subject and all comparable sites are analyzed on a per acre basis. This market typically identifies sites in this area on a per acre basis.

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

| Comparable Sale Adjustment Grid | | | | | | |
|----------------------------------|-----------------------|----------------|----------------|---------------|----------------|----------------|
| | Subject Parcels | Sale 28 | Sale 36 | Sale 37 | Sale 39 | Sale 42 |
| Unadjusted Sales Price | | \$8,000 | \$3,196 | \$30,000 | \$5,000 | \$67,500 |
| Market Adjustments | | | | | | |
| Property Rights | Fee | Fee | Fee | Fee | Fee | Fee |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 8,000 | 3,196 | 30,000 | 5,000 | 67,500 |
| Financing | Market | Market | Market | Market | Market | Market |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 8,000 | 3,196 | 30,000 | 5,000 | 67,500 |
| Conditions of Sale | Arm's length | Arm's- length | Arm's- length | Arm's- length | Arm's- length | Arm's- length |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 8,000 | 3,196 | 30,000 | 5,000 | 67,500 |
| Market Conditions | %/annum | | | | | |
| Time since sale(years) | Current | 2.4 | 1.8 | 0.8 | 1.80 | 2.4 |
| Adjustment% | | 0% | 0% | 0% | 0% | 0% |
| Adjustment Amount | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 8,000 | 3,196 | 30,000 | 5,000 | 67,500 |
| Size of Subject Parcels | Varies | 13.170 | 7.520 | 57.000 | 13.510 | 114.960 |
| Adjusted Price/Acre | | \$607 | \$425 | \$526 | \$370 | \$587 |
| QUALITATIVE ADJUSTMENTS | | | | | | |
| Location | Campbell/Anderson Cty | Similar | Similar | Similar | Similar | Similar |
| Adjustment | | = | = | = | = | = |
| Topography | Rolling Pasture | Similar | Similar | Inferior | Similar | Similar |
| Adjustment | | = | = | + | = | = |
| Access | Average | Average | Average | Average | Average | Average |
| Adjustment | | = | = | = | = | = |
| Utilities | Water, electric | Similar | Similar | Similar | Similar | Similar |
| Adjustment | | = | = | = | = | = |
| Size/Acres | Varies | 13.17 | 7.52 | 57 | 13.51 | 114.96 |
| Adjustment | | = | = | = | = | = |
| Net Qualitative Adj. | | = | = | + | = | = |
| Adjusted Sales Price/Acre | | \$607 | \$425 | \$526 | \$370 | \$587 |
| Typical Indication/Acre | | Equal to \$607 | Equal to \$425 | Above \$526 | Equal to \$370 | Equal to \$587 |

Explanation of Adjustments

Property Rights

The property rights appraised in this report consist of the fee simple estate. The property rights conveyed in all comparable sales transactions consist of the fee simple estate. Therefore, no adjustment is required.

Financing

The financing for all sales transactions were cash transactions or market oriented financing. As a result, no adjustment is required.

White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

Conditions of Sale

All sales were arm's-length transactions. As a result, no adjustment is required.

Market Conditions

We did not locate any recent sales and resales of land in this area to support a market conditions adjustment. The sales used are recent sales. As a result, we did not apply a market conditions adjustment.

Location

The subject properties are located in various locations along the railroad right-of-way from Smokey Junction to Devonia, Tennessee. All sales analyzed are located in this area equal to the subject properties.

Topography

The subject properties feature pasture land along the river and railroad right-of-way. Comparables 28, 26, 39 and 42 feature similar topography compared to the subject. As a result, no adjustment is warranted. Sale 37 features inferior topography and required an upward adjustment.

Access

Since this report is based on the highest and best non-rail use, no adjustment is warranted for access. The subject properties would have equal access from their respective surrounding properties.

Utilities

The subject properties and sales have electricity and water available. As a result, no adjustment is warranted.

Size

The subject properties contain from 0.73 acres to 5.74 acres. The comparable sales range from 7.52 acres up to 114.96 acres. We noted the two largest sales fall into the higher end of the range. As a result, we did not apply a size adjustment.

Analysis of Sales

The sales indicate a unit value range for the subject properties between \$370 and \$607 per acre. Three of the comparables lean to a figure above \$525 per acre and below \$607 per acre after applying the qualitative adjustments. Based on the subject properties size, location, topography, utilities and access, we conclude the across the fence value for these subject properties totals \$550 per acre. We have included a summary table on the following page.

White, McPherson and Tuck, LLC

| VALUE OPINION SUMMARY OF PASTURE AREAS | | | | |
|--|--------|------------|-----------------------------|------------------------|
| Map | Parcel | Size/Acres | Across The Fence Value/Acre | Value Opinion, Rounded |
| 13 | 2 | 0.73 | \$550 | \$ 400 |
| 13B | 2 | 5.74 | \$550 | \$3,200 |
| 15 | 2 | 2.70 | \$550 | \$1,500 |

Analysis of Mountainous Areas

| Map | Parcel | Size/Acres | Location/Area | Topography |
|-----|--------|------------|--------------------------|-------------|
| 15 | 3 | 0.87 | S. of Charley's Branch | Mountainous |
| 15 | 4 | 1.06 | S. of Charley's Branch | Mountainous |
| 15 | 5 | 1.36 | Goodman Lane | Mountainous |
| 15 | 6 | 5.34 | Goodman Lane | Mountainous |
| 15 | 7 | 0.23 | Goodman Lane | Mountainous |
| 15 | 8 | 3.55 | Off Phillips Cemetery Ln | Mountainous |
| 15 | 11 | 1.56 | Off Phillips Cemetery Ln | Mountainous |
| 16 | 1 | 5.29 | Slick Rock Branch | Mountainous |
| 16 | 2 | 4.89 | SW of Urserly Branch | Mountainous |
| 16 | 4 | 5.56 | NE of Indian Fork Rd | Mountainous |
| 16 | 5 | 0.95 | Indian Fork Road | Mountainous |
| 16 | 6 | 5.90 | Off Dunlap & Moore Rd | Mountainous |

This land evaluation analyzes five comparable sales then arriving at an estimated across the fence value for the subject properties located in the mountainous areas between Smokey Junction Milepost TE 27.96 and Devonia Milepost 42.00. The sales are adjusted to account for differences between the subject and the comparable sales. The quantitative adjustments include property rights, financing, conditions of sale, and market conditions. The qualitative analysis is subjective and influences the direction of value instead of calculating a specific amount. These influential items include location, topography, access, utility and size. The subject and all comparable sites are analyzed on a per acre basis. This market typically identifies sites in this area on a per acre basis.

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

| Comparable Sale Adjustment Grid | | | | | | |
|----------------------------------|-----------------------|----------------|----------------|----------------|----------------|----------------|
| | Subject Parcels | Sale 30 | Sale 31 | Sale 34 | Sale 35 | Sale 40 |
| Unadjusted Sales Price | | \$30,000 | \$50,000 | \$6,000 | \$10,000 | \$32,900 |
| Market Adjustments | | | | | | |
| Property Rights | Fee | Fee | Fee | Fee | Fee | Fee |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 30,000 | 50,000 | 6,000 | 10,000 | 32,900 |
| Financing | Market | Market | Market | Market | Market | Market |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 30,000 | 50,000 | 6,000 | 10,000 | 32,900 |
| Conditions of Sale | Arm's length | Arm's length | Arm's length | Arm's length | Arm's length | Arm's length |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 30,000 | 50,000 | 6,000 | 10,000 | 32,900 |
| Market Conditions | %/annum | | | | | |
| Time since sale(years) | Current | 3 | 1.1 | 3.8 | 3.60 | 3.8 |
| Adjustment% | | 0% | 0% | 0% | 0% | 0% |
| Adjustment Amount | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 30,000 | 50,000 | 6,000 | 10,000 | 32,900 |
| Size of Subject Parcels | Varies | 65.997 | 231.170 | 27.200 | 40.400 | 69.600 |
| Adjusted Price/Acre | | \$455 | \$216 | \$221 | \$248 | \$473 |
| QUALITATIVE ADJUSTMENTS | | | | | | |
| Location | Campbell/Anderson Cty | Similar | Similar | Similar | Similar | Similar |
| Adjustment | | = | = | = | = | = |
| Topography | Mountainous | Similar | Similar | Similar | Similar | Similar |
| Adjustment | | = | = | = | = | = |
| Access | Average | Average | Average | Average | Average | Average |
| Adjustment | | = | = | = | = | = |
| Utilities | Water, electric | Similar | Similar | Similar | Similar | Similar |
| Adjustment | | = | = | = | = | = |
| Size/Acres | Varies | 65.997 | 231.17 | 27.2 | 40.4 | 69.6 |
| Adjustment | | = | = | = | = | = |
| Net Quantitative Adj. | | = | = | = | = | = |
| Adjusted Sales Price/Acre | | \$455 | \$216 | \$221 | \$248 | \$473 |
| Typical Indication/Acre | | Equal to \$455 | Equal to \$216 | Equal to \$221 | Equal to \$248 | Equal to \$473 |

Explanation of Adjustments

Property Rights

The property rights appraised in this report consist of the fee simple estate. The property rights conveyed in all comparable sales transactions consist of the fee simple estate. Therefore, no adjustment is required.

Financing

The financing for all sales transactions were cash transactions or market oriented financing. As a result, no adjustment is required.

White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

Conditions of Sale

All sales were arm's-length transactions. As a result, no adjustment is required.

Market Conditions

We did not locate any recent sales and resales of land in this area to support a market conditions adjustment. The sales used are recent sales. As a result, we did not apply a market conditions adjustment.

Location

The subject properties are located in various locations along the railroad right-of-way from Smokey Junction to Devonia, Tennessee. All sales analyzed are located in this area equal to the subject properties.

Topography

The subject properties feature mountainous land along the river and railroad right-of-way. All comparables feature similar topography compared to the subject. As a result, no adjustment is warranted.

Access

Since this report is based on the highest and best non-rail use, no adjustment is warranted for access. The subject properties would have equal access from their respective surrounding properties.

Utilities

The subject properties and sales have electricity and water available. As a result, no adjustment is warranted.

Size

The subject properties contain from 0.23 acres to 5.9 acres. The comparable sales range from 27.2 acres up to 231.17 acres. Typically, we find that smaller parcels sell for higher unit prices and vice versa. However, we noted the smallest sales fall into the lower end of the range. As a result, we did not apply a size adjustment.

Analysis of Sales

The sales indicate a unit value range for the subject properties between \$216 and \$473 per acre. Three of the comparables lean to a figure around \$250 per acre. Two of the comparables indicate a value around \$450 per acre. Based on the subject properties size, location, topography, utilities and access, we conclude the across the fence value for these subject properties totals \$350 per acre. We have included a summary table on the following page.

White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR**

| VALUE OPINION SUMMARY OF MOUNTAINOUS AREAS | | | | |
|---|---------------|-------------------|------------------------------------|-------------------------------|
| Map | Parcel | Size/Acres | Across the Fence Value/Acre | Value Opinion, Rounded |
| 15 | 3 | 0.87 | \$350 | \$ 300 |
| 15 | 4 | 1.06 | \$350 | \$ 400 |
| 15 | 5 | 1.36 | \$350 | \$ 500 |
| 15 | 6 | 5.34 | \$350 | \$1,900 |
| 15 | 7 | 0.23 | \$350 | \$ 100 |
| 15 | 8 | 3.55 | \$350 | \$1,200 |
| 15 | 11 | 1.56 | \$350 | \$ 500 |
| 16 | 1 | 5.29 | \$350 | \$1,900 |
| 16 | 2 | 4.89 | \$350 | \$1,700 |
| 16 | 4 | 5.56 | \$350 | \$1,900 |
| 16 | 5 | 0.95 | \$350 | \$ 300 |
| 16 | 6 | 5.90 | \$350 | \$2,100 |

We have included a value opinion summary table below for all subject properties between Smokey Junction Milepost TE 27.96 and Devonia Milepost TE 42.00.

| VALUE OPINION SUMMARY SMOKEY JUNCTION TO DEVONIA | | | | |
|---|---------------|-------------------|------------------------------------|-------------------------------|
| Map | Parcel | Size/Acres | Across the Fence Value/Acre | Value Opinion, Rounded |
| 13 | 2 | 0.73 | \$550 | \$ 400 |
| 13B | 2 | 5.74 | \$550 | \$3,200 |
| 15 | 2 | 2.70 | \$550 | \$1,500 |
| 15 | 3 | 0.87 | \$350 | \$ 300 |
| 15 | 4 | 1.06 | \$350 | \$ 400 |
| 15 | 5 | 1.36 | \$350 | \$ 500 |
| 15 | 6 | 5.34 | \$350 | \$1,900 |
| 15 | 7 | 0.23 | \$350 | \$ 100 |
| 15 | 8 | 3.55 | \$350 | \$1,200 |
| 15 | 11 | 1.56 | \$350 | \$ 500 |
| 16 | 1 | 5.29 | \$350 | \$1,900 |
| 16 | 2 | 4.89 | \$350 | \$1,700 |
| 16 | 4 | 5.56 | \$350 | \$1,900 |
| 16 | 5 | 0.95 | \$350 | \$ 300 |
| 16 | 6 | 5.90 | \$350 | \$2,100 |

White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR****ANALYSIS OF ONEIDA TO SMOKEY JUNCTION SEGMENT**

One of the segments requested extends from Oneida at Milepost TE 0.95 to Milepost TE 27.96 in Smokey Junction, Scott County, Tennessee. This segment contains 39 parcels summarized below. The identifications are based on Norfolk Southern's identification map and associated parcel number.

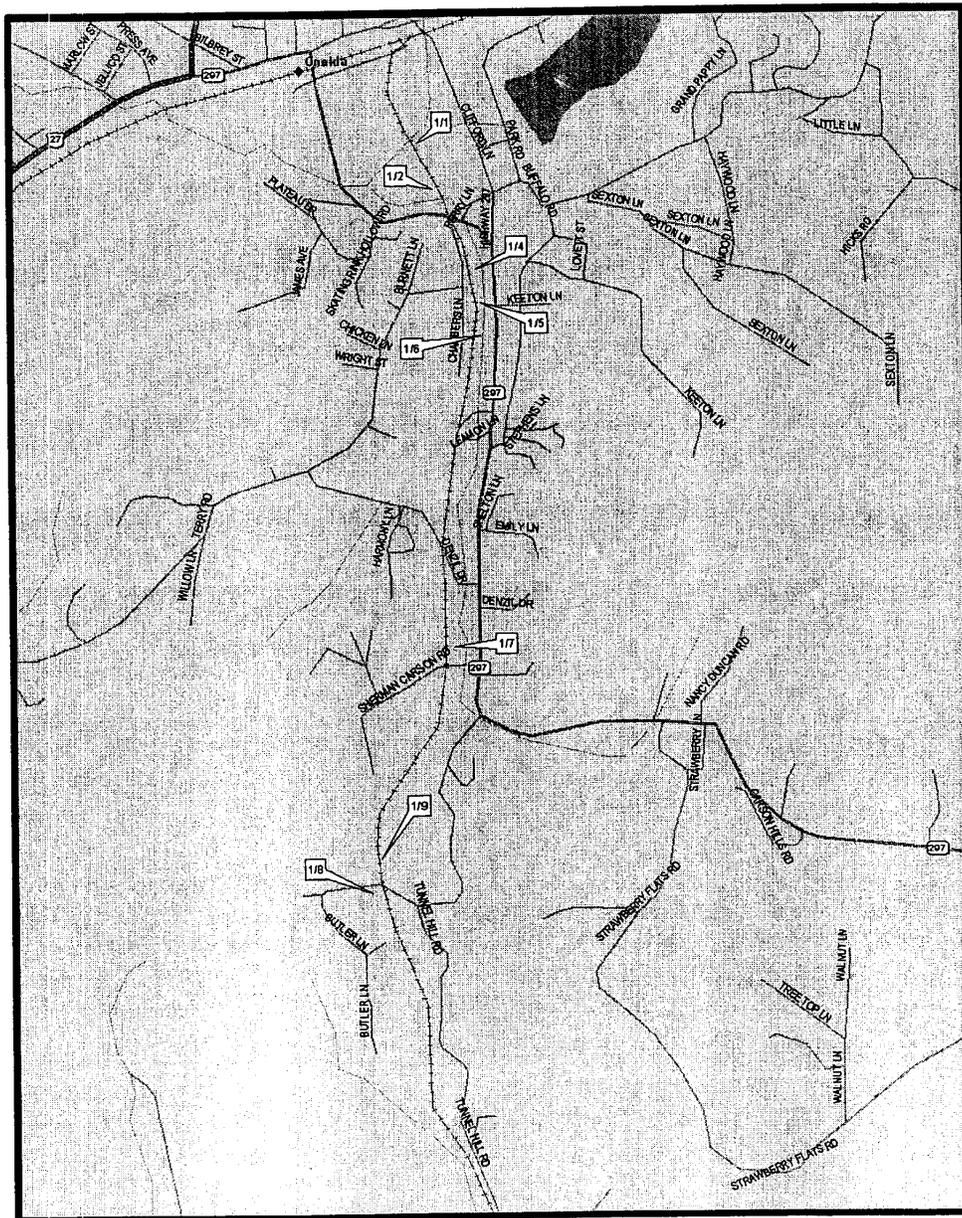
| Milepost TE 0.95 to TE 27.96 | | | | |
|------------------------------|--------|------------|----------------------------------|-----------------|
| Map | Parcel | Size/Acres | Location | Topography |
| 1 | 1 | 18.69 | Oneida-Industrial | Level |
| 1 | 2 | 2.69 | Oneida-Industrial | Level |
| 1 | 4 | 0.26 | Oneida-Residential | Level |
| 1 | 5 | 0.26 | Oneida-Residential | Level |
| 1 | 6 | 0.26 | Oneida-Residential | Level |
| 1 | 7 | 3.80 | Sherman Carson Rd | Gently rolling |
| 1 | 8 | 4.30 | Butler Lane | Gently rolling |
| 1 | 9 | 0.80 | Butler Lane | Gently rolling |
| 2 | 2 | 25.00 | Phillips Cemetery Rd | Mountainous |
| 3 | 2 | 0.29 | Stanley Junction-Deck Jeffers Ln | Gently rolling |
| 3 | 3 | 4.25 | Huntsville Hill Rd | Gently rolling |
| 3 | 4 | 4.25 | Roy Lee Phillips Rd | Mountainous |
| 3 | 6 | 4.82 | Opposite Phillips Flats Rd | Mountainous |
| 3 | 7 | 8.38 | Opposite Phillips Flats Rd | Mountainous |
| 3 | 8 | 1.98 | Oneida Paint Rock Rd | Mountainous |
| 3 | 9 | 2.28 | Oneida Paint Rock Rd | Mountainous |
| 3 | 10 | 4.59 | West of Mine Rock Road | Mountainous |
| 3 | 11 | 3.66 | West of Mine Rock Road | Mountainous |
| 4 | 2 | 5.04 | West Hill Rd | Mountainous |
| 4 | 3 | 8.33 | West Hill Rd | Mountainous |
| 4 | 5 | 2.40 | N. of Old Hwy 63 | Mountainous |
| 5 | 1 | 3.81 | Hwy 63 Bridge over RR | Mountainous |
| 6 | 2 | 3.44 | Newport Cemetery Rd | Rolling Pasture |
| 6 | 3 | 2.67 | Winona Rd-Winona | Rolling Pasture |
| 6A | 1 | 2.98 | Bridge across Buffalo Creek | Rolling Pasture |
| 7 | 1 | 6.70 | Winona Rd-Winona | Rolling Pasture |
| 7 | 3 | 3.34 | Cordell Rd-N. of Bull Creek | Mountainous |
| 7 | 4 | 7.70 | Cordell Rd-N. of Bull Creek | Mountainous |
| 9 | 2 | 3.54 | End of Mill Branch Rd | Mountainous |
| 9 | 3 | 5.26 | Between Mill Branch Rd & Lawson | Mountainous |
| 9 | 4 | 9.35 | End of Lawson Rd | Mountainous |
| 10 | 3 | 40.65 | Norma Rd S. of RR Split | Mountainous |
| 10 | 5 | 1.12 | Norma Rd S. of RR Split | Mountainous |
| 11 | 2 | 10.43 | Norma Rd | Mountainous |
| 11 | 3 | 2.12 | Norma Rd | Mountainous |
| 11 | 5 | 3.47 | Shea Rd-E. of Smokey Junction | Mountainous |
| 12 | 4 | 0.87 | Shea Rd-N. of Campbell Cty Line | Mountainous |
| 12 | 5 | 1.25 | Shea Rd-N. of Campbell Cty Line | Mountainous |
| 12 | 7 | 1.80 | Shea Rd-N. of Campbell Cty Line | Mountainous |

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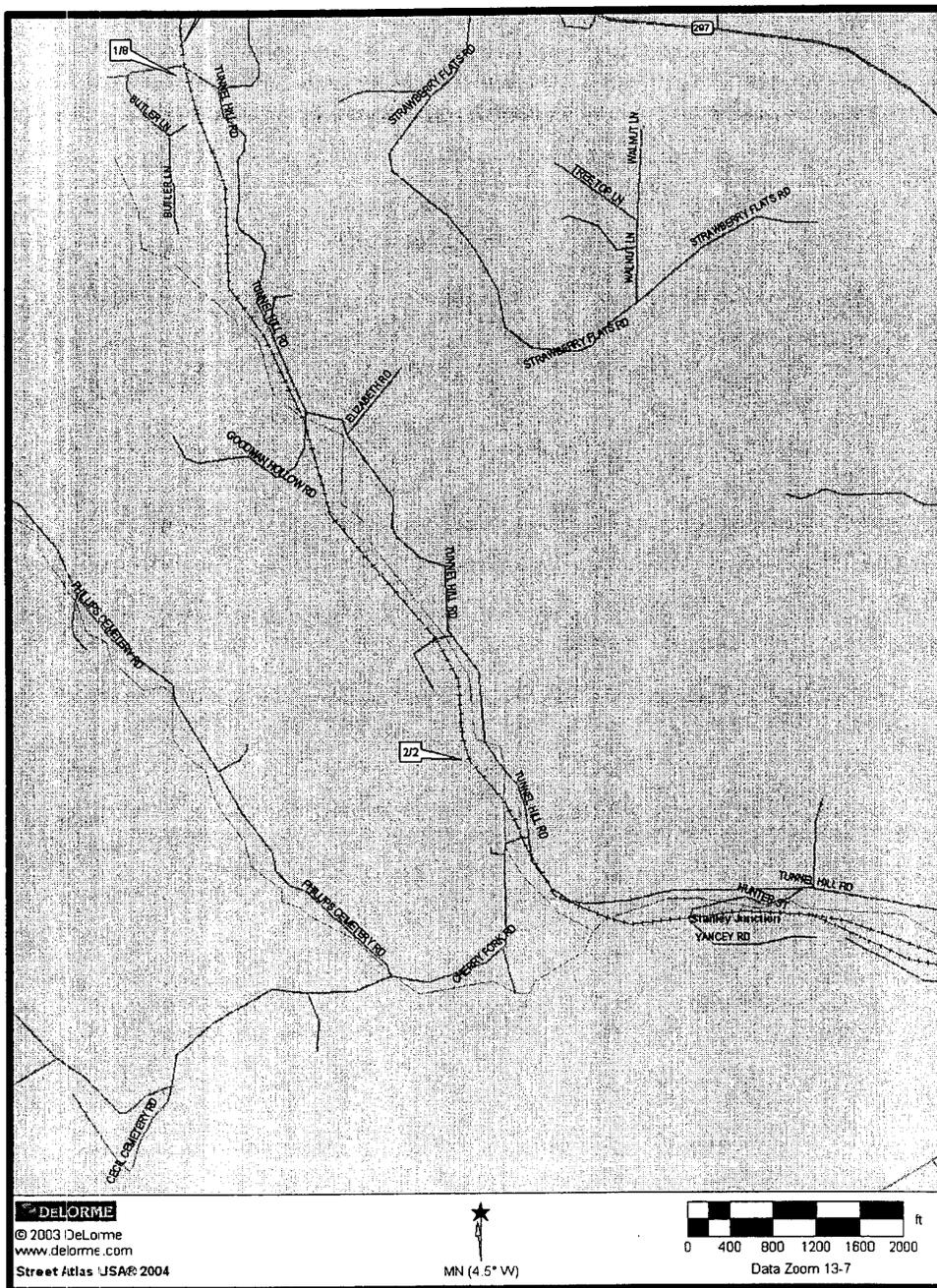
APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

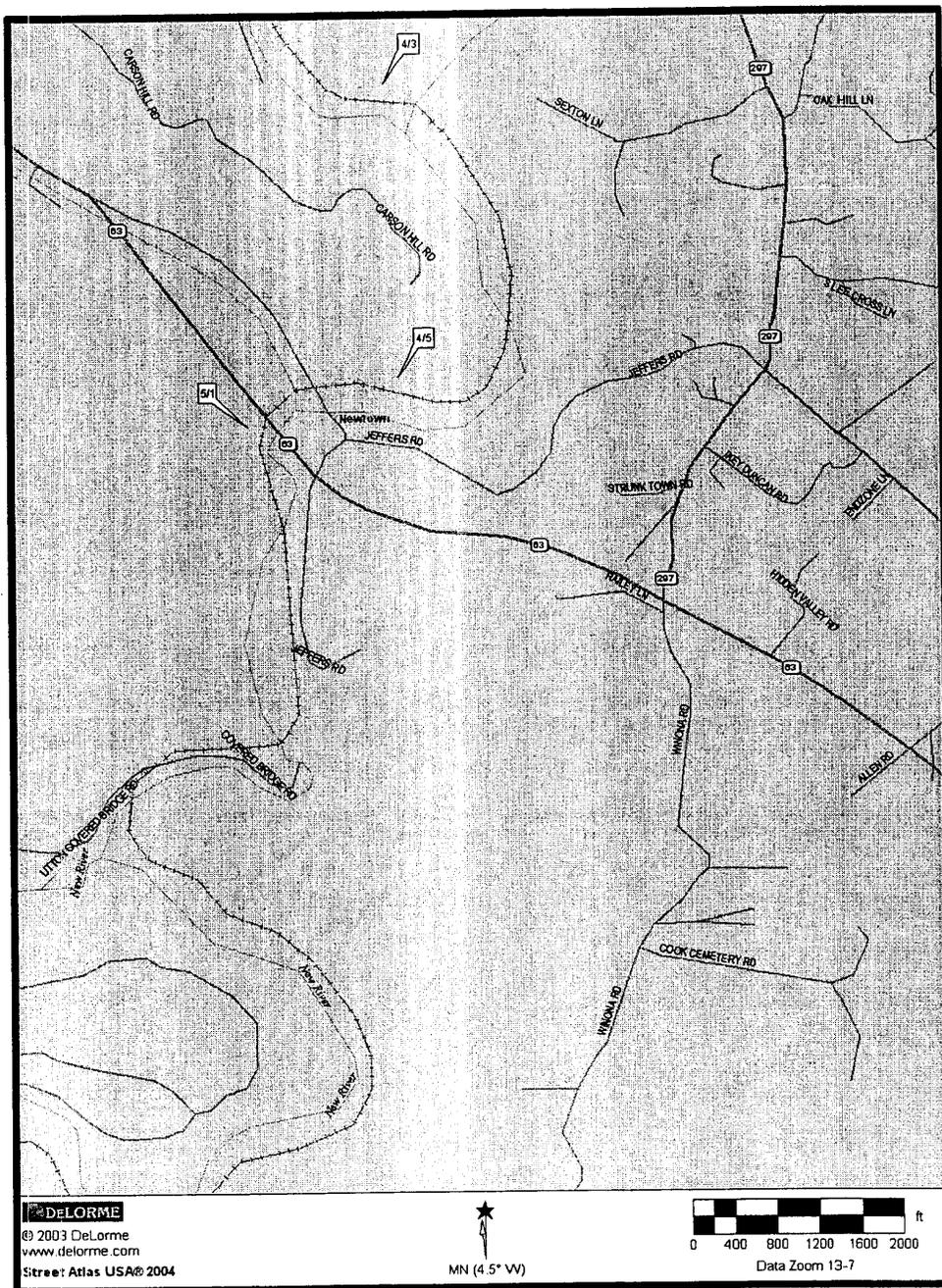
We have included a location map for the subject parcels as follows. The maps identify the subject tracts based on Norfolk Southern's map and parcel identification numbers. The subject locations are based on our calculations from the plans provided by the client.



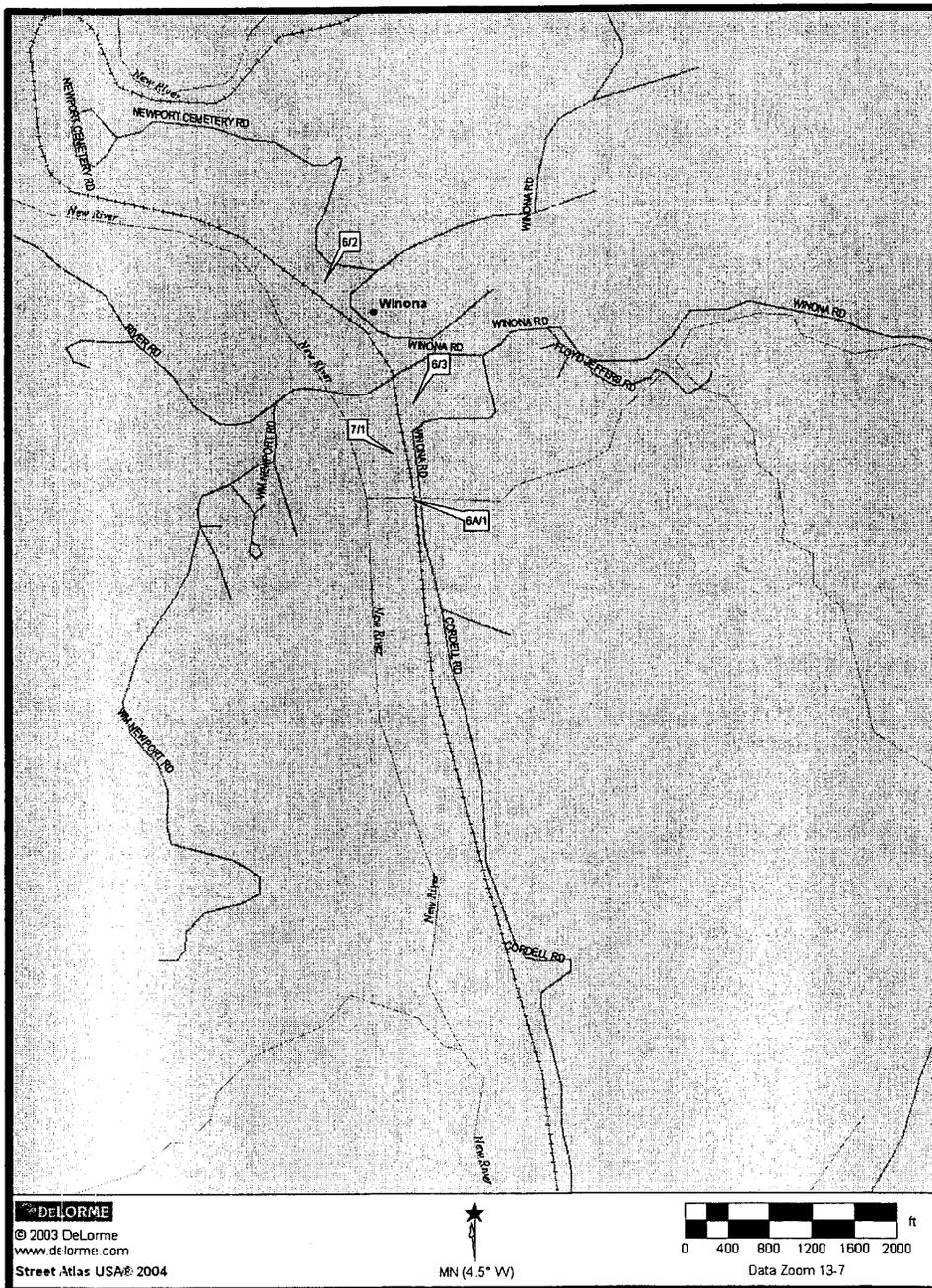
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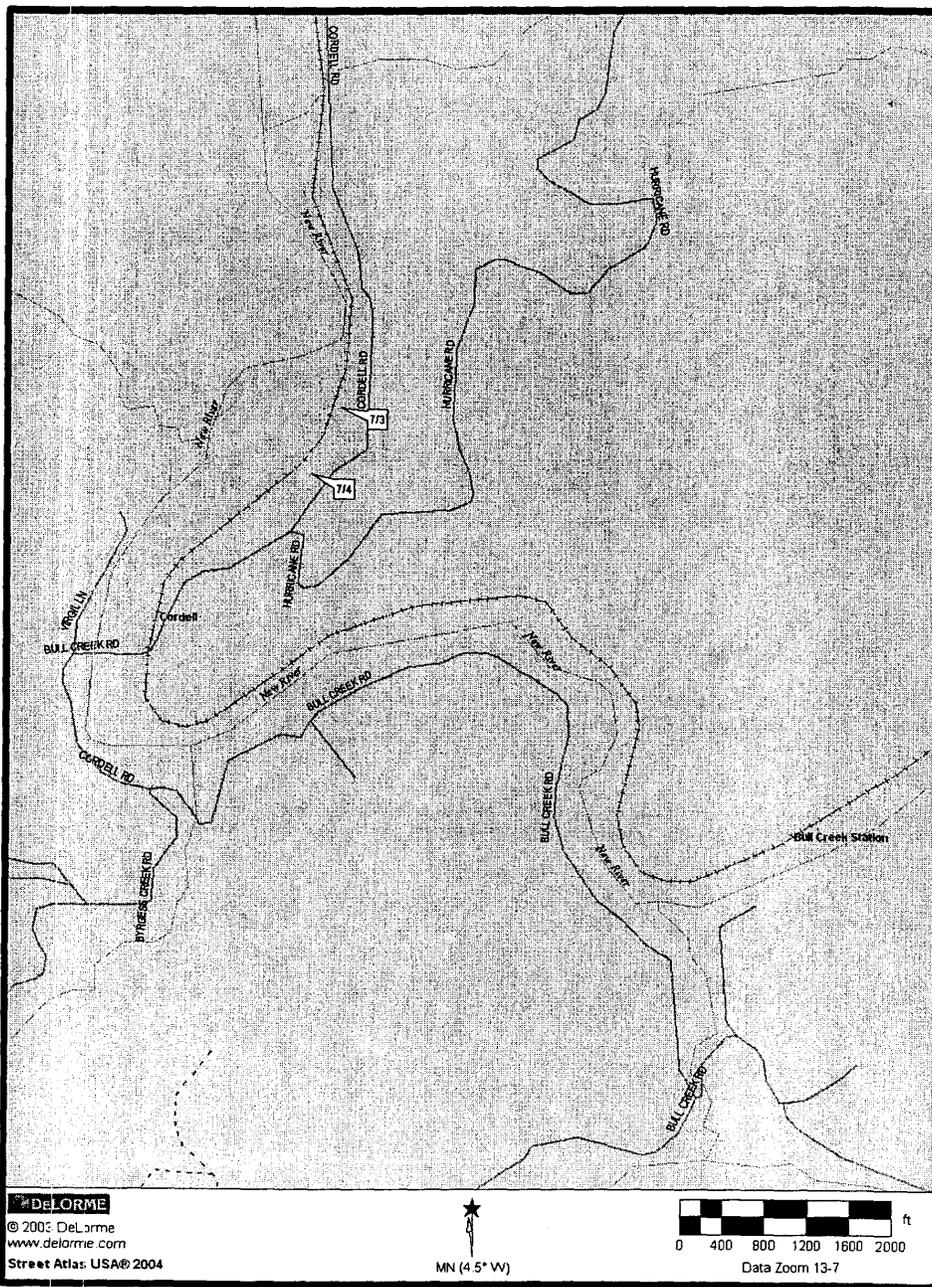
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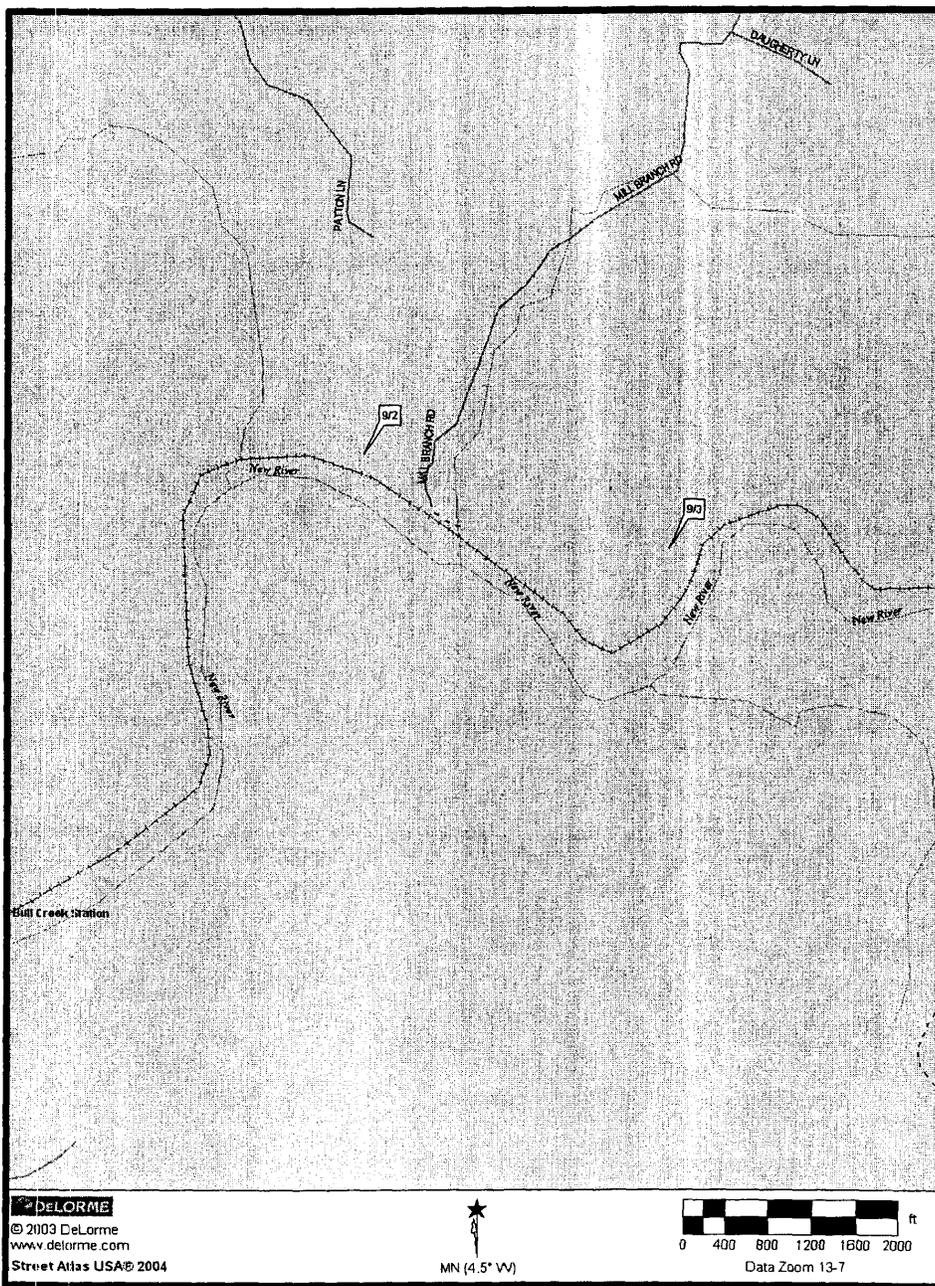
White, McPherson and Tuck, LLC



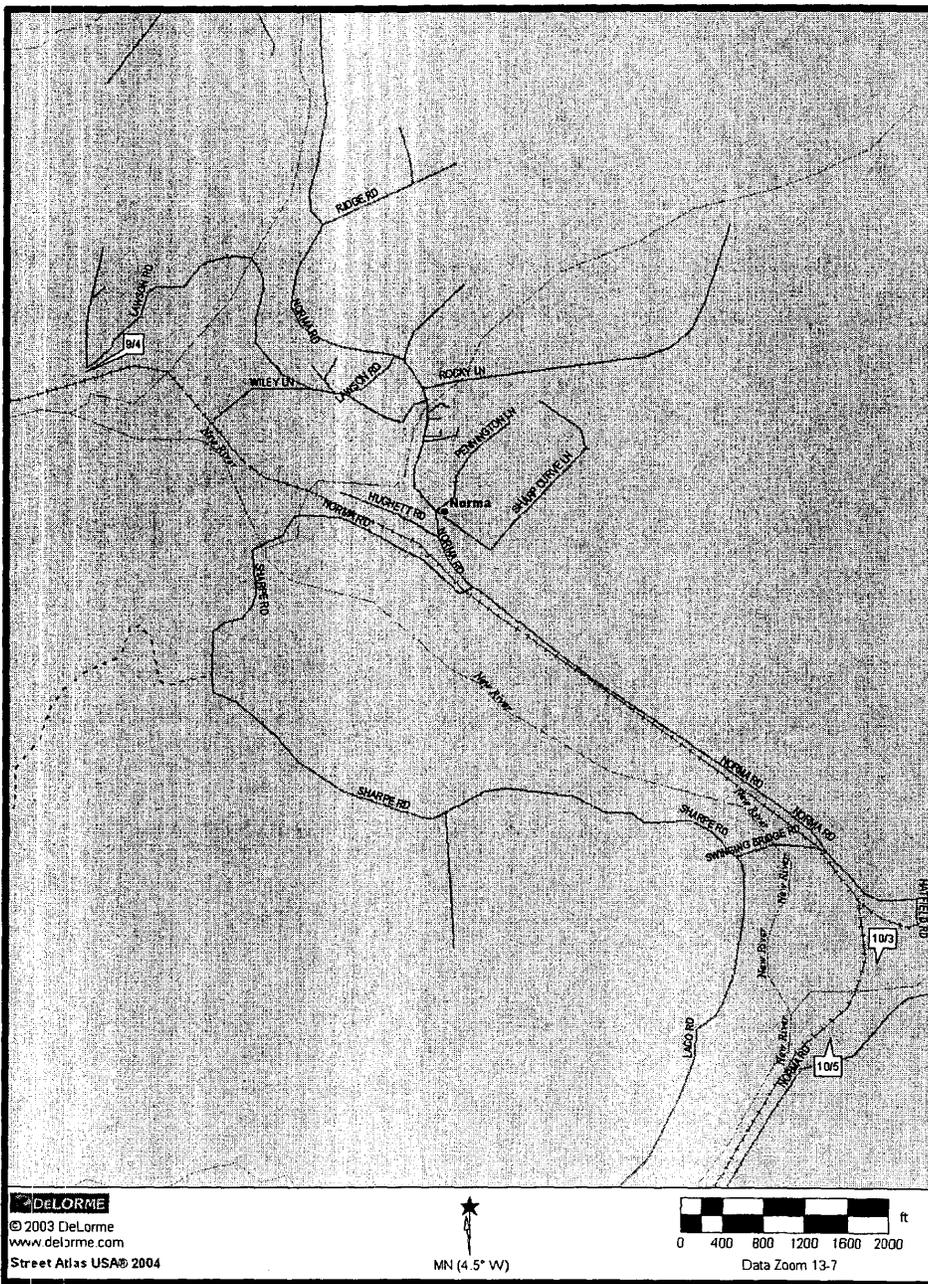
White, McPherson and Tuck, LLC



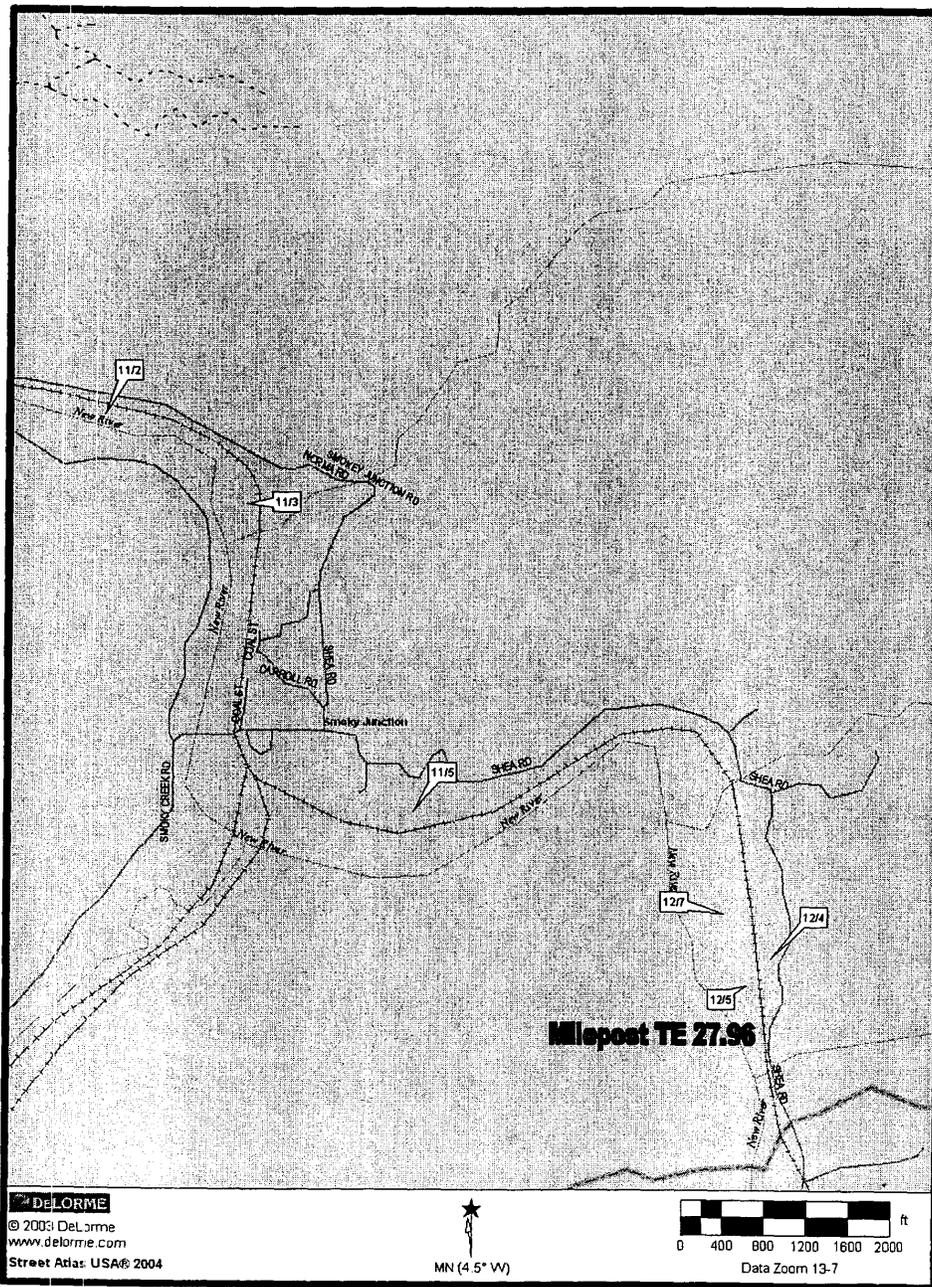
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In our opinion, the comparable sales identified earlier in this report which are comparable to the subject tracts include all the Scott County and Campbell County Sales. The subject properties are located in one of three use areas. These include an industrial area in Oneida, residential/pasture areas and mountainous areas. We have broken down the subject tracts according to these three type areas in the following tables. We will analyze the appropriate sales for determining an across-the-fence value for each type property.

Analysis of Industrial Areas

| Map | Parcel | Size/Acres | Location | Topography |
|-----|--------|------------|-------------------|------------|
| 1 | 1 | 18.69 | Oneida-Industrial | Level |
| 1 | 2 | 2.69 | Oneida-Industrial | Level |

This land evaluation analyzes three comparable industrial land sales then arriving at an estimated across-the-fence value for the subject properties located in the industrial area in Oneida near Milepost TE 0.95. The sales are adjusted to account for differences between the subject and the comparable sales. The quantitative adjustments include property rights, financing, conditions of sale, and market conditions. The qualitative analysis is subjective and influences the direction of value instead of calculating a specific amount. These influential items include location, topography, access, utility and size. The subject and all comparable sites are analyzed on a per acre basis. This market typically identifies sites in this area on a per acre basis.

White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

| Comparable Sale Adjustment Grid | | | | |
|----------------------------------|-----------------|----------------|----------------|-----------------|
| | Subject Parcels | Sale 1 | Sale 2 | Sale 3 |
| Unadjusted Sales Price | | \$115,000 | \$45,000 | \$31,000 |
| Market Adjustments | | | | |
| Property Rights | Fee | Fee | Fee | Fee |
| Adjustment | | 0 | 0 | 0 |
| Adjusted Price | | 115,000 | 45,000 | 31,000 |
| Financing | Market | Market | Market | Market |
| Adjustment | | 0 | 0 | 0 |
| Adjusted Price | | 115,000 | 45,000 | 31,000 |
| Conditions of Sale | Arm's length | Arm's- length | Arm's- length | Arm's- length |
| Adjustment | | 0 | 0 | 0 |
| Adjusted Price | | 115,000 | 45,000 | 31,000 |
| Market Conditions | %/annum | | | |
| Time since sale(years) | Current | 3.6 | 1.8 | 3 |
| Adjustment% | | 0% | 0% | 0% |
| Adjustment Amount | | 0 | 0 | 0 |
| Adjusted Price | | 115,000 | 45,000 | 31,000 |
| Size of Subject Parcels | Varies | 15.040 | 7.260 | 1.010 |
| Adjusted Price/Acre | | \$7,646 | \$6,198 | \$30,693 |
| QUALITATIVE ADJUSTMENTS | | | | |
| Location | Oneida | Similar | Similar | Superior |
| Adjustment | | = | = | - |
| Topography | Level | Similar | Inferior | Similar |
| Adjustment | | = | + | = |
| Access | Average | Average | Average | Average |
| Adjustment | | = | = | = |
| Utility | Industrial | Industrial | Industrial | Com/Ind. |
| Adjustment | | = | = | - |
| Size/Acres | Varies | 15.04 | 7.26 | 1.01 |
| Adjustment | | = | = | = |
| Net Quantitative Adj. | | = | = | -- |
| Adjusted Sales Price/Acre | | \$7,646 | \$6,198 | \$30,693 |
| Typical Indication/Acre | | Equal to | Above | Below |
| | | \$7,646 | \$6,198 | \$30,693 |

White, McPherson and Tuck, LLC

Explanation of Adjustments

Property Rights

The property rights appraised in this report consist of the fee simple estate. The property rights conveyed in all comparable sales transactions consist of the fee simple estate. Therefore, no adjustment is required.

Financing

The financing for all sales transactions were cash transactions or market oriented financing. As a result, no adjustment is required.

Conditions of Sale

All sales were arm's-length transactions. As a result, no adjustment is required.

Market Conditions

We did not locate any recent sales and resales of land in this area to support a market conditions adjustment. The sales used are recent sales. As a result, we did not apply a market conditions adjustment.

Location

The subject properties are located in an industrial use area in Oneida, Tennessee. Comparables 1 and 2 are located in similar industrial use locations. Comparable 3 is located in a commercial/industrial use area in Oneida superior to the subject properties.

Topography

The subject and all comparables feature similar topography. As a result, no adjustment is warranted.

Access

Since this report is based on the highest and best non-rail use, no adjustment is warranted for access. The subject properties would have equal access from their respective surrounding properties.

Utilities

The subject properties and all sales features equal utilities. No adjustment is warranted.

Size

The subject properties contain from 2.69 acres to 18.69 acres. The comparable sales range from 1.01 acres up to 15.04 acres. No adjustment is warranted.

Analysis of Sales

The sales indicate a unit value range for the subject properties between \$6,198 and \$30,693 per acre. After applying the adjustment, the sales lean to a figure between \$7,646 and \$30,693 per acre. Based on the subject properties size, location, topography, utility and access, we conclude the across the fence value for these subject properties totals \$10,000 per acre. We have included a summary table below.

| VALUE OPINION SUMMARY OF INDUSTRIAL AREAS | | | | |
|---|--------|------------|-----------------------------|------------------------|
| Map | Parcel | Size/Acres | Across The Fence Value/Acre | Value Opinion, Rounded |
| 1 | 1 | 18.69 | \$10,000 | \$186,900 |
| 1 | 2 | 2.69 | \$10,000 | \$26,900 |

Analysis of Oneida Residential Areas

| Map | Parcel | Size/Acres | Location | Topography |
|-----|--------|------------|--------------------|------------|
| 1 | 4 | 0.26 | Oneida-Residential | Level |
| 1 | 5 | 0.26 | Oneida-Residential | Level |
| 1 | 6 | 0.26 | Oneida-Residential | Level |

This land evaluation analyzes three comparable residential land sales then arriving at an estimated across-the-fence value for the subject properties located in the residential area in Oneida. The sales are adjusted to account for differences between the subject and the comparable sales. The quantitative adjustments include property rights, financing, conditions of sale, and market conditions. The qualitative analysis is subjective and influences the direction of value instead of calculating a specific amount. These influential items include location, topography, access, utilities and size. The subject and all comparable sites are analyzed on a per acre basis. This market typically identifies sites in this area on a per acre basis.

White, McPherson and Tuck, LLC

| Comparable Sale Adjustment Grid | | | | |
|---------------------------------|-----------------|---------------------|---------------------|---------------------|
| | Subject Parcels | Sale 33 | Sale 34 | Sale 35 |
| Unadjusted Sales Price | | \$12,000 | \$6,000 | \$9,500 |
| Market Adjustments | | | | |
| Property Rights | Fee | Fee | Fee | Fee |
| Adjustment | | 0 | 0 | 0 |
| Adjusted Price | | 12,000 | 6,000 | 9,500 |
| Financing | Market | Market | Market | Market |
| Adjustment | | 0 | 0 | 0 |
| Adjusted Price | | 12,000 | 6,000 | 9,500 |
| Conditions of Sale | Arm's length | Arm's- length | Arm's- length | Arm's- length |
| Adjustment | | 0 | 0 | 0 |
| Adjusted Price | | 12,000 | 6,000 | 9,500 |
| Market Conditions | %/annum | | | |
| Time since sale(years) | Current | 2.5 | 0.5 | 2.8 |
| Adjustment% | | 0% | 0% | 0% |
| Adjustment Amount | | 0 | 0 | 0 |
| Adjusted Price | | 12,000 | 6,000 | 9,500 |
| Size of Subject Parcels | Varies | 1.560 | 0.970 | 1.370 |
| Adjusted Price/Acre | | \$7,692 | \$6,186 | \$6,934 |
| QUALITATIVE ADJUSTMENTS | | | | |
| Location | Oneida | Similar | Similar | Similar |
| Adjustment | | = | = | = |
| Topography | Level | Similar | Similar | Similar |
| Adjustment | | = | = | = |
| Access | Average | Average | Average | Average |
| Adjustment | | = | = | = |
| Utility | Residential | Similar | Similar | Similar |
| | | = | = | = |
| Size/Acres | Varies | 1.56 | 0.97 | 1.37 |
| Adjustment | | = | = | = |
| Net Quantitative Adj. | | = | = | = |
| Adjusted Sales Price/Acre | | \$7,692 | \$6,186 | \$6,934 |
| Typical Indication/Acre | | Equal to \$7,692 | Equal to \$6,186 | Equal to \$6,934 |

White, McPherson and Tuck, LLC

Explanation of Adjustments

Property Rights

The property rights appraised in this report consist of the fee simple estate. The property rights conveyed in all comparable sales transactions consist of the fee simple estate. Therefore, no adjustment is required.

Financing

The financing for all sales transactions were cash transactions or market oriented financing. As a result, no adjustment is required.

Conditions of Sale

All sales were arm's-length transactions. As a result, no adjustment is required.

Market Conditions

We did not locate any recent sales and resales of land in this area to support a market conditions adjustment. The sales used are recent sales. As a result, we did not apply a market conditions adjustment.

Location

The subject properties and the comparables are located in residential use areas in Oneida. As a result, no adjustment is warranted.

Topography

The subject and all comparables feature similar topography. As a result, no adjustment is warranted.

Access

Since this report is based on the highest and best non-rail use, no adjustment is warranted for access. The subject properties would have equal access from their respective surrounding properties.

Utilities

The subject properties and all sales features equal utilities. No adjustment is warranted.

Size

The subject properties contain 0.26 acres and would be part of larger residential use tracts. The comparable sales range from 0.97 acres up to 1.56 acres. No adjustment is warranted.

White, McPherson and Tuck, LLC

Analysis of Sales

The sales indicate a tight unit value range for the subject properties between \$6,186 and \$7,692 per acre. Based on the subject properties size, location, topography, utility and access, we conclude the across the fence value for these subject properties totals \$7,000 per acre. We have included a value opinion summary table below for the Oneida residential use properties.

| VALUE OPINION SUMMARY OF ONEIDA RESIDENTIAL AREAS | | | | |
|---|--------|------------|-----------------------------|------------------------|
| Map | Parcel | Size/Acres | Across The Fence Value/Acre | Value Opinion, Rounded |
| 1 | 4 | 0.26 | \$7,000 | \$1,800 |
| 1 | 5 | 0.26 | \$7,000 | \$1,800 |
| 1 | 6 | 0.26 | \$7,000 | \$1,800 |

Analysis of Pasture Areas from Sherman Carson Road to Highway 63 Bridge

| Map | Parcel | Size/Acres | Location | Topography |
|-----|--------|------------|--------------------|------------|
| 1 | 7 | 3.80 | Sherman Carson Rd | Rolling |
| 1 | 8 | 4.30 | Butler Lane | Rolling |
| 1 | 9 | 0.80 | Butler Lane | Rolling |
| 3 | 2 | 0.29 | Stanley Junction | Rolling |
| 3 | 3 | 4.25 | Huntsville Hill Rd | Rolling |

This land evaluation analyzes five comparable pasture/residential land sales then arriving at an estimated across-the-fence value for the subject properties located in the pasture/residential area between Oneida and the Highway 63 Bridge. The sales are adjusted to account for differences between the subject and the comparable sales. The quantitative adjustments include property rights, financing, conditions of sale, and market conditions. The qualitative analysis is subjective and influences the direction of value instead of calculating a specific amount. These influential items include location, topography, access, utilities and size. The subject and all comparable sites are analyzed on a per acre basis. This market typically identifies sites in this area on a per acre basis.

| Comparable Sale Adjustment Grid | | | | | | |
|----------------------------------|----------------------|------------------|---------------|---------------|---------------|---------------|
| | Subject Parcels | Sale 1 | Sale 2 | Sale 3 | Sale 14 | Sale 15 |
| Unadjusted Sales Price | | \$45,000 | \$92,400 | \$27,300 | \$66,000 | \$50,000 |
| Market Adjustments | | | | | | |
| Property Rights | Fee | Fee | Fee | Fee | Fee | Fee |
| | Adjustment | 0 | 0 | 0 | 0 | 0 |
| | Adjusted Price | 45,000 | 92,400 | 27,300 | 66,000 | 50,000 |
| Financing | Market | Market | Market | Market | Market | Market |
| | Adjustment | 0 | 0 | 0 | 0 | 0 |
| | Adjusted Price | 45,000 | 92,400 | 27,300 | 66,000 | 50,000 |
| Conditions of Sale | Arm's length | Arm's- length | Arm's- length | Arm's- length | Arm's- length | Arm's- length |
| | Adjustment | 0 | 0 | 0 | 0 | 0 |
| | Adjusted Price | 45,000 | 92,400 | 27,300 | 66,000 | 50,000 |
| Market Conditions | %/annum | | | | | |
| Time since sale(years) | Current | 0.5 | 0 | 0 | 0.30 | 1.1 |
| | Adjustment% | 0% | 0% | 0% | 0% | 0% |
| | Adjustment Amount | 0 | 0 | 0 | 0 | 0 |
| | Adjusted Price | 45,000 | 92,400 | 27,300 | 66,000 | 50,000 |
| Size of Subject Parcels | Varies | 38.000 | 140.680 | 38.790 | 25.270 | 94.960 |
| Adjusted Price/Acre | | \$1,184 | \$657 | \$704 | \$2,612 | \$527 |
| QUALITATIVE ADJUSTMENTS | | | | | | |
| Location | Scott County | Similar | Inferior | Inferior | Superior | Similar |
| | Adjustment | = | + | + | - | = |
| Topography | Rolling Pasture | Similar | Similar | Similar | Superior | Inferior |
| | Adjustment | = | = | = | + | - |
| Access: | Average | Average | Average | Average | Average | Average |
| | Adjustment | = | = | = | = | = |
| Utilities | Water, electric,tele | Similar | Similar | Similar | Similar | Similar |
| | Adjustment | = | = | = | = | = |
| Size/Acres | Varies | 38.000 | 140.680 | 38.790 | 25.270 | 94.96 |
| | Adjustment | = | = | = | = | = |
| Net Quantitative Adj. | | = | + | + | -- | + |
| Adjusted Sales Price/Acre | | \$1,184 | \$657 | \$704 | \$2,612 | \$527 |
| Typical Indication/Acre | | Equal to \$1,184 | Above \$657 | Above \$704 | Below \$2,612 | Above \$527 |

Explanation of Adjustments

Property Rights

The property rights appraised in this report consist of the fee simple estate. The property rights conveyed in all comparable sales transactions consist of the fee simple estate. Therefore, no adjustment is required.

Financing

The financing for all sales transactions were cash transactions or market oriented financing. As a result, no adjustment is required.

White, McPherson and Tuck, LLC

Conditions of Sale

All sales were arm's-length transactions. As a result, no adjustment is required.

Market Conditions

We did not locate any recent sales and resales of land in this area to support a market conditions adjustment. The sales used are recent sales. As a result, we did not apply a market conditions adjustment.

Location

The subject properties and comparables 1 and 15 feature a similar location. As a result, no adjustment is warranted. Comparables 2 and 3 are located in an inferior location and require an upward adjustment. Comparable 14 is located in a superior location and required a downward adjustment.

Topography

The subject properties and Comparables 1, 2 and 3 feature similar topography. As a result, no adjustment is warranted. Comparable 14 features superior topography and requires a downward adjustment. Comparable 15 features inferior topography and requires an upward adjustment.

Access

Since this report is based on the highest and best non-rail use, no adjustment is warranted for access. The subject properties would have equal access from their respective surrounding properties.

Utilities

The subject properties and all sales features equal utilities. No adjustment is warranted.

Size

The subject properties contain 0.29 acres up to 4.25 acres and would be part of larger residential/pasture use tracts. As a result, no adjustment is warranted.

Analysis of Sales

The sales indicate a unit value range between \$527 and \$2,612 per acre. The range narrows to above \$704 and below \$2,612 per acre after applying the adjustments. One sale indicates a value totaling \$1,184 per acre. Based on the subject properties size, location, topography, utilities and access, we conclude the across the fence value for these subject properties totals \$1,000 per acre. We have included the following value opinion summary table for the residential/pasture use properties between Oneida and the Highway 63 Bridge.

White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR**

| VALUE OPINION SUMMARY OF RESIDENTIAL/PASTURE AREAS | | | | |
|--|--------|------------|-----------------------------|------------------------|
| Map | Parcel | Size/Acres | Across The Fence Value/Acre | Value Opinion, Rounded |
| 1 | 7 | 3.80 | \$1,000 | \$3,800 |
| 1 | 8 | 4.30 | \$1,000 | \$4,300 |
| 1 | 9 | 0.80 | \$1,000 | \$800 |
| 3 | 2 | 0.29 | \$1,000 | \$300 |
| 3 | 3 | 4.25 | \$1,000 | \$4,300 |

Analysis of Mountainous Areas from Oneida to the Highway 63 Bridge

| Map | Parcel | Size/Acres | Location | Topography |
|-----|--------|------------|-------------------------|-------------|
| 2 | 2 | 25.00 | Phillips Cemetery Rd | Mountainous |
| 3 | 4 | 4.25 | Roy Lee Phillips Rd | Mountainous |
| 3 | 6 | 4.82 | Opposite Phillips Flats | Mountainous |
| 3 | 7 | 8.38 | Opposite Phillips Flats | Mountainous |
| 3 | 8 | 1.98 | Oneida Paint Rock Rd | Mountainous |
| 3 | 9 | 2.28 | Oneida Paint Rock Rd | Mountainous |
| 3 | 10 | 4.59 | W. of Mine Rock Rd | Mountainous |
| 3 | 11 | 3.66 | W. of Mine Rock Rd | Mountainous |
| 4 | 2 | 5.04 | West Hill Rd | Mountainous |
| 4 | 3 | 8.33 | West Hill Rd | Mountainous |
| 4 | 5 | 2.40 | N. of Old Hwy 63 | Mountainous |
| 5 | 1 | 3.81 | Hwy 63 bridge over RR | Mountainous |

This land evaluation analyzes five comparable mountainous land sales then arriving at an estimated across-the-fence value for the subject properties located in the mountainous area between Oneida and the Highway 63 Bridge. The sales are adjusted to account for differences between the subject and the comparable sales. The quantitative adjustments include property rights, financing, conditions of sale, and market conditions. The qualitative analysis is subjective and influences the direction of value instead of calculating a specific amount. These influential items include location, topography, access, utilities and size. The subject and all comparable sites are analyzed on a per acre basis. This market typically identifies sites in this area on a per acre basis.

White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

| Comparable Sale Adjustment Grid | | | | | | |
|----------------------------------|-------------------------|----------------|----------------|----------------|--------------|----------------|
| | Subject Parcels | Sale 6 | Sale 7 | Sale 12 | Sale 13 | Sale 16 |
| Unadjusted Sales Price | | \$8,500 | \$13,500 | \$30,000 | \$1,500 | \$16,225 |
| Market Adjustments | | | | | | |
| Property Rights | Fee | Fee | Fee | Fee | Fee | Fee |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 8,500 | 13,500 | 30,000 | 1,500 | 16,225 |
| Financing | Market | Market | Market | Market | Market | Market |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 8,500 | 13,500 | 30,000 | 1,500 | 16,225 |
| Conditions of Sale | Arm's length | Arm's length | Arm's length | Arm's length | Arm's length | Arm's length |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 8,500 | 13,500 | 30,000 | 1,500 | 16,225 |
| Market Conditions | %/annum | | | | | |
| Time since sale(years) | Current | 1.6 | 1.3 | 3.3 | 3.90 | 1 |
| Adjustment% | | 0% | 0% | 0% | 0% | 0% |
| Adjustment Amount | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 8,500 | 13,500 | 30,000 | 1,500 | 16,225 |
| Size of Subject Parcels | Varies | 17,000 | 29,800 | 69,960 | 6,000 | 24,800 |
| Adjusted Price/Acre | | \$500 | \$453 | \$429 | \$250 | \$654 |
| QUALITATIVE ADJUSTMENTS | | | | | | |
| Location | Scott County | Similar | Similar | Similar | Inferior | Similar |
| Adjustment | | = | = | = | + | = |
| Topography | Mountainous | Similar | Similar | Similar | Similar | Similar |
| Adjustment | | = | = | = | = | = |
| Access | Average | Average | Average | Average | Average | Average |
| Adjustment | | = | = | = | = | = |
| Utilities | Water, electric-typical | Similar | Similar | Similar | Similar | Similar |
| Adjustment | | = | = | = | = | = |
| Size/Acres | Varies | 17,000 | 29,800 | 69,960 | 6,000 | 24,800 |
| Adjustment | | = | = | = | = | = |
| Net Qualitative Adj. | | = | = | = | = | = |
| Adjusted Sales Price/Acre | | \$500 | \$453 | \$429 | \$250 | \$654 |
| Typical Indication/Acre | | Equal to \$500 | Equal to \$453 | Equal to \$429 | Above \$250 | Equal to \$654 |

Explanation of Adjustments

Property Rights

The property rights appraised in this report consist of the fee simple estate. The property rights conveyed in all comparable sales transactions consist of the fee simple estate. Therefore, no adjustment is required.

Financing

The financing for all sales transactions were cash transactions or market oriented financing. As a result, no adjustment is required.

White, McPherson and Tuck, LLC

Conditions of Sale

All sales were arm's-length transactions. As a result, no adjustment is required.

Market Conditions

We did not locate any recent sales and resales of land in this area to support a market conditions adjustment. The sales used are recent sales. As a result, we did not apply a market conditions adjustment.

Location

The subject properties and comparables 6, 7, 12 and 16 feature a similar location. As a result, no adjustment is warranted. Comparable 13 is located in an inferior location and requires an upward adjustment.

Topography

The subject and all comparables feature similar topography. As a result, no adjustment is warranted.

Access

Since this report is based on the highest and best non-rail use, no adjustment is warranted for access. The subject properties would have equal access from their respective surrounding properties.

Utilities

The subject properties and all sales features equal utilities. No adjustment is warranted.

Size

The subject properties contain from 1.98 acres up to 25 acres and would be part of larger mountainous tracts. As a result, no adjustment is warranted.

Analysis of Sales

The sales indicate a unit value range between \$250 and \$654 per acre. The sales lean to a value range between \$400 and \$600 per acre after applying the adjustments. Based on the subject properties size, location, topography, utilities and access, we conclude the across-the-fence value for these subject properties totals \$500 per acre. We have included the following value opinion summary table for the mountainous use properties between Oneida and the Highway 63 Bridge.

White, McPherson and Tuck, LLC

| VALUE OPINION SUMMARY OF MOUNTAINOUS AREAS | | | | |
|--|--------|------------|-----------------------------|------------------------|
| Map | Parcel | Size/Acres | Across The Fence Value/Acre | Value Opinion, Rounded |
| 2 | 2 | 25.00 | \$500 | \$12,500 |
| 3 | 4 | 4.25 | \$500 | \$2,100 |
| 3 | 6 | 4.82 | \$500 | \$2,400 |
| 3 | 7 | 8.38 | \$500 | \$4,200 |
| 3 | 8 | 1.98 | \$500 | \$1,000 |
| 3 | 9 | 2.28 | \$500 | \$1,100 |
| 3 | 10 | 4.59 | \$500 | \$2,300 |
| 3 | 11 | 3.66 | \$500 | \$1,800 |
| 4 | 2 | 5.04 | \$500 | \$2,500 |
| 4 | 3 | 8.33 | \$500 | \$4,200 |
| 4 | 5 | 2.40 | \$500 | \$1,200 |
| 5 | 1 | 3.81 | \$500 | \$1,900 |

Analysis of Residential/Pasture Areas from South of the Highway 63 Bridge

| Map | Parcel | Size/Acres | Location | Topography |
|-----|--------|------------|-----------------------|------------|
| 6 | 2 | 3.44 | Newport Cemetery Rd | Pasture |
| 6 | 3 | 2.67 | Winona Rd- Winona | Pasture |
| 6A | 1 | 2.98 | Winona Rd-Buffalo Crk | Pasture |
| 7 | 1 | 6.70 | Winona Rd- Winona | Pasture |

This land evaluation analyzes five comparable mountainous land sales then arriving at an estimated across-the- fence value for the subject properties located in the residential/pasture areas between Highway 63 and Smokey Junction. The sales are adjusted to account for differences between the subject and the comparable sales. The quantitative adjustments include property rights, financing, conditions of sale, and market conditions. The qualitative analysis is subjective and influences the direction of value instead of calculating a specific amount. These influential items include location, topography, access, utilities and size. The subject and all comparable sites are analyzed on a per acre basis. This market typically identifies sites in this area on a per acre basis.

White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

| Comparable Sale Adjustment Grid | | | | | | |
|---------------------------------|----------------------|----------------|----------------|--------------|--------------|--------------|
| | Subject Parcels | Sale 19 | Sale 20 | Sale 28 | Sale 36 | Sale 15 |
| Unadjusted Sales Price | | \$4,500 | \$4,900 | \$8,000 | \$3,196 | \$50,000 |
| Market Adjustments | | | | | | |
| Property Rights | Fee | Fee | Fee | Fee | Fee | Fee |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 4,500 | 4,900 | 8,000 | 3,196 | 50,000 |
| Financing | Market | Market | Market | Market | Market | Market |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 4,500 | 4,900 | 8,000 | 3,196 | 50,000 |
| Conditions of Sale | Arm's length | Arm's length | Arm's length | Arm's length | Arm's length | Arm's length |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 4,500 | 4,900 | 8,000 | 3,196 | 50,000 |
| Market Conditions | %/annum | | | | | |
| Time since sale(years) | Current | 3.2 | 3.8 | 2.4 | 1.80 | 1.1 |
| Adjustment% | | 0% | 0% | 0% | 0% | 0% |
| Adjustment Amount | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 4,500 | 4,900 | 8,000 | 3,196 | 50,000 |
| Size of Subject Parcels | Varies | 5.110 | 5.130 | 13.170 | 7.520 | 94.960 |
| Adjusted Price/Acre | | \$881 | \$955 | \$607 | \$425 | \$527 |
| QUALITATIVE ADJUSTMENTS | | | | | | |
| Location | Scott County | Similar | Similar | Similar | Inferior | Similar |
| Adjustment | | = | = | = | + | = |
| Topography | Rolling Pasture | Similar | Similar | Inferior | Similar | Inferior |
| Adjustment | | = | = | + | = | + |
| Access | Average | Average | Average | Average | Average | Average |
| Adjustment | | = | = | = | = | = |
| Utilities | Water, electric,tele | Similar | Similar | Similar | Similar | Similar |
| Adjustment | | = | = | = | = | = |
| Size/Acres | Varies | 5.110 | 5.130 | 13.170 | 7.520 | 94.96 |
| Adjustment | | = | = | = | = | = |
| Net Quantitative Adj. | | = | + | + | + | + |
| Adjusted Sales Price/Acre | | \$881 | \$955 | \$607 | \$425 | \$527 |
| Typical Indication/Acre | | Equal to \$881 | Equal to \$955 | Above \$607 | Above \$425 | Above \$527 |

Explanation of Adjustments

Property Rights

The property rights appraised in this report consist of the fee simple estate. The property rights conveyed in all comparable sales transactions consist of the fee simple estate. Therefore, no adjustment is required.

Financing

The financing for all sales transactions were cash transactions or market oriented financing. As a result, no adjustment is required.

Conditions of Sale

All sales were arm's-length transactions. As a result, no adjustment is required.

Market Conditions

We did not locate any recent sales and resales of land in this area to support a market conditions adjustment. The sales used are recent sales. As a result, we did not apply a market conditions adjustment.

Location

The subject properties and comparables 15, 19, 20 and 28 feature a similar location. As a result, no adjustment is warranted. Comparable 36 is located in an inferior location and requires an upward adjustment.

Topography

The subject and all comparables 19, 20 and 36 feature similar topography. As a result, no adjustment is warranted. Comparables 15 and 28 feature inferior topography requiring an upward adjustment.

Access

Since this report is based on the highest and best non-rail use, no adjustment is warranted for access. The subject properties would have equal access from their respective surrounding properties.

Utilities

The subject properties and all sales features equal utilities. No adjustment is warranted.

Size

The subject properties contain from 2.67 acres up to 6.7 acres and would be part of larger similar use tracts. As a result, no adjustment is warranted.

Analysis of Sales

The sales indicate a unit value range between \$425 and \$955 per acre. The sales lean to a value range between \$607 and \$881 per acre after applying the adjustments. Based on the subject properties size, location, topography, utilities and access, we conclude the across-the-fence value for these subject properties totals \$750 per acre. We have included the following value opinion summary table for the residential/pasture use properties between Highway 63 and Smokey Junction in Scott County.

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR**

| VALUE OPINION SUMMARY OF RESIDENTIAL/PASTURE AREAS | | | | |
|---|---------------|-------------------|------------------------------------|-------------------------------|
| Map | Parcel | Size/Acres | Across The Fence Value/Acre | Value Opinion, Rounded |
| 6 | 2 | 3.44 | \$750 | \$2,600 |
| 6 | 3 | 2.67 | \$750 | \$2,000 |
| 6A | 1 | 2.98 | \$750 | \$2,200 |
| 7 | 1 | 6.70 | \$750 | \$5,000 |

Analysis of Mountainous Areas from the Highway 63 Bridge to Smokey Junction

| Map | Parcel | Size/Acres | Location | Topography |
|------------|---------------|-------------------|---------------------------|-------------------|
| 7 | 3 | 3.34 | Cordell Rd-N. of Bull Crk | Mountainous |
| 7 | 4 | 7.70 | Cordell Rd-N. of Bull Crk | Mountainous |
| 9 | 2 | 3.54 | End of Mill Branch Rd | Mountainous |
| 9 | 3 | 5.26 | Mill Branch & Lawson Rd | Mountainous |
| 9 | 4 | 9.35 | End of Lawson Rd | Mountainous |
| 10 | 3 | 40.65 | Norma Rd-S. of RR Split | Mountainous |
| 10 | 5 | 1.12 | Norma Rd-S. of RR Split | Mountainous |
| 11 | 2 | 10.43 | Norma Rd | Mountainous |
| 11 | 3 | 2.12 | Norma Rd | Mountainous |
| 11 | 5 | 3.47 | Shea Rd-E. of Junction | Mountainous |
| 12 | 4 | 0.87 | Shea Rd-N. of Cty Line | Mountainous |
| 12 | 5 | 1.25 | Shea Rd-N. of Cty Line | Mountainous |
| 12 | 7 | 1.80 | Shea Rd-N. of Cty Line | Mountainous |

This land evaluation analyzes five comparable mountainous land sales then arriving at an estimated across-the-fence value for the subject properties located in the mountainous area between the Highway 63 Bridge and Smokey Junction. The sales are adjusted to account for differences between the subject and the comparable sales. The quantitative adjustments include property rights, financing, conditions of sale, and market conditions. The qualitative analysis is subjective and influences the direction of value instead of calculating a specific amount. These influential items include location, topography, access, utilities and size. The subject and all comparable sites are analyzed on a per acre basis. This market typically identifies sites in this area on a per acre basis.

White, McPherson and Tuck, LLC

APPRAISAL REPORT

NORFOLK SOUTHERN RAILROAD CORRIDOR

| Comparable Sale Adjustment Grid | | | | | | |
|----------------------------------|-----------------|----------------|----------------|----------------|----------------|--------------|
| | Subject Parcels | Sale 21 | Sale 23 | Sale 26 | Sale 27 | Sale 31 |
| Unadjusted Sales Price | | \$70,000 | \$19,000 | \$50,000 | \$270,813 | \$50,000 |
| Market Adjustments | | | | | | |
| Property Rights | Fee | Fee | Fee | Fee | Fee | Fee |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 70,000 | 19,000 | 50,000 | 270,813 | 50,000 |
| Financing | Market | Market | Market | Market | Market | Market |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 70,000 | 19,000 | 50,000 | 270,813 | 50,000 |
| Conditions of Sale | Arm's length | Arm's length | Arm's length | Arm's length | Arm's length | Arm's length |
| Adjustment | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 70,000 | 19,000 | 50,000 | 270,813 | 50,000 |
| Market Conditions | %/annum | | | | | |
| Time since sale (years) | Current | 3.8 | 3.8 | 1.5 | 1.10 | 1.1 |
| Adjustment% | | 0% | 0% | 0% | 0% | 0% |
| Adjustment Amount | | 0 | 0 | 0 | 0 | 0 |
| Adjusted Price | | 70,000 | 19,000 | 50,000 | 270,813 | 50,000 |
| Size of Subject Parcels | Varies | 134.130 | 34.940 | 94.500 | 486.000 | 231.170 |
| Adjusted Price/Acre | | \$522 | \$544 | \$529 | \$557 | \$216 |
| QUALITATIVE ADJUSTMENTS | | | | | | |
| Location | Scott County | Similar | Similar | Similar | Similar | Inferior |
| Adjustment | | = | = | = | = | + |
| Topography | Mountainous | Similar | Similar | Similar | Similar | Similar |
| Adjustment | | = | = | = | = | = |
| Access | Average | Average | Average | Average | Average | Average |
| Adjustment | | = | = | = | = | = |
| Utilities | Water, electric | Similar | Similar | Similar | Similar | Similar |
| | | = | = | = | = | = |
| Size/Acres | Varies | 134.13 | 34.94 | 94.5 | 486.0 | 231.17 |
| Adjustment | | = | = | = | = | = |
| Net Quantitative Adj. | | = | = | = | = | + |
| Adjusted Sales Price/Acre | | \$522 | \$544 | \$529 | \$557 | \$216 |
| Typical Indication/Acre | | Equal to \$522 | Equal to \$544 | Equal to \$529 | Equal to \$557 | Above \$216 |

Explanation of Adjustments

Property Rights

The property rights appraised in this report consist of the fee simple estate. The property rights conveyed in all comparable sales transactions consist of the fee simple estate. Therefore, no adjustment is required.

Financing

The financing for all sales transactions were cash transactions or market oriented financing. As a result, no adjustment is required.

White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR***Conditions of Sale*

All sales were arm's-length transactions. As a result, no adjustment is required.

Market Conditions

We did not locate any recent sales and resales of land in this area to support a market conditions adjustment. The sales used are recent sales. As a result, we did not apply a market conditions adjustment.

Location

The subject properties and comparables 21, 23, 26 and 27 feature a similar location. As a result, no adjustment is warranted. Comparable 31 is located in an inferior location and require an upward adjustment.

Topography

The subject and all comparables feature similar topography. As a result, no adjustment is warranted.

Access

Since this report is based on the highest and best non-rail use, no adjustment is warranted for access. The subject properties would have equal access from their respective surrounding properties.

Utilities

The subject properties and all sales features equal utilities. No adjustment is warranted.

Size

The subject properties contain from 0.87 acres up to 40.65 acres and would be part of larger mountainous tracts. As a result, no adjustment is warranted.

Analysis of Sales

The sales indicate a unit value range between \$216 and \$557 per acre. After applying the adjustments, the sales lean heavily to a value between \$500 and \$550 per acre. Based on the subject properties size, location, topography, utilities and access, we conclude the across-the-fence value for these subject properties totals \$550 per acre. We have included the following value opinion summary table for the mountainous properties between the Highway 63 Bridge and Smokey Junction.

White, McPherson and Tuck, LLC

| VALUE OPINION SUMMARY OF MOUNTAINOUS AREAS | | | | |
|---|---------------|-------------------|------------------------------------|-------------------------------|
| Map | Parcel | Size/Acres | Across The Fence Value/Acre | Value Opinion, Rounded |
| 7 | 3 | 3.34 | \$550 | \$ 1,800 |
| 7 | 4 | 7.70 | \$550 | \$ 4,200 |
| 9 | 2 | 3.54 | \$550 | \$ 1,900 |
| 9 | 3 | 5.26 | \$550 | \$ 2,900 |
| 9 | 4 | 9.35 | \$550 | \$ 5,100 |
| 10 | 3 | 40.65 | \$550 | \$22,400 |
| 10 | 5 | 1.12 | \$550 | \$ 600 |
| 11 | 2 | 10.43 | \$550 | \$ 5,700 |
| 11 | 3 | 2.12 | \$550 | \$ 1,200 |
| 11 | 5 | 3.47 | \$550 | \$ 1,900 |
| 12 | 4 | 0.87 | \$550 | \$ 500 |
| 12 | 5 | 1.25 | \$550 | \$ 700 |
| 12 | 7 | 1.80 | \$550 | \$ 1,000 |

We have included the following value opinion summary table for all subject parcels between Oneida Milepost TE 0.95 to Smokey Junction Milepost TE 27.96.

White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR**

| VALUE OPINION SUMMARY - ON BID TO SMOKEY JUNCTION | | | | |
|---|--------|------------|-----------------------------|------------------------|
| Map | Parcel | Size/Acres | Across-The-Fence Value/Acre | Value Opinion, Rounded |
| 1 | 1 | 18.69 | \$10,000 | \$186,900 |
| 1 | 2 | 2.69 | \$10,000 | \$ 26,900 |
| 1 | 4 | 0.26 | \$7,000 | \$ 1,800 |
| 1 | 5 | 0.26 | \$7,000 | \$ 1,800 |
| 1 | 6 | 0.26 | \$7,000 | \$ 1,800 |
| 1 | 7 | 3.80 | \$1,000 | \$ 3,800 |
| 1 | 8 | 4.30 | \$1,000 | \$ 4,300 |
| 1 | 9 | 0.80 | \$1,000 | \$ 800 |
| 3 | 2 | 0.29 | \$1,000 | \$ 300 |
| 3 | 3 | 4.25 | \$1,000 | \$ 4,300 |
| 2 | 2 | 25.00 | \$ 500 | \$12,500 |
| 3 | 4 | 4.25 | \$ 500 | \$ 2,100 |
| 3 | 6 | 4.82 | \$ 500 | \$ 2,400 |
| 3 | 7 | 8.38 | \$ 500 | \$ 4,200 |
| 3 | 8 | 1.98 | \$ 500 | \$ 1,000 |
| 3 | 9 | 2.28 | \$ 500 | \$ 1,100 |
| 3 | 10 | 4.59 | \$ 500 | \$ 2,300 |
| 3 | 11 | 3.66 | \$ 500 | \$ 1,800 |
| 4 | 2 | 5.04 | \$ 500 | \$ 2,500 |
| 4 | 3 | 8.33 | \$ 500 | \$ 4,200 |
| 4 | 5 | 2.40 | \$ 500 | \$ 1,200 |
| 5 | 1 | 3.81 | \$ 500 | \$ 1,900 |
| 6 | 2 | 3.44 | \$ 750 | \$ 2,600 |
| 6 | 3 | 2.67 | \$ 750 | \$ 2,000 |
| 6A | 1 | 2.98 | \$ 750 | \$ 2,200 |
| 7 | 1 | 6.70 | \$ 750 | \$ 5,000 |
| 7 | 3 | 3.34 | \$ 550 | \$ 1,800 |
| 7 | 4 | 7.70 | \$ 550 | \$ 4,200 |
| 9 | 2 | 3.54 | \$ 550 | \$ 1,900 |
| 9 | 3 | 5.26 | \$ 550 | \$ 2,900 |
| 9 | 4 | 9.35 | \$ 550 | \$ 5,100 |
| 10 | 3 | 40.65 | \$ 550 | \$22,400 |
| 10 | 5 | 1.12 | \$ 550 | \$ 600 |
| 11 | 2 | 10.43 | \$ 550 | \$ 5,700 |
| 11 | 3 | 2.12 | \$ 550 | \$ 1,200 |
| 11 | 5 | 3.47 | \$ 550 | \$ 1,900 |
| 12 | 4 | 0.87 | \$ 550 | \$ 500 |
| 12 | 5 | 1.25 | \$ 550 | \$ 700 |
| 12 | 7 | 1.80 | \$ 550 | \$ 1,000 |

White, McPherson and Tuck, LLC

COST APPROACH

The cost approach estimates the replacement or reproduction cost of a subject property and includes an estimate for entrepreneurial incentive indicating a total cost new. Deducting any accrued depreciation produces a depreciated improvement value. This depreciated improvement value is added to the estimated land value indicating a value opinion for entire property.

We considered the cost approach. However, we conclude it does not apply to this assignment.

INCOME APPROACH

The income approach is based on the principle of anticipation. This premise converts the anticipation of future benefits into present value by the capitalization of projected net income over a specified time period. An alternate method of developing the value by the income approach involves projecting income and expense estimates periodically over the holding period of a project, and discounting the net cash flows and reversion at an appropriate discount rate, resulting in a present value of the investment. The equity interest and the original loan amount together equal the value of the investment.

Developing an income approach involves several steps. First, a potential gross income estimate is calculated by examining market rents for similar use properties and applying these to the subject. The second step involves deducting typical expenses from the potential gross income. These expenses typically include vacancy and collection loss, real estate taxes, insurance, common area maintenance, management and a reserve for maintenance expense. These expense estimates are derived from the actual operating history of the subject or by examining expenses for similar type properties. Deducting these expenses from the income results in a net operating income.

The next step is to determine the applicable capitalization rate. The capitalization rate is a relationship between the price paid for a property and the net operating income produced by that property. Each investor generally requires a different rate depending on his/her specific investment criteria. The final step involves dividing the net operating income by the selected capitalization rate resulting in a value indication.

We considered the income approach. However, we conclude it does not apply to this assignment.

White, McPherson and Tuck, LLC

RECONCILIATION AND FINAL VALUE OPINIONS

This appraisal assignment involved appraising 54 various parcels along a railroad corridor from Oneida, Scott County, Tennessee to Devonia, Anderson County, Tennessee. The client requested the appraised values based on the highest and best non-rail use. In other words, what is the value of the subject parcels if they were part of their surrounding properties? We developed the direct sales comparison approach for each type of land including mountainous, pasture/residential, industrial and residential. We identified and analyzed from three to five sales for each type of land in the different segments along the corridor providing reliable value indicators.

The cost approach was considered in this assignment. However, we conclude it does not apply to this assignment. Additionally, the income approach was considered in this assignment. However, we conclude it does not apply to this assignment.

The direct sales comparison approach carries all the weight for each parcel. As a result, we have summarized our final value opinions in the following table for each segment as of March 26, 2005, the date of the inspection.

| SMOKEY JUNCTION TO DEVONIA Milepost: 11E-27.90 to Milepost: 11E-42.00 | | | | |
|--|--------|------------|-----------------------------|------------------------|
| Map | Parcel | Size/Acres | Across-The-Fence Value/Acre | Value Opinion, Rounded |
| 13 | 2 | 0.73 | \$550 | \$ 400 |
| 13B | 2 | 5.74 | \$550 | \$3,200 |
| 15 | 2 | 2.70 | \$550 | \$1,500 |
| 15 | 3 | 0.87 | \$350 | \$ 300 |
| 15 | 4 | 1.06 | \$350 | \$ 400 |
| 15 | 5 | 1.36 | \$350 | \$ 500 |
| 15 | 6 | 5.34 | \$350 | \$1,900 |
| 15 | 7 | 0.23 | \$350 | \$ 100 |
| 15 | 8 | 3.55 | \$350 | \$1,200 |
| 15 | 11 | 1.56 | \$350 | \$ 500 |
| 16 | 1 | 5.29 | \$350 | \$1,900 |
| 16 | 2 | 4.89 | \$350 | \$1,700 |
| 16 | 4 | 5.56 | \$350 | \$1,900 |
| 16 | 5 | 0.95 | \$350 | \$ 300 |
| 16 | 6 | 5.90 | \$350 | \$2,100 |

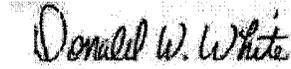
White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR**

| ONEIDA TO SMOKEY JUNCTION Milepost TE 0.95 to Milepost TE 27.96 | | | | |
|--|--------|------------|-----------------------------|------------------------|
| Map | Parcel | Size/Acres | Across-The-Fence Value/Acre | Value Opinion, Rounded |
| 1 | 1 | 18.69 | \$10,000 | \$186,900 |
| 1 | 2 | 2.69 | \$10,000 | \$ 26,900 |
| 1 | 4 | 0.26 | \$ 7,000 | \$ 1,800 |
| 1 | 5 | 0.26 | \$ 7,000 | \$ 1,800 |
| 1 | 6 | 0.26 | \$ 7,000 | \$ 1,800 |
| 1 | 7 | 3.80 | \$ 1,000 | \$ 3,800 |
| 1 | 8 | 4.30 | \$ 1,000 | \$ 4,300 |
| 1 | 9 | 0.80 | \$ 1,000 | \$ 800 |
| 3 | 2 | 0.29 | \$ 1,000 | \$ 300 |
| 3 | 3 | 4.25 | \$ 1,000 | \$ 4,300 |
| 2 | 2 | 25.00 | \$ 500 | \$ 12,500 |
| 3 | 4 | 4.25 | \$ 500 | \$ 2,100 |
| 3 | 6 | 4.82 | \$ 500 | \$ 2,400 |
| 3 | 7 | 8.38 | \$ 500 | \$ 4,200 |
| 3 | 8 | 1.98 | \$ 500 | \$ 1,000 |
| 3 | 9 | 2.28 | \$ 500 | \$ 1,100 |
| 3 | 10 | 4.59 | \$ 500 | \$ 2,300 |
| 3 | 11 | 3.66 | \$ 500 | \$ 1,800 |
| 4 | 2 | 5.04 | \$ 500 | \$ 2,500 |
| 4 | 3 | 8.33 | \$ 500 | \$ 4,200 |
| 4 | 5 | 2.40 | \$ 500 | \$ 1,200 |
| 5 | 1 | 3.81 | \$ 500 | \$ 1,900 |
| 6 | 2 | 3.44 | \$ 750 | \$ 2,600 |
| 6 | 3 | 2.67 | \$ 750 | \$ 2,000 |
| 6A | 1 | 2.98 | \$ 750 | \$ 2,200 |
| 7 | 1 | 6.70 | \$ 750 | \$ 5,000 |
| 7 | 3 | 3.34 | \$ 550 | \$ 1,800 |
| 7 | 4 | 7.70 | \$ 550 | \$ 4,200 |
| 9 | 2 | 3.54 | \$ 550 | \$ 1,900 |
| 9 | 3 | 5.26 | \$ 550 | \$ 2,900 |
| 9 | 4 | 9.35 | \$ 550 | \$ 5,100 |
| 10 | 3 | 40.65 | \$ 550 | \$ 22,400 |
| 10 | 5 | 1.12 | \$ 550 | \$ 600 |
| 11 | 2 | 10.43 | \$ 550 | \$ 5,700 |
| 11 | 3 | 2.12 | \$ 550 | \$ 1,200 |
| 11 | 5 | 3.47 | \$ 550 | \$ 1,900 |
| 12 | 4 | 0.87 | \$ 550 | \$ 500 |
| 12 | 5 | 1.25 | \$ 550 | \$ 700 |
| 12 | 7 | 1.80 | \$ 550 | \$ 1,000 |

White, McPherson and Tuck, LLC

Respectfully,



Donald W White, MAI, SRA
Tennessee Certified General Real Estate Appraiser No. CG-155



Scott McPherson
Tennessee Certified General Real Estate Appraiser No. 2467

White, McPherson and Tuck, LLC

ADDENDA

QUALIFICATIONS OF THE APPRAISER (2005)

Donald W. White, MAI, SRA, State Certified General Real Estate Appraiser No.155

Name: Donald W. White
Firm Name: White, McPherson & Tuck, LLC
Real Estate Appraisers and Consultants
Business Address: 10308 Starkey Lane
Knoxville, Tennessee 37932
(865) 966-7410
Fax: (865) 966-8052

Professional Designations and Certification

MAI Member, Appraisal Institute (MAI No. 7807)
Senior Real Property Appraiser, Appraisal Institute (SRPA),
Senior Residential Appraiser, Appraisal Institute (SRA)
Tennessee Certified General Appraiser No. CG-155

Memberships:

Appraisal Institute
Appraiser Member, Knoxville Board of Realtors
Downtown Civitan Club, Board of Directors, President 1995-96
Knoxville Housing Partnership, Board of Directors 2003 - present

Professional Organization Offices:

MAI Admissions Committee, 1988-present
SRA Admissions Committee, 1986-present
National SRA and SRPA Review Panel Member
President, Knoxville SREA Chapter No. 124, 1984-85
Education Chairman, Chapter No. 124, 1983-84
Board of Directors, Chapter No. 124, 1983-87
Appraiser Member, Knoxville Real Estate Board, 1983 - present:
Faculty, Appraisal Institute, 1987-94
Chairman, Professional Standards of Practice Committee, 1991, 1994-96
Board of Directors, Volunteer State Chapter of Appraisal Institute, 1994-97

Collegiate Education:

BA, Georgia Southern College, 1969

Professional and Technical Education:

Introduction to Appraising Real Property, 101, Society of Real Estate Appraisers, 1970

White, McPherson and Tuck, LLC

APPRAISAL REPORT**NORFOLK SOUTHERN RAILROAD CORRIDOR**

Income Property Appraisal, 201, Society of Real Estate Appraisers, 1977
Narrative Report Writing Seminar, Society of Real Appraisers, 1978
Challenged and passed Real Estate Appraisal Principles examination, American Institute of Real Estate Appraisers, 1986
Challenged and passed Basic Valuation Procedures examination, American Institute Real Estate Appraisers, 1986
Challenged and passed Residential Valuation examination, American Institute of Real Estate Appraisers, 1986
Passed Residential Case Study Exam, Society of Real Estate Appraisers, 1980 Appraisal Ethics and Standards of Practice, American Institute of Real Estate Appraisers, 1983 (Updated 1989), Standards of Professional Practice, Parts I and II, Appraisal Institute, April 1991, 1995, 1999
Capitalization Theory and Techniques, Parts A and B, American Institute of Real Estate Appraisers, 1984
Case Studies in Real Estate Valuation, American Institute of Real Estate Appraisers, 1985
Valuation Analysis and Report Writing, American Institute of Real Estate Appraisers, 1985
Various Seminars on Valuation Topics, Appraisal Institute (1986-2003)

Teaching Experience:

Residential Real Estate Appraisal; Pellissippi State Technical Community College, 1983-present
Course 101, Society of Real Estate Appraisers, 1988
State Licensing, Residential Certification and General Certification Courses, Appraisal Institute, 1991
Introduction to Appraisal of Real Estate, American Institute of Banking, 1994 and 1997

Current Employment:

Currently, Managing Partner of White, McPherson & Tuck, LLC, Real Estate Appraisers and Consultants. Prior employment, self-employed appraiser doing business as Donald White and Associates, a real estate appraisal and consulting firm, since 1983.

Experience includes appraisal of commercial, industrial, special purpose, motel, resort, timesharing and residential properties.

Experience in leasehold, feasibility studies and limited interest acquisition appraisals. Presently qualified as a "Class V" appraiser with Tennessee State Department of Transportation. This classification signifies State approval for all property types and interests and experience in eminent domain testimony. Transportation appraisal assignments include projects in Knox County, Sevier County, Hawkins County, Washington County, Carter County, Sullivan County, McMinn County, Fentress County, Blount County, Rhea County and Loudon County. Appraisals for Knoxville's Community Development Corporation include the Moody Avenue Project, the Timothy Avenue highway project, acquisitions for the Knoxville Airport Authority and Habitat for Humanity housing sites. Significant appraisals for Knox County include appraisals of potential park sites, utility easements, parking garages and central business district properties.

Appraisal of all Metropolitan Knoxville Airport Authority properties at McGhee Tyson Airport and Downtown Island General Aviation Facilities. These include ground leases, the airport terminal, all cargo facilities, car leasing facilities, hangars and security building. Qualified as expert witness in Knox County, Roane County, Washington County, McMinn and Hawkins County Courts, U.S. District Court and U.S. Bankruptcy Court. Review Appraiser for SunTrust Bank, East Tennessee, NA.

White, McPherson and Tuck, LLC

Representative Clienteles:

Government Clienteles:

Tennessee Housing Development Agency
Federal Deposit Insurance Corporation
Tennessee Department of Transportation
Knoxville's Community Development Corporation
Knox County, Tennessee
City of Knoxville, Tennessee
Knoxville Utilities Board
Tennessee Department of Finance and Administration
Lenoir City Utility Board
Metropolitan Knoxville Airport Authority
University of Tennessee at Knoxville

Selected Banking Clienteles:

Home Federal Savings Bank, FSB, Trust Department
Investors Trust Company
Union Planters National Bank
SunTrust Bank, East Tennessee, NA
First Tennessee Bank
TnBank of Oak Ridge
Branch Bank and Trust Company
AmSouth Bank Trust Department
AmSouth Bank, Chattanooga and Knoxville, Real Estate Department

Selected Corporate Relocation Clienteles:

Fidelity Residential Solutions (Cendant)
Valuation Administrators
Prudential Relocation Management, Inc.

Other Clienteles:

Hodges, Doughty and Carson, Attorneys at Law
Kennerly, Montgomery and Finley, P.C.
David Psimer, developer
Tim Singleton, developer
Park Development, Jackson, Mississippi
Mike Hedges, developer
Brindley Corporation, Pulaski developer
Telwar Properties, Nashville
Citizens National Bank, Sevierville, developer
Ogle Family Interests including HMO Enterprises, Gatlinburg; Liatto Properties, Gatlinburg; Five Oaks Development Corporation, Sevierville; TAO Enterprises, Gatlinburg

White, McPherson and Tuck, LLC

QUALIFICATIONS OF THE APPRAISER (2005)

Scott McPherson, Tennessee State Certified General Real Estate Appraiser No. 2467

Name: Scott McPherson
Firm Name: White, McPherson & Tuck, LLC
Real Estate Appraisers and Consultants
Business Address: 10308 Starkey Lane
Knoxville, Tennessee 37932

Professional Designations and Certification

Tennessee State Certified General Real Estate Appraiser No. 2467

Collegiate Education:

BS, University of Tennessee 1992

Professional and Technical Education:

Principles of Real Estate Appraising, 1998
Standards of Professional Practice, Parts I and II, TREES Inc., March 1999
Challenged and passed Real Estate Appraisal Principles examination, Appraisal Institute, 1999
Challenged and passed Real Estate Appraisal Procedures examination, Appraisal Institute, 1999
Attended and passed Basic Income Capitalization examination, Appraisal Institute, February 2000
Attended and passed Uniform Standards of Professional Appraisal Practice 410, Appraisal Institute, December 2000
Attended and passed Advanced Income Capitalization examination 510, Appraisal Institute, February 2001
Attended and passed General Applications examination 320, Appraisal Institute, April 2001
Attended and passed Highest and Best Use and Market Analysis examination 520, Appraisal Institute, October 2001
Attended and passed Advanced Sales Comparison and Cost Approach 530, Appraisal Institute, November 2002
Attended and passed Report Writing and Valuation Analysis 540, Appraisal Institute, March 2003

Memberships:

Associate member of the Appraisal Institute working towards the MAI designation.

Current Employment:

Presently a self employed owner and appraiser for White, McPherson & Tuck, LLC, a real estate appraising firm. Experience includes appraisal of commercial, right of way acquisition, industrial, special purpose, and residential properties.

1998-2003: subcontractor with Donald White and Associates, a real estate appraisal and consulting firm.

White, McPherson and Tuck, LLC

Representative Clienteles:

Government Clienteles:

Federal Deposit Insurance Corporation
Tennessee Department of Transportation
Knoxville's Community Development Corporation
Knox County, Tennessee
City of Knoxville, Tennessee
Knoxville Utilities Board
Tennessee Department of Finance and Administration
Lenoir City Utility Board
Metropolitan Knoxville Airport Authority
Tennessee Housing Development Agency

Selected Banking Clienteles:

SunTrust Bank, East Tennessee, NA
Home Federal Savings Bank, FSB, Trust Department
Investors Trust Company
Union Planters National Bank
First Tennessee Bank
TnBank of Oak Ridge
Branch Banking and Trust Company
AmSouth Bank Trust Department
AmSouth Bank, Chattanooga, Real Estate Department
Mountain National Bank
American Fidelity Bank
Citizen's Bank of Blount County

Selected Corporate Relocation Clienteles:

Cendant Relocation
Prudential Relocation Management, Inc.
Coldwell Banker Relocation Management
Commonwealth Relocation Services, Inc.
MRI Relocation

Other Clientele:

Transglobal Gas & Oil Company
Joseph Construction Company
Hodges, Doughty and Carson, Attorneys at Law
Kennerly, Montgomery and Finley, P.C.
Distribution Equipment Company
David Psimer, developer
Tim Singleton, developer
Park Development, Jackson, Mississippi
Mike Hedges, developer
Brindley Corporation, Pulaski developer
Citizens National Bank, Sevierville, developer
HMO Enterprises, Gatlinburg
Lialto Properties, Gatlinburg
Five Oaks Development Corporation, Sevierville
TAO Enterprises, Gatlinburg
Various legal and individual clienteles

White, McPherson and Tuck, LLC