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RECORDATION NO. 21254 FILED

MAR 5 '98 4-53 PM

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Gerald F. O'Connell, Jr.
Direct Dial: 513/629-2808

March 4, 1998



Via Federal Express

Secretary
Surface Transportation Board
Washington, D.C. 20423

Re: Documents For Recordation

Dear Secretary:

We are the attorneys for Fifth Third Bank, which has made a loan to RMW Ventures, LLC, which leases railroad assets to three railroads: C&NC Railroad Corporation, Maumee & Western Railroad Corporation and Wabash Central Railroad Corporation. I have enclosed please find an original and one copy/counterpart of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code. These documents are notarized in compliance with Ohio law.

The documents are:

1. A Loan and Security Agreement, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Borrower:

RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Lender:

The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: Loan and Security Agreement between Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263 and RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 dated February 27, 1998, and covering all business assets, including all equipment, general intangibles, inventory, rolling stock,

Mortgagor: Maumee & Western Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Mortgagee: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: A mortgage between Maumee & Western, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, dated February 27, 1998, and covering all business assets, including all equipment, general intangibles, inventory, rolling stock, locomotives, accounts receivables, contract rights, etc.

13. A security agreement for motor vehicles, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Debtor/Borrower: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Secured Party/Lender: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263.

A short summary of the document to appear in the index follows: A security interest in various motor vehicles is granted by RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 to The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, dated February 27, 1998 covering various motor vehicles listed as an Exhibit to the Agreement.

✓ 14. A Security Agreement, a primary document, dated February 27, 1998.

The names and addresses of the parties to the foregoing document as follows:

Debtors: (i) Maumee & Western Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112;

(ii) C & NC Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112; and

(iii) Wabash Central Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Secured Party: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263.

A short summary of the document to appear in the index follows: Security Agreement from Maumee & Western Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, C & NC Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, and Wabash Central Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, all as Co-Debtors, to the benefit of The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, dated February 27, 1998, and covering all business and railroad assets of the three Debtors, including all rolling stock, locomotives, inventory, equipment, general intangibles, contracts, accounts receivables, now or hereafter owned. Included in the property covered by the aforesaid document are railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned by each of the Debtors at the date of said document or thereafter acquired by it or its successors as owners of the lines of railway covered by the document.

LOCOMOTIVE ROSTER

<u>UNIT NO.</u>	<u>MANUFACTURER/MODEL</u>
IHRC 221	EMD SW-1200
OHCR 2393	EMD GP-35
OHCR 2257	EMD GP-35
IHRC 373	EMD GP-35
IHRC 325	ALCO C-425
IHRC 371	EMD GP-35
IHRC 223	EMD SW-1200
IHRC 344	EMD GP-7U
IHRC 345	EMD GP-7U

RAIL CAR FLEET

<u>CAR NO.</u>	<u>CAR TYPE</u>
IHRC 505	CABOOSE
IHRC 961	GONDOLA
IHRC 1003	FLAT
SOU 36917	BOXCAR
NW 527146	TOOL CAR/WORK CABOOSE
IHRC 960	GONDOLA
IHRC 1501	50' BOXCAR

15. Collateral Assignment and Subordination of Contract, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Date: 3/5/98

RE: Check # 0008-13-31/420 dated: 3/3/98 for \$ 462.00

Total cost of Recordation filings: \$ 192.00.

A refund for \$ 270.00 is being done.



Fifth Third Bank
CINCINNATI, OHIO

FIFTH THIRD CENTER

No. 0008 13-31/420

March 3 19 98

PAY TO THE ORDER OF Surface Transportation Board \$ 462.00

Four hundred sixty-two dollars and no cents DOLLARS

PLEASE ENTER ACCOUNT NUMBER HERE

9 9 9 - 4 1 8 3 8

Spencer Wendel

⑆04 2000 3 14⑆

RECORDATION NO. 21254 FILED

MAR 5 '98

4-53 PM

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SECURITY AGREEMENT

among

**C & NC RAILROAD CORPORATION,
MAUMEE & WESTERN RAILROAD CORPORATION,
WABASH CENTRAL RAILROAD CORPORATION,
CO-GUARANTORS**

and

THE FIFTH THIRD BANK, SECURED PARTY

Dated as of February 27, 1998

TABLE OF CONTENTS

	Page
1. Definitions	1
1.1 Specific Definitions	1
1.2 Uniform Commercial Code	2
2. Security	2
2.1 Security Interest of Bank	2
2.2 Representations in Exhibit 2.2	3
2.3 Provisions Concerning Accounts	3
2.4 Provisions Concerning General Intangibles	4
2.5 Provisions Concerning Inventory	4
2.6 Provisions Concerning Equipment	5
2.7 Liens	5
2.8 Further Assurances	6
2.9 Reinstatement of Lien	6
2.10 Other Amounts Deemed Loans	6
2.11 Extent of Obligations	6
3. Representations And Warranties	7
3.1 Organization and Qualification	7
3.2 Due Authorization	7
3.3 Litigation	8
3.4 Laws, Agreements and Taxes	8
4. Covenants	8
4.1 Financial Statements	8
4.2 Existence; Merger; Disposition of Assets	9
4.3 Lease, Pledge or Encumbrance of Assets	9
4.4 Insurance	9
4.5 Taxes	9
4.6 Representations	9
5. Events of Default and Remedies	10
5.1 Events of Default	10
5.2 Remedies	10
5.3 Cumulative Remedies	11
5.4 Fees and Expenses	12

	Page
6. Miscellaneous Provisions	12
6.1 Delays and Waiver	12
6.2 Complete Agreement	12
6.3 Severability	12
6.4 Binding Effect	12
6.5 Notices	12
6.6 Governing Law; Jurisdiction	13
 EXHIBIT 2.2	 16
 EXHIBIT 3.1	 24
 EXHIBIT 3.3	 40

This Agreement is entered into as of the 27th day of February, 1998 , by and among C & NC Railroad Corporation; Maumee & Western Railroad Corporation; Wabash Central Railroad Corporation, each an Indiana corporation (each of the foregoing a "Company" and collectively, the "Companies") and The Fifth Third Bank, an Ohio banking corporation (the "Bank").

1. Definitions.

1.1 Specific Definitions. The following definitions shall apply:

"Accounts" means all accounts, contract rights, instruments, documents, chattel paper, and all obligations in any form arising out of the sale or lease of goods or the rendition of services by Companies including siding agreements, service contracts, railroad freight contracts; all guaranties, letters of credit and other security for any of the above; all merchandise returned to or reclaimed by Companies; and all books and records (including computer programs, tapes and data processing software) evidencing an interest in or relating to the above.

"Account Debtors" means Companies' customers and all other persons who are obligated or indebted to Companies in any manner, whether directly or indirectly, primarily or secondarily, contingently or otherwise, with respect to Accounts or General Intangibles.

"Default" means any event that, with the giving of notice or the passage of time, or both, would be an Event of Default.

"Equipment" means all machinery, machine tools, equipment, fixtures, office equipment, furniture, furnishings, motors, motor vehicles, tools, dies, parts, jigs, goods (including, without limitation, each of the items of equipment set forth on any schedule which is either now or in the future attached to Bank's copy of this Agreement), and all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto, and all supplies used or useful in connection therewith.

"General Intangibles" means all general intangibles, choses in action, causes of action, obligations or indebtedness owed to Companies from any source whatsoever, and all other intangible personal property of every kind and nature (other than Accounts) including without limitation patents, trademarks, trade names, service marks, copyrights and applications for any of the above, and goodwill, trade secrets, licenses, franchises, rights under agreements, tax refund claims, and all books and records including all computer programs, disks, tapes, printouts, customer lists, credit files and other business and financial records, and the equipment containing any such information.

"Insolvency Event" means, with respect to a person, any of the following: a court enters a decree or order for relief in respect to such person in an involuntary case under any applicable bankruptcy, insolvency or other similar law then in effect, or appoints a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of such person or for

any substantial part of its property, or orders the wind-up or liquidation of its affairs; or a petition initiating an involuntary case under any such bankruptcy, insolvency or similar law is filed against such person; or such person commences a voluntary case under any applicable bankruptcy, insolvency or other similar law in effect, or makes any general assignment for the benefit of creditors, or fails generally to pay its debts as such debts become due, or takes corporate action in furtherance of any of the foregoing.

“Inventory” means any and all goods, supplies, wares, merchandise and other tangible personal property, including raw materials, work in process, supplies and components, and finished goods, whether held for sale or lease, or furnished or to be furnished under any contract for service, and also including products of and accessions to inventory, packing and shipping materials, and all documents of title, whether negotiable or non-negotiable, representing any of the foregoing.

“Lien” means any security interest, mortgage, pledge, assignment, lien or other encumbrance of any kind, including interests of vendors or lessors under conditional sale contracts or capital leases.

“Obligation(s)” means all loans, advances, indebtedness and other obligations of Companies owed to Bank of every description whether now existing or hereafter arising pursuant to a Continuing Guaranty Agreement among the parties hereto of even date herewith which guaranty is a guaranty of obligations of RMW Ventures, LLC, (the “Borrower”) under the Term Note, Revolving Note, Letter of Credit Note, and Loan and Security Agreement, each of even date herewith (including those owed by Companies to others and acquired by Bank by purchase, assignment or otherwise) and whether direct or indirect, primary or as guarantor or surety, absolute or contingent, liquidated or unliquidated, matured or unmatured, whether or not secured by additional collateral, and including without limitation obligations to perform or forbear from performing acts, all amounts represented by letters of credit now or hereafter issued by Bank for the benefit of or at the request of Companies, and all expenses and attorney’s fees incurred by Bank under this Agreement or any other document or instrument related thereto.

1.2 Uniform Commercial Code. All undefined terms used in this Agreement shall have the meanings given to them in the Uniform Commercial Code.

2. Security.

The Company represents, warrants and covenants the following:

2.1 Security Interest of Bank. As security for all Obligations, Companies hereby assign to Bank as Collateral and grant to Bank a continuing pledge and security interest in the following property of Companies (the “Collateral”), whether now owned or existing or hereafter acquired or arising and regardless of where located:

- (a) all Accounts;
- (b) all Inventory;
- (c) all Equipment;
- (d) all General Intangibles;
- (e) all proceeds and products of Collateral and all additions and accessions to, replacements of, insurance or condemnation proceeds of, and documents covering Collateral, all tort or other claims against third parties arising out of damage or destruction of Collateral, all property received wholly or partly in trade or exchange for Collateral, all leases of Collateral and all rents, revenues, issues, profits and proceeds arising from the sale, lease, license, encumbrance, collection, or any other temporary or permanent disposition, of the Collateral or any interest therein;
- (f) all instruments, documents, securities, money or other property, owned by Company or in which Company has an interest, which now or hereafter are at any time in the possession or control of Bank or in transit by mail or carrier to or in the possession of any third party acting on behalf of Bank, without regard to whether Bank received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise or whether Bank had conditionally released the same, and any deposit accounts of Companies with Bank, including all demand, time, savings, passbook or other accounts; and
- (g) all of the railroad equipment, rolling stock, maintenance equipment, track, etc., if any, listed on Exhibit 2.1.

2.2 Representations in Exhibit 2.2. The representations and warranties set forth in Exhibit 2.2, the Specific Representations Exhibit, are true and correct. Except as otherwise permitted hereunder, Companies shall not change their names, transfer their executive offices or maintain records with respect to Accounts at any location other than their present executive offices specified in that Exhibit.

2.3 Provisions Concerning Accounts.

(a) Companies' books and records accurately reflect the amount of all Accounts, including credits and return privileges.

(b) Bank or its designee may at any time notify Account Debtors that Accounts have been assigned to Bank or of Bank's security interest therein, and after default by Companies hereunder Bank may collect the same directly and charge all collection costs and expenses to Companies' accounts. After default by Companies hereunder, no discount, credit or allowance shall be granted by Companies to any Account Debtor and no return of merchandise shall be accepted by Companies without Bank's consent. Bank may, after default by Companies, settle or adjust disputes

and claims directly with Account Debtors for amounts and upon terms which Bank considers advisable, and in such cases, Bank will credit Companies' accounts with only the net amounts received by Bank in payment of such disputed Accounts, after deducting all Bank's expenses incurred in connection therewith.

(c) Companies appoint Bank or Bank's designee as their attorney-in-fact to notify post office authorities to change the addresses for delivery of each Company's mail to an address designated by Bank, to receive and open all mail addressed to each Company and to retain all mail relating to Collateral and forward all other mail to each Company; to send requests for verification of Accounts to customers or Account Debtors, and to do all things necessary to carry out or enforce this Agreement. Companies ratify and approve all acts of Bank as attorney-in-fact. Bank as attorney-in-fact will not be liable for any acts or omissions, or for any error of judgment or mistake of fact or law except for bad faith. This power, being coupled with an interest, is irrevocable until all Obligations have been fully satisfied. Any person dealing with Bank shall be entitled to conclusively rely on any written or oral statement of Bank or its designee that this power of attorney is in effect.

(d) If any Accounts shall arise out of a contract with the United States of America or any department, agency, subdivision or instrumentality thereof, Companies shall promptly notify Bank thereof in writing and take all other action requested by Bank to perfect Bank's Lien in such Accounts under the provisions of the Federal laws on assignment of claims.

2.4 Provisions Concerning General Intangibles. All of the General Intangibles assigned to Bank, or in which Companies grant Bank a Lien, are owned by Companies free and clear of any Liens in favor of any person other than Bank. Companies will maintain and preserve all patents, trademarks, copyrights, licenses, permits and other General Intangibles and the like which are necessary or useful for the conduct of its business.

2.5 Provisions Concerning Inventory.

(a) The Specific Representations Exhibit is a true and correct list showing all places where Companies maintain Inventory or have maintained Inventory at any time during the past four months, including, without limitations, facilities leased and operated by Companies and locations neither owned nor leased by Companies. Such list indicates whether the premises are those of a public warehouse or other party. No Inventory will be removed from the current locations set forth in such Exhibit or stored at locations other than the current locations set forth in such Exhibit, except (i) for the purpose of sale in the ordinary course of Companies' businesses or (ii) upon 30 days' written notice to Bank, to such other locations as to which all action required to perfect and protect Bank's lien in such Inventory has been taken. Inventory may be moved from one current location set forth in such Exhibit to another.

(b) Companies shall keep all Inventory in good order and condition and shall maintain full, accurate and complete books and records with respect to Inventory at all times.

(c) Except during the continuance of an Event of Default, Companies may sell Inventory in the ordinary course of their businesses (which does not include a transfer in full or partial satisfaction of indebtedness).

(d) Inventory is not now and shall not at any time or times hereafter be stored with a bailee, warehouse or similar party that issues a warehouse receipt for such Inventory without Bank's prior written consent, and, if Inventory is ever so stored, Companies will, concurrently therewith, cause any such bailee, warehouse or similar party to issue and deliver to Companies, in a form acceptable to Bank, warehouse receipts in Bank's name evidencing the storage of the Inventory, and waivers of lien by each such bailee or warehouse.

(e) Except as set forth on the Specific Representations Exhibit, Companies have not purchased any of the Collateral in a bulk transfer or in a transaction which was outside the ordinary course of the seller's business, and no entity has merged or consolidated into Companies.

2.6 Provisions Concerning Equipment.

(a) Companies warrant and represent that the Specific Representations Exhibit hereto is a true and correct list showing all places where any of Companies' Equipment is located or has been located at any time during the past four months. Companies shall not permit any Equipment to be located at any place other than (i) current locations set forth in the Specific Representations Exhibit, and (ii) upon 30 days' prior written notice to Bank, at such other locations as to which all action required to perfect and protect Bank's Lien in such Equipment has been taken.

(b) Companies shall immediately deliver to Bank, properly endorsed, any and all certificates of title or applications for title or the like for any ships, airplanes or vehicles covered by certificates of title. Companies shall take all steps necessary to perfect Bank's Lien in such assets.

(c) If any of the Collateral is or may become a fixture, Companies shall obtain from all persons with an interest in the relevant real estate such waivers or subordinations as Bank shall reasonably require.

2.7 Liens. Companies have good and marketable title to the Collateral, and the Liens granted to Bank pursuant to this Agreement are fully perfected first priority Liens in and to the Collateral with priority over the rights of every person other than Companies in the Collateral. Companies are the owners of all personal property in their possession or shown on its books and records, and all assets of Companies are owned free, clear and unencumbered, except for the Lien of Bank and except for Liens imposed by law which secure amounts not yet due and payable, and except for junior, subordinate liens to the three Subordinated Creditors as described in the Loan Agreement.

2.8 Further Assurances.

(a) Companies shall execute and deliver to Bank at Bank's request all financing statements, continuation statements, fixture filings, endorsements of filings, certificates of title, schedules of accounts, letters of authority and all other documents that Bank may reasonably request, in form satisfactory to Bank, to perfect and maintain perfected Bank's security interest in the Collateral and to fully consummate all transactions contemplated under this Agreement. Each Company hereby irrevocably makes, constitutes and appoints Bank (and any of Bank's officers, employees or agents designated by Bank) as each Company's true and lawful attorney with power to sign the name of each such Company on any such documents.

(b) If any Collateral, including proceeds, consists of a letter of credit, advice of credit, instrument, money, negotiable documents, chattel paper or similar property (collectively, "Negotiable Collateral") Companies shall, immediately upon receipt thereof, endorse and assign such Negotiable Collateral over to Bank and deliver actual physical possession of the Negotiable Collateral to Bank.

(c) Bank may, at any time or times hereafter, during each Company's usual business hours, or during the usual business hours of any third party having control over the records of such Company, inspect and verify such Company's books and records in order to verify the amount or condition of, or any other matter relating to, the Collateral and each Company's financial condition. Companies shall promptly deliver to Bank copies of all books and records requested by Bank.

2.9 Reinstatement of Lien. If, at any time after termination of this Agreement and payment in full by Companies of all Obligations and termination of Bank's Liens, any payments on Obligations theretofore made by Companies or any other person must be disgorged by Bank for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of Company or such other person), this Agreement and Bank's Liens granted hereunder shall be reinstated as to all disgorged payments as though such payment had not been made, and Companies shall sign and deliver to Bank all documents and things necessary to reperfect all terminated Liens.

2.10 Other Amounts Deemed Loans. If Companies fail to pay any tax, assessment, government charge or levy or to maintain insurance within the time permitted by this Agreement, or to discharge any Lien prohibited hereby, or to comply with any other obligation set forth in this Agreement, Bank may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of Companies, and to the extent permitted by law and at the option of Bank all monies so paid out shall be deemed Obligations and shall bear interest at a fluctuating rate of 4% above the published Prime Rate of Bank.

2.11 Extent of Obligations. The Companies hereby agree that from time to time, without notice or demand and without affecting or impairing in any way the rights of Bank with respect to the Collateral or the obligations of the Companies hereunder, Bank may: (a) renew, compromise,

extend, accelerate or change the time for payment or the terms of the Obligations, or any part thereof, (b) exchange, enforce, waive, release, apply and direct the order or manner of sale of any and all collateral for Obligations, including, without limitation, the Collateral, as Bank, in its sole discretion, may determine, and/or (c) release or substitute any one or more endorsers or guarantors. The Companies waive any right to require Bank to: (a) proceed against any endorsers or guarantors, (b) proceed against or exhaust any security other than the Collateral that is held for the Obligations, or (c) pursue any other remedy in Bank's power whatsoever. The Companies waive any defense based upon or arising out of impairment of collateral or out of the disability or other defense or the cessation of liability of the Borrower or any other person. The Companies hereby acknowledge and agree that Bank may foreclose on any security held by it by one or more judicial or non-judicial sales, whether or not every aspect of any such sale is commercially reasonable, or exercise any other right or remedy it may have against the Borrower or the Companies or any security held by it for the Obligations, without affecting or impairing in any way the rights of Bank with respect to the Collateral or the obligations of the Companies hereunder. The Companies waive any defense arising out of any such election by Bank. The Companies hereby irrevocably waive all legal and equitable rights to recover from the Borrower any loss suffered by the Companies resulting from this Agreement, including without limitation, all rights of reimbursement, contribution and subrogation, and all other rights that could result in the Companies being deemed a creditor of the Borrower under the Federal Bankruptcy Code or any other law. The Companies hereby waive notice of acceptance of this Agreement, and also presentment, demand, protest and notice of dishonor of any and all of the Obligations, and promptness in commencing suit against any party thereto or liable thereon, and in giving notice to or of making any claim or demand hereunder upon the Company. No act or omission of any kind on Bank's part in the premises shall in any event affect or impair this Agreement.

3. Representations And Warranties.

The Companies jointly and severally hereby warrant and represent to Bank the following:

3.1 Organization and Qualification. The Companies are duly organized and validly existing in good standing under the laws of the State of Indiana, have the power and authority (corporate and otherwise) to carry on their businesses and to enter into and perform this Agreement and are qualified and licensed to do business in each jurisdiction in which such qualification or licensing is required. All information set forth in Exhibit 3.1 hereto, the Certificate of Company for each Company, and in all attachments thereto, are true and correct.

3.2 Due Authorization. The execution, delivery and performance by Companies of this Agreement have been duly authorized by all necessary corporate action, and will not contravene any law or any governmental rule or order binding on Companies, or the articles of incorporation or bylaws of Companies, nor violate any agreement or instrument by which Companies are bound nor result in the creation of a Lien on any assets of Companies except the Lien to Bank granted herein. Companies have duly executed and delivered this Agreement and it is the valid and binding obligation of Companies enforceable according to its terms except as limited by equitable principles

and by bankruptcy, insolvency or similar laws affecting the rights of creditors generally. No notice to or consent by any government body is needed in connection with this transaction.

3.3 Litigation. There are no suits or proceedings pending or threatened against or affecting Companies, and no proceedings before any governmental body pending or threatened against Companies, except as listed on Exhibit 3.3.

3.4 Laws, Agreements and Taxes. Companies are in material compliance with all laws applicable to them (including environmental laws) and all agreements by which they are bound, have filed all required tax returns and have paid all taxes shown to be due and payable on those returns. No taxing authority has asserted or assessed any additional tax liabilities against Companies.

4. Covenants.

4.1 Financial Statements. Companies will maintain a standard and modern system for accounting and each Company will furnish to Bank:

(a) Within twenty (20) days after the end of each month, a copy of its financial statements for that month and for the year to date, in a form reasonably acceptable to Bank, prepared and certified as complete and correct, subject to changes resulting from year-end adjustments, by the principal financial officer of Company.

(b) Within one hundred twenty (120) days after the end of each fiscal year, a copy of its financial statements for that year audited by a firm of independent certified public accountants acceptable to Bank (which acceptance will not be unreasonably withheld), and accompanied by a standard audit opinion of such accountants without significant qualification.

(c) With the statements submitted under (a) and (b) above, a certificate signed by the principal financial officer of Company, stating whether any Event of Default has occurred.

(d) With the statements submitted under (b) above, a certificate of Company's certified public accountants that they have reviewed this Agreement and, based upon their audit, they are unaware of any Event of Default specified in this Agreement.

(e) Upon request, copies of all federal, state and local income tax returns and such other information as Bank may reasonably request.

If at any time Company has any subsidiaries which have financial statements that could be consolidated with those of Company under generally accepted accounting principles, the financial statements required by this section will be the financial statements of Company and all such subsidiaries prepared on a consolidated and consolidating basis.

4.2 Existence; Merger; Disposition of Assets. Companies will maintain their existence and will not change their capital structure nor merge or consolidate with any corporation, or sell, lease, transfer or otherwise dispose of all or any substantial part of their assets whether now owned or hereafter acquired, except for sales of inventory in the ordinary course of business and except for dispositions of obsolete or worn-out property with a book value of less than \$10,000 not used or useful in their businesses. Companies will maintain in good repair and working order all properties used in their businesses.

4.3 Lease, Pledge or Encumbrance of Assets. Other than the Operating Leases (as described in the Loan Agreement) without the prior written consent of Bank, Companies will not lease any assets as lessees, and will not create, incur, assume or permit to continue in existence any mortgage, Lien, charge or encumbrance on, or security interest in, or pledge or deposit of, or conditional sale or other title retention agreement with respect to, any property or asset now owned or hereafter acquired by Companies, except for Liens to Bank and liens imposed by law which secure amounts not at the time due and payable.

4.4 Insurance. Companies will maintain, with financially sound and reputable insurers, insurance with respect to their properties and businesses against loss or damage of the kinds and in the amounts customarily insured against by corporations of established reputation engaged in the same or similar businesses, together with any other insurance requested by Bank. All such policies will name Bank as an additional insured and, where applicable, as loss payee under a lender loss payable endorsement satisfactory to Bank, and shall provide for thirty (30) days written notice to Bank before such policy is altered or canceled.

4.5 Taxes. Companies have paid and will pay all taxes, assessments and other governmental charges imposed upon them or any of their assets for sums which have become due and payable and which by law have or might become a lien or charge upon any Collateral, provided that (unless any material item or property would be lost, forfeited or materially damaged as a result thereof) no such charge or claim need be paid if it is being diligently contested in good faith, if Bank is notified of such contest and if Companies establish any reserve or other appropriate provision required by generally accepted accounting principles and deposits with Bank cash or bond in an amount acceptable to Bank.

4.6 Representations. Companies covenant, for the term of this Agreement, that the representations set forth herein are correct and continuing and Companies will, within three days of their knowledge thereof, give written notice to Bank of the existence of any event which would prohibit Companies from continuing to make the representations set forth in this Agreement.

5. Events of Default and Remedies.

5.1 Events of Default. Any of the following events shall be an Event of Default:

(a) any representation or warranty made herein by Companies or in any document furnished to Bank by Companies in connection with this Agreement is incorrect when made or when reaffirmed; or

(b) Companies default in the payment of all or any portion of any Obligation when due and payable, by acceleration or otherwise; or

(c) Companies fail to observe or perform any covenant, condition or agreement set forth herein, provided such default continues unremedied for 30 days after written notice thereof to Companies by Bank; or

(d) Companies fail to keep their assets insured as required herein, or material uninsured damage to or loss, theft or destruction of the Collateral occurs; or

(e) an Insolvency Event occurs with respect to Companies or a guarantor of any Obligations; or

(f) any event occurs which might, in Bank's opinion, have an adverse effect on the Collateral or on Companies' financial conditions, operations or prospects; or

(g) an event of default occurs under the terms of any document evidencing or governing the terms of any Obligation including without limitation the Continuing Guaranty Agreement among the parties of even date herewith, or the Term Note, Letter of Credit Note, Revolving Note, and Loan and Security Agreement among the Borrowers and Bank, each of even date herewith.

5.2 Remedies. If any Event of Default shall occur and be continuing:

(a) Bank may declare all Obligations to be immediately due and payable, without notice (and, upon the occurrence of an Event of Default based on an Insolvency Event, all Obligations shall become automatically due and payable without a declaration by Bank), and Bank may set off against the Obligations, all Collateral, balances, credits, deposits, accounts or monies of Companies then or thereafter held with Bank, including amounts represented by certificates of deposit.

(b) Bank may resort to the rights and remedies of a secured party under the Uniform Commercial Code including the right to enter any premises of Companies, with or without legal process and take possession of the Collateral and remove it and any records pertaining thereto and/or remain on such premises and use it for the purpose of collecting, preparing and disposing of

the Collateral, and pay, purchase, contest or compromise any Lien which in the opinion of Bank appears to be prior or superior to Bank's Lien and pay all expenses in connection therewith.

(c) Bank may dispose of the Collateral as is, or at its election may refurbish, repair, improve, process, finish, operate, demonstrate and prepare for sale the Collateral, and may store, ship, reclaim, recover, protect, advertise for sale or lease, and insure the Collateral; Bank may use and operate Equipment of Companies in order to process or finish Inventory included in the Collateral; if any Collateral consists of documents, Bank may proceed either as to the documents or as to the goods represented thereby; Bank's failure to take steps to preserve rights against any parties or property shall not be deemed to be failure to exercise reasonable care with respect to the Collateral.

(d) Bank may sell the Collateral at public or private sale, and Companies shall be credited with the net proceeds of such sale only when they are actually received by Bank, and any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Companies 10 days prior to such disposition.

(e) Companies shall upon request of Bank assemble the Collateral and any records pertaining thereto and make them available at a place designated by Bank.

(f) Bank may use, in connection with any assembly or disposition of the Collateral, any trademark, trade name, tradestyle, copyright, patent right, trade secret or technical process used or utilized by Companies.

(g) Upon a sale, lease or other disposition of the Collateral, the proceeds shall be applied first to the expenses of retaking, holding, storing, processing and preparing for sale, selling and the like, and, to the extent permitted by law, to reasonable attorneys' fees and legal expenses, and then to the satisfaction of the Obligations secured by this Agreement. Companies shall be liable for any deficiency.

(h) Bank may terminate all of the Operating Leases and extinguish the Companies' rights as lessee thereunder with no liability from Bank to Companies on account of such termination.

5.3 Cumulative Remedies. No remedy set forth herein is exclusive of any other available remedy or remedies, but each is cumulative and in addition to every other remedy given under this Agreement or any other agreement or now or hereafter existing at law or in equity or by statute. Bank may pursue its rights and remedies concurrently or in any sequence, and no exercise of one right or remedy shall be deemed to be an election. If Companies fail to comply with this Agreement, no remedy of law will provide adequate relief to Bank, and Bank shall be entitled to temporary and permanent injunctive relief without the necessity of proving actual damages.

5.4 Fees and Expenses. Upon a sale, lease or other disposition of the Collateral, the proceeds shall be applied first to the expenses of retaking, holding, storing, processing and preparing for sale, selling and the like, and, to the extent permitted by law, to reasonable attorneys' fees and legal expenses, and then to the satisfaction of the Obligations secured by this Agreement. Companies shall be liable for any deficiency.

6. Miscellaneous Provisions

6.1 Delays and Waiver. No delay or omission to exercise any right shall impair any such right or be a waiver thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. A waiver on one occasion shall be limited to that particular occasion.

6.2 Complete Agreement. This Agreement and the Exhibits are the complete agreement of the parties hereto and supersede all previous understandings relating to the subject matter hereof. This Agreement may be amended only by an instrument in writing which explicitly states that it amends this Agreement, and is signed by the party against whom enforcement of the amendment is sought. This Agreement may be executed in counterparts, each of which will be an original and all of which will constitute a single agreement.

6.3 Severability. If any part of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement shall not be affected thereby. The section headings herein are included for convenience only and shall not be deemed to be a part of this Agreement.

6.4 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors and assigns of the parties hereto; however, Companies may not assign any of their rights or delegate any of their obligations hereunder. Bank (and any subsequent assignee) may transfer and assign this Agreement or an interest herein to any assignee of any Obligations and deliver the Collateral to the assignee, who shall thereupon have all of the rights of Bank.

6.5 Notices. Any notices under or pursuant to this Agreement shall be deemed duly sent when delivered in hand or when mailed by registered or certified mail, return receipt requested, addressed as follows:

To Companies: [Name of Guarantor]
 205 North Capitol Avenue
 Suite A
 Corydon, Indiana 47112
 Attention: Spencer Wendelin, President

To Bank: The Fifth Third Bank
 38 Fountain Square Plaza
 Cincinnati, Ohio 45263
 Attention: Secured Lending Department

Either party may change such address by sending notice of the change to the other party.

6.6 Governing Law; Jurisdiction. All acts and transactions hereunder and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the domestic laws of the State of Indiana. Companies agrees that the state and federal courts in Hamilton County, Ohio or any other court in which Bank initiates proceedings have exclusive jurisdiction over all matters arising out of this Agreement, and that service of process in any such proceeding shall be effective if mailed to Company at its address described in the Notices section of this Agreement. BANK AND COMPANIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the Companies and the Bank have executed this Agreement by their duly authorized officers as of the date first above written.

C & NC RAILROAD CORPORATION

By: Spencer Wendeh

Its: President

MAUMEE & WESTERN RAILROAD CORPORATION

By: Spencer Wendeh

Its: President

WABASH CENTRAL RAILROAD CORPORATION

By: Spencer Wendeh

Its: President

THE FIFTH THIRD BANK

By: David G. Fall

Its: Structural Finance Officer

EXHIBIT 2.1

**

EXHIBIT A
to SECURITY AGREEMENT

Debtor/Borrower hereby grants Secured Party a security interest in all of the following Collateral now owned or hereafter acquired or arising:

(a) **ACCOUNTS:** all accounts, contract rights, instruments, documents, chattel paper, and all obligations in any form arising out of the sale or lease of goods or the rendition of services by Debtor; all guaranties, letters of credit and other security for any of the above; all merchandise returned to or reclaimed by Debtor; and all books and records (including computer programs, tapes and data processing software) evidencing an interest in or relating to the above.

(b) **INVENTORY:** any and all goods, supplies, wares, merchandise and other tangible personal property, including raw materials, work in process, supplies and components, and finished goods, whether held for sale or lease, or furnished or to be furnished under any contract for service, and also including products of and accessions to inventory, packing and shipping materials, and all documents of title, whether negotiable or non-negotiable, representing any of the foregoing.

(c) **EQUIPMENT:** All machinery, machine tools, equipment, fixtures, office equipment, furniture, furnishings, motors, motor vehicles, tools, dies, parts, jigs, goods (including, without limitation, each of the items of equipment set forth on any schedule attached hereto), and all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto, and all supplies used or useful in connection therewith.

(d) **GENERAL INTANGIBLES:** all general intangibles, choses in action, causes of action, all other obligations or indebtedness owed to Debtor from any source whatsoever, and all other intangible personal property of every kind and nature (other than Accounts) including without limitation patents, trademarks, trade names, service marks, copyrights and applications for any of the above, and goodwill, trade secrets, licenses, franchises, rights under agreements, tax refund claims, and all books and records including all computer programs, disks, tapes, printouts, customer lists, credit files and other business and financial records, and the equipment containing any such information.

(e) all proceeds and products of Collateral and all additions and accessions to, replacements of, insurance or condemnation proceeds of, and documents covering Collateral, all tort or other claims arising out of damage or destruction of Collateral, all property received wholly or partly in trade or exchange for Collateral, all leases of collateral and all rents, revenues, issues,

profits and proceeds arising from the sale, lease, license, encumbrance, collection, or any other temporary or permanent disposition, of the Collateral or any interest therein.

(f) all instruments, documents, securities, money or other property, owned by Debtor or in which Debtor has an interest, which now or hereafter are at any time in the possession or control of Secured Party or in transit by mail or carrier to or in the possession of any third party acting on behalf of Secured Party, without regard to whether Secured Party received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise or whether Secured Party had conditionally released the same, and any deposit accounts of Debtor with Secured Party, including all demand, time, savings, passbook or other accounts.

(g) All machinery and equipment listed in Schedule "I", consisting of the locomotives; the rail car fleet; the rubber tire equipment; the M/W On-Track equipment; all maintenance tools; all radio equipment and inventory and all other machinery, equipment, tools, (including hand tools), inventory, and other items normally kept or used in connection with the operation of each or all of the Lines and specifically including all switch and other keys, locks or other entry or control devices related to any of the physical assets or operations of these lines whether or not specifically listed in Schedule "I".

(h) Connersville Line - All of the real operating property, improvements and appurtenances comprising the line of railroad generally running from and between Connersville (at or near Mile Post 0.0 of that line) to Beesons (M.P. 0.05.1) (specifically, that line of railroad acquired by the Debtor under deed from R. Franklin Unger, as Trustee, dated 2/27/98 and recorded in the Fayette County, Indiana Recorder's Office as Instrument Number _____ and Wayne County, Indiana Recorder's Office as Instrument Number _____), including all roadbed, main tracks, sidings, spurs, depots, yards, storage and parking areas, connecting tracks, bridges, culverts, buildings, structures, communication and signal facilities, which are appurtenant to and used in the operation of this railroad line (the "Appurtenant Facilities") and all real operating property underlying this line as right-of-way, and all other real operating property of Indiana Hi-Rail Corporation which is contiguous, adjacent to or otherwise related to this line of railroad, whether part of the right-of-way or not.

All of Borrower's right, title and interest in the Agreement with Norfolk and Western Railway Company dated December 18, 1997, subject to the approval of Norfolk and Western Railway Company and all associated agreements, including but not limited to the "Assignment Agreement" dated February 11, 1991 and the associated interchange agreements with Conrail, dated November 1, 1991 and with Norfolk Southern, dated June 15, 1989. The said Lease Option Agreement and associated agreements all covering that line of railroad from and between Beesons (at or near Mile Post CB 4.8, more or less of that line) to New Castle, Indiana (at or near Mile Post 25.6, more or less (Thornburg Street)), including all Appurtenant Facilities to this railroad line, specifically including, but not limited to, all such track situated at or between New Castle and Beesons, among those being the tracks now or formerly known as the "Beesons Storage Tracks" and the "New Castle Industrial Track" or "New Castle Switch Lead" (the latter being the remaining

portion of the former Norfolk & Western branch between New Castle and Rushville, Indiana (approximately M.P. 0.0 to 1.82, more or less of that line).

(i) Defiance (Maumee) Line - All of the real operating property improvements and appurtenances on or about the line of railroad generally running from and between Liberty Center, Ohio (at or near M.P. 27.4, more or less, of that line) and to Woodburn, Indiana (at or near M.P. 77.8, more or less, of that line), being approximately 50.4 miles in length, all Appurtenant Facilities to this railroad line, and all other real operating property which Debtor now owns or will (as a result of the exercise of its option with Norfolk & Western) own or control which is contiguous, adjacent to or otherwise related to his line of railroad, whether part of the right-of-way of railroad or not. All real operating property shown on any of the Valuation Maps (reference) which is now or was formerly owned by the Norfolk & Western, Wabash Railroad, Norfolk Southern, Pocahontas Land Company or any predecessor, affiliated or subsidiary company of any of them pertaining to this railroad line. In addition, access to and control of other tracks necessary to effect connection to and interchange with the CSX Railroad at Defiance, Ohio and the Norfolk Southern at Woodburn, Indiana, and the easement to real property at or near Liberty Center, Ohio (approximate M.P. 30.3 plus or minus) acquired by Indiana Hi-Rail Corporation from Milton Overmier and Beverly A. Overmier in the Township of Liberty, Henry County, Ohio and dated February 28, 1991, for the purpose of construction of connecting/interchange trace between this Defiance Line and the track now owned and operated by the Grand Trunk Western Railroad a subsidiary of Canadian National Railways at or near the same location, and the perpetual "mutual use" of that tract of the above-mentioned Norfolk Southern Defiance line between M.P. 77.8 and 78.7 of that line, including the exclusive rights to provide all freight service to all customers at, along, adjacent to or otherwise serviceable from this stretch of track, being the same as included at item 2.c in an Agreed Entry and Stipulation in the matter of in Re: Sagamore National Corporation and Indiana Hi-Rail Corporation between the Trustee and Norfolk Southern Corporation entered with the United States Bankruptcy Court, Southern District of Indiana, Indianapolis Division in Case No. IP94-08502-RLB-11.

(j) Bluffton (St. Mary) Line - All of the real operating property, improvements and appurtenances on or about the line of railroad generally running from and between Craigville, Indiana (at or near M.P. 117.8 or that line) and to Van Buren, Indiana (at or near Mile Post 144.2 of that line), being approximately 26.4 miles in length, including all Appurtenant Facilities to this railroad line; and all other real property which Debtor now owns or will (as a result of the exercise of its option with Norfolk & Western) own or control which is contiguous, adjacent to or otherwise related to the operation of this railroad line, whether part of the operating right-of-way or not. All property shown in **Schedule "II"** and including perpetual trackage rights over that portion of the Norfolk Southern's line in Bluffton (approximately M.P. 123.0 to 123.8) currently or formerly known as the Norfolk Southern New Castle District line between New Castle, and Ft. Wayne, Indiana, and the transfer of access to or control of other tracks necessary to effect connection to and interchange with the Norfolk Southern at Bluffton and at Van Buren, Indiana.

(k) All tenements, hereditaments, privileges, appurtenances and easements belonging or in any way appertaining to the real operating property comprising the Lines;

(l) All crossing agreements, leases, licenses, wire, pipe, and other rental or usage agreements and contracts providing rights to third parties pertaining to the Lines, all of which shall be assigned to Borrower at Closing;

(m) All of Borrower's right, title and interest in the trade fixtures whether semi or permanently affixed or installed equipment which is customarily kept, used or stored on, along, under, or upon the right-of-way or adjacent property and used in the operation of the Lines.

(n) All office fixtures, equipment, machines, furnishings and computer hardware, software, diskettes, tapes and other computer media containing any data or record storage relating to any or all of the Lines, together with all programs, installed or not, data bases and all related object and source codes, manuals and guides, whether listed in **Schedule "I"** or not.

(o) All of Borrower's right, title and interest in and to the freight operating franchises for the Lines, whether such franchises are currently held by Seller or by any related entity, including assignment of all rights and interests in any interchange agreements, trackage rights, joint facility agreements, side track agreements and all other related operating agreements or arrangements relating to any of the Lines (the "Operating Agreements"). A list of which is attached hereto as **Schedule "III"**. Borrower shall assume all tariffs; exempt quotations; transportation contracts; officially published station lists; equipment lists; divisional agreements or related intercarrier agreements concerning revenues, freight claims or per deim or other car billing or repair matters; and all other associated agreements of whatever type associated with the operation of any or all of the Lines. Borrower agrees to support Borrower's assumption of all such agreements and arrangements before any regulatory or administrative agency with jurisdiction over such assignment or transfer and shall use its best efforts to obtain third party approval, if necessary for such transfers or assignments.

(p) All of Borrower's right, title and interest in its equipment leases (including the car lease agreement for twelve (12) 80' double door, high cube auto parts box cars currently assigned to the "Ford pool" based at Connersville, Indiana, and including the lease of Locomotive 365), agreements (including all crossing agreements), all governmental authority, licenses and permits (including environmental permits), necessary and/or related to the operation of the Lines or of the other Assets, whether such leases, contracts (including contracts of carriage), agreements, licenses and permits where in the name of the Borrower or in the names of officers or agents of the Borrower, all of which shall be assigned to Borrower at Closing (the "Assigned Agreement"). A complete list of the Assigned Agreements is attached hereto as **Schedule "IV"**.

(q) The originals and all known copies of all books and records, contracts, leases, crossing or license agreements relating to the management, accounting, operation or customer marketing of the Lines, including all customer files and lists, customer prospect lists and files, order books, order files, credit histories for each customer, supplier lists and other supplier information, purchasing records, invoices, all software and associated licensing agreements, all regardless of whether kept in paper, electronic or other media form. Seller shall use its best efforts to have all such contracts and agreements, leases or license agreements assigned and the originals of the same

delivered to Borrower at closing. In the event that any such agreements or contracts remain in the possession of Norfolk Southern or any affiliated company at closing, Seller shall cooperate with and assist Borrower to obtain the same from Norfolk Southern, using Seller's best efforts.

(r) The originals (whether on sepia, mylar, acetate, paper or linen stock) and all known copies of all engineering drawings, calculations, construction drawings and records any repair drawings and records for any and all Appurtenant Facilities on or about any of the property to be transferred to Borrower, regardless of its location on any of the Lines. Seller shall use its best efforts to assure that all originals and known copies of all such drawings, calculations and records are delivered to Borrower on or before closing. In the event that any such original drawing(s), calculation(s) or record(s) remain in the possession of Norfolk Southern or any affiliated company at closing, Borrower shall obtain the same from Norfolk Southern, using Borrower's best efforts.

(s) The rights to use the telephone numbers used by the Borrower in the operation of the lines.

(t) All deposits or prepayments on future services, demurrage, prepayment of freight or switching, demurrage, detention or other similar charges, and including all pre-paid rents under any lease, license, crossing or other similar agreements, or any other "customer payment whatsoever under any of the agreements, contracts, leases, licenses contemplated herein to be transferred to Borrower, including without limitation all such customer, lessee or license deposits and prepayments made on or before the date of this Agreement.

(u) All rents received or otherwise in the possession of Borrower for any lease, license, crossing, easement or other similar agreement.

(v) All maintenance and repair records of the Borrowers, including all contracts, agreements, correspondence, records, invoices or other materials relating to the performance of any such maintenance or repairs by any "outside" contractor or party or any supplier of any parts or materials for such maintenance or repairs.

SCHEDULE I
LIST OF EQUIPMENT, ETC.

LOCOMOTIVE ROSTER

Unit No.*	Manufacturer/ Model	H.P.	Built	Status
221	EMD SW-1200	1200	1957	IN SERVICE
223	EMD SW-1200	1200	1955	IN SERVICE
303	EMD GP-20	2000	1960	In service as No. 203
310	Alco C-420	2000	1964	In service
315	Alco C-420	2000	1966	In service
325	Alco C-425	2500	1965	In service
327	Alco C-425	2500	1966	OSS
332	Alco C-420	2000	1967	In service
334	Alco C-420	2000	1967	In service
338	Alco C-420	2000	OSS	In service
342	EMD GP-7U	1500	1981-R	OSS
343	EMD GP-7U	1500	1981-R	OSS
344	EMD GP-7U	1500	1981-R	In service
OHCR 2393	EMD GP-35	2500		Conrail Blue
345	EMD GP-7U	1500	1981-R	In service
OHCR 2257	EMD GP-35	2500		Conrail Blue
371	EMD GP-35	2500	1965	In service
373	EMD GP-35	2500	1965	In service
442	Alco RSD-15	2400	1958	In service
443	Alco RSD-15	2400	1958	In service

R - Rebuild date

Notes: Cannibalized for parts, stored as:

OSS - out-of-service

* - All unit I.D.s with "IHR" pre-fixes, except as noted.

Revised

RUBBER TIRED EQUIPMENT

<u>ASSET</u>	<u>MAKE</u>	<u>MEG. OR OTHER ID#</u>	<u>DESCRIPTION/STATUS</u>
Tractors, Backhoe, Forklifts:			
MV85001	M/V	114983	Massey Ferguson tractor and 3-point mower attachment
MV89001	CASE	8953319	Forklift
MC91001	CASE	9868605	
MV92001	CASE	17039375	Model 580E backhoe/loader with reg. and tie inserter buckets
MV83500	CASE	RM 500 Model	Model 580E backhoe/loader with re. and tie inserter buckets
MV87580	CASE	(TMA #215)	Model 580C backhoe/loader, OSS
(TMA #219)	CASE	Model 584	Model 580C backhoe/loader Hi-Lift Tractor
Vehicles - Heavy Duty:			
VH75001	FORD	U81DVX12344	Block Truck LT-80
VH76002	FORD	F70EVB88595	Flatbed Truck
Vehicles - Light Duty:			
VL84003	FORD	1FTRF25G6ELA82425	F250 pickup truck
VL89005	FORD	1FA8P55U5KA273242	Tausus Wagon, white, OSS
VL9007	DODGE	1B7JE26Y7LS709502	D250 pickup truck
VL90007	DODGE	JB7FL29W6LP030460	RAM 50 pickup truck
VL91002	FORD	KNJPT05H6M6113729	2-Door Festiva

VL92007 GMC IGKMD15Z3NB550411

Safari Van, white

Vehicles - licensed road/rail (all by-rail equipped):

VR79003	INTERNAT'L	AA192JCA17608	Boom/dump truck
VR79004	INTERNAT'L	AA192CA17628	Boom/dump truck
(TMA #144)	FORD	1FDJE37G5CHB05370	Flabed, toolside truck
VR92001	FORD	1FTHF25H4NLA15201	F250 pickup truck
VR92004	GMC	1GTGC24K8NE504948	Sierra 2500 pickup truck
VR93002	FORD	1FTHF25H1PNA52360	F250 pickup truck
VR93003	GMC	1GTGC24K9PE554485	Sierra 2500 pickup truck
VL90001	FORD	1FTEF25N8LNA140459	F250 pickup truck - Signal truck
VL90005	FORD	1FTCR14T2LPA67482	Ranger, small pickup truck
VR82003	FORD	1FDHE37G5CHB05370	truck

Trailers:

VS86003	CZE	CZ12308617	Phillips, Yellow HD trailer
VS92001	ASM	MVIN96560IND	White trailer, car hauler
VS940	TRAIL KING	1TKC02425RM026452	10 ton trailer

REVISED
LIST # 2
RAIL CAR FLEET

<u>CAR NUMBER *</u>	<u>CAR TYPE</u>	<u>COMMENT/STATUS</u>
650R 502	CABOOSE	friction bearing
650R 503	CABOOSE	
650R 504	CABOOSE	
505	CABOOSE	
910	OPEN HOPPER	M of W
911	OPEN HOPPER	M of W
912	OPEN HOPPER	M of W
900	OPEN HOPPER	M of W
904	OPEN HOPPER	M of W
960	GONDOLA	M of W
961	GONDOLA	M of W
1003	FLAT	M of W
Sou 36917	Boxcar	Stationary
NW 527146	TOOL CAR/ WORK CABOOSE	M of W -stationary
1501	50' BOXCAR	Equipped w/bulkheads
66000	60' BOXCAR	
66001	60' BOXCAR	
66002	60' BOXCAR	

* - all with IHRC pre-fixes, unless otherwise noted

Maintenance of Way - "On Track" Equipment

<u>I.D. Number</u>	<u>Description</u>	<u>Model/Status</u>
NR92002	TAMPER	Model EJB
NR83003	BALLAST REGULATOR	KERSHAW 26-1-12, OSS
NR92003	LINER	FMC-AX, OSS
(TMA #225)	SPEEDER	FAIRMONT, ICC 9063
NT89003	WEED SPRAYER UNIT	AS-MADE, SNYDER ENDS., truck mountable
NV87001	TRACK MOBILE	Model TM-7, OSS

note: OSS - indicated out-of-service, not operational.

MAINTENANCE TOOLS (NOT HAND):

<u>ASSET ID No.</u>	<u>DESCRIPTION</u>	<u>COMMENT/STATUS</u>
MT86001	WOTSEY	Connersville, OSS
MT87002	RAIL SAW	Model TR8168, OSS
MT87003	RAIL DRILL	
MT88001	RAIL SAW	RACINE MFG.
MT89002	LOCOMOTIVE SANDER	TOPPER MFG.
MT89003	WEED SPRY UNIT	
MT89005	RAIL DRILL	
MT89006	ELECTRIC WELDER	LINCOLN, Model AC-225S
MT90002	GAS WELDER	LINCOLN, Model WP225G7
(TMA # 247)	WEED WACKER	Ser. No. A1172910
(TMA # 246)	LAWN TRACTOR/MOWER	STIHL, Model F566
		SEARS/CRAFTSMAN Model
		"11" Cat. No. 1917.
		254750, Ser. No.
		031892#003044
(TMA # 240)	HYDRALLIC FLOOR JACK	Auto, Orange
(TMA # 238)	BENCH GRINDER	MAKITA Model 5080
(TMA # 237)	GAS POWR'D CHAINSAW	HOMELITE Model XL,
		Ser. No. HN3090790, OSS
(TMA # 226)	HYDRALLIC PRESS/BREAK	30-Ton, CAROLINA,
		Model CP100, 25711
(TMA # 158)	ELE. BENCH GRINDER	CENTRAL MACHINE
(TMA # 174) MT92001	H. Duty Locomotive Jack	Red, wheeled

Note: OSS - out of service, not operational.

(TMA # 175) MT92002	H. Duty Locomotive Jack	Blue, wheeled
MT 89001	Stationary Air Compressor	Model AC-225-S, Code 8370-010
TE 89001	Lincoln arc welder	
(TMA # 059)	Briefcase voltage tester	Model 520, EV-3 1023
(TMA # 193)	re-rail frog	
(TMA # 194)	re-rail frog	
(TMA # 181)	part washer	
(TMA # 236)	Locomotive sander	Blue w/ Red top
(TMA # 241)	Locomotive access work stand	Yellow
(TMA # 246)	Craftsman "11" Lawn Tractor	Model 917-254750
(TMA # 247)	Stihl Gas weed wacker	Ser # 031892#00344
TMA # 237	Homelite chainsaw	F 566

INDIANA HI-RAIL CORP.
RADIO INVENTORY

<u>Radio</u>	<u>Serial Number</u>	<u>Type</u>
<u>Vehicle</u>		<u>Regency</u>
Vehicle Radio	41A54214	Regency
VR 79003	428FNGJ204	
VL 90006	41A46697	
VL 94001	305050056	
VR 92009	681A16873	
VR 79004	41454603	
VR 93003	41A41638	
VR 92001	681A08089	
VL 90003	41A52321	
VR 93002	681A13778	
VR 93004	881A9788	
VL 92008	306A13875	
VL 92006	681A08366	
VL 93002	309A14802	
VL 93001	681A00113	
VH 75001	309A13742	
VL 91004	309A14882	
Unassigned	309A14141	
	41A47505	
	41A39069	
	251A17481	
	309A14289	
	Shoo	
Defiance Yard Office	681A6680	
Vehicle Radio	com h 44b	Regency
Olney Yard Office	No#	
Connersville Yc Office	No#	
Vehicle Radio	300-A 14673, 600-699-2	Regency
Radio Equipment	RS-20 A	Astron
<u>Hand Radio</u>		

HT 90	47GANG1507	REL1	003827
-	47GAJ0132X	-	005232
-	15E05169503	-	005221
-	15E05169J03	-	003827
-	NTN7433A	-	005235
HT 500	65!A0G1114	HT 92	#6
-	65A0G1115		
-	65!AP01050		
-	65APU1837		

Hand radio charger NTN 4633bn +
 " " " NTN 76455a
 " " " NTN 45?? 9002

Hand Radio part 110N

④ Hand Radio Batteries

Motorola #5
 " #3
 " #4

Motorola (TMB # 094/102)
 Motorola

ACCOUNTING OFFICE

- (5) ~~4-Drawer File Cabinets~~
- (1) 5-Drawer File Cabinet
- (2) Desks with overhead credenza
- (2) Printer Stands
- (1) Metal Storage Cabinet
- (1) 6-Section Binder Storage
- (2) Arm Chairs (swivel)
- (1) Rolling File Bin
- (2) 10-Key Calculators
- (1) ~~Dot Matrix Printer LQ-1070 Epson~~
- (1) ~~Dot Matrix Printer ZX-1624 Panasonic~~
- (3) Pentium PC's (Desktop)

STORAGE ROOM

- (2) 2-Drawer File Cabinets
- (1) 2-Drawer File Safe Cabinet
- (1) Desk
- (5) 4-Drawer File Cabinets
- (2) 5-Drawer File Cabinets
- (1) Storage Cabinet
- (5) Open Storage Shelving Units
- (1) Arm Chair (Swivel)

JDP OFFICE

- (1) Desk
- (1) Arm Chair (Swivel)
- (1) 2-Drawer File Cabinet
- (4) Five-Drawer File Cabinets
- (1) Printer Stand

GPB OFFICE

- (3) 4-Drawer File Cabinets
- (1) 2-Shelf Bookcase
- (2) 5-Shelf Bookcase
- (2) Guest Chairs
- (1) Arm Chair (Swivel)
- (1) Folding Table
- (1) Desk
- (1) Credenza
- (1) Small Metal Locker
- (1) Grease Board

CONFERENCE ROOM

- (1) Green Wooden Cabinet
- (1) Folding Conference Table
- (3) Grease Boards
- (1) Coffee Maker
- (1) Refrigerator
- (1) Open Shelf Storage Cabinet
- (1) Microwave Oven

OUTSIDE STORAGE

- (1) Desk

COPY/FAX ROOM

- (1) HP Fax 310
- (1) Canon Faxphone B550
- (1) Copier: Savin 9180
- (1) Copies Storage Cabinet
- (2) Desks
- (1) Printer Stand
- (2) 5-Shelf Book Cases
- (1) 3-Shelf Book Case
- (1) Open Shelving Storage Unit
- (1) Storage Cabinet
- (1) Dot Matrix Printer FX-286
- (1) Dot Matrix Printer FX-1050

JRO OFFICE

- (1) Bookshelf with lower cabinet
- (1) 2-Shelf Bookcase
- (1) Printer Stand
- (1) Desk with Wing
- (1) 2-Drawer File Cabinet
- (1) Credenza
- (2) Guest Chairs
- (1) Arm Chair Swivel

JAY OFFICE

- (1) 5-Shelf Bookcase
- (1) 2-Shelf Bookcase
- (1) Folding Table
- (2) Guest Chairs
- (1) Desk
- (1) Arm Chair (Swivel)

RFU OFFICE

- (5) 4-Drawer File Cabinets
- (1) Bookshelf with lower cabinet
- (1) 5-Shelf Bookcase
- (1) Round Conference Table
- (1) Desk
- (1) Arm Chair (Swivel)
- (2) Guest Chairs
- (1) Printer Stand

RECEPTION AREA

- (2) Metal Desks
- (2) Printer Stands
- (2) Guest Chairs
- (2) Secretarial Chairs
- (1) Typewriter Xerox 605
- (1) Postage Meter (Rented)
- (1) Postage Scale (Rented)
- (1) Small Magazine Rack
- (1) ~~HP 310 Laser Printer~~

OTHER

- (1) Telephone System Norstar

PERSONAL COMPUTER INVENTORY -- ACTIVE EQUIPMENT

05-Mar-97

DESCRIPTION	486-DX	486-SX	486-SX	486-SX	386-SX	486-SX	486-DX	386-SX	386-SX
RAM	16 M B	4 M B	8 M B	8 M B	5 M B		8 M B	4 M B	4 M B
DISK	1 G B	580 M B	750 M B	750 M B	500 M B	85 M B	300 M B	40 M B	40 M B
DRIVE	5.25	3.5 / 5.25	3.5 / 5.25	3.5 / 5.25	3.5	3.5 / 5.25	3.5	5.25	5.25
PROCESSOR	6.22	6.22	33	6.22	6.22	5.00	6.22	6.22	6.22
MONITOR	N	3.11	3.11	3.11	3.11	N	3.11	N	N
MOUSE	N	Y	Y	Y	Y	N	Y	N	N
MODEM	N	2400	N	N	EXT 1200	N	14400	N	9600
PRINTER	N	LASERJET	DESKJET	DESKJET	DOT MATRIX				

Other:

1 PC 3810 Plotter

1 Teledyne, printer/plotter - model mark III (TMA #228) - South Office

SOFTWARE -

Railcar Management Software (in computer system and in stack disks in Accounting area)

Right Hand Man Software (in computer system and in Fax area)

Novell Network Software (in computer system and in FAX area)

MAS90 Accounting Software (in computer system and in Accounting area)

4 set of IRES software

and all other office equipment, supplies, parts, tools,
fixtures not otherwise listed.

SCHEDULE II
LEGAL DESCRIPTION

Wabash Central Railroad Corporation
Defiance Line
Huntington County, Indiana

All those strips, pieces or parcels of land situate, lying and being in Section 24, Section 23, Section 22, Section 21, the South Half and Northeast Quarter of Section 20, the Southeast Quarter of Section 19, and the North Half and Southwest Quarter of Section 30, Township 26 North, Range 10 East, the Southeast Quarter of Section 25, and the North Half and Southwest Quarter of Section 36, Township 26 North, Range 9 East, Huntington County, Indiana, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana, bounded on the east by the common line between Wells County and Huntington County, Indiana, said line crossing the original centerline of said main track at Railroad Valuation Station 6990+10, more or less (approximate Milepost Location 132.4), and bounded on the west by the common line between Huntington County and Grant County, Indiana, said line crossing said original centerline of main track at Railroad Valuation Station 7417+82, more or less (approximate Milepost Location 140.5), containing 70 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0039-R1 (Sheets 1 through 5, inclusive, of 5), dated July 9, 1997, revised September 23, 1997, attached hereto and made a part hereof.

Maumee & Western Railroad Corporation
Defiance Line
Henry County, Ohio

All those strips, pieces or parcels of land situate, lying and being in the West Half of Section 30, Township 6 North, Range 8 East; the South Half of Section 25, the Northwest Quarter of Section 36, the North Half and Southwest Quarter of Section 35, and the South Half of Section 34, Township 6 North, Range 7 East; the Northwest Quarter of Section 3, the North Half and Southwest Quarter of Section 4, the South Half of Section 5, the Northwest Quarter of Section 8, and Section 7, Township 5 North, Range 7 East; the Southeast Quarter of Section 12, the North Half of Section 13, the South Half and Northeast Quarter of Section 14, the Northwest Quarter of Section 23, the North Half and Southwest Quarter of Section 22, the South Half of Section 21, the Northwest Quarter of Section 28, the North Half and Southwest Quarter of Section 29, the South Half of Section 30, and the North Half of Section 31, Township 5 North, Range 6 East; all lying in Henry County, Ohio, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Liberty Center, Ohio and Woodburn, Indiana, bounded on the east by a line perpendicular to the original centerline of said main track at Railroad Valuation Station 1463+79 (Railroad Milepost Location T-28.00), and bounded on the west by the common line between Henry County and Defiance County, Ohio, said line being the west line of Section 31, Township 5 North, Range 6 East, and also crossing said original centerline of main track at Railroad Valuation Station 2212+39.6, more or less, containing 175 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0041-R.1 (Sheets 1 through 8, inclusive, of 23), dated July 23, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

County of Wells, State of Indiana, to-wit:

PARCEL ONE

All those strips, pieces or parcels of land situate, lying and being in the Southwest Quarter of Section 20, the Northwest Quarter of Section 30, and the South Half of Section 19, Township 27 North, Range 13 East; the West Half and Northeast Quarter of Section 25, the South Half of Section 26, the Northwest Quarter of Section 35, Section 34, and the South Half of Section 33, Township 27 North, Range 12 East, Wells County, Indiana, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana, bounded on the northeast by the easterly line, as extended, of that property described in a deed from Peter Hetrick and Catherine Hetrick, his wife, to the Toledo, Delphos & Burlington Railway Company, dated December 27, 1879, recorded in Deed Book 7, Page 447, Wells County, Indiana Records; said easterly line, as extended, crossing the original centerline of said main track at Railroad Valuation Station 6219+32 (approximate Railroad Milepost 117.8) and bounded on the west by the easterly right of way line for Norfolk and Western Railway Company's main track (former The Lake Erie and Western Railroad Company main track) as it runs between Muncie and Fort Wayne, Indiana, said right of way line being 34.5 feet eastwardly from, as measured normal to, the centerline of last said main track, and crossing the centerline of Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana at Railroad Valuation Station 6492+52, more or less, containing 38 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0037-R1 (Sheets 1 through 4, inclusive, of 4), dated July 9, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

PARCEL TWO

All those strips, pieces or parcels of land situate, lying and being in the Southwest Quarter of Section 4, the Southeast Quarter of Section 5, the North Half of Section 8, the North Half and Southwest Quarter of Section 7, Township 26 North, Range 12 East; the South Half of Section 12, the Northwest Quarter of Section 13, the North Half and Southwest Quarter of Section 14, the South Half of Section 15, the Northwest Quarter of Section 22, the North Half of Section 21, the North Half of Section 20, and the North Half of Section 19, Township 26 North, Range 11 East, Wells County, Indiana, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana, bounded on the east by a line normal to the original centerline of said main track at Railroad Valuation Station 6536+64 (Milepost Location 123.80) and bounded on the west by the common line between Wells County and Huntington County, Indiana, said line crossing said original centerline of main track at Railroad Valuation Station 6990+10, more or less (approximate Milepost Location 132.4), containing 126 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0038-R1 (Sheets 1 through 6, inclusive, of 6), dated July 9, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

Wabash Central Railroad Corporation
Bluffton Line

County of Grant, State of Indiana, to-wit:

All those strips, pieces or parcels of land situate, lying and being in the East Half and Southwest Quarter of Section 2, the Northwest Quarter of Section 11, the East Half and Southwest Quarter of Section 10, the Northwest Quarter of Section 15, and the North Half of Section 16, Township 25 North, Range 9 East, Grant County, Indiana, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana, bounded on the east by the common line between Huntington County and Grant County, Indiana, said line crossing the original centerline of said main track at Railroad Valuation Station 7417+82, more or less (approximate Milepost Location 140.5), and bounded on the west by a line perpendicular to said original centerline of main track at Railroad Valuation Station 7616+91 (Milepost Location 144.20), containing 39 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0040-R1 (Sheets 1 through 3, inclusive, of 3), dated July 9, 1997, revised September 23, 1997, attached hereto and made a part hereof.

Maumee & Western Railroad Corporation
Defiance Line

County of Allen, State of Indiana,

to-wit:

All those strips, pieces or parcels of land situate, lying and being in Fractional Section Quarter, the South Half of Section 15, the Northwest Quarter of Section 22, the North Half and Southwest Quarter of Section 21, and the South Half of Section 20, Township 31 North, Range 15 East, Allen County, Indiana; being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Liberty Center, Ohio and Woodburn, Indiana, bounded on the east by the common line between the states of Indiana and Ohio, said line crossing said original centerline of main track at Railroad Valuation Station 3985+81, more or less, being bounded on the west by a line perpendicular to said original centerline of main track at Railroad Valuation Station 4158+30 (Railroad Milepost Location T-79.00), containing 40 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0041-R1 (Sheets 22 and 23 of 23), dated July 23, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

Defiance Line
Defiance County, Ohio
Maumee & Western Railroad Corporation

All those strips, pieces or parcels of land situate, lying and being in the East Half and Southwest Quarter of Section 36 and the Southeast Quarter of Section 35, Township 5 North, Range 5 East; the North Half of Section 2, the East Half and Southwest Quarter of Section 3, the Northwest Quarter of Section 10, the North Half and Southwest Quarter of Section 9, the South Half of Section 8, the Northwest Quarter of Section 17, and Section 18, Township 4 North, Range 5 East; the Southeast Quarter of Section 13, the North Half of Section 24, the East Half and Southwest Quarter of Section 23, the North Half of Section 26, the East Half and Southwest Quarter of Section 27, the South Half of Section 28, the Northwest Quarter of Section 33, the North Half and Southwest Quarter of Section 32, and the East Half and Southwest Quarter of Section 31, Township 4 North, Range 4 East; and the Southeast Quarter of Section 36, Township 4 North, Range 3 East; all lying in Defiance County, Ohio, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Liberty Center, Ohio and Woodburn, Indiana, bounded on the east by the common line between Henry County and Defiance County, Ohio, said line being the east line of said Section 36, Township 5 North, Range 5 East, and also crossing said original centerline of main track at Railroad Valuation Station 2212+39.6, more or less, and bounded on the west by the common line between Defiance County and Paulding County, Ohio, said line being the south line of said Section 36, Township 4 North, Range 3 East, and also crossing said original centerline of main track at Railroad Valuation Station 2967+80, more or less, containing 175 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0041-R1 (Sheets 8 through 15, inclusive, of 23), dated July 23, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

Maumee & Western Railroad Corporation
Defiance Line
Paulding County, Ohio

All those strips, pieces or parcels of land situate, lying and being in the North Half of Section 1, the North Half and Southwest Quarter of Section 2, the East Half and Southwest Quarter of Section 3, the South Half of Section 4, the North Half of Section 9, the North Half and Southwest Quarter of Section 8, and the East Half and Southwest Quarter of Section 7, Township 3 North, Range 3 East; the Southeast Quarter of Section 12, the North Half of Section 13, the North Half and Southwest Quarter of Section 14, the North Half of Section 15, the Southeast Quarter of Section 16, the North Half of Section 21, the North Half and Southwest Quarter of Section 24, the North Half of Section 25, the North Half and Southwest Quarter of Section 26, the South Half of Section 27, the Southeast Quarter of Section 28, the North Half of Section 33, and the East Half and Southwest Quarter of Section 32, Township 3 North, Range 1 East; the West Half of Section 5, the South Half of Section 6, and the Northwest Quarter of Section 7, Township 2 North, Range 1 East, all lying in Paulding County, Ohio, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Liberty Center, Ohio and Woodburn, Indiana, bounded on the east by the common line between Defiance County and Paulding County, Ohio, said line being the north line of said Section 1, Township 3 North, Range 4 East, and also crossing said original centerline of main track at Railroad Valuation Station 2967+80, more or less, and bounded on the west by the common line between the states of Indiana and Ohio, said line crossing said original centerline of main track at Railroad Valuation Station 3985+81, more or less, containing 235 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0041-R1 (Sheets 15 through 21, inclusive, of 23), dated July 23, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

RNW Ventures/Lower Connorsville Lin
Fayette County, Indiana and
Wayne County, Indiana
C&NC Railroad Corporation

ALL THAT Certain piece, strip or parcel of land, together with track and appurtenances thereon, situated partly in the City of Connorsville, Fayette County, and partly in the City of Beeson, Wayne County, State of Indiana, being a portion of the right of way of railroad of Consolidated Rail Corporation (formerly Cleveland, Cincinnati, Chicago and Saint Louis Railway Company) known as the White Water Running Track, and identified as Line Code 8345 in the records of the United States Railway Association, being all that real property lying in, under, above and along, continuous to adjacent to that part of the Railroad lying between the following two (2) described lines:

BEGINNING 1) a line drawn at right angles to center line station 3643+58, being the existing lateral cut line between Indiana Hi-Rail Corporation and Whitewater Valley Railroad Company M. P. 69.0 in Fayette County, Indiana and extending 2) to the line dividing the Northwest quarter and the Northeast quarter and the Southwest quarter of the Northeast quarter of Section 25, T15N, R12E, Wayne County as indicated by "PS" on Grantor's Case Plan Number 66391, Sheets 1 through 6 which are incorporated in Deed Record 04918, filed January 16, 1982, at book Record 417, Page 321 in the in the Office of the Recorder of Fayette County, Indiana.

BEING portions of the same premises which George W. Betz, Jr., as trustee of the property of the Cleveland, Cincinnati, Chicago and Saint Louis Railway Company, Debtor, by Conveyance Document Number CCC&StL-CRC-RP-36, dated March 29, 1976 and recorded October 11, 1978 in the Recorder's Office of Fayette County, Indiana in Book 79 at page 62 &c (Instrument Number 107162); and by Conveyance Document Number CCC&StL-CRC-RP-61, dated March 29, 1976 and recorded October 25, 1976 in the Recorder's Office of Wayne County, Indiana in Book 400 at page 366&c (Instrument 7896); granted and conveyed unto Consolidated Rail Corporation.

SUBJECT, however, to (1) whatever rights the State of Indiana, Local Municipalities and public may have to use any roads, streets, alleys or ways which may cross the hereinbefore described premises; (2) any streams or water ways passing under, over, across or through the hereinbefore described premises; and (3) any easements or agreements of record or otherwise affecting the land hereby conveyed, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems and their appurtenances now existing or remaining in, on, under, over, across and through the herein conveyed premises, together with the right to maintain, repair, renew, replace, use and remove the same.

EXCEPTING THEREFROM: Property heretofore conveyed to Whitewater Valley Railroad Company, and Indiana Not-for-Profit Corporation, by deed dated February 20, 1990 and recorded the ____ day of _____, _____ at Deed Record _____, Page _____ in the Office of the Recorder of Fayette County, and more particularly described as follows:

ALL THAT CERTAIN piece, strip or parcel of land, together with track and appurtenances thereon, Situated partly in the City of Connorsville, Fayette County, and partly in the City of Beeson, Wayne County, State of Indiana, being a portion of the right of way or railroad of Consolidated Rail Corporation (Formerly Cleveland, Cincinnati and Chicago & St. Louis Railway Company) known as the White Water Running Track, and identified as Line Code 8345 in records of the United States Railway Association, being all that real property lying in under, above, along, continuous to and adjacent to that part of the Railroad lying between the following two (2) described lines:

BEGINNING 1) a line drawn at right angles to center line station 3581+80, being the existing lateral cut line between Consolidated Rail Corporation and Whitewater Valley Railroad Company MP 67.9 in Fayette County, and extending 2) to a line drawn at right angles to center line station 3643+58, MP 69.0 in Fayette County, IN.

SCHEDULE III
OPERATING AGREEMENTS

1. Box car lease on Ford cars from GE and lease for 14 covered Hopper cars.
2. All railroad crossing agreements including but not limited to the Crossing Agreement with CSX at Defiance, Ohio and the Crossing Agreement with the Indiana & Ohio Railroad at Liberty Center, Ohio.
3. All leases, licenses or agreements with third parties.
4. Trackage Rights Agreement with the Whitewater River Valley Railroad and CSC at Connersville, Indiana.
5. Joint Facilities Agreements and interlocking agreements for CSX at Defiance, Ohio and the Indiana & Ohio Railroad at Liberty Center, Ohio.
6. Joint Facilities Agreement at Connersville, Indiana.
7. All sidetrack agreements.
8. Transportation Contracts, including but not limited to, that of Coughlin Corporation.

SCHEDULE IV
ASSIGNED AGREEMENTS

28-Feb-98

MULTI OR SING AGR	LESSEE	ANNUAL RATE	NEW RATE	ANNUV DATE	BILLED THRU	COMMENTS (ESC/CANCEL)	AGRM'T MONTHS	FEB 28 REMAINING MOS TO PRORATE	PRORATED REVENUES	UNCOLLECTED REVENUES	PRORATED UNCOLLECTED REVENUES	NET PRORATED REVENUES
BL	89001 Helena Chemical	1,418.00		Apr 1	01-Apr-98 04/01/1998		12		120.67	(1,418.00)	(120.67)	0
BL	89004 Jones Spacelink	40.00	1,000.00	Apr 15	15-Apr-2004 04/15/2005	10-yr Term	120		MULTI			0
BL	89005 City of Bluffton	100.00		Aug 1	01-Aug-98 08/01/1998		12		50.00			0
BL	89006 City of Bluffton	100.00		May 15	15-May-98 05/15/1998		12		33.33			50
BL	89007 City of Bluffton	200.00		Sep 1	01-Jan-94 09/01/1998		12		33.33			33.33
BL	89008 City of Bluffton	100.00		Dec 28	01-Jan-94 12/28/1998		12		58.33			58.33
BL	89013 Northern Ind. Pub. Svc	100.00		Jul 27	27-Jul-97 07/27/1998		12		83.33			83.33
BL	89014 Huntington Co. Co-op	50.00		Oct 1	01-Jan-94 10/01/1998	Cancelled - Removed	12		41.67	(600.00)	(41.67)	0
BL	89015 Mich/Wisc Pipeline Co.	100.00		Apr 27	27-Apr-98 04/27/1998		12		16.67	(950.00)		16.67
BL	89017 United Telephone	100.00		Feb 1	01-Feb-94 02/01/1994	Esc. based on rate	12		0.00			0
BL	89021 Mich/Wisc Pipeline Co.	100.00		Sep 15	01-Jan-94 09/15/1998		12		58.33	(211.38)		58.33
BL	89024 Town of VanBuren	100.00		Apr 18	18-Apr-98 04/18/1998		12		16.67			16.67
BL	89028 Central Soya Co.	48.00		Jul 29	29-Jul-98 07/29/1998		12		20.00	(18.00)		20.00
BL	89029 Central Soya Co.	20.00		May 7	07-May-98 05/07/1998		12		1.33	(8.00)		1.33
BL	89030 Central Soya Co.	25.00		Aug 30	01-Jan-94 08/30/1998		12		10.00	(20.00)		10.00
BL	89031 Central Soya Co.	10.00		Apr 1	01-Jan-94 04/01/1998		12		2.08	(10.00)		2.08
BL	89032 Orbison Products, Inc.	50.00		Dec 18	01-Jan-94 12/18/1998		12		7.50	(7.50)		0
BL	89033 West Ohio Gas Co.	100.00	1,000.00	Mar 25	25-Feb-2005 03/25/2005	Cancel - Vacated Property 10-yr term	120		MULTI			0
BL	89039 Dayton Power & Light Co	100.00		Sep 20	01-Jan-94 09/20/1998		12		58.33	(301.38)	(41.67)	58.33
BL	89042 Mich/Wisc Pipeline Co.	100.00		Jul 7	07-Jul-97 07/07/1998		12		41.67	(2,480.92)	(50.00)	0
BL	92001 City of Delphos	200.00		Jun 1	01-Jun-98 06/01/1998	Esc. Based on Rate	12		50.00			0
BL	94041 Citizens Telephone Corp	225.00	2,500.00	Sep 1	01-Jun-98 09/01/2004	10-yr term	120		MULTI			0
BL	96003 City of Bluffton	200.00		Jul 18	18-Jul-97 07/18/1998	10% Esc/yr	12		91.67			91.67
BL	96004 City of Bluffton	200.00		Jul 18	18-Jul-97 07/18/1998	10% Esc/yr	12		91.67			91.67
BL	96005 Village of Fort Jennings	200.00		Aug 28	01-Jan-94 Permanent	10% Esc/yr	12		91.67			91.67
BL	89009 Randy J. Harnish	100.00		Mar 15	15-Mar-98 03/15/1998	One-Time Fee	12		8.33			8.33
BL	89010 Indiana Bell (Ameritech)	100.00		Apr 24	24-Apr-2001 04/24/2001	10-yr Term	120		MULTI			0
BL	89011 Indiana Bell (Ameritech)	100.00		Jul 15	15-Jul-2001 07/15/2001	10-yr Term	120		MULTI			0
BL	89012 Indiana Bell (Ameritech)	100.00		Aug 21	10-Aug-2001 08/21/2001	10-yr Term	120		MULTI			0
BL	84037 City of Delphos, OH	0.00		Mar 13	01-Jan-94 3/21/1998	No Fee	12		0			0
BL	89001 RODOC Leasing Sales &	0.00		May 21	15-Mar-98 03/13/1998	No Fee	12		0			0
BL	89002 Village of Ohio City	0.00		Jun 1	21-Jun-98 06/21/1998	No Fee	12		0			0
CV	81001 C'ville Utilities	100.00		Jun 1	12-Jun-98 06/12/1998	10-yr term	12		25.00	(100.00)	(25.00)	0
CV	81002 C'ville Utilities	100.00		Jun 1	25-Feb-2005 03/25/2005	5% Inc/4-yr-92/98/2000	120		MULTI			0
CV	81003 C'ville Utilities	110.25	115.78	Jun 1	12-Jun-98 06/12/1998	5% Inc/4-yr-92/98/2000	12		28.94	(110.25)	(28.94)	0
CV	81005 C'ville Utilities	110.25	115.78	Jun 1	12-Jun-98 06/12/1998	5% Inc/4-yr-92/98/2000	12		28.94	(110.25)	(28.94)	0
CV	81006 C'ville Utilities	110.25	115.78	Jun 1	01-Jun-98 06/01/1998	5% Inc/4-yr-92/98/2000	12		28.94	(110.25)	(28.94)	0
CV	81012 Goodman Diversified	100.00		May 1	01-May-92 05/01/1992	Cancelled - Gone	12		0			0
CV	81019 State Farm Insurance	50.00		Dec 17	01-Jan-94 12/17/1997		12		41.67	(50.00)	(41.67)	0
CV	81021 C'ville Utilities	110.25	115.78	Dec 1	01-Jan-94 12/01/1998	5% Inc/4-yr-92/98/2000	12		88.82	(110.25)	(86.82)	0
CV	81024 C'ville Utilities	110.25	115.78	Nov 1	23-Jun-98 08/23/1998	5% Inc/4-yr-92/98/2000	12		38.59	(110.25)	(38.59)	0
CV	81028 Venture Management Co	200.00		Apr 1	08-Apr-98 04/08/1998		12		16.67			16.67
CV	81031 City of Connersville	0.00		Oct 26	01-Jan-94 10/26/1993	No Fee	12		0			0
CV	92002 Preferred Risk	200.00	0.00	Jan 1	01-Jan-94 01/01/1994	Cancelled 498 sold to Lakes Welding	12		175.00			175
CV	93016 National Advertising	300.00	350.00	Sep 1	01-Jan-94 09/01/1998	\$50 Esc / 3 yrs	6		521.15			521.15
CV	93018 WITel, Inc. (World Com)	850.98	893.40	Oct 1	01-Jan-94 10/01/1998	5% Inc/yr	7		267.18	(267.18)	(267.18)	0
CV	93023 Semmons (Marcus Cabl	287.18		Feb 1	01-Feb-98 02/01/1998	10% Increase/yr	12		134.21			134.21
CV	93035 C'ville Utilities	282.82	322.10	Aug 1	01-Aug-97 08/01/1998	10% Inc/yr	12		134.21			134.21
CV	93042 Deurn's Dairy Mart	200.00	2,000.00	May 1	01-May-2004 05/01/2004	10-yr term	120		416.67	(500.00)	(416.67)	0
CV	84012 Bruce Watts	500.00		Dec 30	01-Jan-94 12/30/1997	Cancelled - Sign Removed	12		0			0
CV	93014 Porter Poster Svc.	440.00	484.00	Feb 1	01-Feb-95 02/01/1995	Renewal must be renegot.	60		MULTI			0
CV	96001 Lake Welding & Sign	45,000.00	300.00	Mar 1	01-Mar-2003 03/01/2003	\$50 Inc/3 yrs	14		116.67			116.67
DF	89046 Allen Co. Co-op	720.00		Jun 1	01-Jun-98 06/01/1998	10-yr Term	12		180.00			180
DF	89047 Antwerp Equity Exchange	1,048.00		Aug 18	18-Aug-97 08/18/1998		12		524.00	(200.00)	(66.67)	524
DF	89048 Village of Antwerp OH	200.00		Jun 23	23-Jun-98 06/23/1998		12		66.67			66.67
DF	89049 Ohio Gas Co.	100.00	1,500.00	Jun 4	15-Jul-97 07/15/1998	10-yr Term	120		52.08			52.08
DF	89050 City of Defiance	125.00		Jul 15	15-Jul-97 07/15/1998		12		41.67			41.67
DF	89051 Cox Communications	250.00		Apr 18	18-Apr-98 04/18/1998		12		25.00	(100.00)	(25.00)	0
DF	89055 Times Mirror Cable	100.00		Jun 1	01-Jun-98 06/01/1998		12		16.67			16.67
DF	89056 Toledo Edison Co.	100.00		Apr 11	11-Apr-98 04/11/1998		12		291.67	(350.00)	(291.67)	0
DF	89057 Toledo Edison Co.	350.00		Jun 10	01-Jun-98 01/10/1998		12		33.33	(100.00)	(33.33)	0
DF	89058 Toledo Edison Co.	100.00		Jun 14	14-Jun-98 06/14/1998		12		600.00	(2,160.00)	(600.00)	0
DF	89061 Arco Pipeline Co.	100.00		Mar 18	18-Mar-98 03/18/1998		12		0			0
DF	89063 Gerald Grain Center	720.00		Jan 1	01-Jan-98 01/01/1998	Cancelled-See DF83022	12		0			0

EXHIBIT 2.2
SPECIFIC REPRESENTATIONS

1. The exact legal name of the Company is: C & NC, LLC.
2. The Borrower's federal Employer I.D. number is: _____.
3. If the Company has changed its name since it was incorporated, its past legal names were:
_____.
4. The Company uses in its business and owns the following trade names:
_____.
5. The Company was formed on _____, under the laws of the State of Indiana and is in good standing under those laws.
6. The Company is qualified to transact business in the following states:
_____.
7. The Company has its chief executive office and principal place of business at _____ . This office is in _____ County.
Company maintains all of its records with respect to its Accounts at that address.
8. The Company also has places of business at: _____
_____.
9. No inventory, equipment or fixtures owned by the Company are located at any other place, nor were they located at any other place within the past four months, except at _____
_____.
10. In the past five years the Company has never maintained its chief executive office or principal place of business or records with respect to accounts, nor owned personal property, at any locations except those set forth above and except _____.
11. The following entities (a) have been merged into the Company, (b) have sold substantially all of their assets to the Company or (c) have sold assets to the Company outside the ordinary course of their business since the Company was incorporated: _____
_____.

12. The Company owns the following numbers of motor vehicles: _____ autos; _____ trucks; _____ tractors; _____ trailers.
13. The Company is not the owner or licensee of any registered patents, trademarks or copyrights except _____
_____.
14. The Company does not have any subsidiaries, or own stock in any other corporations, or own an interest in any partnerships or joint ventures, except _____
_____.
15. The Company is not the owner of any life insurance policies except _____
_____.
16. If the Company is incorporated in Kentucky or qualified to do business there, its registered agent and registered office there as listed on the Kentucky secretary of state's corporate records are: _____
_____.
17. The Company is not a plaintiff or defendant in any litigation except as set forth on the Litigation exhibit.

EXHIBIT 2.2
SPECIFIC REPRESENTATIONS

1. The exact legal name of the Company is: Maumee & Western, LLC.
2. The Borrower's federal Employer I.D. number is: _____.
3. If the Company has changed its name since it was incorporated, its past legal names were:
_____.
4. The Company uses in its business and owns the following trade names:
_____.
5. The Company was formed on _____, under the laws of the State of Indiana and is in good standing under those laws.
6. The Company is qualified to transact business in the following states:
_____.
7. The Company has its chief executive office and principal place of business at _____ . This office is in _____ County.
Company maintains all of its records with respect to its Accounts at that address.
8. The Company also has places of business at: _____
_____.
9. No inventory, equipment or fixtures owned by the Company are located at any other place, nor were they located at any other place within the past four months, except at _____
_____.
10. In the past five years the Company has never maintained its chief executive office or principal place of business or records with respect to accounts, nor owned personal property, at any locations except those set forth above and except _____.
11. The following entities (a) have been merged into the Company, (b) have sold substantially all of their assets to the Company or (c) have sold assets to the Company outside the ordinary course of their business since the Company was incorporated: _____
_____.

12. The Company owns the following numbers of motor vehicles: _____ autos; _____ trucks; _____ tractors; _____ trailers.
13. The Company is not the owner or licensee of any registered patents, trademarks or copyrights except _____
_____.
14. The Company does not have any subsidiaries, or own stock in any other corporations, or own an interest in any partnerships or joint ventures, except _____
_____.
15. The Company is not the owner of any life insurance policies except _____
_____.
16. If the Company is incorporated in Kentucky or qualified to do business there, its registered agent and registered office there as listed on the Kentucky secretary of state's corporate records are: _____
_____.
17. The Company is not a plaintiff or defendant in any litigation except as set forth on the Litigation exhibit.

EXHIBIT 2.2
SPECIFIC REPRESENTATIONS

1. The exact legal name of the Company is: Wabash Central, LLC.
2. The Borrower's federal Employer I.D. number is: _____.
3. If the Company has changed its name since it was incorporated, its past legal names were:
_____.
4. The Company uses in its business and owns the following trade names:
_____.
5. The Company was formed on _____, under the laws of the State of Indiana and is in good standing under those laws.
6. The Company is qualified to transact business in the following states:
_____.
7. The Company has its chief executive office and principal place of business at _____ . This office is in _____ County. Company maintains all of its records with respect to its Accounts at that address.
8. The Company also has places of business at: _____
_____.
9. No inventory, equipment or fixtures owned by the Company are located at any other place, nor were they located at any other place within the past four months, except at _____
_____.
10. In the past five years the Company has never maintained its chief executive office or principal place of business or records with respect to accounts, nor owned personal property, at any locations except those set forth above and except _____.
11. The following entities (a) have been merged into the Company, (b) have sold substantially all of their assets to the Company or (c) have sold assets to the Company outside the ordinary course of their business since the Company was incorporated: _____
_____.

12. The Company owns the following numbers of motor vehicles: _____ autos; _____ trucks; _____ tractors; _____ trailers.
13. The Company is not the owner or licensee of any registered patents, trademarks or copyrights except _____
_____.
14. The Company does not have any subsidiaries, or own stock in any other corporations, or own an interest in any partnerships or joint ventures, except _____
_____.
15. The Company is not the owner of any life insurance policies except _____
_____.
16. If the Company is incorporated in Kentucky or qualified to do business there, its registered agent and registered office there as listed on the Kentucky secretary of state's corporate records are: _____
_____.
17. The Company is not a plaintiff or defendant in any litigation except as set forth on the Litigation exhibit.

EXHIBIT 2.2
SPECIFIC REPRESENTATIONS

1. The exact legal name of the Company is: Fulton County, LLC.
2. The Borrower's federal Employer I.D. number is: _____.
3. If the Company has changed its name since it was incorporated, its past legal names were:
_____.
4. The Company uses in its business and owns the following trade names:
_____.
5. The Company was formed on _____, under the laws of the State of Indiana and is in good standing under those laws.
6. The Company is qualified to transact business in the following states:
_____.
7. The Company has its chief executive office and principal place of business at _____ . This office is in _____ County. Company maintains all of its records with respect to its Accounts at that address.
8. The Company also has places of business at: _____
_____.
9. No inventory, equipment or fixtures owned by the Company are located at any other place, nor were they located at any other place within the past four months, except at _____
_____.
10. In the past five years the Company has never maintained its chief executive office or principal place of business or records with respect to accounts, nor owned personal property, at any locations except those set forth above and except _____.
11. The following entities (a) have been merged into the Company, (b) have sold substantially all of their assets to the Company or (c) have sold assets to the Company outside the ordinary course of their business since the Company was incorporated: _____
_____.

12. The Company owns the following numbers of motor vehicles: _____ autos; _____ trucks; _____ tractors; _____ trailers.
13. The Company is not the owner or licensee of any registered patents, trademarks or copyrights except _____
_____.
14. The Company does not have any subsidiaries, or own stock in any other corporations, or own an interest in any partnerships or joint ventures, except _____
_____.
15. The Company is not the owner of any life insurance policies except _____
_____.
16. If the Company is incorporated in Kentucky or qualified to do business there, its registered agent and registered office there as listed on the Kentucky secretary of state's corporate records are: _____
_____.
17. The Company is not a plaintiff or defendant in any litigation except as set forth on the Litigation exhibit.

EXHIBIT 3.1

C & NC RAILROAD CORPORATION

CERTIFICATE OF COMPANY

re: Security Agreement with
The Fifth Third Bank

The undersigned does hereby certify that he is the [Managing Member] of C & NC, LLC, an Indiana limited liability company (the "Company"), and the undersigned does hereby further certify as follows:

1. Attached hereto, marked Attachment A, is a true and correct copy of the current Articles of Organization of the Company together with all amendments thereto, certified by the Secretary of State of the state of formation of the Company within the past 30 days.
2. Attached hereto, marked Attachment B, is a true and correct copy of the Operating Agreement of the Company, including all amendments thereto, as in effect on the date hereof.
3. Attached hereto, marked Attachment C, is a true and correct copy of a certain resolution of the members of the Company dated _____, 19___, which was duly and lawfully adopted by the members of the Company. Such resolution has not been amended, altered or rescinded and is in full force and effect on the date hereof.
4. The following persons are the members of the Company. Each member who has executed or will execute any documents in connection with this loan transaction has set forth his true and customary signature opposite his name:

Name	Signature
_____	_____
_____	_____
_____	_____
_____	_____

5. Each member whose personal signature appears above has been duly authorized by resolution of the members of the Company to execute any and all instruments or documents which he may deem necessary or appropriate in connection with this loan transaction.

6. Company is in good standing in the state of its formation. Attached hereto, marked Attachment E, is a certificate of good standing issued within the past 30 days by that state.

IN WITNESS WHEREOF, the undersigned hereby certifies the above to be true and has executed this certificate this ____ day of _____, 19__.

, [Managing Member]

The undersigned does hereby certify that he is _____ of the Company, and does further certify that _____ is the [Managing Member] of the Company, and that his signature set forth above is his true and customary signature.

, _____

ATTACHMENT C
to
Exhibit 3.1

C & NC RAILROAD CORPORATION
MEMBERS' ACTION
BY WRITTEN CONSENT

The undersigned, being all of the Members of C & NC Railroad Corporation (the "Company") who would be entitled to notice of a meeting of the members, do hereby authorize, approve and agree to the adoption of the following action by their written consent without a meeting:

WHEREAS, the members of the Company deem it in the best interest of the Company to grant a lien and security interest in assets of the Company to The Fifth Third Bank ("Bank"); and

WHEREAS, negotiations have been carried on by and between the Company and the Bank relating to the structuring of the transaction and the form of security agreement to be used in connection with the financing; and

WHEREAS, a Security Agreement has been substantially finalized;

NOW, BEFORE, BE IT RESOLVED, that the Security Agreement is hereby approved with such additional terms and provisions as the member executing the same shall approve and the execution and delivery thereof by such member shall be conclusive evidence that the same has been authorized by this resolution; and

RESOLVED FURTHER, that any one of the following members of the Company are hereby authorized to execute and deliver the Security Agreement on behalf of the Company, and any and all other documents that he deems necessary and advisable in order to complete the transaction authorized by these resolutions and to perform such other acts, as in his judgment may be necessary or appropriate in order to effectuate the intent and purposes of the foregoing resolutions, the signature of only one such officer being necessary:

RESOLVED FURTHER, that any of the foregoing members are hereby authorized to execute, the signature of only one such officer being necessary, any and all closing documents including but not limited to closing certificates and financing statements necessary to obtain the financing with such additional terms and provisions as the member executing the same shall approve,

and the execution and delivery of such documents by such member shall be conclusive evidence that the same has been authorized by this resolution.

Dated _____

EXHIBIT 3.1

MAUMEE & WESTERN RAILROAD CORPORATION

CERTIFICATE OF COMPANY

re: Security Agreement with
The Fifth Third Bank

The undersigned does hereby certify that he is the [Managing Member] of Maumee & Western Railroad Corporation, an Indiana limited liability company (the "Company"), and the undersigned does hereby further certify as follows:

1. Attached hereto, marked Attachment A, is a true and correct copy of the current Articles of Organization of the Company together with all amendments thereto, certified by the Secretary of State of the state of formation of the Company within the past 30 days.
2. Attached hereto, marked Attachment B, is a true and correct copy of the Operating Agreement of the Company, including all amendments thereto, as in effect on the date hereof.
3. Attached hereto, marked Attachment C, is a true and correct copy of a certain resolution of the members of the Company dated _____, 19____, which was duly and lawfully adopted by the members of the Company. Such resolution has not been amended, altered or rescinded and is in full force and effect on the date hereof.
4. The following persons are the members of the Company. Each member who has executed or will execute any documents in connection with this loan transaction has set forth his true and customary signature opposite his name:

Name	Signature
_____	_____
_____	_____
_____	_____
_____	_____

5. Each member whose personal signature appears above has been duly authorized by resolution of the members of the Company to execute any and all instruments or documents which he may deem necessary or appropriate in connection with this loan transaction.

6. Company is in good standing in the state of its formation. Attached hereto, marked Attachment E, is a certificate of good standing issued within the past 30 days by that state.

IN WITNESS WHEREOF, the undersigned hereby certifies the above to be true and has executed this certificate this _____ day of _____, 19__.

, [Managing Member]

The undersigned does hereby certify that he is _____ of the Company, and does further certify that _____ is the [Managing Member] of the Company, and that his signature set forth above is his true and customary signature.

, _____

ATTACHMENT C

to
Exhibit 3.1

MAUMEE & WESTERN RAILROAD CORPORATION
MEMBERS' ACTION
BY WRITTEN CONSENT

The undersigned, being all of the Members of Maumee & Western Railroad Corporation (the "Company") who would be entitled to notice of a meeting of the members, do hereby authorize, approve and agree to the adoption of the following action by their written consent without a meeting:

WHEREAS, the members of the Company deem it in the best interest of the Company to grant a lien and security interest in assets of the Company to The Fifth Third Bank ("Bank"); and

WHEREAS, negotiations have been carried on by and between the Company and the Bank relating to the structuring of the transaction and the form of security agreement to be used in connection with the financing; and

WHEREAS, a Security Agreement has been substantially finalized;

NOW, BEFORE, BE IT RESOLVED, that the Security Agreement is hereby approved with such additional terms and provisions as the member executing the same shall approve and the execution and delivery thereof by such member shall be conclusive evidence that the same has been authorized by this resolution; and

RESOLVED FURTHER, that any one of the following members of the Company are hereby authorized to execute and deliver the Security Agreement on behalf of the Company, and any and all other documents that he deems necessary and advisable in order to complete the transaction authorized by these resolutions and to perform such other acts, as in his judgment may be necessary or appropriate in order to effectuate the intent and purposes of the foregoing resolutions, the signature of only one such officer being necessary:

RESOLVED FURTHER, that any of the foregoing members are hereby authorized to execute, the signature of only one such officer being necessary, any and all closing documents including but not limited to closing certificates and financing statements necessary to obtain the financing with such additional terms and provisions as the member executing the same shall approve,

and the execution and delivery of such documents by such member shall be conclusive evidence that the same has been authorized by this resolution.

Dated _____

EXHIBIT 3.1

WABASH CENTRAL RAILROAD CORPORATION

CERTIFICATE OF COMPANY

re: Security Agreement with
The Fifth Third Bank

The undersigned does hereby certify that he is the [Managing Member] of Wabash Central Railroad Corporation, an Indiana limited liability company (the "Company"), and the undersigned does hereby further certify as follows:

1. Attached hereto, marked Attachment A, is a true and correct copy of the current Articles of Organization of the Company together with all amendments thereto, certified by the Secretary of State of the state of formation of the Company within the past 30 days.
2. Attached hereto, marked Attachment B, is a true and correct copy of the Operating Agreement of the Company, including all amendments thereto, as in effect on the date hereof.
3. Attached hereto, marked Attachment C, is a true and correct copy of a certain resolution of the members of the Company dated _____, 19____, which was duly and lawfully adopted by the members of the Company. Such resolution has not been amended, altered or rescinded and is in full force and effect on the date hereof.
4. The following persons are the members of the Company. Each member who has executed or will execute any documents in connection with this loan transaction has set forth his true and customary signature opposite his name:

Name	Signature
_____	_____
_____	_____
_____	_____
_____	_____

5. Each member whose personal signature appears above has been duly authorized by resolution of the members of the Company to execute any and all instruments or documents which he may deem necessary or appropriate in connection with this loan transaction.

6. Company is in good standing in the state of its formation. Attached hereto, marked Attachment E, is a certificate of good standing issued within the past 30 days by that state.

IN WITNESS WHEREOF, the undersigned hereby certifies the above to be true and has executed this certificate this ____ day of _____, 19__.

, [Managing Member]

The undersigned does hereby certify that he is _____ of the Company, and does further certify that _____ is the [Managing Member] of the Company, and that his signature set forth above is his true and customary signature.

, _____

ATTACHMENT C

to
Exhibit 3.1

WABASH CENTRAL RAILROAD CORPORATION
MEMBERS' ACTION
BY WRITTEN CONSENT

The undersigned, being all of the Members of Wabash Central Railroad Corporation (the "Company") who would be entitled to notice of a meeting of the members, do hereby authorize, approve and agree to the adoption of the following action by their written consent without a meeting:

WHEREAS, the members of the Company deem it in the best interest of the Company to grant a lien and security interest in assets of the Company to The Fifth Third Bank ("Bank"); and

WHEREAS, negotiations have been carried on by and between the Company and the Bank relating to the structuring of the transaction and the form of security agreement to be used in connection with the financing; and

WHEREAS, a Security Agreement has been substantially finalized;

NOW, BEFORE, BE IT RESOLVED, that the Security Agreement is hereby approved with such additional terms and provisions as the member executing the same shall approve and the execution and delivery thereof by such member shall be conclusive evidence that the same has been authorized by this resolution; and

RESOLVED FURTHER, that any one of the following members of the Company are hereby authorized to execute and deliver the Security Agreement on behalf of the Company, and any and all other documents that he deems necessary and advisable in order to complete the transaction authorized by these resolutions and to perform such other acts, as in his judgment may be necessary or appropriate in order to effectuate the intent and purposes of the foregoing resolutions, the signature of only one such officer being necessary:

RESOLVED FURTHER, that any of the foregoing members are hereby authorized to execute, the signature of only one such officer being necessary, any and all closing documents including but not limited to closing certificates and financing statements necessary to obtain the financing with such additional terms and provisions as the member executing the same shall approve,

and the execution and delivery of such documents by such member shall be conclusive evidence that the same has been authorized by this resolution.

Dated _____

EXHIBIT 3.1

FULTON COUNTY, LLC

CERTIFICATE OF COMPANY

re: Security Agreement with
The Fifth Third Bank

The undersigned does hereby certify that he is the [Managing Member] of Fulton County, LLC, an Indiana limited liability company (the "Company"), and the undersigned does hereby further certify as follows:

1. Attached hereto, marked Attachment A, is a true and correct copy of the current Articles of Organization of the Company together with all amendments thereto, certified by the Secretary of State of the state of formation of the Company within the past 30 days.
2. Attached hereto, marked Attachment B, is a true and correct copy of the Operating Agreement of the Company, including all amendments thereto, as in effect on the date hereof.
3. Attached hereto, marked Attachment C, is a true and correct copy of a certain resolution of the members of the Company dated _____, 19____, which was duly and lawfully adopted by the members of the Company. Such resolution has not been amended, altered or rescinded and is in full force and effect on the date hereof.
4. The following persons are the members of the Company. Each member who has executed or will execute any documents in connection with this loan transaction has set forth his true and customary signature opposite his name:

Name	Signature
_____	_____
_____	_____
_____	_____
_____	_____

5. Each member whose personal signature appears above has been duly authorized by resolution of the members of the Company to execute any and all instruments or documents which he may deem necessary or appropriate in connection with this loan transaction.

6. Company is in good standing in the state of its formation. Attached hereto, marked Attachment E, is a certificate of good standing issued within the past 30 days by that state.

IN WITNESS WHEREOF, the undersigned hereby certifies the above to be true and has executed this certificate this ____ day of _____, 19__.

, [Managing Member]

The undersigned does hereby certify that he is _____ of the Company, and does further certify that _____ is the [Managing Member] of the Company, and that his signature set forth above is his true and customary signature.

, _____

ATTACHMENT C

to
Exhibit 3.1

FULTON COUNTY, LLC
MEMBERS' ACTION
BY WRITTEN CONSENT

The undersigned, being all of the Members of Fulton County, LLC (the "Company") who would be entitled to notice of a meeting of the members, do hereby authorize, approve and agree to the adoption of the following action by their written consent without a meeting:

WHEREAS, the members of the Company deem it in the best interest of the Company to grant a lien and security interest in assets of the Company to The Fifth Third Bank ("Bank"); and

WHEREAS, negotiations have been carried on by and between the Company and the Bank relating to the structuring of the transaction and the form of security agreement to be used in connection with the financing; and

WHEREAS, a Security Agreement has been substantially finalized;

NOW, BEFORE, BE IT RESOLVED, that the Security Agreement is hereby approved with such additional terms and provisions as the member executing the same shall approve and the execution and delivery thereof by such member shall be conclusive evidence that the same has been authorized by this resolution; and

RESOLVED FURTHER, that any one of the following members of the Company are hereby authorized to execute and deliver the Security Agreement on behalf of the Company, and any and all other documents that he deems necessary and advisable in order to complete the transaction authorized by these resolutions and to perform such other acts, as in his judgment may be necessary or appropriate in order to effectuate the intent and purposes of the foregoing resolutions, the signature of only one such officer being necessary:

RESOLVED FURTHER, that any of the foregoing members are hereby authorized to execute, the signature of only one such officer being necessary, any and all closing documents including but not limited to closing certificates and financing statements necessary to obtain the financing with such additional terms and provisions as the member executing the same shall approve,

and the execution and delivery of such documents by such member shall be conclusive evidence that the same has been authorized by this resolution.

Dated _____

EXHIBIT 3.3

LITIGATION