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March 7, 2006

VIA ELECTRONIC FILING

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

Re: STB Docket No. AB-490 (Sub-No. 1X)
*Greenville County Economic Development Corporation - Petition For
Exemption For Partial Discontinuance And Partial Abandonment - In
Greenville County, SC*

Dear Secretary Williams:

Enclosed is the Reply Of Greenville County Economic Development Corporation To Western Carolina Railway Service Corporation's March 2, 2006 Motion to Strike Evidence Opposing WCRS's Request To Set Terms And Conditions.

Please acknowledge receipt and filing of the enclosed submission by return electronic receipt. If there are any questions concerning this filing, please contact me by telephone at (202) 663-7823 or by e-mail at wmullins@bakerandmilller.com.

Sincerely,



William A. Mullins

Enclosures

cc: Chairman, GCEDC
Andrew J. White, Jr., Esq.
Peter M. Strub
All Parties of Record

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

**STB DOCKET NO. AB-490
(SUB-NO. 1X)**

**GREENVILLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
- PETITION FOR EXEMPTION FOR PARTIAL DISCONTINUANCE
AND PARTIAL ABANDONMENT - IN GREENVILLE COUNTY, SC**

**REPLY OF GREENVILLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
TO WESTERN CAROLINA RAILWAY SERVICE CORPORATION'S MARCH 2, 2006
MOTION TO STRIKE EVIDENCE OPPOSING WCRS'S REQUEST TO SET TERMS
AND CONDITIONS**

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March 7, 2006

**Attorneys for Greenville County
Economic Development Corporation**

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

**STB DOCKET NO. AB-490
(SUB-NO. 1X)**

**GREENVILLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
- PETITION FOR EXEMPTION FOR PARTIAL DISCONTINUANCE
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**REPLY OF GREENVILLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
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MOTION TO STRIKE EVIDENCE OPPOSING WCRS'S REQUEST TO SET TERMS
AND CONDITIONS**

Pursuant to 49 CFR §1104.13(a), Greenville County Economic Development Corporation (“GCEDC”) hereby replies to the motion of Western Carolina Railway Service Corporation (“WCRS”) to strike evidence submitted by GCEDC in its February 21 reply to WCRS’s request to set the terms and conditions. WCRS’s “motion” in reality is an effort to submit an untimely and improper reply to GCEDC’s evidence, and should be rejected by the Board.

SUMMARY

WCRS claims that the Board should strike most of the evidence supporting GCEDC’s reply to WCRS’s request to set terms and conditions. In support of its request, WCRS alleges that various parts of GCEDC’s evidence are inaccurate or incomplete. WCRS’s motion is meritless and should be denied. WCRS’s motion is clearly a desperate effort by WCRS to carry its burden of persuasion¹ by getting virtually all of the opposing evidence stricken.

¹ See Chicago and North Western Transp. Co.—Abandonment, 363 I.C.C. 956, 961 (1981) (Lake Geneva Line), aff’d sub nom. Chicago and North Western Transp. Co. v. U.S., 678 F.2d 665 (7th

At most, WCRS's contentions go to the weight, not the admissibility, of GCEDC's evidence. Moreover, the challenges that WCRS levies against GCEDC's evidence are irrelevant and incorrect, and in no way change the fact that WCRS has not borne its burden of proof in this proceeding. Accordingly, based on its precedents, the Board must accept GCEDC's evidence and establish the net liquidation value ("NLV") of the 11.8 miles of GCEDC's rail line that WCRS seeks to purchase ("Line") at \$1,166,184.

BACKGROUND

In mid-1999, GCEDC purchased the Line, along with a non-contiguous 3.29-mile segment of track, from South Carolina Central Railroad Company ("SCCR") for \$1.3 million. After several years of unsuccessfully seeking an operator that could rehabilitate the Line and restore its operation at a cost GCEDC could afford, GCEDC on June 24, 2005 petitioned the STB for an exemption to allow GCEDC to abandon the Line and to discontinue service over the non-contiguous 3.29-mile segment.

The Board granted the abandonment exemption for the Line by decision served October 12, 2005. WCRS filed an offer of financial assistance ("OFA") on October 3, as subsequently supplemented. On October 27, the Board held that WCRS was a financially responsible person and found its offer to be reasonable; *i.e.*, that WCRS had adequately explained the difference between its offer and GCEDC's valuation. Thus, the Board postponed the effective date of the abandonment exemption. GCEDC and WCRS agreed to extend the OFA negotiation period until

Cir. 1982). Because the burden of proof is on the offeror, absent probative evidence supporting the offeror's estimates, the rail carrier's evidence is accepted. In areas of disagreement, the offeror must present more specific evidence or analysis or provide more reliable and verifiable documentation than that which is submitted by the carrier. If the offeror does not present such evidence and/or documentation, then the Board accepts the carrier's estimates in these forced sales proceedings. See Burlington Northern Railroad Company — Abandonment Exemption — In Sedgwick, Harvey and Reno Counties, KS, Docket No. AB-6 (Sub-No. 358X) (ICC served June 30, 1994), and cases cited therein.

February 14, 2006, and the Board approved the extension. Finding itself unable to come to an agreement with GCEDC, WCRS requested the Board on February 14 to set terms and conditions. GCEDC filed its reply evidence February 21. WCRS moved on March 2 to strike most of GCEDC's evidence. GCEDC hereby replies to that motion.

DISCUSSION

I. WCRS'S MOTION DOES NOT CONTEST THE ADMISSIBILITY OF GCEDC'S EVIDENCE BUT SIMPLY THE WEIGHT TO BE ACCORDED TO IT; THUS, THE MOTION SHOULD BE DENIED.

WCRS's "motion" makes no attempt to establish that GCEDC's evidence is inadmissible under the Board's rules or precedent. The Board has two regulations that allow it to strike pleadings. WCRS's motion satisfies neither of these regulations. Section 1104.8 of Title 49 CFR allows the Board to strike "any redundant, irrelevant, immaterial, impertinent, or scandalous matter." Clearly GCEDC's assailed reply evidence does not fall within this description, nor does WCRS make any claim that it does. The Board's other regulation that relates to striking pleadings - 49 CFR §1114.31(d) - allows the Board to strike information from pleadings if a party has failed to respond to discovery submitted under 49 CFR §1114.26. No such discovery was served in this proceeding. Again, the cited regulation is inapplicable and WCRS makes no claim that it applies. Neither was GCEDC's evidence untimely, or a reply to a reply, either of which might, in some circumstances, warrant striking it.² Accordingly, as WCRS has failed to establish that any of the assailed evidence is subject to being stricken under the Board's regulations or precedents, WCRS's motion should be denied.

² See Northeast Interchange Railway, LLC – Lease And Operation Exemption – Line In Croton-On-Hudson, NY, STB Finance Docket No. 34734, and Gordon Reger – Continuance In Control Exemption – Northeast Interchange Railway, LLC, STB Finance Docket No. 34735 (served Nov. 18, 2005), slip op. at 3; CSX Transportation, Inc. — Abandonment Exemption — In Franklin County, PA, STB Docket No. AB-55 (Sub-No. 568X) (served July 27, 2005), slip op. at 4 (reply to a reply which is not accompanied by a motion for admission will be stricken).

WCRS's motion does not argue that GCEDC's evidence is inadmissible under the Board's rules or precedents, but rather alleges that the evidence is wrong. At most, therefore, WCRS's motion addresses not the admissibility of GCEDC's evidence but the weight to be accorded the evidence. A motion to strike which goes to the weight, not the admissibility, of evidence will be denied. See, e.g., Railroad Ventures, Inc.–Abandonment Exemption–Between Youngstown, Oh, And Darlington, PA, In Mahoning And Columbiana Counties, OH, And Beaver County, PA, STB Docket No. AB-556 (Sub-No. 2X) (served Dec. 15, 2005), slip op. at 3, and Ameren Energy Generating Company–Construction And Operation Exemption–In Coffeen And Walshville, IL, STB Finance Docket No. 34435 (served July 9, 2004), slip op. at 2.

II. WCRS'S SUBSTANTIVE CHALLENGES TO GCEDC'S EVIDENCE ARE IMPROPER REPLIES TO A REPLY, AND ARE IRRELEVANT OR SIMPLY INCORRECT

The ulterior motive for WCRS's submission, of course, is to file a rebuttal to GCEDC's valuation evidence, which under the regulations it is not entitled to file.³ Notwithstanding that WCRS's motion itself should be stricken from the record, GCEDC addresses the merits of the motion. WCRS makes four contentions in its motion:

1. That the Verified Statement of Gerald W. Fauth, III ("VS Fauth"), inaccurately portrays the number of feet of trestle in the Line;
2. That the Verified Statement of Charles E. McDonald, Jr., Esquire ("VS McDonald") fails to discuss the nature of the 1999 conveyance to GCEDC or to mention GCEDC's title insurance policy which WCRS believes proves that GCEDC holds only an easement on the Line;

³ See 49 CFR § 1152.27(h)(4). As improper rebuttal, it is also an improper reply to a reply in contravention of the Board regulations, see 49 CFR §1104.13(c). As such, the motion itself should be stricken from the record.

3. That the appraisal improperly assumes that GCEDC holds a fee simple interest in the Line, contrary to the above-mentioned conveyance to GCEDC; and
4. That the Verified Statement of Andrew J. White, Jr., fails to allocate GCEDC's original purchase price of \$1.3 million between the Line and the non-contiguous 3.29-mile segment.

These contentions are irrelevant or are just plain wrong.

WCRS alleges that Mr. Fauth improperly included 170 feet of trestles that no longer exist, and improperly omitted a single 420-foot trestle. As shown in Mr. Fauth's verified statement ("VS Fauth"), his calculation of the total length of the trestles in the Line was based on the valuation maps for the Line. VS Fauth at 9. Valuation maps are a commonly-acknowledged, authoritative source of information about the physical facilities of a rail line. The source of WCRS's trestle measurements, by contrast, is somewhat unclear. While WCRS's measurements for the most part correspond to Mr. Fauth's findings from the valuation maps, WCRS claims that the trestle located at approximately Milepost 1.72 is 420 feet long, while the valuation maps used by Mr. Fauth shows that trestle to be only 187 feet long.⁴

⁴ WCRS apparently based its assertion of 420-foot from the Verified Statement of David Pettry, which was originally submitted by GCEDC in a related complaint case. In that statement, Mr. Pettry stated that a particular trestle was "approximately" 420 feet long, and noted that this measurement included bridge approaches on both ends. It is unclear whether or not Mr. Pettry and WCRS are talking about the same trestle. Regardless, absent personal observation, valuation maps are generally considered the best evidence. See Camas Prairie Railnet, Inc.-Abandonment-In Lewis, Nez Perce, And Idaho Counties, ID, (Between Spalding And Grangeville, ID), STB Docket No. AB-564 (served Sept. 13, 2000), slip op. at 19, and Mississippi Tennessee Holdings, LLC--Abandonment Exemption--In Union, Pontotoc And Chickasaw Counties, MS; Request To Set Terms And Conditions, STB Docket No. AB-868X, 2004 STB LEXIS 698 (served Nov. 2, 2004) at *7 - *13 (accepting property valuations based on valuation maps); Southern Pacific Transportation Company -- Abandonment Exemption -- Sacramento And El Dorado Counties, CA, Docket No. AB-12 (Sub-No. 159X), 1994 MCC LEXIS 86 (served October 20, 1994) at *33, and Boston And Maine Corporation And Springfield Terminal Railway Company -- Abandonment And Discontinuance Exemption -- In Berkshire County, MA, Docket No. AB-32

Moreover, whether Mr. Fauth's statement accounted accurately for the exact number of feet of trestle in the Line is really irrelevant to the Board's decision regarding valuation. This is because regardless of how many feet long the trestle is, the trestles have zero value under Board precedent. WCRS's OFA assigned the trestles a huge negative net salvage value. However, as shown in Mr. Fauth's statement at pages 6 - 7, and in GCEDC's argument at 11 - 12, a negative salvage value will be accorded only if the offeror establishes a requirement that the structures be removed. WCRS has shown no such requirement. Therefore, since Mr. Fauth's valuation accepted WCRS's estimate of the gross salvage value for all of the rail and OTM, including any materials on the trestles, and assigned no salvage value to the trestles themselves, the exact number of feet of trestle on the Line is irrelevant.

Likewise, WCRS's criticisms of Mr. McDonald's verified statement are inaccurate. Mr. McDonald's statement discussed GCEDC's real estate interests in the Line, including the deeds in the chain of title up to and including the deed from SCCR to GCEDC. That deed itself was attached as Exhibit B to Mr. McDonald's statement. As can be seen plainly, that deed

does . . . bargain, grant, sell, release and quitclaim unto [GCEDC], it's successors and assigns, all of [SCCR's] right, title and interest, if any, in and to the property situated in the County of Greenville, State of South Carolina, which is described on . . .

Exhibit A to the deed. Exhibit A includes both the Line and the non-contiguous 3.29-mile segment.

Thus, the deed transferred to GCEDC all of the property rights granted to SCCR by its predecessors in interest, both fee rights and easement rights. SCCR did not retain fee simple

(Sub-No. 42X), 1990 ICC LEXIS 397 (Dec. 12, 1990) at *7 (criticizing evidence for failure to rely on valuation maps). As such, the Board should accept Mr. Fauth's evidence as superior to that presented by WCRS.

rights and only transfer to GCEDC an easement. As stated by Mr. McDonald in his accompanying verified statement (“RVS McDonald”), attached hereto as Exhibit 1,

A quitclaim deed does not establish the quality of title – it merely conveys all of the right, title and interest of the grantor in the property, whatever that interest may be. Hayes v. Ricard, 245 N.C. 687, 97 S.E.2d 105, 23 Am. Jur. 2d Deeds §§275, 276, 26 C.J.S. Deeds §118. The fact that the grantor chose to convey to GCEDC by quitclaim does not lessen the quality of title that it conveyed. It simply conveyed what it had without warranty. If it owned in fee simple, it conveyed in fee simple. As shown in my earlier statement, much of what the grantor conveyed to GCEDC in this deed was held by the grantor in fee simple.

Accordingly, WCRS’s allegation that Mr. McDonald’s statement ignored GCEDC’s deed is incorrect.

GCEDC’s evidence also addresses WCRS’s claim that a title insurance policy shows GCEDC’s interest to be easement only. As shown in Mr. McDonald’s original statement, at page 2, the quality of title conveyed is determined from recorded deeds, not from ancillary documents. See also GCEDC argument at 18 and RVS McDonald at 2. Simply put, an insurance policy is no more convincing as to quality of title than are tax records. The type of property insured under an insurance policy is simply not a source for the quality of the title nor is it evidence as to the quality of title held by GCEDC.

Further, as explained on page 17 of GCEDC’s argument, GCEDC only needed to insure an easement to preserve the corridor. Insuring only a limited interest did not disclaim GCEDC’s fee interests that were reflected in the appraisals previously done for GCEDC and in the one included as Exhibit 3 to GCEDC’s February 21 filing. That Mr. McDonald did not discuss WCRS’s allegations about the insurance policy does not mean that those allegations were not more than adequately refuted.

As to the argument that the appraisal assumed fee simple and is thus improper, this is simply inaccurate. GCEDC’s appraisal evidence is the best evidence of record in this proceeding

of the value of GCEDC's real estate underlying the Line. WCRS alleges that the appraisal "is inaccurate in that it was calculated using an assumed fee simple interest interpretation which is contrary to that deed of conveyance . . . by which GCEDC was conveyed title to the line in 1999." WCRS ignores, however, Mr. McDonald's opinion, which supports the fee simple interest analysis used in the appraisal. Thus, Mr. McDonald establishes the nature of the interests which Mr. Ratchford appraised. Mr. Ratchford's appraisal thus valued only those interests held in fee. Indeed, when Mr. Ratchford was able to compare his evidence and opinion against Mr. McDonald's title opinion, he corrected his appraisal to ensure that all fee interests were in fact being appraised. There is no deficiency in the appraisal merely because the appraisal itself does not contain a title opinion when it is submitted in conjunction with a title opinion.

Finally, Mr. White's statement is not subject to attack on grounds that it did not segregate the original purchase price between that attributable to the non-contiguous 3.29-mile segment and that attributable to the Line. Mr. White's statement was not submitted to establish the NLV of the Line. See Verified Statement of Andrew J. White, Jr. ("RVS White"), Exhibit 2 hereto at 2, ¶ 4. Rather, that value is established by Mr. Fauth's and Mr. McDonald's statements, along with Mr. Ratchford's appraisal. Mr. White's statement, on the other hand, was submitted to refute the basis of WCRS's valuation; *i.e.*, that the \$78,000 reflected in the deed from SCCR to GCEDC was the price paid by GCEDC for which one could calculate NLV. Mr. White's statement established conclusively that GCEDC paid \$1.3 million for the properties that it acquired from SCCR and that, therefore, WCRS's argument that the selling price of the Line should be premised on the idea that GCEDC paid only \$78,000 for the property is incorrect. RVS White at 2-3, ¶¶ 6-7. Because Mr. White's statement is not the basis of GCEDC's

valuation, but rather is rebuttal to WCRS's valuation, the fact that Mr. White did not break the \$1.3 million purchase price down between the two segments acquired is irrelevant.

CONCLUSION

WCRS's motion to strike is without merit and should be denied. The motion makes no attempt to establish that the assailed evidence is not admissible. Rather, the "motion" is really an attempt to submit an improper rebuttal to GCEDC's valuation evidence. That effort should be rejected out of hand. Even if it is not, however, the attacks upon GCEDC's evidence are either irrelevant or just plain wrong. Thus, WCRS's desperate attempt to carry its heavy burden of proof in this case by having all of GCEDC's opposing evidence thrown out should simply fail. The Board should set the selling price of the Line at \$1,166,184, as called for by GCEDC's evidence.

Respectfully submitted,



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Attorneys for Greenville County
Economic Development Corporation

CERTIFICATE OF SERVICE

I, David C. Reeves, hereby certify that on this 7th day of March, 2006, copies of the foregoing reply have been e-mailed and served by first class mail, postage prepaid, or by more expeditious service, upon all parties of record.

A handwritten signature in black ink, appearing to read "David C. Reeves", written over a horizontal line.

David C. Reeves
Attorney for Greenville County Economic
Development Corporation

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

**STB DOCKET NO. AB-490
(SUB-NO. 1X)**

**GREENVILLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
- PETITION FOR EXEMPTION FOR PARTIAL DISCONTINUANCE
AND PARTIAL ABANDONMENT - IN GREENVILLE COUNTY, SC**

EXHIBIT 1

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

**STB DOCKET NO. AB-490
(SUB-NO. 1X)**

**GREENVILLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
- PETITION FOR EXEMPTION FOR PARTIAL DISCONTINUANCE
AND PARTIAL ABANDONMENT - IN GREENVILLE COUNTY, SC**

VERIFIED STATEMENT OF CHARLES E. McDONALD, JR.

My name is Charles E. McDonald, Jr. I am a member of the law firm of Haynsworth, Sinkler Boyd, P.A. My office is located at 75 Beattie Place, 11th Floor, Greenville, SC 29601-2119. My practice focuses on real estate matters, as set out more specifically below. I was admitted to the South Carolina Bar in 1969 and have devoted my practice to real estate transactions and commercial lending. I have represented buyers and sellers of real property and have examined hundreds, perhaps thousands, of titles or abstracts of title during that time. Our firm serves as agent for Lawyers Title Insurance Corporation, Commonwealth Land Title Insurance Company, Chicago Title Insurance Company, First American Title Insurance Company and Fidelity National Title Insurance Company. I have issued numerous commitments and policies on behalf of these companies. I am a graduate of Clemson University (B.A. 1964) and the University of South Carolina School of Law (J.D. 1969) where I was a member of the Law Review and Order of Wig and Robe. I am admitted to practice in the courts of this state, the U.S. District Court for the District of South Carolina, and the U.S. Court of Appeals, Fourth Circuit. I am a member in good standing of the South Carolina Bar and the American Bar Association. I am a Fellow, American College of Mortgage Attorneys.

The purpose of this statement is to respond to the motion of Western Carolina Railway Service Corporation (“WCRS”) to strike my statement (or conclusion) because it does not discuss “the nature of that deed of conveyance by which GCEDC was conveyed title to the line in 1999”. The motion does not specify what the problem with that deed is alleged to be. We can only assume that the “nature of the deed” refers to the fact that it is a quitclaim.

A quitclaim deed does not establish the quality of title – it merely conveys all of the right, title and interest of the grantor in the property, whatever that interest may be. Hayes v. Ricard, 245 N.C. 687, 97 S.E.2d 105, 23 Am. Jur. 2d Deeds §§275, 276, 26 C.J.S. Deeds §118. The fact that the grantor chose to convey to GCEDC by quitclaim does not lessen the quality of title that it conveyed. It simply conveyed what it had without warranty. If it owned in fee simple, it conveyed in fee simple. As shown in my earlier statement, much of what the grantor conveyed to GCEDC in this deed was held by the grantor in fee simple.

The motion also suggests that GCEDC does not own in fee because it has a title policy that insures an easement interest rather than a fee. This suggestion is also mistaken. As shown in my earlier statement, the quality of title to property is determined from deeds, not from ancillary documents such as tax records or, in this case, title insurance policies. Furthermore, the easement policy was a matter of choice. The title insurance company was willing to insure the line as an easement based upon a number of factors, without requiring the lengthy examination of deeds and legal research that would be required in order to insure the various parcels in fee simple. Given its principal interest in preserving the corridor for future rail use and the added expense necessary to insure fee interests, GCEDC elected to obtain the easement policy, and no other inference should be drawn from that fact.

I verify that the foregoing statement contains my legal opinion or statements of fact which I declare to be true and correct.



Charles E. McDonald, Jr.

March 6, 2006.

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

**STB DOCKET NO. AB-490
(SUB-NO. 1X)**

**GREENVILLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
- PETITION FOR EXEMPTION FOR PARTIAL DISCONTINUANCE
AND PARTIAL ABANDONMENT - IN GREENVILLE COUNTY, SC**

EXHIBIT 2

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

**STB DOCKET NO. AB-490
(SUB-NO. 1X)**

**GREENVILLE COUNTY ECONOMIC DEVELOPMENT CORPORATION
- PETITION FOR EXEMPTION FOR PARTIAL DISCONTINUANCE
AND PARTIAL ABANDONMENT - IN GREENVILLE COUNTY, SC**

VERIFIED STATEMENT OF ANDREW J. WHITE, JR.

1. My name is Andrew J. White, Jr. I am an attorney with, and equity owner in, the law firm of Haynsworth Sinkler Boyd, P.A., and am located at the firm's Greenville, South Carolina, office. I was admitted to the Bar of the State of South Carolina in 1975 and have practiced law in South Carolina since that date. I also am a member of the Bar of the United States District Court for the District of South Carolina and of the United States Court of Appeals for the Fourth Circuit. My law firm has represented Greenville County Economic Development Corporation ("GCEDC") since its inception in 1999, and I personally have represented GCEDC since February, 2000.

2. The purpose of this statement is to respond to the motion of Western Carolina Railway Service Corporation ("WCRS") to strike my verified statement dated February 19, 2006 attached as Exhibit 4 to GCEDC's Reply and Evidence in Opposition to WCRS's Request to Set Terms and Conditions (the "AJW Statement").

3. As best I understand WCRS's objection filed with the Surface Transportation Board ("STB") March 2, 2006, WCRS believes that the AJW Statement is invalid because it

purportedly fails to separate the value of the Northern Line from the value of the Southern Line. WCRS's contention, however, is incorrect because it fails to comprehend the purpose of the AJW Statement.

4. The purpose of the AJW Statement was to give the Surface Transportation Board *facts* regarding GCEDC's purchase of the two railroad lines in 1999 and the value of the assets then purchased. It was not my purpose, nor is it within my expertise, to give opinions as to the real estate value of the Northern Line either in 1999 or in 2006.

5. In paragraphs 4 and 5 of the AJW Statement I described appraisals conducted in 1998 and 1999 which showed the real estate value of the Northern Line as \$574,000 in those years. In paragraph 6 of the statement I described a 1998 appraisal of the Southern Line which valued that real estate at \$937,000. The aggregate value of both the Southern and Northern Lines thus was \$1,511,000 as determined by those 1998 and 1999 appraisals.

6. WCRS has based its entire valuation theory and calculations on the premise that the \$78,000 monetary consideration stated in the 1999 deed from South Carolina Central Railroad Company, Inc. ("SCCR") to GCEDC constitutes *per se* a valid and credible determination of the real estate value of the Northern and Southern Lines in 1999, and from that premise WCRS then proceeds to make a mechanical dollar pro-ration of the \$78,000 based on the length of the Northern Line versus the length of the Southern Line. However, if WCRS's premise is wrong, its valuation calculations and figures likewise are wrong.

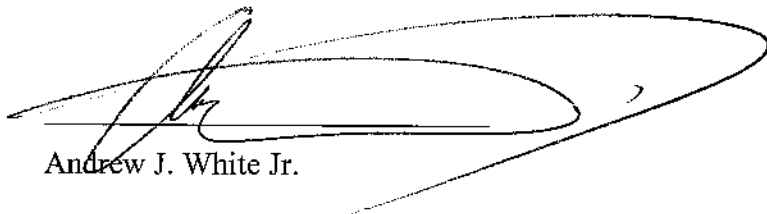
7. The AJW Statement discloses facts which clearly show that the \$78,000 consideration stated in the deed is not, and was not intended by the parties to be, a valid and credible determination of the value of the Northern and Southern real estate in 1999. GCEDC in 1999 possessed credible evidence via the three appraisals that the real estate value of the Northern

Line was \$574,000 and that the real estate value of the Southern Line was \$937,000. These valuations explain why Greenville County in 1999 was willing to pay a total of \$1,300,000 for both of the rail lines. Does WCRS truly believe, and does it expect the STB to believe, that GCEDC- with those appraisals in hand- negotiated with SCCR a contract purchase price of the assets based on the personal property having a value of \$1,222,000 and the real estate having a value of only \$78,000? Such assertion on the part of WCRS defies both the evidence as well as common sense.

8. As noted in the AJW Statement, the \$78,000 figure stated in the deed was an accounting allocation made by SCCR pursuant to the parties' sales contract and clearly was not intended to reflect the actual value of the real estate being purchased.

9. WCRS's objections to the AJW Statement are irrelevant and are based upon a misunderstanding of its purpose. As explained above, the purpose of the AJW Statement is not to determine a 1999 or 2006 value for any real estate, but rather to show that the fundamental premise of WCRS's valuation methodology is erroneous. WCRS's methodology is based totally on the view that the stated deed consideration of \$78,000 constitutes *per se* a valid and actual value of the real estate in 1999 when in actuality this dollar amount was an accounting devise which did not, by any leap of the imagination, either reflect the realities of the parties' negotiating information or constitute a true determination of the value of the real estate.

I, Andrew J. White Jr., hereby declare under penalty of perjury that the foregoing is true and correct. Executed on March 6, 2006.



Andrew J. White Jr.