

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

February 16, 2006

The regular meeting of the Trustees of the Cincinnati Southern Railway was held February 16, 2006, at 3:30 p.m. in the offices of Dinsmore & Shohl, 255 East Fifth Street, Cincinnati, with the following members present from the beginning of the meeting: Messrs. Kilcoyne, McOwen, and VanderLaan. Messrs. Sylvester and Wright joined the meeting at the beginning of the discussion of the proposed By-laws. Ms. Carman, Chief Counsel for the City of Cincinnati, was also present.

MINUTES OF THE PREVIOUS MEETING

Ms. Carman handed out the minutes from the September 25, 2005, meeting. Mr. Kilcoyne moved to approve the minutes. Mr. McOwen seconded. Unanimously approved.

RESOLUTION 1-2006: SALE OF 3.3 MILES OF LINE IN HELENWOOD, SCOTT COUNTY, TENNESSEE TO KENTUCKY AND TENNESSEE RAILWAY COMPANY

This item was held from the September 25, 2005, meeting to give Mr. McOwen a chance to discuss the appraisal with Norfolk Southern. He reported that the proposed sale amount was reasonable. Mr. McOwen moved to approve Resolution 1-2006, which authorizes Mr. VanderLaan to execute a deed for the sale on behalf of the Trustees. Mr. Kilcoyne seconded. Unanimously approved.

PROPOSED BY-LAWS FOR THE BOARD OF TRUSTEES

The Board considered proposed By-laws prepared by outside counsel Kevin Sheys. Mr. Kilcoyne moved to approve the By-laws with certain changes. Mr. Wright seconded. Unanimously approved.

ELECTION OF SECRETARY

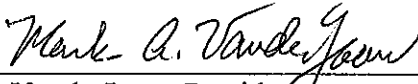
Mr. VanderLaan opened the floor to nominations or volunteers for the position of Secretary of the Board. Mr. McOwen volunteered. Mr. Kilcoyne moved to appoint Mr. McOwen as Secretary. Mr. Sylvester seconded. Unanimously approved.

DOCUMENTS IN THE POSSESSION OF THE CINCINNATI HISTORICAL SOCIETY

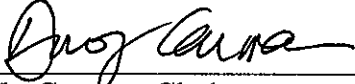
In accordance with the understanding between the Cincinnati Historical Society and the Trustees, an employee from the CHS telephoned Mr. VanderLaan to inform him that the CHS had finished its cataloguing of CSR documents AND that there were 100 boxes of left over and duplicate documents that needed to be picked up from the Cincinnati Museum Center, home of the CHS. Ms. Carman had the boxes retrieved and placed in storage with BIS. She has begun reviewing the boxes to determine what should be kept.

ADJOURN

Mr. Wright moved to adjourn. Mr. Sylvester seconded. All agreed. Meeting adjourned.



Mr. VanderLaan, President



Ms. Carman, Clerk

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

May 18, 2006

The regular meeting of the Trustees of the Cincinnati Southern Railway was held May 18, 2006, at 3:30 p.m. in the offices of Dinsmore & Shohl, 255 East Fifth Street, Cincinnati, with the following members present from the beginning of the meeting: Messrs. Kilcoyne, McOwen, Sylvester and VanderLaan. Mr. Wright joined the meeting after the approval of the minutes. Ms. Carman, Chief Counsel for the City of Cincinnati, was also present.

MINUTES OF THE PREVIOUS MEETING

Ms. Carman handed out the minutes from the February 16, 2006, meeting. Mr. Kilcoyne moved to approve the minutes. Mr. Sylvester seconded. Unanimously approved.

PRESENTATION FROM KERRY ROE

Mr. Kerry Roe of the accounting firm Clark, Schaefer, Hackett & Co. gave a presentation concerning the 2004-2005 audit of the CSR financial records and passed out a report on same. Mr. Sylvester moved to adopt the report. Mr. Kilcoyne seconded. Unanimously approved.

PRESENTATION FROM JAMES E. SENEY

Mr. James E. Seney, Director of the Ohio Rail Development Commission, gave a presentation concerning high-speed passenger rail in the Midwest.

DISCUSSION CONCERNING PUBLIC OFFICIALS LIABILITY INSURANCE

The Trustees discussed the possible purchase of public officials liability insurance. It was decided that Mr. Sylvester and Ms. Carman would arrange a discussion

between the insurance broker, Ed Hagins, and the City's risk manager, Chuck Haas.

PERMANENT EASEMENT FOR OVERHEAD BRIDGE – NICHOLASVILLE,
JESSAMINE COUNTY, KENTUCKY

The Kentucky Transportation Cabinet wishes to purchase an easement for a bridge that has already been built over the rail line in Nicholasville, Jessamine County, Kentucky. The Trustees requested information concerning how the proposed purchase price was determined.

ENGAGEMENT OFFER FROM STOLL KEENON OGDEN LAW FIRM


The law firm of Stoll Keenon Ogden wrote to Mr. Sylvester with an offer to be engaged to represent the Trustees in tax matters in Kentucky and Tennessee. The Trustees directed Ms. Carman to write to the firm to decline the offer and refer them to Thomas Ambler at Norfolk Southern.

ADJOURN

Mr. McOwen moved to adjourn. Mr. Wright seconded. All agreed. Meeting adjourned.



Mr. VanderLaan, President



Ms. Carman, Clerk
Clark

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

September 7, 2006

The regular meeting of the Trustees of the Cincinnati Southern Railway was held September 7, 2006, at 3:30 p.m. in the "Vista Dome," the private rail car of Mr. McOwen, currently located at 925 Riverside Drive, Cincinnati, with the following members present from the beginning of the meeting: Messrs. Kilcoyne, McOwen, Sylvester and VanderLaan. Mr. Wright was unable to attend the meeting due to a scheduling conflict. Ms. Carman, Ms. Clark and Mr. Fagel, Assistant City Solicitors for the City of Cincinnati, were also present.

MINUTES OF THE PREVIOUS MEETING

Ms. Carman handed out the minutes from the May 18, 2006 meeting. Mr. Kilcoyne moved to approve the minutes. Mr. Sylvester seconded. Unanimously approved.

INTRODUCTION OF MS. CLARK AND MR. FAGEL

Ms. Clark and Mr. Fagel were introduced to the Trustees. Ms. Clark will be assuming Ms. Carman's responsibilities as Clerk to the Board. Mr. Fagel will be providing back-up for Ms. Clark.

LETTER SENT TO TIMOTHY EIFLER CONCERNING OFFER OF ENGAGEMENT

Ms. Carman stated that a letter has been sent to Mr. Timothy Eifler declining his offer of engagement to represent the Board on certain tax matters.

PERMANENT EASEMENT FOR OVERHEAD BRIDGE -- NICHOLASVILLE, JESSAMINE COUNTY, KENTUCKY

The Kentucky Transportation Cabinet wishes to purchase an easement for a bridge that has already been built over the rail line in Nicholasville, Jessamine County, Kentucky. The Trustees had previously held this issue from the May 18, 2006 meeting pending additional information about the proposed purchase price. Ms. Carman stated that she had received an email from Mr. Thomas Ambler, attorney for Norfolk Southern, in which Mr. Ambler explained that several years ago, the state of Kentucky appraised the value of the easement at \$1,000. Mr. Ambler had not asked for a more recent appraisal due to the low value of the easement at the time it was appraised.

Mr. McOwen asked about the issue of condemnation as it relates to railroads. Ms. Carman explained that the granting of an easement does not interfere with railroad access and therefore does not constitute a condemnation. Ms. Carman also stated that the term "in lieu of condemnation" is a legal term of art that dictates the particular fund into which sale money is placed.

Mr. McOwen moved to approve Resolution 3-2006, which authorizes Mr. VanderLaan to execute a deed on behalf of the Trustees to the Kentucky Transportation Cabinet. Mr. Sylvester seconded. Unanimously approved.

SALE OF EASEMENT FOR HIGHWAY BRIDGE IN CRESCENT SPRINGS,
KENTON COUNTY, KENTUCKY

The Trustees considered the sale of a permanent easement for an overhead bridge in Crescent Springs, Kenton County, Kentucky. Ms. Carman stated that Mr. Ambler explained in an e-mail that Crescent Springs never provided Norfolk Southern with an offer, so Norfolk Southern used its standard \$3,000 fee for conveying easement property

to determine the purchase price. According to Mr. Ambler, this fee is likely very close to the fair market value of the easement.

Mr. VanderLaan stated that he had initially been concerned that Bear Creek Capital's assumption of responsibility for the bridge was not sufficient for the Trustees. Ms. Carman noted that this concern had been addressed. Ms. Carman showed the Trustees a map of the proposed development in Crescent Springs.

Mr. Sylvester moved to approve Resolution 4-2006, which authorizes Mr. VanderLaan to execute a deed for the sale on behalf of the Trustees. Mr. Kilcoyne seconded. Unanimously approved.

NEW BUSINESS

Mr. McOwen asked Ms. Clark to send him an electronic copy of the meeting minutes before each Board meeting so that he can review them.

Mr. McOwen reported that he had recently gone on an inspection of the railroad, which was conducted in two parts. He was able to speak with some Norfolk Southern representatives during the inspection. Mr. McOwen was impressed with how much of the railroad is still double-tracked and with how well Norfolk Southern maintains the tracks. Mr. VanderLaan and Ms. Carman also commented on the quality of Norfolk Southern's work. Mr. McOwen noted that it is clear that CSR is very important to Norfolk Southern.

Mr. McOwen proposed that for the next inspection trip, he would like to organize a trip for the Trustees and their families on private rail cars. The other Trustees were enthusiastic about this idea. It was decided that the trip will probably occur in the spring at the earliest. Mr. McOwen suggested that the trip be routed to Chattanooga, possibly

down to Atlanta, and then back up to Cincinnati by an alternate route. The Trustees discussed the possibility of inviting City of Cincinnati officials to go on the inspection trip as well.

Mr. McOwen noted that CSR was built as a means of economic development for the City of Cincinnati and he would like to move toward utilizing this aspect of CSR once again. A discussion was had regarding the possibility of moving the location of the railyard from Gest Street to somewhere else in the Cincinnati area.

Mr. McOwen reported that he has visited the new offices of CSR. The office safe remains open, as the combination has been lost. The Trustees directed Ms. Clark to call the safe manufacturing company and see whether they can determine the combination for that particular safe. The Trustees also discussed calling in a locksmith to figure out the safe combination. Discussion occurred regarding the possibility of storing the deeds currently in the office safe in City Hall instead, but this idea was ultimately rejected. The Trustees also discussed putting the deeds in a bank vault. The Trustees directed Ms. Clark to ask Mr. Ambler whether Norfolk Southern has copies of the deeds in a format that can be converted to PDF and put on a CD.

The Trustees directed Ms. Clark to ask Mr. Ambler for the dates for the annual meeting. Discussion was had regarding the possibility of holding the annual meeting on Mr. McOwen's private rail car, the "Vista Dome." The Trustees requested Ms. Clark to send them an email with the actual dates for the February, May, and September 2007 Board meetings.

ADJOURN

Mr. Kilcoyne moved to adjourn. Mr. Sylvester seconded. All agreed. Meeting adjourned.



Mr. VanderLaan, President



Ms. Clark, Clerk

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

November 20, 2006

The regular meeting of the Trustees of the Cincinnati Southern Railway scheduled for November 16, 2006, at 3:30 p.m. was rescheduled to November 20, 2006, at 12:00 p.m. due to a scheduling conflict.

The regular meeting of the Trustees of the Cincinnati Southern Railway was held on November 20, 2006, at 12:00 p.m. at the law firm of Dinsmore & Shohl, 255 E. 5th Street, Cincinnati, Ohio, with the following members present from the beginning of the meeting: Messrs. Kilcoyne, McOwen, Sylvester, VanderLaan, and Wright. Ms. Clark, Assistant City Solicitor for the City of Cincinnati, Mr. Kevin Sheys, outside counsel for the Trustees, and Mr. Rob Finley, financial consultant for the Trustees, were also present.

MINUTES OF THE PREVIOUS MEETING

Ms. Clark handed out the minutes from the September 7, 2006 meeting. Mr. Kilcoyne moved to approve the minutes. Mr. Sylvester seconded. Unanimously approved.

REPORT ON OFFICE SAFE

Ms. Clark stated that the office safe containing the CSR deeds has been recoded and is now secure. Ms. Clark also stated that Mr. Thomas Ambler, attorney for Norfolk Southern, has advised that Norfolk Southern is currently relocating its archives, so he will be unable to ascertain whether the CSR deeds can be converted to electronic form until sometime in 2007.

With regard to the issue of renting storage space in a bank vault for the deeds, Ms. Clark reported that at Fifth Third Bank, the largest safe deposit box available is 37" x 24" and rents for \$840 per year. A slightly smaller box, which is 37" x 22," rents for \$660 per year. At US Bank, the largest safe deposit box available is 25" x 20" and rents for

\$460 per year. Ms. Clark also noted that it is possible that a smaller box may be appropriate, depending on how the deeds are filed and stored, and it is also possible that the Board may wish to rent more than one box if more space is needed at the bank.

Mr. McOwen stated that he does not believe it is advisable to change the manner in which the deeds are filed. Mr. VanderLaan stated that there appears to be no immediate need to move the deeds to another storage space at this time.

PROPOSAL TO OBTAIN PUBLIC OFFICIAL LIABILITY INSURANCE

Mr. Sylvester noted that the Board had previously discussed the matter of obtaining public official liability insurance with an annual premium of \$10,200. The Board had previously held this item from the May 18, 2006 meeting, pending discussions between Mr. Chuck Haas, Risk Manager for the City of Cincinnati, and Mr. Ed Hagins, the insurance broker. Since that time, Mr. Haas has reviewed and approved the policy language. Mr. Sylvester moved to obtain the insurance policy. Mr. Wright seconded.

Mr. Kilcoyne asked whether the Board has been formally indemnified. Mr. VanderLaan stated that a formal resolution would be necessary in order to do so and requested that such resolution be placed on the agenda for the Board's next meeting. Mr. Sheys commented that the indemnification should be retroactive in effect. Mr. VanderLaan asked Ms. Clark to check the insurance policy to see whether a resolution agreeing to obtain the policy needed to be attached.

After this discussion, Mr. Sylvester's motion to obtain the insurance policy was unanimously approved. Mr. Sylvester will get the policy executed.

REQUEST FOR MAPS OF CSR PROPERTY IN CINCINNATI AND KENTON COUNTY

Mr. Ely Ryder, a local attorney and former Board clerk, has requested maps of CSR property in Cincinnati and Kenton County for a potential development project in which he is involved. Ms. Clark will contact Mr. Ryder once she has located the maps.

EXECUTIVE SESSION TO DISCUSS A PROPOSED REAL ESTATE TRANSACTION

Mr. Wright moved that the Board enter executive session to discuss a proposed real estate transaction. Mr. Sylvester seconded. Roll call: Mr. VanderLaan, yes; Mr. Sylvester, yes; Mr. Kilcoyne, yes; Mr. McOwen, yes; Mr. Wright, yes.

Mr. Kilcoyne moved to close the executive session. Mr. McOwen seconded. Unanimously approved.

NEW BUSINESS/ANNOUNCEMENTS

Mr. Kilcoyne moved to authorize Mr. Sheys to negotiate a scope of services with Jefferies Group in connection with the hiring of Jefferies to evaluate the real estate involved in the proposed real estate transaction. McOwen seconded. Unanimously approved.

Mr. Sheys stated his intent to request Jefferies to provide a first draft of its scope of services, including its valuation methodologies. Mr. Sheys indicated that the cost of the valuation study will likely be a fixed fee that can be credited against any other services that Jefferies may provide to the Board in the future.

Mr. VanderLaan asked whether the Board should plan to meet with Jefferies, and Mr. Sheys stated his intent to negotiate such an interview as part of the scope of services.

Mr. McOwen asked whether the Board would be interested in hearing a presentation on the railroad industry from an industry expert. Mr. McOwen suggested that Mr. Alex Metcalf would be an excellent candidate to give such a presentation. Mr.

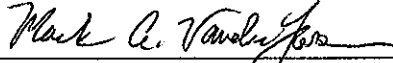
McOwen will speak with Mr. Metcalf and report back to the Board so that the Board can decide whether to invite Mr. Metcalf to present at the February meeting.

Mr. Sheys reported that the proposed real estate transaction does not have a time limit, and he can notify the offeror that the Board is proceeding with its consideration of the proposal.

Ms. Clark reminded the Board that the annual meeting with Norfolk Southern is scheduled for January 15, 2007, and the next Board meeting is scheduled for February 15, 2007.

ADJOURN

Mr. Kilcoyne moved to adjourn. Mr. Sylvester seconded. All agreed. Meeting adjourned.



Mr. VanderLaan, President



Ms. Clark, Clerk

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

December 21, 2006

A special meeting of the Trustees of the Cincinnati Southern Railway was held on December 21, 2006, at 3:30 p.m. at the law firm of Dinsmore & Shohl, 255 E. 5th Street, Cincinnati, Ohio, for the purpose of discussing the proposed scope of services of an advisor regarding the potential sale of certain CSR property with the following members present from the beginning of the meeting: Messrs. McOwen, Sylvester, VanderLaan, and Wright. Mr. Kilcoyne was absent from the meeting due to a scheduling conflict. Ms. Clark, Assistant City Solicitor for the City of Cincinnati, was also present.

MINUTES OF THE PREVIOUS MEETING

Ms. Clark handed out the minutes from the November 20, 2006 meeting. Mr. Sylvester moved to approve the minutes. Mr. Wright seconded. Unanimously approved.

NEW BUSINESS/ANNOUNCEMENTS

Mr. Sylvester reported that the annual payment for public official liability insurance was ready to be sent.

Mr. McOwen reported that he had spoken to Mr. Alex Metcalf regarding the proposed railroad industry presentation that was discussed at the previous meeting. Mr. VanderLaan directed Mr. McOwen to invite Mr. Metcalf to give his presentation at the Board's next meeting, which is scheduled for February.

Mr. VanderLaan directed Ms. Clark to verify the availability of the Board members to meet in late February or March.

EXECUTIVE SESSION TO DISCUSS A PROPOSED REAL ESTATE TRANSACTION

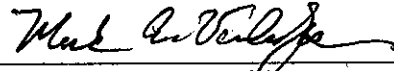
Mr. McOwen moved that the Board enter executive session to discuss a proposed real estate transaction. Mr. Wright seconded. Roll call: Mr. VanderLaan, yes; Mr. McOwen, yes; Mr. Wright, yes; Mr. Sylvester, yes.

Mr. Sylvester moved to close the executive session. Mr. McOwen seconded.

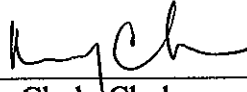
Unanimously approved.

ADJOURN

Mr. Sylvester moved to adjourn. Mr. McOwen seconded. All agreed. Meeting adjourned.



Mr. VanderLaan, President



Ms. Clark, Clerk