

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

December 11, 2018

A regular meeting of the Board of Trustees of the Cincinnati Southern Railway (the "Board") was held on Tuesday, December 11, 2018 at 3 p.m. at the Queen City Club, 331 E. 4th St, Cincinnati, OH 45202. Thomas Kilcoyne, Paul Sylvester, Charlie Luken, Paul Muething, and Mark Mallory were all present. Emily Woerner and William Weber, Assistant City Solicitors, were present as well. Additionally, Paul Grether, the Director of Rail Services at the Southwest Ohio Regional Transit Authority, was in attendance as a member of the public.

OATH OF NEW TRUSTEES

Mr. Kilcoyne, in his capacity as President of the Board, swore in the Mr. Muething and Mr. Mallory as new members of the Board.

BMO CAPITAL MARKETS CORP. CONSULTING CONTRACT

Ms. Woerner provided an update on the status of finalizing the consultant contract relating to the renegotiation of the railway lease with BMO Capital Markets Corp., which will now take the form of a three-party contract between BMO Capital Markets Corp., the City of Cincinnati, and the Board. She reported that the contract will soon be ready for execution. No further action taken.

APPROVAL OF MINUTES

Ms. Woerner presented the Board with the draft minutes from the October 18, special meeting. The Board reviewed them. Mr. Luken moved to approve, and Mr. Kilcoyne seconded. Unanimously approved.

STAFFING UPDATE

Ms. Woerner updated the Board that, due to her promotion in the City Solicitor's Office, she will be transferring responsibilities as Clerk of the Board to Mr. Weber. No further action taken.

TAX CREDIT REMITTANCE AGREEMENT

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Mr. Kilcoyne provided the Board with an overview and history of the Tax Credit Remittance Agreements. The Board discussed the status of the 2018 agreement and the 2019 agreement. No further action taken.

SALE OF RAILWAY PROPERTY

Mr. Sylvester provided the Board with an overview and history of the process for disposition of railroad property and how proceeds are utilized. Ms. Woerner notified the Board that a representative of Norfolk Southern Corporation had contacted her about a proposed sale by the Board of a permanent easement on railway property to CSX Corporation, which will improve operational efficiencies. Mr. Sylvester made a motion to confirm the terms and conditions of the proposed easement and the disposition of any proceeds. Mr. Luken seconded. Following a brief discussion of the general process for such property sales, the Board unanimously approved.

ADMINISTRATIVE MATTERS

Mr. Kilcoyne led a discussion on scheduling the 2019 regular meetings as well as the annual meeting with Norfolk Southern Corporation and the annual track inspection, as provided for in the lease of the railway. For final scheduling and conduct of additional Board business, Mr. Kilcoyne called for a special meeting to be held with the date and location to be determined at a later date. No further action taken.

ADJOURN

Mr. Kilcoyne moved to adjourn. Mr. Muething seconded. Unanimously approved.



Mr. Kilcoyne, President



~~Mr. Woerner, Clerk~~



THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

October 18, 2018

A special meeting of the Trustees of the Cincinnati Southern Railway was held on Thursday October 18, 2018 at 4 p.m. at City Hall. Mssrs. Kilcoyne, Riordan, Sylvester and Luken were all present. Ms. Woerner, Assistant City Solicitor, was present as well.

TAX CREDITS

Ms. Woerner presented a question from the City Finance Department about the timing of tax credit remittances. The Board discussed remitting when the audit is sent to the City. Ms. Woerner also presented the Board with tax credit agreements with Norfolk Southern for Federal and Kentucky Tax Credits. Mr. Sylvester moved to authorize Mr. Kilcoyne to execute; Mr. Riordan seconded. Unanimously approved.

PAYMENT OF INVOICES

Mr. Sylvester presented the Board with invoices for Gallagher Board of Director's Insurance in the amount of \$^{6,940}6,800. Mr. Riordan moved to approve; Mr. Luken seconded. Unanimously approved.

EXECUTIVE SESSION

Mr. Kilcoyne moved that the Board enter executive session for the purposes of discussing the potential sale of real estate. Mr. Luken seconded. Ms. Woerner took a roll call vote: Mr. Riordan – aye; Mr. Kilcoyne – aye; Mr. Luken – aye; Mr. Sylvester - aye. Executive session entered into at 4:33 p.m. Executive session ended at 4:53 p.m. After leaving executive session, Mr. Riordan moved to authorize Mr. Kilcoyne to execute an agreement with BMO Capital Markets Corporation for the purposes of providing rail advising services to the City Solicitor's Office for a total current obligation of \$1,000,000. Mr. Luken seconded. Unanimously approved. Mr. Riordan also moved to

authorize Mr. Kilcoyne to take steps to pay this obligation on behalf of the City. Mr. Sylvester seconded. Unanimously approved.

ADJOURN

Mr. Riordan moved to adjourn. Mr. Sylvester seconded. Unanimously approved.



Mr. Kilcoyne, President



Ms. Woerner, Clerk

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

September 18, 2018

A rescheduled regular meeting of the Trustees of the Cincinnati Southern Railway was held on Tuesday September 18, 2018 at 4 p.m. at City Hall. Mssrs. Kilcoyne, Riordan, Sylvester and Luken were all present. Ms. Woerner, Assistant City Solicitor, was present as well.

APPROVAL OF MINUTES

Ms. Woerner presented the Board with the draft minutes from the June 15, 2018 and June 19, 2018 meetings. The Board reviewed them. Mr. Riordan moved to approve, and Mr. Luken seconded. Unanimously approved.

PAYMENT OF INVOICES

Mr. Sylvester presented the Board with invoices for services rendered. First, Mr. Sylvester noted that RL Banks returned a check to the Board that should have been issued to the City's Department of Transportation and Engineering in the amount of \$5,645.65, and requested approval to issue a check to the City in the same amount. Second, there was an invoice from Vehr Communications for \$150 for the website. Third, there was an invoice to Clark Schaefer Hackett in the amount of \$9,000 for the audit. Finally, there were invoices from Dotty Carman totaling \$957.25 for her title research services. Mr. Sylvester requested approval for all expenses; Mr. Riordan seconded. Unanimously approved.

McCREARY COUNTY SALE

The Board discussed the proposed sale in McCreary County, including the proposed cost sharing. After discussion, the Board decided to reject the potential sale. No further action taken.

UPDATE FROM DOTTY CARMAN'S RESEARCH

Mr. Riordan provided an update on Ms. Carman's research. She was able to document instances where the Auditor's records needed correcting and worked with the Solicitor's Office to have those corrections done. She has also done work to organize the Board's office in general. No further action taken.

EXECUTIVE SESSION

Mr. Kilcoyne moved that the Board enter executive session for the purposes of discussing the potential sale of real estate. Mr. Sylvester seconded. Ms. Woerner took a roll call vote: Mr. Riordan – aye; Mr. Kilcoyne – aye; Mr. Luken – aye; Mr. Sylvester - aye. Executive session entered into at 4:33 p.m. Executive session ended at 4:53 p.m.

ADJOURN

Mr. Riordan moved to adjourn. Mr. Sylvester seconded. Unanimously approved.



Mr. Kilcoyne, President



Ms. Woerner, Clerk

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

June 19, 2018

A special meeting of the Trustees of the Cincinnati Southern Railway was held on Tuesday June 19, 2018 at 2 p.m. at City Hall for the purpose of discussing the potential sale of real estate and the historical center. Mssrs. Kilcoyne, Riordan, McOwen, Sylvester and Luken were all present. Ms. Woerner, Assistant City Solicitor, was present as well.

EXECUTIVE SESSION

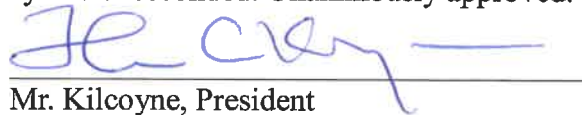
Mr. Riordan moved that the Board enter executive session for the purposes of discussing the potential sale of real estate. Mr. Sylvester seconded. Ms. Woerner took a roll call vote: Mr. Riordan – aye; Mr. McOwen – aye; Mr. Kilcoyne – aye; Mr. Luken – aye; Mr. Sylvester - aye. Executive session entered into at 2:00 p.m. Executive session ended at 3:40 p.m.

HISTORICAL CENTER

After further discussion about the work associated with starting a historical center and being informed that CNOTP would keep the parcel subject to the lease, Mr. Sylvester moved the Board to table the issue indefinitely and keep the property subject to the lease. Mr. Luken seconded. Unanimously approved.

ADJOURN

Mr. McOwen moved to adjourn. Mr. Sylvester seconded. Unanimously approved.


Mr. Kilcoyne, President


Ms. Woerner, Clerk

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

June 15, 2018

A special meeting of the Trustees of the Cincinnati Southern Railway was held on Friday June 15, 2018 at 3 p.m. at City Hall for the purpose of discussing the potential sale of real estate and addressing general business. Mssrs. Kilcoyne, Riordan, McOwen, Sylvester and Luken were all present. Ms. Woerner, Assistant City Solicitor, was present as well. Mr. Roe from Clark, Schaefer, Hackett was present for the first portion of the meeting.

MINUTES:

The Board reviewed the Minutes from the May 9, 2018 meeting. Mr. Luken moved to approve the minutes. Mr. Sylvester seconded. Unanimously approved.

ANNUAL AUDIT PRESENTATION

Kerry Roe from Clark Schaefer Hackett presented the Board with its annual audit and report on agreed-upon procedures. Mr. Roe informed the Board that its procedures were sound and there were no irregularities in the audit. After discussing, Mr. Sylvester moved to accept the reports and issue them to the City Finance Department. Mr. Riordan seconded. Unanimously approved. Mr. Roe left the meeting.

ADMINISTRATIVE MATTERS

Ms. Woerner presented the Board with an offer from CNOTP regarding the sale of land in McCreary County, Kentucky. CNOTP suggested a sale of approximately \$92,000 with 75% of proceeds to the Board and 25% of proceeds to CNOTP. The Board discussed whether the division of the amount was provided for in the lease; it is not, but rather is a past practice. The Board asked Ms. Woerner to counter with CNOTP receiving reimbursement for its costs only. Additionally, the lease with J.W. Express was discussed. Mr. Riordan moved to authorize the Board President to execute the lease. Mr. Luken seconded. Unanimously approved. Finally, Mr. Riordan informed the Board of the work

Ms. Carman had been doing. The Board agreed that the work was very helpful and should continue. Mr. Riordan moved to increase the contract amount to \$9,500 and authorize Mr. Kilcoyne to execute the contract amendment. Mr. Luken seconded. Unanimously approved.

PAYMENT

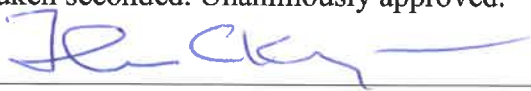
Mr. Sylvester presented the Board with invoices for work done on behalf of the Board: an invoice in the amount of \$705 from Dotty Carman; an invoice in the amount of \$16,232.50 from the City Solicitor's Office for legal work in 2017; payment to RL Banks in the amount of \$5,645.65 for a report; and payment to Mr. McOwen for printing reimbursement in the amount of \$121.60. Mr. Sylvester moved the Board to approve the payments. Mr. Luken seconded. Unanimously approved.

EXECUTIVE SESSION

Mr. Sylvester moved that the Board enter executive session for the purposes of discussing the potential sale of real estate. Mr. Riordan seconded. Ms. Woerner took a roll call vote: Mr. Riordan – aye; Mr. McOwen – aye; Mr. Kilcoyne – aye; Mr. Luken – aye; Mr. Sylvester - aye. Executive session entered into at 3:25 p.m. Executive session ended at 4:41 p.m.

ADJOURN

Mr. McOwen moved to adjourn. Mr. Luken seconded. Unanimously approved.



Mr. Kilcoyne, President



Ms. Woerner, Clerk

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

May 9, 2018

A special meeting of the Trustees of the Cincinnati Southern Railway was held on Wednesday May 9, 2018 at 3 p.m. at City Hall for the purpose of discussing the potential sale of real estate and addressing general business. Mssrs. Kilcoyne, Riordan, McOwen, Sylvester and Luken were all present. Ms. Woerner, Ms. Brandenburg, and Mr. Jeric, Assistant City Solicitors, were present as well.

MINUTES:

The Board reviewed the Minutes from the April 10, 2018 meeting. Mr. Kilcoyne moved to approve the minutes. Mr. Luken seconded. Unanimously approved.

EXECUTIVE SESSION

Mr. Sylvester moved that the Board enter executive session for the purposes of discussing the potential sale of real estate. Mr. Riordan seconded. Ms. Woerner took a roll call vote: Mr. Riordan – aye; Mr. McOwen – aye; Mr. Kilcoyne – aye; Mr. Luken – aye; Mr. Sylvester - aye. Executive session entered into at 3:02 p.m. Executive session ended at 4:04 p.m. Mr. Sylvester moved to authorize the firm of Clark Schaefer Hackett to create a financial model for the Board’s benefit, with work authorized up to \$10,000. Mr. Riordan seconded. Unanimously approved. Mr. Sylvester also moved to approve travel, if necessary, for up to three Board members and an Assistant City Solicitor for the purpose of negotiating an agreement. Mr. Luken seconded. Unanimously approved.

OWNERSHIP RESEARCH:

Mr. Riordan updated the Board with the progress that Ms. Carman had made regarding title research. Mr. Riordan moved to approve an invoice for Ms. Carman’s work in the amount of \$627. Mr. Sylvester approved. Unanimously approved. Mr.

Riordan also requested that Ms. Carman's agreement be amended to a limit of \$7,500. Mr. Kilcoyne seconded. Unanimously approved.

HISTORICAL CENTER/J.W. EXPRESS:

The Board discussed the next steps for the J.W. Express property. Mr. Jeric presented the draft lease with J.W. Express to the Board. After some discussion, Mr. McOwen requested that the lease include a 2% rent increase annually. Mr. Kilcoyne also requested that a subleasing provision be added, with the Board President authorized to approve a sublease in writing. Mr. McOwen moved to authorize the Board President to execute a one-year lease with J.W. Express with the changes discussed. Mr. Kilcoyne seconded. Unanimously approved. Mr. Jeric to made changes.

McCREARY COUNTY:

The Board discussed a land sale in McCreary County, Kentucky that has been proposed by the CNOTP. The Board decided to get clarity about the fee-sharing proposal. Ms. Woerner to investigate.

STATE OF RAIL INDUSTRY:

Mr. McOwen updated the Board about the state of the rail industry and indicated that there is no imminent sales with CSX. No action taken.

ADJOURN

Mr. Sylvester moved to adjourn. Mr. Kilcoyne seconded. Unanimously approved.



Mr. Kilcoyne, President



Ms. Woerner, Clerk

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

April 10, 2018

A special meeting of the Trustees of the Cincinnati Southern Railway was held on Tuesday April 10, 2018 at 3 p.m. at City Hall for the purpose of discussing the potential sale of real estate and addressing general business. Mssrs. Kilcoyne, Riordan, McOwen, Sylvester and Luken were all present. Ms. Woerner, Assistant City Solicitor, was present, as was Reggie Victor of the Department of Transportation and Engineering for the first portion of the meeting.

MINUTES:

The Board reviewed the Minutes from the March 7, 2018 meeting. Mr. Sylvester moved to approve the minutes. Mr. Riordan seconded. Unanimously approved.

RL BANKS REPORT:

Mr. McOwen presented the R.L. Banks report to the Board, and the Board discussed its conclusions. After reviewing the report, the Board concluded that it had no further questions for the consultant at this time. No further action taken.

EXECUTIVE SESSION

Mr. Riordan moved that the Board enter executive session for the purposes of discussing the potential sale of real estate. Mr. Kilcoyne seconded. Ms. Woerner took a roll call vote: Mr. Riordan – aye; Mr. McOwen – aye; Mr. Kilcoyne – aye; Mr. Luken - aye. Executive session entered into at 3:30 p.m. Executive session ended at 4:04 p.m. No action taken.

HISTORICAL CENTER/J.W. EXPRESS:

The Board discussed the next steps for the J.W. Express property. Mr. McOwen stated that the property may not be original to the CSR, but rather built and acquired later in time. Board members also discussed the logistical difficulties of being lessors of this property long-term. Mr. Riordan moved that the Board enter into a lease that is

substantially similar to the current terms of the lease that J.W. Express had with CNOTP for a period of less than one year. Mr. Luken seconded. Unanimously approved. Ms. Woerner to coordinate with Law's Real Estate section to draft the lease.

AUDITOR'S RECORDS:

Ms. Woerner informed the Board that the Auditor's records are up to date. Mr. Riordan asked Ms. Woerner to inquire or confirm where the tax records of the parcels are sent. No further action taken.

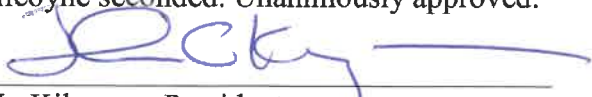
INVOICES/ADMINISTRATIVE MATTERS:


Mr. Sylvester presented the Board with the following invoices/expenses for approval: \$37.44 to Tim Riordan for copying reimbursements; \$72.79 to Tom McOwen for pens for the Board; \$990 to Nossaman for legal services rendered; \$11,320 to ASLRRA for annual membership dues; \$95.02 to Tom Kilcoyne for a lunch to recognize Mr. Suttmoller's service on the Board; and \$353.40 to Paul Sylvester for payment for the CSR Board's website domain. Unanimously approved, with Mr. Riordan, Mr. McOwen, Mr. Kilcoyne, and Mr. Sylvester abstaining from their respective reimbursements.

The Board agreed to reschedule its regular June meeting for June 15, 2018 at 3 p.m. and to call a special meeting for May 9, 2018 at 3 p.m. for the purposes of discussing the potential sale of real estate and other general administrative matters.

ADJOURN

Mr. Sylvester moved to adjourn. Mr. Kilcoyne seconded. Unanimously approved.


Mr. Kilcoyne, President


Ms. Woerner, Clerk

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

March 7, 2018

A special meeting of the Trustees of the Cincinnati Southern Railway was held on Wednesday March 7, 2018 at 3 p.m. at City Hall for the purpose of discussing the potential sale of real estate and addressing general business. Mssrs. Kilcoyne, Riordan, McOwen, and Luken were all present. Mr. Sylvester was absent. Ms. Woerner, Assistant City Solicitor, was also present.

MINUTES:

The Board reviewed the Minutes from the September 8, 2017; September 29, 2017; December 1, 2017; December 12, 2017; and February 2, 2018 meetings. Mr. Riordan moved to approve the minutes. Mr. McOwen seconded. Mr. Luken abstained. Unanimously approved.

RESOLUTION 1-2018:

The Board reviewed the proposed text of Resolution 1-2018 which recognizes the contributions Jens Sutmoller made to the Board. Mr. Riordan moved to approve the resolution. Mr. Luken seconded. Unanimously approved.

PAYMENT:

Ms. Woerner presented the Board with an invoice from Nossaman for legal services rendered in the amount of \$920.00. She informed the Board that \$25,152 has been spent on the current contract, which has a limit of \$30,000. Mr. Riordan moved to approve payment of the invoice. Mr. McOwen seconded. Unanimously approved.

PREPARATION FOR ANNUAL MEETING WITH NS:

The Board discussed the general logistics of the meeting it has each year with NS/CNOTP including its location and typical format. No further action was taken.

CORRECTION OF AUDITOR'S RECORDS:

Ms. Woerner let the Board know that the City's Real Estate section could assist in correcting the Auditor's records of ownership of certain properties. Mr. Riordan noted that Dotty Carman had the documentation that would back up the corrections. The Board asked Ms. Woerner to coordinate with Ms. Carman and the Real Estate section to correct the records.

EXECUTIVE SESSION

Mr. Riordan moved that the Board enter executive session for the purposes of discussing the potential sale of real estate. Mr. Kilcoyne seconded. Ms. Woerner took a roll call vote: Mr. Riordan – aye; Mr. McOwen – aye; Mr. Kilcoyne – aye; Mr. Luken - aye. Executive session entered into at 3:29 p.m. Executive session ended at 4:30 p.m. No action taken.

RECOGNIZING MR. SUTMOLLER

The Board wishes to recognize Mr. Sutmoller's service on the CSR Board. Mr. Kilcoyne requested that Ms. Woerner draft a resolution reflecting the Board's appreciation for the Board's next meeting.

SPECIAL MEETING

The Board agreed to schedule a special meeting for the purposes of discussing the potential sale of real estate and other general administrative matters for April 10, 2018 at 3 p.m.

ADJOURN

Mr. Luken moved to adjourn. Mr. Kilcoyne seconded. Unanimously approved.

A handwritten signature in black ink, appearing to read "J. Kilcoyne", written over a horizontal line.

Mr. Kilcoyne, President

A handwritten signature in blue ink, appearing to read "Emily Woerner", written over a horizontal line.

Ms. Woerner, Clerk

THE MINUTES OF THE TRUSTEES OF THE CINCINNATI SOUTHERN RAILWAY

February 2, 2018

A special meeting of the Trustees of the Cincinnati Southern Railway was held on Friday February 2, 2018 at 9 a.m. at City Hall for the purpose of discussing the potential sale of real estate and addressing general business. Mssrs. Kilcoyne, Riordan, McOwen, Sylvester, and Luken were all present. Ms. Woerner and Ms. Brandenburg, Assistant City Solicitors were also present.

MINUTES:

The Board requested that past minutes be circulated for approval at the next meeting.

OATH OF OFFICE:

The Board welcomed Charles Luken as a new member. Mr. Luken replaced Mr. Jens Suttmoller whose term expired December 31, 2017. Mr. Luken brings a wealth of experience to the Board, having served previously as Mayor of Cincinnati from 1983 to 1991 and then again from 1999 to 2005. Mr. Luken has past experience on a number of boards and commissions, and he currently serves as senior counsel at Calfee. Mr. Luken took the Oath of Office, which was administered and witnessed by Patricia Sumner, notary public.

HISTORICAL CENTER/PROPERTY RESEARCH UPDATE:

Mr. McOwen updated the Board with some work that he has been doing, looking into a possible historical center near Union Terminal as well as researching property transfer issues. He informed the Board that Dotty Carman, past Clerk to the Board, has been researching the Recorder's records. Mr. McOwen requested that Ms. Woerner follow up with Tom Ambler of NS regarding the current lease for the potential historical center parcel.

EXECUTIVE SESSION

Mr. Kilcoyne moved that the Board enter executive session for the purposes of discussing the potential sale of real estate. Mr. Sylvester seconded. Ms. Woerner took a roll call vote: Mr. Riordan – aye; Mr. Sylvester – aye; Mr. McOwen – aye; Mr. Kilcoyne – aye; Mr. Luken - aye. Executive session entered into at 9:45 a.m. Executive session ended at 11 a.m. At the conclusion of the executive session, Mr. Riordan moved that the Board allocate up to \$20,000 to hire R.L. Banks under current City agreements, if possible, to conduct railroad advising and consulting related to the impact that current CSX actions may have upon the CSR. Mr. McOwen seconded. Unanimously approved.

RECOGNIZING MR. SUTMOLLER

The Board wishes to recognize Mr. Sutmoller's service on the CSR Board. Mr. Kilcoyne requested that Ms. Woerner draft a resolution reflecting the Board's appreciation for the Board's next meeting.

SPECIAL MEETING

The Board agreed to schedule a special meeting for the purposes of discussing the potential sale of real estate and other general administrative matters for March 7, 2018 at 3 p.m.

ADJOURN

Mr. Sylvester moved to adjourn. Mr. Luken seconded. Unanimously approved.



Mr. Kilcoyne, President



Ms. Woerner, Clerk