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Detroit RiverFront
Conservancy

F. Blair Wimbush
Vice President Real Estate and
Corporate Sustainability Officer


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September 26, 2011

Matthew P. Cullen
Chairman of the Board

Faye Alexander Nelson
President and CEO

Detroit RiverFront Conservancy
600 Renaissance Center, Suite 1720
Detroit, Michigan 48243

Dear Mr. Cullen and Ms. Nelson:

Thank you for expressing to Mr. C. W. Moorman your continued interest in Norfolk Southern property fronting the Detroit River, east of the Ambassador Bridge. He asked that I follow up with you in my capacity as chief real estate officer. We understand your desire to expand your walking and bike paths along the Detroit River across NS property. You have requested that we provide a copy of an appraisal of the property; an option to provide public access by either a conveyance, a lease, or an easement; and an NS contact name to whom you may submit an offer.

We are not currently marketing this property but given the continued interest from different parties, including the Conservancy, we secured an appraisal to assist Norfolk Southern in understanding the market potential of this valuable international riverfront. NS treats appraisals of substantial assets as confidential; thus, we are unable to accommodate your request for a copy.

DRC is seeking public access to the riverfront, perhaps as a "green corridor" or "greenway". Mr. Moorman met with Senator Levin and indicated his willingness to have NS consider how to accommodate your interest in using our riverfront property in your walking trail. We believe our riverfront property has significant value as a whole, and waterfront access plays a great role in determining the value to a potential purchaser. Accordingly, carving out a corridor would unnaturally sever the riverfront from the remaining acreage and significantly impact the residual value of the remaining property. In our consideration of a possible sale, we are not willing to subdivide the property in a manner that would diminish the value of the remainder. We have determined that we can approach your interest in two possible ways.

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One approach is to determine the right of way necessary to support your trail proposal and for us to grant DRC a temporary license to use the waterfront. The license agreement would have to spell out the non-permanent nature of the interest being granted and lay out the process for terminating the license in the event we have a purchaser for value of the entire property.

The other approach is to explore a sale of all of the property to DRC. In Norfolk Southern's conversation with the Conservancy, my colleagues pointed out that we are willing to consider a sale of the property at fair market value. We believe that NS interests are best served only by conveying the entire property in a single transaction. Thus, NS is willing to entertain an offer to purchase all NS interests in the approximately 35 acres for \$32 million. This might enable DRC to fulfill its larger vision that this property could become "a world-class gathering place" given the anticipated development of home sites with water access that you shared with our group.

As a contact for discussing the license or an offer, please call Assistant Vice President Real Estate Patti Carroll at 404-962-5636 or you can reach her at patti.carroll@nscorp.com. Should you need to discuss this further with me, please let me know.

Sincerely,



F. Blair Wimbush
Vice President Real Estate
and Corporate Sustainability Officer

cc: C. W. Moorman
P. G. Carroll