312997
IAIS-7
ENTERED
Office of Chief Counsel
November 18, 2026
Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36873 (Sub-No. 37)

IOWA INTERSTATE RAILROAD, LLC – TRACKAGE RIGHTS OVER NORFOLK SOUTHERN RAILWAY COMPANY (PEORIA TO DECATUR AND GIBSON CITY, IL)

STB Docket No. FD 36873 (Sub-No. 38)

IOWA INTERSTATE RAILROAD, LLC – TRACKAGE RIGHTS OVER UNION PACIFIC RAILROAD COMPANY (CEDAR RAPIDS, IA TO PROVO JUNCTION, IL)

STB Docket No. FD 36873 (Sub-No. 39)

IOWA INTERSTATE RAILROAD, LLC – TRACKAGE RIGHTS OVER UNION PACIFIC RAILROAD COMPANY (GRINNELL, IA TO EDDYVILLE, IA AND FROM GRINNELL TO MARSHALLTOWN, IA)

STB Docket No. FD 36873 (Sub-No. 40)

IOWA INTERSTATE RAILROAD, LLC – TRACKAGE RIGHTS OVER UNION PACIFIC RAILROAD COMPANY (COUNCIL BLUFFS, IA TO BLAIR, NE)

RESPONSIVE APPLICATION OF IOWA INTERSTATE RAILROAD, LLC

Kelvin J. Dowd
Andrew B. Kolesar III
Slover & Loftus LLP
1828 L Street, N.W., Suite 1000
Washington, D.C. 20036
(202) 347-7170
kjd@sloverandloftus.com
abk@sloverandloftus.com

Attorneys for Iowa Interstate Railroad, LLC

Dated: November 18, 2026

F I L E D
November 18, 2026
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
November 18, 2026
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36873 (Sub-No. 37)

IOWA INTERSTATE RAILROAD, LLC – TRACKAGE RIGHTS OVER NORFOLK SOUTHERN RAILWAY COMPANY (PEORIA TO DECATUR AND GIBSON CITY, IL)

STB Docket No. FD 36873 (Sub-No. 38)

IOWA INTERSTATE RAILROAD, LLC – TRACKAGE RIGHTS OVER UNION PACIFIC RAILROAD COMPANY (CEDAR RAPIDS, IA TO PROVO JUNCTION, IL)

STB Docket No. FD 36873 (Sub-No. 39)

IOWA INTERSTATE RAILROAD, LLC – TRACKAGE RIGHTS OVER UNION PACIFIC RAILROAD COMPANY (GRINNELL, IA TO EDDYVILLE, IA AND FROM GRINNELL TO MARSHALLTOWN, IA)

STB Docket No. FD 36873 (Sub-No. 40)

IOWA INTERSTATE RAILROAD, LLC – TRACKAGE RIGHTS OVER UNION PACIFIC RAILROAD COMPANY (COUNCIL BLUFFS, IA TO BLAIR, NE)

RESPONSIVE APPLICATION OF
IOWA INTERSTATE RAILROAD, LLC

Iowa Interstate Railroad, LLC ("IAIS" or "Applicant") hereby submits this Responsive Application in the referenced sub-dockets pursuant to 49 U.S.C. §§ 11323-11325 and 49 C.F.R. Part 1180, Subpart A, for authorization of IAIS's request for certain trackage rights (each a Minor Transaction), in response to the revised, Primary Application filed by Union Pacific Corporation and Union Pacific Railroad Company ("UP" or "Union Pacific") in STB Docket No. FD 36873 for acquisition and control of Norfolk Southern Corporation and Norfolk Southern Railway Company ("NS" or "Norfolk Southern").

EXECUTIVE SUMMARY

IAIS asks the Board to direct UP and NS to grant it certain trackage rights over UP and NS's lines in Iowa, Illinois, and Nebraska in order to ameliorate the anticompetitive effect of the consolidation proposed in the Primary Application and to enhance competitive rail service options for the shipping public. As explained in the contemporaneously filed IAIS Comments and Request for Conditions, including the supporting statement of West Plains, LLC and Verified Statement of IAIS's Executive Vice President and Chief Commercial Officer, Carrie Evans, the proposed merger transaction places substantial IAIS traffic at risk for diversion and loss. UP and NS have failed to adequately analyze the impact of their proposed transaction on Class II railroads, despite the fact that the Board's governing Merger Guidelines mandate that such impacts must be considered in weighing the public interest.

The trackage rights sought through this Responsive Application each are properly classified as a "minor" transaction because IAIS is not a Class I railroad and the proposed trackage rights "clearly will not have any anticompetitive effects." 49 C.F.R. § 1180.2(b). To the contrary, the purpose of each set of rights is pro-competitive. Each of IAIS's proposed trackage rights transactions falls within the scope of what the agency historically has treated as a minor transaction. *See*, *e.g.*, *Western Fuels Service Corp. – Trackage Rights over the Atchison, Topeka and Santa Fe Ry. between Denver, CO, and Holcomb, KS*, FD 32549 (Sub-No. 16), 1995 WL 312820, at * 2 (ICC served May 24, 1995) (finding that "the trackage rights sought in [the] responsive application constitute a minor transaction" where WFSC sought "trackage rights over approximately 326 miles of Santa Fe's lines between Denver, CO, and Holcomb, KS"); *CSX Corp., Norfolk S. Corp. – Control and Operating Leases/Agreements – Conrail Inc.*, FD 33388, 1997 WL 564149, at *1, 3 (STB served Sept. 11, 1997) ("minor" rather than "significant"

responsive application status found where trackage rights sought on the order of 47 miles, 67 miles, 44 miles, and 80 miles, in addition to other relief); *Burlington N. – Control and Merger – Santa Fe Pac. Corp.*, FD 32549, 1995 WL 232770, at *2 (ICC served April 20, 1995) ("minor" rather than "significant" transaction status found where "KJRY seeks no more than 100 miles of combined local and overhead trackage rights, terminal switching access to BN's facilities . . . and acquisition of an approximately 2-mile long branch line and associated terminal facilities"); *Wilmington Terminal R.R. – Purchase and Lease – CSX Transp. Inc. Line between Savannah and Rhine, and Vidalia and Macon, GA*, FD 31530, 1989 WL 239526, at *1 (ICC Decided Oct. 5, 1989) ("minor transaction" status found where WTR sought authority to purchase and lease two connected lines of CSXT railroad totaling 224.19 miles). As described below, this Responsive Application seeks trackage rights to alleviate certain of the anticompetitive effects of the UP-NS merger transaction, if approved. These trackage rights will allow IAIS to provide competitive service alternatives for customers in the central-Iowa to-north/central Illinois area.

These Responsive Applications encompass four separate sub-dockets. First, in Docket No. FD 36873 (Sub-No. 37), Applicant IAIS seeks trackage rights over approximately 136.8 miles of NS's lines from Peoria to Decatur, IL, with connections to short line railroads and Canadian National Railway Company ("CN") at Gibson City, IL, and access to Archer Daniels Midland Corp. ("ADM"), the existing short line railroads at Decatur, and area shippers through switching by the combined UP under current tariffs. Second, in Docket No. FD 36873 (Sub-No. 38), Applicant IAIS seeks trackage rights over 207.3 miles of UP lines from Cedar Rapids, IA, to Provo Junction, IL, from which IAIS can connect with the Indiana Harbor Belt Railroad ("IHB") and the Belt Railway of Chicago ("BRC"), with connections to other regional railroads in the area. Third, in Docket No. FD 36873 (Sub-No. 39), Applicant IAIS seeks trackage rights over a

total of approximately 68.5 miles of UP's lines from Grinnell, IA to Eddyville, IA, to access Cargill Inc., and from Grinnell to Marshalltown, IA, with access to Heartland Cooperative at Pickering, IA. Fourth, in Docket No. FD 36873 (Sub-No. 40), Applicant IAIS seeks trackage rights over a total of approximately 34.7 miles of UP's lines from Council Bluffs, IA to Blair, NE, with access to Cargill, Inc. and other Blair Industrial Park area shippers.

SPECIFIC INFORMATION REQUIRED BY THE REGULATIONS

Section 1180.6 of the Board's regulations specifies the information to be included in applications filed under 49 U.S.C. § 11324(c). IAIS provides the requested information below, preceded by the sub-section of the regulations to which it responds.

Section 1180.6(a): Identification of Applicants and Person to Whom Correspondence with Respect to this Application Should be Addressed

IAIS is a Class II railroad that operates over approximately 580 miles of track, including track owned by IAIS and track owned by other carriers (from Henry, IL, to Blue Island, IL), over which IAIS operates pursuant to existing trackage rights. The IAIS system runs from Council Bluffs, IA, to Chicago, IL, with a main line to Peoria, IL. IAIS maintains connections with a variety of other rail carriers at the following locations: Chicago, IL; Peoria, IL; Rock Island, IL; Silvis, IL; Davenport, IA; Iowa City, IA; Des Moines, IA; and Council Bluffs, IA. The President of IAIS is Joseph Parsons. IAIS is a wholly owned subsidiary of RDC Domestic Holdings, LLC. RDC Domestic Holdings, LLC, is 40% owned by Atlantic Rail Investment Corp. and 60% owned/controlled by Henry Posner III. Mr. Posner is the Chairman of the Board of RDC Domestic Holdings, LLC.

IAIS's name, business address, and telephone number are as follows:

Iowa Interstate Railroad, LLC
203 2nd Street SE, Suite 500
Cedar Rapids, Iowa 52401
Phone: 319-298-5400

IAIS's counsel to whom correspondence with respect to this Responsive Application should be addressed as follows:

Kelvin J. Dowd
Slover & Loftus LLP
1828 L Street, N.W., Suite 1000
Washington, D.C. 20036
(202) 347-7170
kjd@sloverandloftus.com

Section 1180.6(a)(1)(i): Summary of the Proposed Transaction

In this Responsive Application, IAIS seeks to obtain trackage rights over certain UP and NS lines in Iowa, Illinois, and Nebraska: First, in Docket No. FD 36873 (Sub-No. 37), Applicant IAIS seeks trackage rights over approximately 136.8 miles of current NS lines from Peoria to Decatur, IL, with connections to short lines and Canadian National Railway Company ("CN") at Gibson City, IL, access to ADM and the existing short lines at Decatur, and access via what will be UP switching to other shippers at Decatur.[1] Second, in Docket No. FD 36873 (Sub-No. 38), Applicant IAIS seeks trackage rights over 207.3 miles of UP lines from Cedar Rapids, IA to Provo Junction, IL, from which IAIS can connect with IHB and BRC, with connections through to Chicago and to other regional railroads in the area.[2] Third, in Docket No. FD 36873 (Sub-No. 39), Applicant IAIS seeks trackage rights over a total of approximately 68.5 miles of UP's lines

[1] These lines are located between Peoria, Illinois at or near Milepost SP 411.3 (Peoria) in NS's Bloomington District and Decatur, Illinois, at or near Milepost D 375.6 (Decatur) in NS's Lafayette District.

[2] These lines are located between Fairfax, Iowa at or near Milepost 89.7 (Cedar Rapids) on UP's Clinton Subdivision and Provo Junction at or near Milepost 12.1 (Provo Junction) on UP's Geneva Subdivision

from Grinnell, IA, to Cargill at Eddyville, IA, and from Grinnell to Marshalltown, IA with access to Heartland Cooperative at Pickering, IA.[3] Fourth, in Docket No. FD 36873 (Sub-No. 40), Applicant IAIS seeks trackage rights over approximately 34.7 miles of UP's lines between Council Bluffs, IA, and Blair, NE, including direct access to Cargill at Blair and connections to other shippers in the immediate area.[4]

IAIS requests that the Board impose the trackage rights under 49 U.S.C. § 11324(c) as conditions necessary for the approval of UP-NS's Primary Application. Section 11324(c) provides, in relevant part, that the "Board may impose conditions governing the transaction, including . . . requiring the granting of trackage rights and access to other facilities." IAIS requests that the Board grant IAIS trackage rights and require that UP-NS enter into an agreement in the form of the Trackage Rights Agreement set forth in Exhibit 2 (or in whatever other form the Board deems to be appropriate) as conditions necessary for any approval of the Primary Application.

Section 1180.6(a)(1)(ii): Proposed Time Schedule for Consummation of the Proposed Transaction

IAIS is prepared to execute the Trackage Rights Agreement immediately. IAIS will be in a position to commence operations utilizing the subject trackage rights once authorized by the Board, subject to certain track restoration work and switching carrier arrangements.

[3] These lines are located between Grinnell, Iowa at or near Milepost 268.8 (Grinnell) and Eddyville, Iowa at or near Milepost 312.0 (Eddyville) both on UP's Oskaloosa Subdivision and from Grinnell to Marshalltown, Iowa at or near Milepost 151.0 (Marshalltown) on UP's Clinton Subdivision.

[4] These lines are located between Council Bluffs, Iowa at or near Milepost 0.0 (Council Bluffs) on UP's Omaha Subdivision and Blair, Nebraska at or near Milepost 342.0 (Blair) on UP's Blair Subdivision.

Section 1180.6(a)(1)(iii): Purpose Sought to be Accomplished by the Proposed Transaction

The purpose of the trackage rights and Trackage Rights Agreement sought in this Responsive Application is to enable IAIS to compete more directly in markets where it already participates, offset at least in part the foreclosure effects of the proposed UP-NS merger on IAIS, and enable shippers and receivers in the affected locations to receive enhanced competitive benefits following the proposed merger.

Section 1180.6(a)(1)(iv): The Nature and Amount of Any New Securities or Other Financial Arrangements

The requested trackage rights and the associated Trackage Rights Agreement do not require the issuance of any new securities. The compensation for the trackage rights sought in this Responsive Application is addressed below in Section 1180.6(a)(2)(ii) and detailed in the proposed Trackage Rights Agreement.

Section 1180.6(a)(2): Public Interest Justifications (i): Effect of the Proposed Transaction on Competition

As described in detail in IAIS's Comments and Request for Conditions, the requested trackage rights will enhance competition for shippers in Iowa, Illinois, and Nebraska and offset the foreclosure effects of the common control of UP and NS on IAIS.

As IAIS Executive Vice President and Chief Commercial Officer, Carrie Evans explains in her Verified Statement, an unconditioned merger will result in significant diversions of rail freight traffic from IAIS to a merged UP-NS. Therefore, the STB should require UP-NS to grant IAIS trackage rights with non-discriminatory dispatch priorities over current NS lines between Peoria and Decatur, IL, including connections with CN and other regional railroads at Gibson City, direct access to ADM at Decatur, and access to other area shippers through existing NS (future UP) switching arrangements. ADM is an important IAIS customer with whom IAIS could

have expanded marketing and service opportunities with a more efficient access route to Decatur. This condition will help to offset the significant adverse impact on existing IAIS traffic expected from a combined UP-NS exercising their broader market power. Additionally, expanding IAIS's reach within the region where it has operated since 1984 will serve the goal of enhancing competition, consistent with the STB's rules for evaluating Class I mergers.

For similar reasons, the STB should require UP-NS to grant IAIS trackage rights with non-discriminatory dispatch priorities over UP from Cedar Rapids to Provo Junction, from which IAIS can connect with the IHB and the BRC, and further connections to other regional railroads in the area. These rights will provide IAIS with more direct connections to both IHB and BRC and through to Chicago and enable IAIS to provide more expedited rail service to current and prospective new customers by improving velocity, reducing dwell time for private railcars, and avoiding issues in the Chicago area related to potentially conflicting interactions with CSXT and Metra. Similarly, the condition will provide IAIS with the opportunity to offset the serious traffic diversions that the Applicants forecast will result from their combination of systems.

Third, the STB should require UP-NS to grant IAIS trackage rights with non-discriminatory dispatch priorities over UP from Grinnell, IA, to Cargill, Inc., at Eddyville, IA and from Grinnell to Marshalltown, IA, with access to Heartland Cooperative at Pickering, IA. Like ADM, Cargill and Heartland are key IAIS customers, and these rights would expand competitive marketing opportunities for IAIS and enhance competition generally, while also offsetting the anticompetitive traffic diversion impacts of an unconditioned merger on IAIS and its customers that currently depend on its reliable service. While some track restoration likely will be needed to re-establish the physical connection for movements to Eddyville and Marshalltown, IAIS is

prepared to work with all interested parties to complete any necessary infrastructure improvements.

Finally, the STB should require UP-NS to grant IAIS trackage rights with non-discriminatory dispatch priorities over UP from Council Bluffs to Blair, NE for direct service to Cargill and neighboring shippers. IAIS's current access to Cargill at Blair is via reciprocal switching performed by UP, but UP's service has proved to be an inefficient method of linking IAIS at Council Bluffs to Cargill. Direct IAIS access will provide the shipper with superior service and expand IAIS's competitive position in the region.

Trackage rights represent a desirable structural solution to the problems described, provided the trackage fees are reasonable.

(ii): Financial Considerations

IAIS anticipates paying trackage rights charges either negotiated with the Primary Applicants or, if it should become necessary, set by the Board. Compensation for the trackage rights shall be typical in the industry for trackage rights and consistent with Board decisions providing for the determination of compensation.

(iii): Effect of Increase of Total Fixed Charges Resulting from the Proposed Transaction

This subsection is not applicable to this Responsive Application because the proposed IAIS Trackage Rights Agreement does not include any increase in total fixed charges. IAIS will incur trackage rights fees based on volume, but those fees are not fixed charges, and IAIS will not handle traffic using the trackage rights unless the revenues contribute to going concern value.

(iv): Effect of the Proposed Transaction upon the Adequacy of Transportation Services to the Public

The proposed IAIS Trackage Rights Agreement will substantially promote the adequacy of transportation services to the public. The merger of UP and NS will give the resulting combination the ability and incentive to foreclose other carriers from competing. The conditions that UP and NS have proposed are inadequate to prevent or remedy that foreclosure. Trackage rights are an effective remedy to overcome the effects of that foreclosure, preserve the competition that currently exists, and enhance competition as required under the Board's 2001 Merger Guidelines.

(v): Effect of the Proposed Transaction on Employees

Granting the requested trackage rights will have no effect on employees of the Primary Applicants.

(vi): Effect of the inclusion in the Proposed Transaction of Other Railroads

This is not a relevant consideration with respect to this Responsive Application because the proposed Trackage Rights Agreement(s) does not involve the merger or control of at least two Class I railroads under 49 U.S.C. § 11324(b)(2) and (d).

Section 1180.6(a)(3): Other Supporting Material

The following material concurrently filed by IAIS in FD 36873 is incorporated herein by reference:

- Comments and Request for Conditions by Iowa Interstate Railroad, LLC (IAIS-6);
- Verified Statement of Carrie Evans (included with IAIS-6).

Section 1180.6(a)(4): Opinion of Counsel

The opinion of IAIS's counsel that the Trackage Rights Agreement applicable to the rights requested in this Responsive Application satisfies the requirements of law and will be legally authorized and valid if approved by the Board is attached as Exhibit 3.

Section 1180.6(a)(5): States Where Applicants Own Property

IAIS owns property in Iowa and Illinois. The trackage rights that IAIS seeks in this Responsive Application are over UP and NS segments located in Iowa, Illinois, and Nebraska.

Section 1180.6(a)(6): Maps – Exhibit 1

Maps depicting the IAIS rail lines are attached as Exhibit 1(A). Also attached as Exhibit 1(B) are maps showing the requested trackage rights by location.

Section 1180.6(a)(7)(i): Description of the Transaction

As described above under the heading for Section 1180.6(a)(1)(i), IAIS seeks trackage rights to provide competitive rail service to customers in Iowa, Illinois, and Nebraska.

Section 1180.6(a)(7)(ii): Agreement – Exhibit 2

The proposed Trackage Rights Agreement is submitted with this Responsive Application as Exhibit 2.

Section 1180.6(a)(7)(iii): Information Regarding the Consolidated Entity

This subsection is not applicable to this Responsive Application because it does not propose a consolidation or merger.

Section 1180.6(a)(7)(iv): Court Order

This subsection is not applicable to this Responsive Application, because neither a trustee, receiver, assignee, nor personal representative of IAIS is an Applicant herein.

Section 1180.6(a)(7)(v): Property Involved in the Proposed Transaction

IAIS seeks to acquire trackage rights over approximately 136.8 miles of rail line owned by NS and over approximately 310.5 miles of rail line owned by UP. For a full description of the subject lines, see Section 1180.6(a)(1)(i) and the maps contained in Exhibit 1.

Section 1180.6(a)(7)(vi): Principal Routes, Termini, Points of Interchange, and Amount of Mileage Involved

IAIS operates approximately 580 system miles in Iowa and Illinois, including operation via certain existing trackage rights on CSXT and Metra. IAIS seeks trackage rights over approximately 447.3 miles of UP and NS line. The principal routes, termini, and points of interchange for the existing IAIS system are shown on the map attached as Exhibit 1(A). The lines subject to IAIS's request for trackage rights are shown on the maps attached as Exhibit 1(B).

Section 1180.6(a)(7)(vii): Government Financial Assistance

This subsection is not applicable to this Responsive Application, because no government financial assistance is involved.

Section 1180.8(c): Operating Plan-Minor

IAIS does not anticipate any significant changes in the patterns or types of service offered by UP and NS over their existing lines at issue in this Responsive Application. Operations of IAIS traffic over those lines would be governed by the terms of the Trackage Rights Agreement imposed in this docket. IAIS anticipates that traffic densities on the lines would not change, but instead, would continue to reflect the existing volume of rail traffic currently in service on the line, albeit divided in some manner – to be determined by competitive bidding – as between the Primary Applicants and IAIS.

Section 1180.4(c)(2)(i): Signatures, Oaths, and Certifications

I, Joseph Parsons, declare under penalty of perjury that I am President, Chief Executive Officer of Iowa Interstate Railroad, LLC; that I am one of the executive officers duly authorized to sign, to verify, and to file this Responsive Application on behalf of Iowa Interstate Railroad, LLC; that I have knowledge of the matters contained in this Responsive Application; and that the statements made in this Responsive Application are true and correct to the best of my knowledge and belief.

Joseph Parsons
President & Chief Executive Officer
Iowa Interstate Railroad, LLC

Executed on this 18 day of November, 2026.

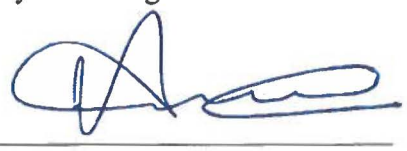
I, Onna B. Houck, certify that I am Corporate Secretary of Iowa Interstate Railroad, LLC, Responsive Applicant herein, and that Joseph Parsons, President, Chief Executive Officer of Iowa Interstate Railroad, LLC, is duly authorized to sign, verify, and to file this Responsive Application on behalf of Iowa Interstate Railroad, LLC.

Executed on this 18 day of November, 2026.

Onna B. Houck
Corporate Secretary
Iowa Interstate Railroad, LLC

Section 1180.4(c)(2)(i): Signatures, Oaths, and Certifications (continued)

I, Henry Posner III, declare under penalty of perjury that I am Chairman of the Board of RDC Domestic Holdings, LLC, the parent company of Iowa Interstate Railroad, LLC; that I am one of the executive officers duly authorized to sign, to verify, and to file this Responsive Application on behalf of Iowa Interstate Railroad, LLC; that I have knowledge of the matters contained in this Responsive Application; and that the statements made in this Responsive Application are true and correct to the best of my knowledge and belief.



Henry Posner III
Chairman of the Board
RDC Domestic Holdings, LLC

Executed on this 18th day of November, 2026

I, Onna Houck, certify that I am Corporate Secretary of RDC Domestic Holdings, LLC, parent company of Iowa Interstate Railroad, LLC, and that Henry Posner III, Chairman of the Board of RDC Domestic Holdings, LLC, is duly authorized to sign, verify, and to file this Responsive Application on behalf of Iowa Interstate Railroad, LLC.

Executed on this 18 day of November, 2026.



Onna Houck
Corporate Secretary
RDC Domestic Holdings, LLC

Respectfully submitted,

By: */s/ Kelvin J. Dowd*

Kelvin J. Dowd
Andrew B. Kolesar III
Slover & Loftus LLP
1828 L Street, N.W., Suite 1000
Washington, D.C. 20036
(202) 347-7170
kjd@sloverandloftus.com
abk@sloverandloftus.com

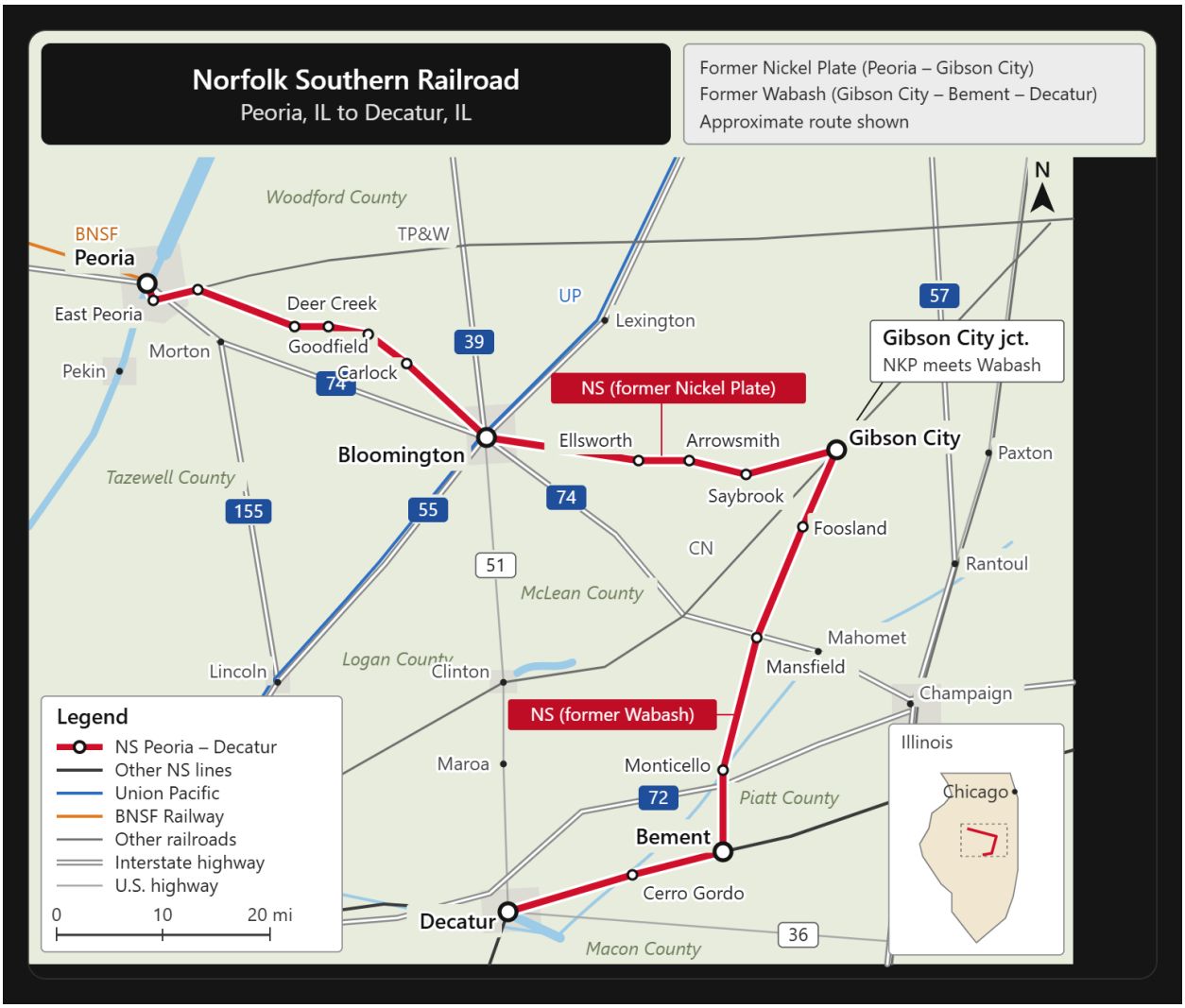
Attorneys for Iowa Interstate Railroad, LLC

Dated: November 18, 2026

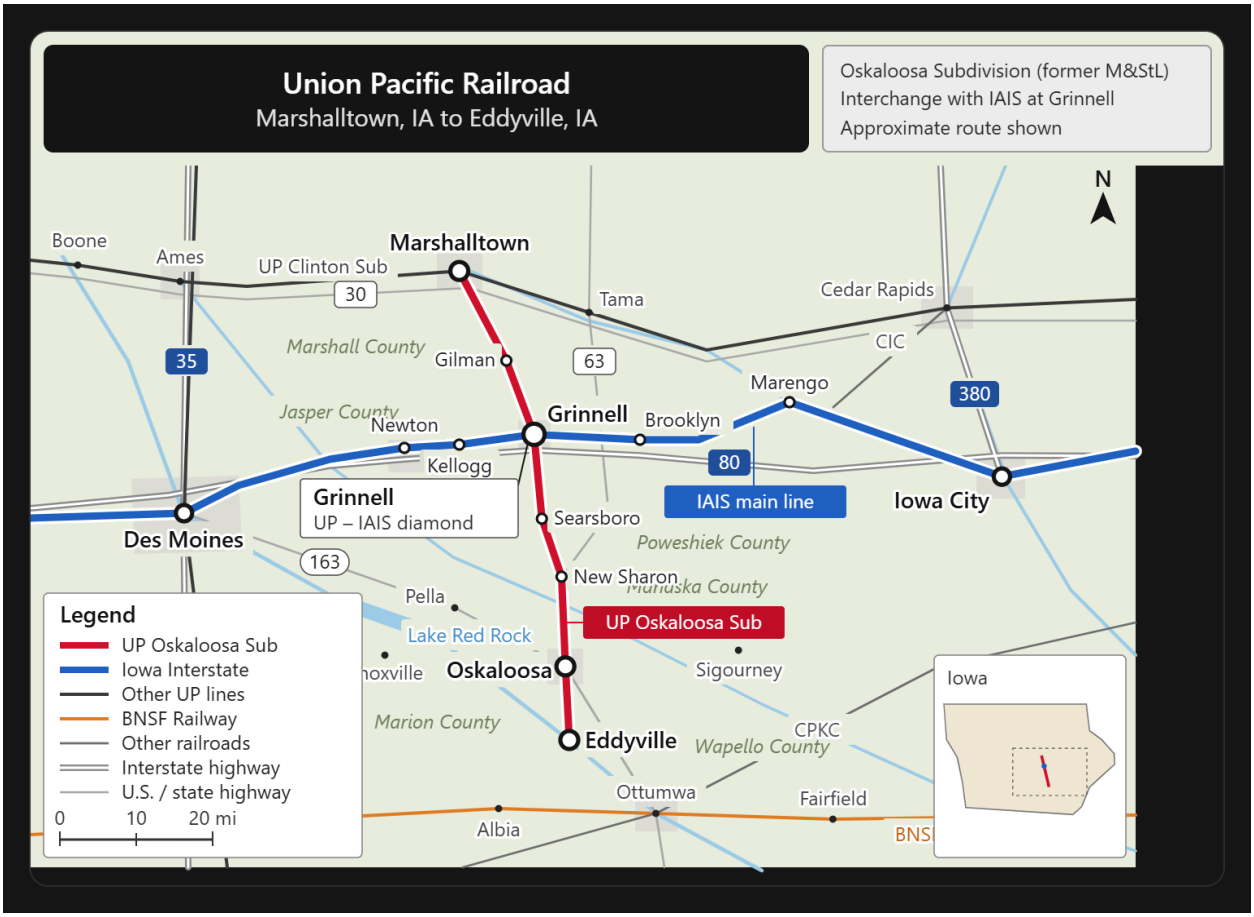
Exhibit 1(A)
Iowa Interstate Railroad, LLC System Map



Exhibit 1(B)
Maps of Requested Trackage Rights




Union Pacific & Iowa Interstate Railroads
Cedar Rapids, IA to Provo Junction near Elmhurst, IL
UP: Clinton Sub + Geneva Sub via Clinton
IAIS: S. Amana, Iowa City, Quad Cities, Joliet
Approximate routes shown
N
Wisconsin
Iowa
Illinois
Dubuque
CN
Freeport
Rockford
Rochelle
BNSF crossing, Global III
Provo Jct.
UP terminus (Geneva Sub)
380
151
61
90
Cedar Rapids
UP Clinton Sub
Savanna
CPKC
Elgin
DeKalb
Geneva
Chicago
Wheatland
Clinton
Sterling
Dixon
Mount Vernon
Clarence
DeWitt
Morrison
South Amana
80
39
Aurora
Blue Island
Iowa City
88
UP Geneva Sub
Mendota
West Liberty
Quad Cities
Geneseo
Joliet
BNSF
Ottawa
Morris
Bureau Jct.
IAIS main line
55
74
Peoria
Legend
UP Cedar Rapids – Proviso Yard
Iowa Interstate (own track)
Trackage or other access rights
Other UP lines
BNSF Railway
Other railroads
Interstate highway
U.S. highway
State line
0
25
50 mi
Iowa
Illinois


Union Pacific Railroad
Marshalltown, IA to Eddyville, IA
Oskaloosa Subdivision (former M&StL)
Interchange with IAIS at Grinnell
Approximate route shown
N
Boone
Ames
UP Clinton Sub
Marshalltown
30
Tama
Cedar Rapids
CIC
35
Marshall County
Gilman
63
Marengo
380
Jasper County
Newton
Grinnell
Brooklyn
Kellogg
80
IAIS main line
Iowa City
Grinnell
UP – IAIS diamond
Searsboro
Des Moines
Poweshiek County
163
New Sharon
Mahaska County
Pella
UP Oskaloosa Sub
Lake Red Rock
Oskaloosa
Sigourney
Marion County
Eddyville
CPKC
Wapello County
Ottumwa
Fairfield
Albia
BNSF
Legend
UP Oskaloosa Sub
Iowa Interstate
Other UP lines
BNSF Railway
Other railroads
Interstate highway
U.S. / state highway
0
10
20 mi
Iowa

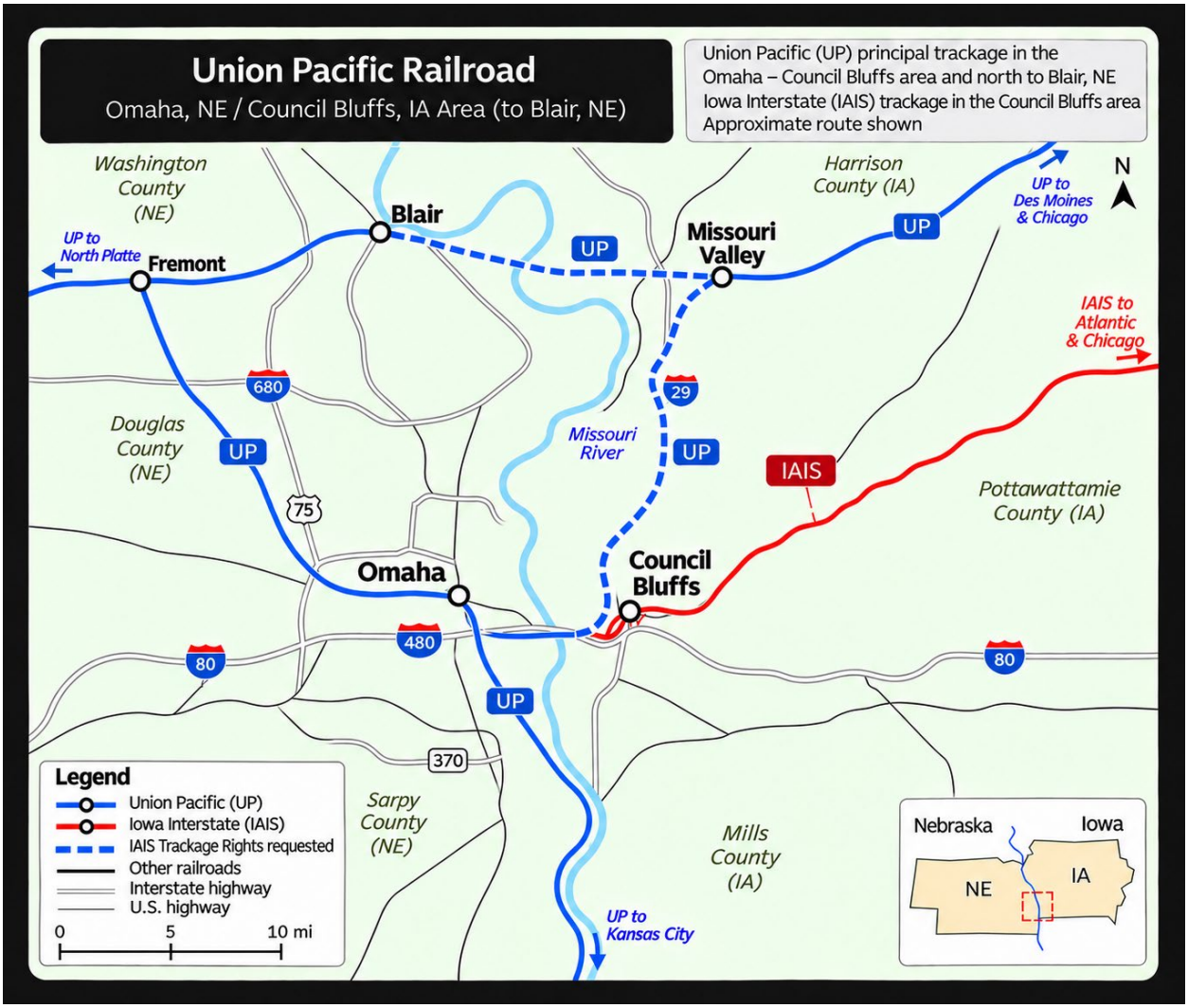

Union Pacific Railroad
Omaha, NE / Council Bluffs, IA Area (to Blair, NE)
Union Pacific (UP) principal trackage in the Omaha – Council Bluffs area and north to Blair, NE
Iowa Interstate (IAIS) trackage in the Council Bluffs area
Approximate route shown
N
Washington County (NE)
Harrison County (IA)
Blair
Fremont
Missouri Valley
UP to North Platte
UP to Des Moines & Chicago
IAIS to Atlantic & Chicago
UP
680
29
Douglas County (NE)
Missouri River
IAIS
Pottawattamie County (IA)
75
Omaha
Council Bluffs
480
80
370
Sarpy County (NE)
Mills County (IA)
UP to Kansas City
Legend
Union Pacific (UP)
Iowa Interstate (IAIS)
IAIS Trackage Rights requested
Other railroads
Interstate highway
U.S. highway
0
5
10 mi
Nebraska
Iowa
NE
IA

Exhibit 2: Proposed Trackage Rights Agreement

TRACKAGE RIGHTS AGREEMENT

THIS AGREEMENT, entered into as of this ___ day of ____ 202**[*]**, by and between the **UNION PACIFIC RAILROAD COMPANY** (hereinafter referred to as "UP" or "OWNER") and **IOWA INTERSTATE RAILROAD, LLC** (hereinafter referred to as "IAIS" or "USER").

WHEREAS, in connection with the merger transaction for which UP sought Surface Transportation Board ("STB") approval in *Union Pacific Corporation and Union Pacific Railroad Company – Control – Norfolk Southern Corporation and Norfolk Southern Railway Company* ("NS"), Finance Docket No. 36873, IAIS sought trackage rights over certain lines of the consolidated entity in the form of a Responsive Application; and

WHEREAS, UP owns and operates a segment of former NS railroad located between Peoria, Illinois at or near Milepost SP 411.3 ("Peoria") in UP's Bloomington District and Decatur, Illinois, at or near Milepost D 375.6 ("Decatur") in UP's Lafayette District as shown on Exhibit A attached and made a part hereof; and

WHEREAS, UP owns and operates a segment of railroad located between Fairfax, Iowa at or near Milepost 89.7("Cedar Rapids") on UP's Clinton Subdivision and Provo Junction at or near Milepost 12.1 ("Provo Junction") on UP's Geneva Subdivision as shown on Exhibit A attached and made a part hereof; and

WHEREAS, UP owns and operates segments of railroad located between Grinnell, Iowa at or near Milepost 268.8 ("Grinnell") and Eddyville, Iowa at or near Milepost 312.0 ("Eddyville") both on UP's Oskaloosa Subdivision and from Grinnell to Marshalltown, Iowa at or near Milepost 151.0 ("Marshalltown") on UP's Clinton Subdivision as shown on Exhibit A attached and made a part hereof; and

WHEREAS, UP owns and operates a segment of railroad located between Council Bluffs, Iowa at or near Milepost 0.0 ("Council Bluffs") on UP's Omaha Subdivision and Blair, Nebraska at or near Milepost 342.0 ("Blair") on UP's Blair Subdivision as shown on Exhibit A attached and made a part hereof; and

WHEREAS, UP agrees to grant IAIS overhead and limited local trackage rights for the movement of traffic between Peoria and Decatur in UP's Bloomington and Lafayette Districts, and overhead trackage rights for the movement of traffic between Cedar Rapids and Provo Junction on UP's Clinton and Geneva Subdivisions, and overhead and limited local trackage rights for the movement of traffic between Grinnell and Eddyville and between Grinnell and Marshalltown on UP's Oskaloosa and Clinton Subdivisions, and overhead and limited local trackage rights for the movement of traffic between Council Bluffs and Blair on UP's Omaha and Blair Subdivisions, subject to the terms and conditions set forth herein.

NOW THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1.0 GRANT OF TRACKAGE RIGHTS

1.1 Subject to the terms and conditions herein provided, Owner hereby grants to User the right to operate its trains, locomotives, cars, and equipment with its own crews (hereinafter referred to as the "Trackage Rights") in overhead service only (except as otherwise provided in Section 3.2) over the following segments of Owner's railroad as shown on the plan attached

hereto, made a part hereof and marked Exhibit A (hereinafter referred to as the "Subject Trackage"):

- Between Peoria and Decatur in UP's Bloomington and Lafayette Districts, including (1) all sidings, yard tracks, yard leads, and connections now existent or hereafter constructed along the aforesaid tracks to be used hereunder, and (2) right-of-way for the aforesaid tracks, signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the parties hereto, a distance of approximately 136.8 miles;

- Between Cedar Rapids and Provo Junction on UP's Clinton and Geneva Subdivisions, including (1) all sidings, yard tracks, yard leads, and connections now existent or hereafter constructed along the aforesaid tracks to be used hereunder, and (2) right-of-way for the aforesaid tracks, signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the parties hereto, a distance of approximately 207.3 miles;

- Between Grinnell and Eddyville and between Grinnell and Marshalltown on UP's Oskaloosa and Clinton Subdivisions, including (1) all sidings, yard tracks, yard leads, and connections now existent or hereafter constructed along the aforesaid tracks to be used hereunder, and (2) right-of-way for the aforesaid tracks, signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the parties hereto, a distance of approximately 68.5 miles;

- Between Council Bluffs and Blair on UP's Omaha and Blair Subdivisions, including (1) all sidings, yard tracks, yard leads, and connections now existed or hereafter constructed along the aforesaid tracks to be used hereunder, and (2) right-of-way for the aforesaid tracks, signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the parties hereto, a distance of approximately 34.7 miles;

a total distance of approximately 447.3 miles of trackage.

SECTION 2.0 USE OF SUBJECT TRACKAGE/NON-DISCRIMINATORY TREATMENT

2.1 User's use of the Subject Trackage shall be in common with Owner and any other user of the Subject Trackage, and Owner's right to use the Subject Trackage shall not be diminished by this Agreement.

2.2 All trains of Owner and User shall be treated equally and operated and dispatched on a non-discriminatory and equal, first-served basis without prejudice or partiality, with Owner's and User's trains of the same type accorded the same level of priority.

2.3 Except as may otherwise be provided by this Agreement, User shall not use any part of the Subject Trackage for the purpose of switching, providing service to customers located along the Subject Trackage (except as provided for in Section 3), storage or servicing of cars or equipment, or the making or breaking up of trains, except that nothing contained herein shall,

upon prior approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purpose.

2.4 User shall have the right to operate in either direction over the Subject Trackage.

2.5 Owner and User shall work together to establish a schedule for the handling of User's trains.

2.6 User shall be responsible for contacting Owner's dispatcher prior to entering the Subject Trackage. User shall ensure that its trains (i) have a clear route (or available offline staging capacity) beyond the Subject Trackage; (ii) are not staged, held, stored, or parked on the Subject Trackage (except at the direction of Owner), or otherwise unreasonably interfere with the joint use of the Subject Trackage; (iii) are staffed with qualified crews that have sufficient hours of service remaining to clear the Subject Trackage; and (iv) restore all connection switches for mainline movement on and by Owner (collectively "Clearance Obligations").

2.7 User shall provide Owner with train information via Owner's standard format and will include train symbol, estimated time of arrival, train length, tonnage, load/empty count, locomotives, and end of train device.

2.8 The rights provided to User under the terms of this Agreement are for the sole purpose of User transporting its own traffic over the Subject Trackage. Nothing herein expressed or implied is intended to or shall be construed to confer upon or to give any person, firm, partnership, corporation or governmental entity other than the User any right or benefit under or by reason of this Agreement.

SECTION 3.0 ENTRY AND EXIT POINTS; LOCAL RIGHTS.

3.1 IAIS has the right to enter and/or exit the Subject Trackage at the following points:

- MP 89.7 Clinton Subdivision at Fairfax, IA
- MP 268.8 Oskaloosa Subdivision at Grinnell, IA
- MP SP 411.3 Bloomington District at Peoria, IL
- MP 0.0 Omaha Subdivision at Council Bluffs, IA

and any other existing or new location(s) that the parties may mutually agree upon.

3.2 IAIS has the right to deliver and pull from the following customers:

- Archer Daniels Midland ("ADM") at or near Decatur
- Heartland Cooperative at or near Pickering
- Cargill at or near Eddyville and Blair
- Currently identifiable customers at or near Decatur and Blair

3.3 IAIS has the right to connect with the following rail carriers:

- Canadian National Railway Company ("CN") at Gibson City, Illinois ("Gibson City").
- Any and all Class II or Class III railroads at Gibson City.

- Any and all Class II or Class III railroads at Decatur.
- The Indiana Harbor Belt ("IHB") at Provo Junction in order to access other railroads in the region.

SECTION 4.0 COMPENSATION

4.1 The factor to be used in calculating payments to be made by User for the Trackage Rights covered by this Agreement shall be $0.60 per car mile (hereinafter referred to as the "Base Charge").

4.2 User will pay Owner a sum computed by multiplying: (i) the Base Charge, as may be revised in accordance with Section 4.4, by (ii) the number of loaded and empty cars, locomotive and caboose units moved by User with its own crews and power over the Subject Trackage, by (iii) the distance on the Subject Trackage on which User's train moved. For purposes of this Agreement, each locomotive unit, each caboose, and each platform of an articulated car shall be counted as one car.

4.3 User will furnish to the individual(s) designated by Owner, at the end of each month, a statement of the number of loaded and empty cars operated by User over the Subject Trackage or portion thereof during the month. Based on this statement, Owner will render to User a bill, computed in accordance with the provisions of this Section 4, for User's use of the Subject Trackage.

4.4 The Base Charge shall be subject to change to reflect any increases or decreases in labor, material and other costs subsequent to the base year, as hereinafter provided.

(i) The Base Charge set forth in Section 4.1 of this Agreement shall be revised effective January 1st of each year, beginning January 1st, 202**[*]** to compensate for the prior year increase or decrease in the cost of labor and material, excluding fuel, as reflected in Table A, Annual Indices of Charge-Out Prices and Wage Rates (1977=100), Series RCR, included in "AAR Railroad Cost Indexes" and supplements thereto, issued by the Association of American Railroads (hereinafter referred to as "AAR"). In making such determination, the final "Material prices, wage rates and supplements combined (excluding fuel)" index for the East District shall be used.

The Base Charge shall be revised by calculating the percentage of increase or decrease for the year to be revised based on the final index of the most recently completed calendar year as related to the final index of the calendar year prior to the most recently completed calendar year; and applying this percentage of increase or decrease to the current Base Charge to be escalated.

(ii) By way of example, assuming "A" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the calendar year (2025) prior to the most recently completed calendar year; "B" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the most recently completed calendar year (2026); and "C" to be the current Base Charge to be escalated; the revised Base Charge would be determined by the following formula:

B/A x C = Revised Base Charge, Rounded to Nearest Whole Cent (5 Mills or More Rounds to Next Cent)

(iii) In the event the base for the Annual Indexes of Charge-Out Prices and Wage Rates issued by the AAR shall be changed from the year 1977, appropriate revision shall be made. If the AAR or any successor organization discontinues publication of the Annual Indices of Charge-Out Prices and Wage Rates, an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the parties hereto. In the absence of agreement, the matter will be referred to the STB for determination. In the event said Board is without jurisdiction to make such a determination, the parties shall submit the matter to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator shall be final and binding upon the parties hereto. Each party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, exhibits, and counsel. The compensation, costs, and expenses of the arbitrator shall be borne equally by such parties.

SECTION 5.0 PAYMENT OF BILLS

5.1 All payments called for under this Agreement shall be made by User within thirty (30) days after receipt of bills therefor. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the parties hereto shall be adjusted in the accounts of a subsequent month.

5.2 The records of each party hereto, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other party for a period of two (2) years from the date of billing.

5.3 Bills rendered pursuant to the provisions of this Agreement, other than those set forth in Section 4, shall include direct labor and material costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed by Owner for User.

SECTION 6.0 MAINTENANCE OF SUBJECT TRACKAGE

6.1 Owner shall maintain, repair, and renew the Subject Trackage at its own expense and with its own supervision and labor. Owner shall keep and maintain the Subject Trackage in reasonably good condition for the use herein contemplated, but Owner does not guarantee the condition of the Subject Trackage or that operations thereover will not be interrupted. Owner shall take all reasonable steps to ensure that any interruptions are kept to a minimum.

6.2 Owner shall also perform, at the expense of User, such additional maintenance as User may reasonably require or request.

SECTION 7.0 CONSTRUCTION AND MAINTENANCE OF CONNECTIONS

7.1 Existing connections or facilities which are jointly used by the parties hereto under existing agreements or practices shall continue to be maintained, repaired, and renewed by and at the expense of the party or parties responsible for such maintenance, repair, and renewal under such agreements or practices.

7.2 Any additional connections to the Subject Trackage which may be required shall be subject to Owner's approval (including design), which shall not be unreasonably withheld or delayed, and shall be constructed, maintained, repaired, and renewed as follows:

(i) User shall furnish all labor and material and shall construct, maintain, repair, and renew at its sole cost, liability and expense such portions of the tracks located on the right-of-way of User which connect the respective lines of the parties hereto; and

(ii) Owner shall furnish all labor and material and shall construct, maintain, repair, and renew at the sole cost, liability and expense of User such portions of the tracks located on the right-of-way of Owner which connect the respective lines of the parties hereto.

Upon termination of this Agreement, Owner may at its option remove any User portion of trackage and appurtenances located on property of Owner, at the sole cost and expense of User. The salvage material removed shall be released to User or as otherwise agreed upon, Owner will credit User the current fair market value for said salvage.

SECTION 8.0 ADDITIONS, RETIREMENTS AND ALTERATIONS

8.1 Owner, from time to time and at its sole cost and expense, may make such changes in, additions and betterments to, and retirements from the Subject Trackage as shall, in its judgment, be necessary or desirable for the economical or safe operation thereof or as shall be required by any law, rule, regulation, or ordinance promulgated by any governmental body having jurisdiction. Such additions and betterments shall become a part of the Subject Trackage and such retirements shall be excluded from the Subject Trackage.

8.2 If User requests Owner to make changes in or additions and betterments to the Subject Trackage, including without limitation changes in communication or signal facilities, for purposes required to accommodate User's operations beyond that required for Owner's operation, Owner shall have the option to either make such changes in or additions and betterments to the Subject Trackage and User shall pay to Owner the cost thereof, including the annual expense of maintaining, repairing, and renewing such additional or altered facilities, or to deny such request; provided, however, that any such denial shall not be unreasonable.

SECTION 9.0 MANAGEMENT AND OPERATIONS

9.1 Consistent with Section 2 above, all trains of Owner and User shall be treated equally and operated and dispatched on a non-discriminatory and equal, first-come, first-served basis without prejudice or partiality.

9.2 When operating over the Subject Trackage, User's locomotives and crews will be equipped to communicate with Owner on radio frequencies normally used by Owner in directing train movements on the Subject Trackage.

9.3 Procedures for qualification and occupancy of the Subject Trackage will be arranged by the local supervision of each carrier. All control and usage will be subject to the approval of Owner's representative or his designee.

9.4 Before its locomotives enter onto the Subject Trackage, User shall request permission from Owner's dispatcher or other designated representative at Owner's rail traffic control center or such other location as Owner may designate. Further, User shall ascertain that said Subject Trackage is clear and shall await confirmation from said representative that such permission has been issued to allow User's movements on or over the Subject Trackage. Upon completing its operations and clearing the Subject Trackage, User will notify Owner's designated representative that it has completed its operations and that its equipment has cleared the Subject Trackage. Once User has notified Owner's representatives that it has cleared the Subject Trackage, User shall not reenter the Subject Trackage without again obtaining permission from Owner's representative. User shall provide and maintain at its expense all communication facilities needed as may be required by Owner to permit User to use Owner's trackage.

9.5 User shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Acts, as amended, and all other federal and state laws, regulations, and rules respecting the operation, condition, inspection, and safety of its trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated over the Subject Trackage. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, and employees from and against all fines, penalties, and liabilities imposed upon Owner or its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, or employees under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable to the failure of User to comply with its obligations in this regard.

9.6 User, in its use of the Subject Trackage, will comply in all respects with the safety rules, operating rules and other regulations of Owner, and the movement of User's trains, locomotives, cars, and equipment over the Subject Trackage shall at all times be subject to the orders of the transportation officers of Owner. User's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the Subject Trackage as published in Railway Line Clearances, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the authorized freight speeds as provided by Owner's operating rules and regulations without the prior consent of Owner. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all their directors, officers, agents and employees from and against all liabilities when attributable to the failure of User to comply with the provisions of this subsection.

9.7 If by reason of any mechanical failure, insufficient hours of service remaining among User's crew, or for any other cause not resulting from an accident or derailment, a train or locomotive of User becomes stalled or unable to proceed under its own power, or fails to maintain the speed required by Owner on the Subject Trackage, or if in emergencies crippled or otherwise defective cars are set out of User's trains on the Subject Trackage, Owner shall have the option to furnish motive power or such other assistance (including but not limited to the right to recrew User's train) as may be necessary to haul, help, or push such trains, locomotives, or cars, or to properly move the disabled equipment off the Subject Trackage, and User shall reimburse Owner for the cost of rendering any such assistance.

9.8 If it becomes necessary to make repairs to or adjust or transfer the lading of such crippled or defective cars in order to move them off the Subject Trackage, such work shall be done by Owner and User shall reimburse Owner for the cost thereof.

9.9 In the event Owner and User agree that Owner should retain employees or provide additional employees for the sole benefit of User, the parties hereto shall enter into a separate agreement under which User shall bear all cost and expense for any such additional employees, including without limitation all cost and expense associated with labor protective payments which are made by Owner and which would not have been incurred had the additional employees not been provided.

SECTION 10.0 MILEAGE AND CAR HIRE

10.1 All mileage and car hire charges accruing on cars in User's account in User's trains on the Subject Trackage shall be assumed by User and reported and paid by it directly to the owner of such cars.

SECTION 11.0 CLEARING OF WRECKS

11.1 Whenever User's use of the Subject Trackage requires rerailing, wrecking service or wrecking train service, Owner shall perform such service, including the repair and restoration of roadbed, track, and structures. The cost, liability and expense thereof, including without limitation loss of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, resulting therefrom, shall be apportioned in accordance with the provisions of Section 12 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by User at the time of such wreck shall be promptly delivered to User.

SECTION 12.0 LIABILITY AND INDEMNIFICATION

12.1 Except as otherwise provided herein, each party hereto shall be responsible for and shall assume all loss, damage, or injury (including injury resulting in death) to persons or property, including the cost of removing any trackage, repairing trackage, and correcting environmental damage, which may be caused by its engines, cars, trains, or other on-track equipment (including damage by fire originating therefrom) whether or not the condition or arrangement of the trackage contributes in any manner or to any extent to such loss, damage, or injury, and whether or not a third party may have caused or contributed to such loss, damage, or injury, and for all loss or damage to its engines, cars, trains, or other on-track equipment while on said trackage from any cause whatsoever, except in the case of collision, in which event the provisions of Section 12.2 shall apply.

12.2 In the event of a collision between Owner's and User's engines, cars, trains, or other on-track equipment while on the Line, the apportionment of liability between the parties hereto for all loss, damage, or injury (including injury resulting in death) to any person (including Owner's or User's employees, agents, or representatives) or property shall be governed by the following provision:

(a) If the employees of one party are solely at fault, that party shall be responsible for all such loss, damage, or injury including the cost of removing wreckage, repairing trackage, and correcting environmental damage.

(b) If the employees of both parties hereto are at fault, or if the cause of the accident is so concealed that it cannot be determined whose employees are at

fault, each party shall bear and pay for all such loss, damage, or injury which its own engines, cars, trains, or other on-track equipment and their contents or property in its custody, or its employees or others claiming for them, may have suffered by reason or in consequence of the accident. Responsibility for all other such loss, damage, or injury shall be apportioned equally between the parties hereto.

(c) The words "all other such loss, damage or injury" referred to in this Section 12.2 shall be deemed to include but not be limited to the cost of removing wreckage, repairing trackage, correcting environmental damage, and third-party claims.

(d) As between the parties hereto, the foregoing provisions of this Section 12.2 shall be applicable whether or not a third party may have caused or contributed to the accident.

(e) The words "trackage" referred to in this Section 12 shall be deemed to include but not be limited to the tracks, structures, or facilities pertaining to operation of the Line.

12.3 Without in any way restricting the terms of this Section 12, in the case of a collision or accident between the train of either party to this Agreement and the property of a third person or other entity, including any action done in the process of trying to avoid an accident or a collision, such party shall save harmless and indemnify the other party forthwith for all damages suffered by the other party including damages to equipment and structures or injuries (including death) to the employees or agents of the other party including also the results of those actions done in the process of avoiding a collision or accident, and irrespective of negligence of either party or such third person or other entity, and with a right of subrogation in favor of such party against any such third person or other entity.

12.4 Each party hereto shall forever indemnify and save harmless the other party, from and against all claims, liability, or judgments by reason or on account of any injury to or death of any person or of any loss or damage to property, the liability for which is herein assumed by such first mentioned party, and such first mentioned party shall pay and discharge any judgment that may be obtained by reason thereof, and all costs, charges, and expenses payable thereunder, including legal counsel fees.

12.5 The parties shall settle, as between themselves, any claim for loss or damage according to the terms of this Agreement, notwithstanding any judgment or decree of any court or other tribunal in a proceeding brought by other parties. In case a suit or proceeding shall be commenced by any person or corporation against either party hereto for or on account of any loss, damage, or injury for which the other party hereto is liable under the provisions of this Agreement, the party so sued or proceeded against shall give to the other party reasonable notice, in writing, of the pendency of such suit or proceeding and thereupon the other party shall assume the defense of such suit or proceeding or shall save and hold the party so sued harmless from all loss and costs by reason thereof. Neither party hereto shall be bound by any judgment against the other party unless it shall have reasonable notice that it is required to defend and has reasonable opportunity to make such defense. When such notice and opportunity have been given, the party notified shall be bound by the judgment as to all matters that could have been litigated in such suit or proceeding.

12.6 In every case of death or injury suffered by an employee of either User or Owner, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employer's liability, or other law, and either of said parties, under the provisions of this Agreement, is required to pay such compensation, if such compensation is required to be paid in installments over a period of time, such party shall not be released from paying such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

SECTION 13.0 INVESTIGATION AND CLAIMS

13.1 Except as provided in Subsection 13.2 hereof, all claims, injuries, deaths, property damages, and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the party bearing the liability, cost, and expense therefor under the provisions of this Agreement.

13.2 Each party will investigate, adjust, and defend all freight loss and damage claims filed with it in accordance with 49 U.S.C. Section 11706 and 49 C.F.R. Section 1005 (or any revised or substitute regulations adopted to modify, supplement or supersede the regulations herein provided), or in accordance with any applicable transportation contract entered into pursuant to 49 U.S.C. Section 10709.

13.3 In the event a claim or suit is asserted against Owner or User which is the other's duty hereunder to investigate, adjust, or defend, then, unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment, and defense of such claim or suit.

13.4 All costs and expenses in connection with the investigation, adjustment, and defense of any claim or suit under this Agreement shall be included as costs and expenses in applying the liability provisions set forth in this Agreement, except that salaries or wages of full-time employees, including claim agents, attorneys, and other employees of either party engaged directly or indirectly in such work shall be borne by such party.

13.5 Excluding freight loss and damage claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005 or similar regulation, neither party shall settle or compromise any claim, demand, suit, or cause of action for which the other party has any liability under this Agreement without the concurrence of such other party if the consideration for such settlement or compromise exceeds thirty-five thousand dollars ($35,000).

13.6 Each party agrees to indemnify and hold harmless the other party and its parent corporation, subsidiaries and affiliates, and all their respective directors, officers, agents and employees from and against any and all costs and payments, including benefits, allowances and arbitration, administrative and litigation expenses, arising out of claims or grievances made by or on behalf of its own employees, pursuant to a collective bargaining agreement. It is the intention of the parties that each party shall bear the full costs of protection of its own employees under employee protective conditions which may be imposed, and of grievances filed by its own employee arising under its collective bargaining agreements with its employees.

13.7 It is understood that nothing in this Section 13 shall modify or waive the conditions, obligations, assumptions or apportionments, or supersede the provisions of Section 12 hereof.

SECTION 14.0 DEFAULT AND TERMINATION

14.1 In the event of any substantial failure on the part of User to perform its obligations under this Agreement and its continuance in such default for a period of sixty (60) days after written notice thereof by certified mail from Owner, Owner shall have the right at its option, after first giving thirty (30) days' written notice thereof by certified mail; and notwithstanding any waiver by Owner of any prior breach thereof, to terminate this Agreement and User's use of the Subject Trackage.

SECTION 15.0 GOVERNING LAW

15.1 For all purposes, this Agreement shall be governed by and construed in accordance with the laws of the State of Iowa, regardless of its conflicts of law's principles.

SECTION 16.0 REGULATORY APPROVAL

16.1 Implementation of this Agreement is subject to the approval and authorization of the STB obtained by the parties in Docket No. FD 36873 (Sub-Nos. 37, 38, 39, and 40).

16.2 Each party shall assume and hold the other party harmless from all employee claims predicated on loss of, or adverse impact on, compensation, benefits or working conditions arising from this Agreement or the activities of the parties hereunder, whether such claims are based on conditions imposed by the STB or predicated on the Railway Labor Act or labor agreements.

16.3 Should the STB at any time during the term of this Agreement impose any labor protective conditions upon the arrangement, User shall be solely responsible for any and all payments in satisfaction of such conditions.

SECTION 17.0 ABANDONMENT OF SUBJECT TRACKAGE

17.1 Notwithstanding the provisions of Section 21 of this Agreement, Owner may abandon the Subject Trackage during the term of this Agreement, or any renewals hereof, (a) with the agreement of User, or (b) upon giving User not less than one hundred eighty (180) days' written notice of Owner's intent to abandon. In the event regulatory authority is required to effect an abandonment pursuant to (b), above, User shall retain all rights under applicable law with respect to such regulatory authority and consistent with applicable statutes and regulations, including but not limited to the acquisition of the Subject Trackage from Owner pursuant to 49 U.S.C. Section 10904 or other similar provision. User hereby expressly reserves the right pursuant to 49 U.S.C. Section 10904 or any similar provision which may be in effect to subsidize operations on or to acquire the Subject Trackage. Unless User or another party acquires the Subject Trackage for continued rail use, subsidizes Owner's operations thereon, or Owner's request for regulatory authority to abandon the Subject Trackage is denied, if authority for Owner to abandon the Subject Traffic is granted User shall exercise its authority to discontinue its operations pursuant to this Agreement upon the date established by Owner for abandonment of the Subject Trackage by its aforesaid notice to User, or upon the earliest authorized date of exercise of the regulatory authority to discontinue operations, whichever is later. If regulatory authority for discontinuance of User's operations is not required, User shall discontinue its operations hereunder on the date that Owner is authorized to abandon the Subject Trackage. Upon discontinuance of User's operations, this Agreement shall terminate and be of no further force and effect, except that termination of this Agreement shall not relieve or release either party

hereto from any obligations assumed or from any liability which may have arisen or been incurred prior to said termination As used herein, Subject Trackage means the entire Subject Trackage or any portion or portions thereof.

SECTION 18.0 GENERAL PROVISIONS

18.1 Waiver of any provision of this Agreement, in whole or in part, in any one instance shall not constitute a waiver of any other provision in the same instance, nor any waiver of the same provision in another instance, but each provision shall continue in full force and effect with respect to any other then-existing or subsequent breach.

18.2 All Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

18.3 This Agreement and the attachments annexed hereto and integrated herewith contain the entire agreement of the parties with respect to the subject matter hereof and supersede any and all oral understandings between the parties.

18.4 No term or provision of this Agreement may be amended, changed, waived, discharged, or terminated except by an instrument in writing signed by both parties to this Agreement or, in the case of waiver, by the party exercising the waiver.

18.5 As used in this Agreement, whenever reference is made to the trains, locomotives, cars, or equipment of, or in the account of one of the parties hereto such expression means the trains, locomotives, cars, or equipment in the possession of or operated by one of the parties and includes such trains, locomotives, cars, or equipment which are owned by, leased to, or in the account of such party. Whenever such locomotives, cars or equipment are owned or leased by one party to this Agreement and are in the possession or account of the other party to this Agreement, such locomotives, cars, and equipment shall be considered those of the other party under this Agreement.

18.6 All words, terms, and phrases used in this Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms, and phrases in the railroad industry.

18.7 This agreement is the result of mutual negotiations of the parties hereto, neither of whom shall be considered the drafter for purposes of contract construction.

18.8 Except as provided by law or by rule, order, or regulation of any court or regulatory agency with jurisdiction over the subject matter of this Agreement or as may be necessary or appropriate for a party hereto to enforce its rights under this Agreement, during the initial and any renewal term of this Agreement, all commercial information to which access is provided or obtained hereunder will be kept confidential and will not be disclosed by either UP or IAIS to any party other than UP's and IAIS's affiliates and the respective officers, employees, and attorneys of those affiliates, without the prior written approval of the other party.

18.9 No party to this Agreement shall be responsible for delays or errors in its performance or other breach under this Agreement occurring by reason of circumstances beyond its control, including acts of civil or military authority, national emergencies, fire, major mechanical breakdown, labor disputes, flood, acts of God, insurrection, war, riots, delays in suppliers, derailments, or failure of transportation, communication, or power supply.

SECTION 19.0 SUCCESSORS AND ASSIGNS

19.1 This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. No party hereto shall transfer or assign this Agreement, or any of its rights, interests, or obligations hereunder, by merger or otherwise, to any person, firm, or corporation without obtaining the prior written consent of the other party to this Agreement; provided, however, such consent shall not be unreasonably withheld.

SECTION 20.0 NOTICE

20.1 Any notice required or permitted to be given by one party to the other under this Agreement shall be deemed given on the date sent by certified mail, or by such other means as the parties may mutually agree, and shall be addressed as follows:

If to Owner:
[INSERT]

If to User:
Joseph Parsons, President, CEO
Iowa Interstate Railroad, LLC
203 2nd Street SE, Suite 500
Cedar Rapids, IA 52401

20.2 Either party may provide changes in the above addresses to the other party by personal service or certified mail.

SECTION 21.0 COMMENCEMENT, TERM AND TERMINATION

21.1 This Agreement shall take effect immediately upon the later of (i) the date first written above, or (ii) the effective date of any required regulatory approvals, and shall be evidenced by an exchange of correspondence between the appropriate operating officers of the parties hereto. The date that User commences operations over the Subject Trackage shall be referred to herein as the "Commencement Date" and shall be evidenced by an exchange of correspondence between the appropriate officers of the parties hereto.

21.2 Absent termination under the terms hereunder, the term of this Agreement shall be perpetual; provided, however, User has the right to terminate this Agreement upon giving Owner sixty (60) days' advance written Notice; and provided, further, that Owner shall have the right (beginning thirty years after the Commencement Date) to terminate this Agreement upon giving User sixty (60) days' advance written Notice.

21.3 Termination of this Agreement shall not relieve or release either party hereto from any obligations assumed or from any liability which may have arisen or been incurred by either party under the terms of this Agreement prior to the termination hereof.

21.4 Upon termination or non-renewal of this Agreement, User shall within sixty (60) days initiate and thereafter diligently prosecute any action to obtain approval from the STB or other regulatory body having jurisdiction authorizing abandonment or discontinuance of the Trackage Rights herein granted. If User fails to file within (60) days, User hereby expressly authorizes Owner to file with the STB, or other regulatory body having jurisdiction, on behalf of

User to abandon or discontinue the Trackage Rights granted hereunder, and User further agrees to reimburse Owner for all costs incurred.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate as of the day and year first hereinabove written.

IOWA INTERSTATE RAILROAD, LLC

By: _____

Name: _____

Its: _____

Date: _____

UNION PACIFIC RAILROAD COMPANY

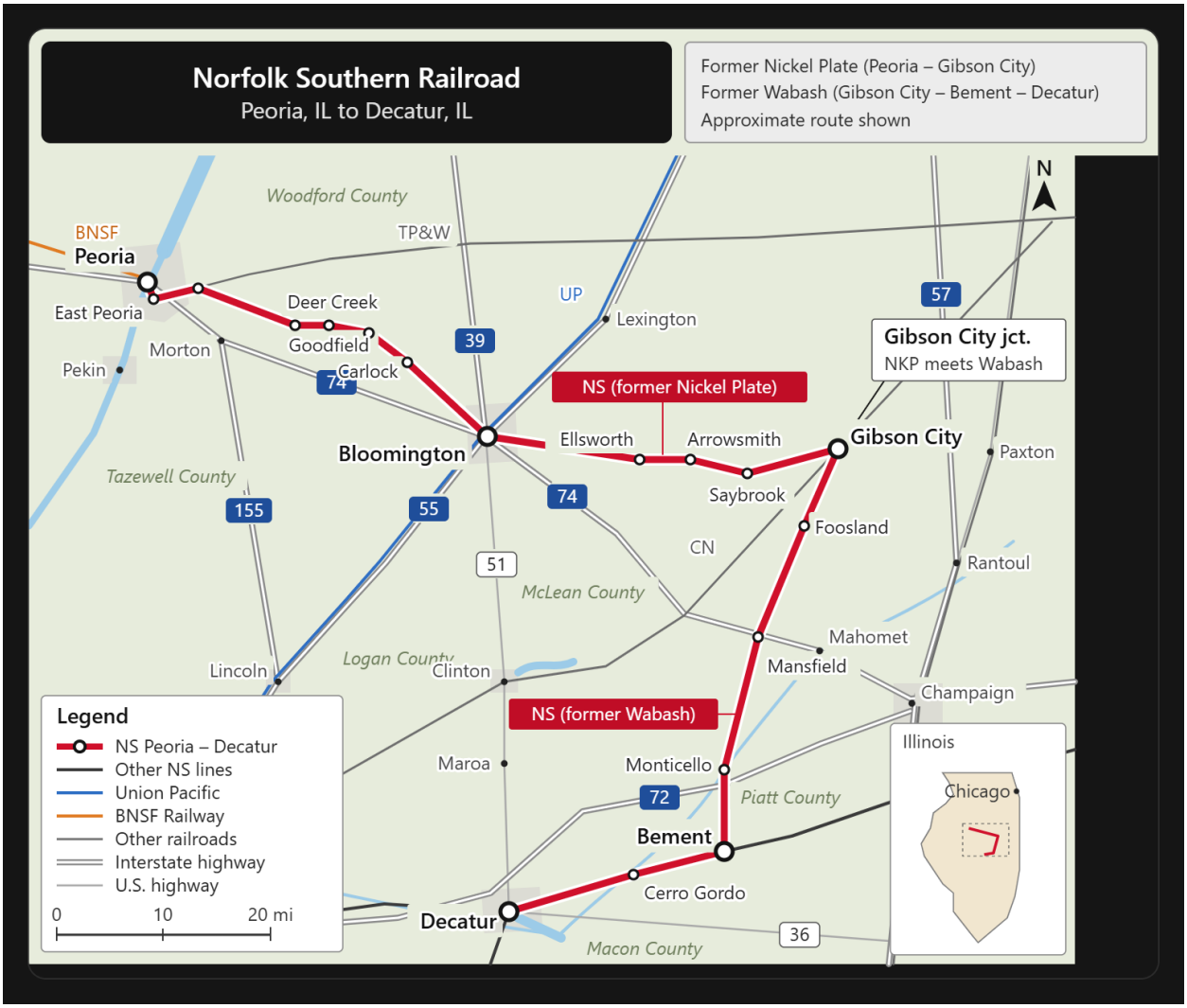
By: _____

Name: _____

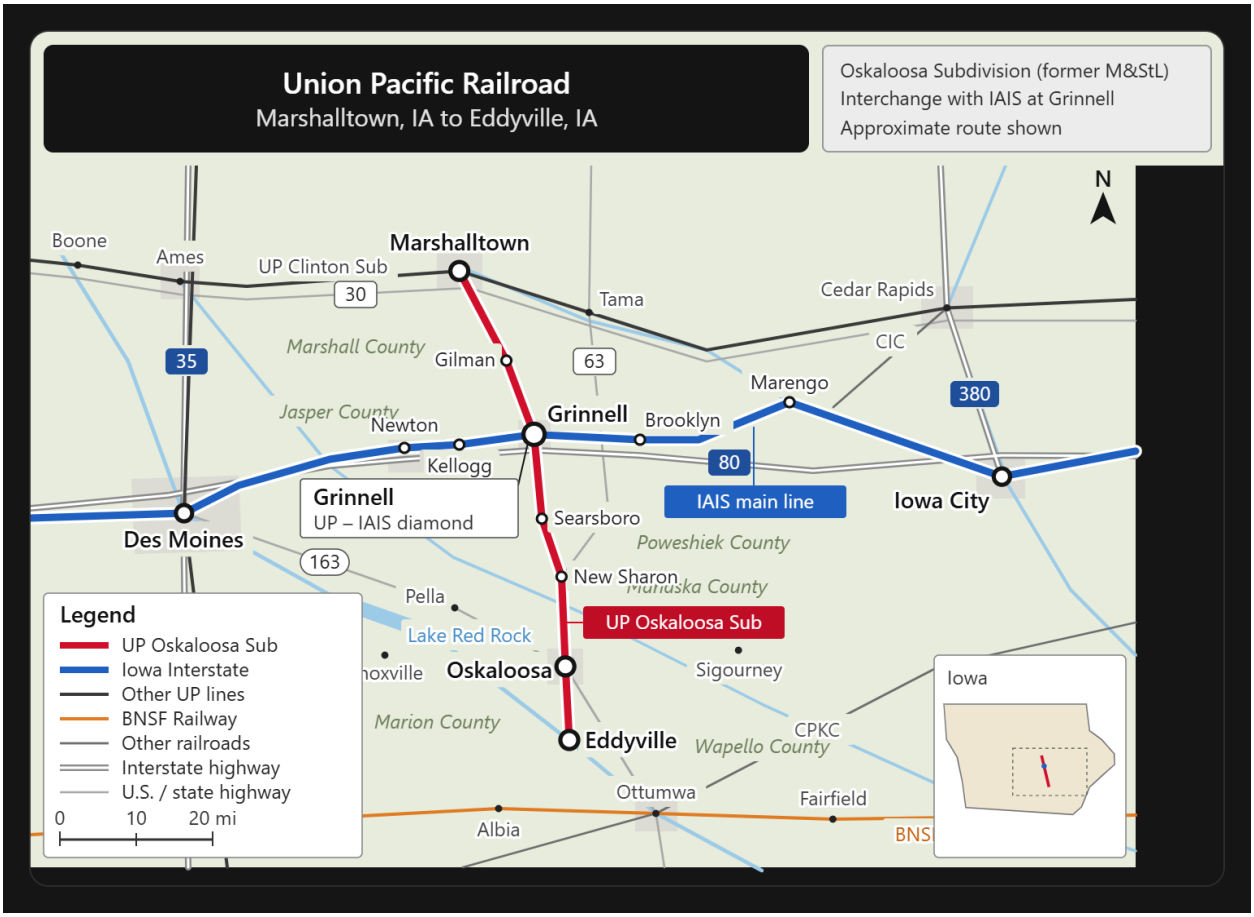
Its: _____

Date: _____

Exhibit A


Norfolk Southern Railroad
Peoria, IL to Decatur, IL
Former Nickel Plate (Peoria – Gibson City)
Former Wabash (Gibson City – Bement – Decatur)
Approximate route shown
N
Woodford County
BNSF
Peoria
TP&W
East Peoria
Deer Creek
Goodfield
Carlock
Morton
Pekin
39
74
UP
Lexington
57
Gibson City jct.
NKP meets Wabash
NS (former Nickel Plate)
Bloomington
Ellsworth
Arrowsmith
Gibson City
Paxton
Tazewell County
155
55
74
Saybrook
Foosland
CN
51
Rantoul
McLean County
Mahomet
Logan County
Lincoln
Clinton
Mansfield
Champaign
NS (former Wabash)
Maroa
Monticello
72
Piatt County
Bement
Cerro Gordo
Decatur
36
Macon County
Illinois
Chicago
Legend
NS Peoria – Decatur
Other NS lines
Union Pacific
BNSF Railway
Other railroads
Interstate highway
U.S. highway
0
10
20 mi


Union Pacific & Iowa Interstate Railroads
Cedar Rapids, IA to Provo Junction near Elmhurst, IL
UP: Clinton Sub + Geneva Sub via Clinton
IAIS: S. Amana, Iowa City, Quad Cities, Joliet
Approximate routes shown
N
Wisconsin
Iowa
Illinois
Dubuque
CN
Freeport
Rockford
Rochelle
BNSF crossing, Global III
Provo Jct.
UP terminus (Geneva Sub)
380
151
61
90
Cedar Rapids
UP Clinton Sub
Savanna
CPKC
Elgin
DeKalb
Geneva
Chicago
Wheatland
Clinton
Sterling
Dixon
Mount Vernon
Clarence
DeWitt
Morrison
South Amana
80
39
Aurora
Blue Island
Iowa City
88
UP Geneva Sub
Mendota
West Liberty
Quad Cities
Geneseo
Joliet
BNSF
Ottawa
Morris
Bureau Jct.
IAIS main line
74
55
Peoria
Legend
UP Cedar Rapids – Proviso Yard
Iowa Interstate (own track)
Trackage or other access rights
Other UP lines
BNSF Railway
Other railroads
Interstate highway
U.S. highway
State line
0
25
50 mi
Iowa
Illinois


Union Pacific Railroad
Marshalltown, IA to Eddyville, IA
Oskaloosa Subdivision (former M&StL)
Interchange with IAIS at Grinnell
Approximate route shown
N
Boone
Ames
UP Clinton Sub
Marshalltown
30
Tama
Cedar Rapids
CIC
35
Marshall County
Gilman
63
Marengo
380
Jasper County
Newton
Grinnell
Brooklyn
Kellogg
80
IAIS main line
Iowa City
Grinnell
UP – IAIS diamond
Searsboro
Des Moines
Poweshiek County
163
New Sharon
Mahaska County
Pella
UP Oskaloosa Sub
Lake Red Rock
Oskaloosa
Sigourney
Marion County
Eddyville
CPKC
Wapello County
Ottumwa
Fairfield
Albia
BNSF
Legend
UP Oskaloosa Sub
Iowa Interstate
Other UP lines
BNSF Railway
Other railroads
Interstate highway
U.S. / state highway
0
10
20 mi
Iowa

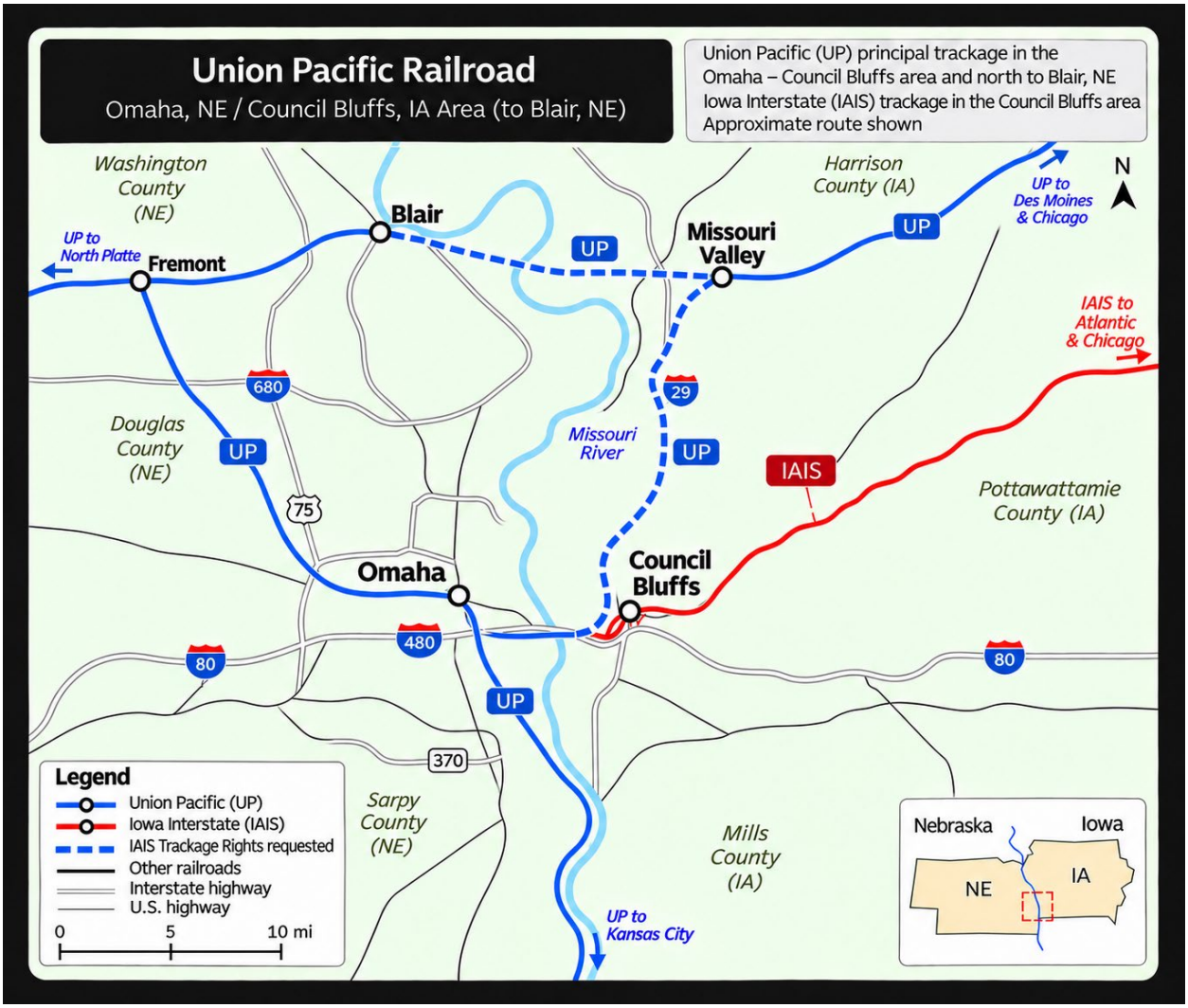

Union Pacific Railroad
Omaha, NE / Council Bluffs, IA Area (to Blair, NE)
Union Pacific (UP) principal trackage in the Omaha – Council Bluffs area and north to Blair, NE
Iowa Interstate (IAIS) trackage in the Council Bluffs area
Approximate route shown
Washington County (NE)
Harrison County (IA)
N
Blair
Fremont
Missouri Valley
UP to North Platte
UP to Des Moines & Chicago
IAIS to Atlantic & Chicago
UP
680
29
Douglas County (NE)
Missouri River
IAIS
Pottawattamie County (IA)
75
Omaha
Council Bluffs
480
80
370
Sarpy County (NE)
Mills County (IA)
UP to Kansas City
Legend
Union Pacific (UP)
Iowa Interstate (IAIS)
IAIS Trackage Rights requested
Other railroads
Interstate highway
U.S. highway
0
5
10 mi
Nebraska
Iowa
NE
IA

Exhibit 3: Opinion of Counsel

OPINION OF COUNSEL FOR
IOWA INTERSTATE RAILROAD, LLC

As counsel for Iowa Interstate Railroad, LLC ("IAIS"), I am familiar with the transaction proposed in the Responsive Application of IAIS. It is my opinion that the transaction proposed in IAIS's Responsive Application meets all requirements of law, will be legally authorized and valid if approved by the Surface Transportation Board, is within the corporate power of IAIS, and will not result in any breach, violation or default of any provisions of IAIS's operative agreements.

By: _____

Orna B. Houck
Iowa Interstate Railroad, LLC
203 2nd Street SE, Suite 500
Cedar Rapids, IA 52401
319-298-5400
obhouck@iaisrr.com

Dated this 18 day of November, 2026.