

LEONARD, STREET AND DEINARD

PROFESSIONAL ASSOCIATION

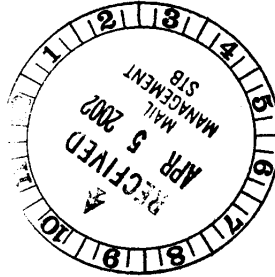
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4/9/02

April 4, 2002

VIA FEDERAL EXPRESS

The Honorable Vernon Williams
Secretary, Surface Transportation Board
1925 K Street NW
Washington, DC 20423-001



Diane P. Gerth
612-335-1463
dpg1463@leonard.com

**Re: Soo Line Railroad Company – Trackage Rights Exemption – I&M Rail Link, LLC.
STB Finance Docket No. 34180**

Dear Secretary Williams:

Enclosed for filing in the above-referenced matter are the original and 10 copies of the Verified Notice of Exemption of Soo Line Railroad Company and Soo Line's Motion for a Protective Order.

This firm's check for \$850 in payment of the filing fee is also enclosed. I have enclosed an additional copy of this letter and the notice for you to stamp to acknowledge your receipt and to return to me in the enclosed, self-addressed envelope.

If you have any questions concerning the filing, please do not hesitate to contact me.

Very truly yours,

LEONARD, STREET AND DEINARD
Professional Association

Diane P. Gerth

Diane P. Gerth
DPG: km

Enclosure

cc: Bill Tuttle
Mike Franczak
James Bender
James Bertrand

ENTERED
APR 04 2002
Public Record

FILED

APR 05 2002

FEE RECEIVED

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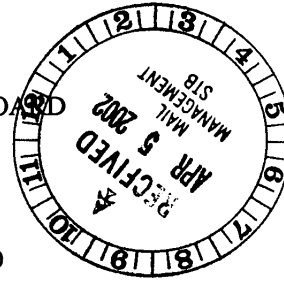
**SURFACE
TRANSPORTATION BOARD**

**SURFACE
TRANSPORTATION BOARD**

150 SOUTH FIFTH STREET SUITE 2300 MINNEAPOLIS, MINNESOTA 55402 TEL 612-335-1500 FAX 612-335-1657

LAW OFFICES IN MINNEAPOLIS, SAINT PAUL AND MANKATO

BEFORE THE
SURFACE TRANSPORTATION BOARD



STB Finance Docket No. 34180

SOO LINE RAILROAD COMPANY
-- TRACKAGE RIGHTS EXEMPTION --
I&M RAIL LINK, LLC

VERIFIED NOTICE OF TRACKAGE RIGHTS EXEMPTION

March 25, 2002

Diane P. Gerth (#180786)
LEONARD, STREET AND DEINARD
PROFESSIONAL ASSOCIATION
150 South Fifth Street
Minneapolis, MN 55402
Telephone: (612) 335-1500

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 34180

SOO LINE RAILROAD COMPANY
-- TRACKAGE RIGHTS EXEMPTION --
I&M RAIL LINK, LLC

**SOO LINE RAILROAD COMPANY'S
VERIFIED NOTICE OF TRACKAGE RIGHTS EXEMPTION**

Pursuant to 49 C.F.R. §§ 1180.2(d) and 1180.4(g), Soo Line Railroad Company d/b/a Canadian Pacific Railway Company, Inc. ("CPR") hereby submits a notice of exemption in regard to certain trackage rights granted by I & M Rail Link, LLC ("IMRL"), to CPR over trackage located in Illinois, Iowa and Missouri. Set forth below is the pertinent information related to these trackage rights.

§ 1180.6(a)(1)(i) (Transaction Summary). IMRL is granting trackage rights to CPR over its lines located in Wayne, Appanoose, Wapello, Keokuk, Washington, Louisa, Muscatine, Scott, and Clinton counties in Iowa, Whiteside, Lee, Ogle, Dekalb. Kane, Du Page, and Cook counties in Illinois and Jackson, Clay, Ray, Caldwell, Livingston, Grundy, Sullivan, and Putnam counties in Missouri. The subject trackage is described as follows:

Between River Junction (Mile Post 159.0) and the I&M/Kansas City Southern Railway Joint Agency Yard (Kansas City), Missouri (Mile Post 498.8) via Marquette, Iowa, Sabula, Iowa, Davenport, Iowa, Ottumwa, Iowa, and Chillicothe, Missouri, with access to all connections at Kansas City; and between Pingree Grove, Illinois (Mile Post 40.26), and Sabula, Iowa (Mile Post 140.8), the latter being the point

of intersection between the aforementioned routes; and direct access to the Ipsco steel mill at Montpelier, Iowa (Mile Post 206.6).

CPR is the applicant. CPR's business address is 401 9th Avenue S.W., Gulf Canada Square, Suite 500, Calgary, Alberta T2P 4Z4, Canada; its telephone number is 403-319-7000. Questions regarding the exemption notice may be directed to counsel identified on the cover page of the notice.

§ 1180.6(a)(1)(ii) (Time Schedule for Consummation). The trackage rights will be consummated on the expiration of the seven-day notice period, or as soon thereafter as is practicable.

§ 1180.6(a)(1)(iii) (Transaction Purpose). The purpose of the transaction is to allow CPR to serve the IPSCO Steel Manufacturing facility in Muscatine, Iowa under the terms of a Transportation Agreement entered into by CPR, IMRL and IPSCO.

§ 1180.6(a)(5) (States In Which Applicant Operates and Owns Property). CPR's wholly owned subsidiaries, the Soo Line Railroad Company and the Delaware & Hudson Railway, operate or own properties in Illinois, Wisconsin, Minnesota, North Dakota, South Dakota, Indiana, Michigan (trackage rights only), Kentucky (trackage rights only), Montana (property ownership only), New York, Pennsylvania, New Jersey (trackage rights only), Maryland (trackage rights only), and Washington, D.C. (trackage rights only).

§ 1180.6(a)(6) (Map). Maps showing the lines of CPR and detailing the proposed transaction are attached as Exhibit A.

§ 1180.6(a)(7)(ii) (Agreement). A copy of the executed Agreement is attached as Exhibit B.

Labor Protection. Although it is anticipated that the CPR trackage rights that are the subject of this Notice will affect no employees, CPR recognizes that the protections in Norfolk and Western Ry. Co.--Trackage Rights--BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc.--Lease and Operate, 360 I.C.C. 653 (1980) will be applicable.

Respectfully submitted,



Diane P. Gerth (#180786)
LEONARD, STREET AND DEINARD
PROFESSIONAL ASSOCIATION
150 South Fifth Street
Minneapolis, MN 55402
Telephone: (612) 335-1500

Attorneys for Canadian Pacific Railway
Company

March 25, 2002

EXHIBIT A
MAP OF TRACKAGE RIGHTS
AND CPR SYSTEM MAP

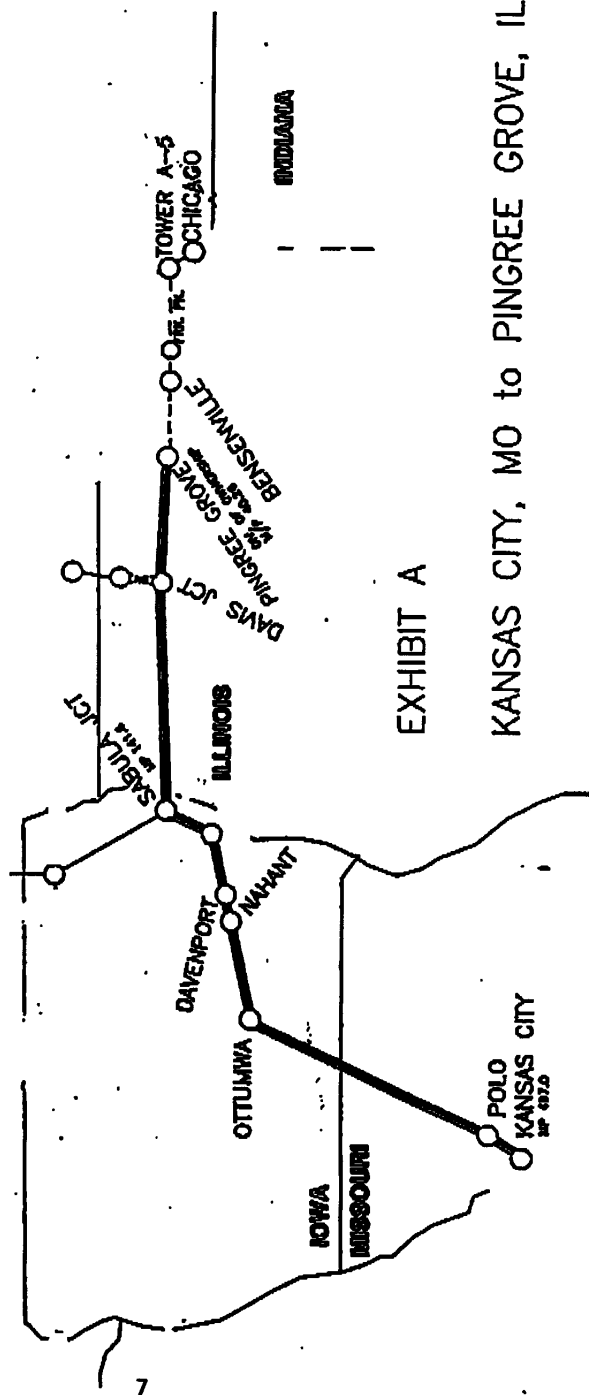


EXHIBIT B

AGREEMENT

(Redacted version of Agreement; full copy filed under
seal with Applicant's Motion for a Protective Order)

REDACTED

TRACKAGE RIGHTS AGREEMENT

THIS AGREEMENT, dated this 27th day of MARCH, ²⁰⁰² ~~2001~~, is made between I&M Rail Link, LLC, a Delaware limited liability company ("I&M") and Soo Line Railroad Company, d/b/a Canadian Pacific Railway ("CPR"), sometimes collectively referred to below as the "Parties" and sometimes individually referred to below as a "Party."

RECITALS

1. I&M, CPR and Ipsco Steel, Inc. ("Ipsco") entered into a transportation agreement, dated April 5, 1997, pursuant to which CPR and I&M agreed to provide certain rail transportation services to Ipsco to and from its steel mill in Montpelier, Iowa ("Transportation Agreement").
2. Pursuant to Paragraph 11.2 of the Transportation Agreement, I&M agreed to convey trackage rights to CPR to allow it to provide direct transportation service to Ipsco in the event I&M failed to provide service required under Paragraph 9 of the Transportation Agreement.
3. In order to meet the Parties obligations contained in the Transportation Agreement, I&M agrees to convey, and CPR agrees to accept, trackage rights necessary for CPR and I&M to fulfill their obligations under the Transportation Agreement.

IN CONSIDERATION of the mutual and dependent covenants by each of the Parties, they have agreed as follows:

Section 1. GRANT OF RIGHTS

1.1 I&M hereby grants to CPR overhead and local trackage rights for the operations of its trains, locomotives, cabooses and cars, including track inspection cars and work or wreck equipment in its account over I&M trackage in common with I&M and such other railroad company or companies as I&M has admitted or may admit over the following trackage ("Subject Trackage"):

Between River Junction (Mile Post 159.0) and the I&M/Kansas City Southern Railway Joint Agency Yard (Kansas City), Missouri (Mile Post 498.8) via Marquette, Iowa, Sabula, Iowa, Davenport, Iowa, Ottumwa, Iowa, and Chillicothe, Missouri, with access to all connections at Kansas City; and between Pingree Grove, Illinois (Mile Post 40.26), and Sabula, Iowa (Mile Post 140.8), the latter being the point of intersection between the aforementioned routes; and direct access to the Ipsco steel mill at Montpelier, Iowa (Mile Post 206.6). This grant of trackage rights includes the use of Main Sidings for meeting and passing trains, but does not include siding and yard tracks used to store cars.

1.2 The trackage rights granted herein shall be exercisable only upon notice by Ipsco to CPR and I&M in accordance with Paragraph 10.2 of the Transportation Agreement. CPR shall exercise such trackage rights solely for the purpose of fulfilling I&M's transportation obligations to Ipsco under the Transportation Agreement, and only for so long as the default giving rise to the notice by Ipsco under Paragraph 10.2 of the Transportation Agreement exists. At such time that the default is cured and I&M is able to provide service at the levels required under the Transportation Agreement, I&M shall resume the provision of service to Ipsco in accordance with the terms of the Transportation Agreement. The rights shall include the right to use the Subject Trackage to interchange

traffic with all rail carriers in Chicago, Kansas City, Minneapolis and St. Paul and at intermediate points on the Subject Trackage which serve as interchange points with other carriers as well as provide local service on the Subject Trackage necessary to serve customers doing business with Ipsco.

1.3 CPR shall not have the right, except as otherwise provided in this Section 1, to:

(a) Serve any industry, team or house track now existing or located at any time in the future along the Subject Trackage except for the sole purpose of handling traffic for Ipsco pursuant to the Transportation Agreement.

(b) Except as set forth in Section 1.3 (d), permit or admit any third party to the use of all or any part of the Subject Trackage, nor under the guise of doing its own business, contract, or make any agreement to handle as its own traffic over the Subject Trackage the trains, locomotives, cabooses or cars of any third party which would not be considered as trains, locomotives, cabooses or cars of CPR.

(c) Construct tracks connecting to the Subject Trackage without the written consent of I&M. Any tracks constructed by I&M connecting to the Subject Trackage subsequent to the date of this Agreement shall be used by CPR equally with I&M for any purposes granted to CPR by the terms of this Agreement, unless the Parties agree otherwise.

(d) CPR shall have the right to enter into an agreement with any third party carrier to act as CPR's agent to provide service to Ipsco pursuant to the Transportation Agreement. In the event CPR enters into such third party agreement, such third party carrier shall have the right to exercise all rights conveyed to CPR pursuant to this Agreement. For purposes of allocating liability, such third party carrier trains shall be deemed to be

trains of CPR, and CPR shall bear all liability under Section 4 for such third party carrier trains.

**Section 2. CONSTRUCTION, REPAIR, MAINTENANCE, ADDITIONS TO
OPERATION AND CONTROL OF THE SUBJECT TRACKAGE**

2.1 The construction, maintenance, repair and renewal of the Subject Trackage shall be under the exclusive direction and control of I&M. I&M shall make any additions to the Subject Trackage which I&M deems necessary or desirable for the safe, efficient, and economical use of the Subject Trackage by the Parties, and these shall become part of the Subject Trackage upon completion of construction. If CPR requests constructions of additions or improvements to the Subject Trackage, I&M may agree to make additions or improvements for the benefit of both, and compensation by CPR to I&M for the additions and improvements shall be agreed to by the Parties prior to I&M making such additions and improvements. If I&M denies the request of CPR for additions or improvements to the Subject Trackage or fails promptly to make agreed upon repairs and additions, CPR may make such repairs, additions or improvements at CPR's own expense. Additions and improvements to the Subject Trackage constructed at the sole expense of either Party shall be owned by I&M.

2.2 (a) The management and operation of the Subject Trackage shall be under the exclusive direction and control of I&M. I&M shall have the unrestricted right to change the management of and operations on and over the Subject Trackage as in its judgment may be necessary, expedient or proper for the operation of the Subject Trackage pursuant to this Agreement; provided that any such change shall not materially interfere with CPR's right to use the Subject Trackage for purposes defined in Section 1. Dispatching on the Subject Trackage will be provided by I&M in a nondiscriminatory manner.

(b) I&M shall employ all persons necessary to operate, maintain, repair and renew the Subject Trackage. I&M shall be bound to use only reasonable and customary care, skill and diligence in the operation, maintenance, repair and renewal of the Subject Trackage. CPR shall not, by reason of I&M's performing or failing, or neglecting to perform any operations, maintenance, repair, renewal or management of the Subject Trackage, have or make against I&M any claim or demand for loss, damage, destruction, injury or death whatsoever resulting from I&M's performance, failure or neglect, except as otherwise provided in Section 4.

2.3 CPR, at its expense, shall install and maintain upon its trains, locomotives, cabooses and cars such equipment or devices as may now or in the future be necessary or appropriate, in the reasonable judgment of I&M, for the safe and efficient operation of trains over the Subject Trackage.

2.4 If the use of the Subject trackage is at any time interrupted, or traffic over the Subject Trackage is delayed for any cause, I&M shall, with reasonable diligence, restore the line for the passage of trains of the Parties. Neither Party shall have or make any claim against the other for loss or damage of any kind resulting from such interruption or delay.

2.5 Each Party shall be responsible for furnishing, at its own expense, all labor, fuel and train supplies necessary for the operation of its own trains over the Subject Trackage.

2.6 The operations of CPR over the Subject Trackage shall at all times be in accordance with the rules, instructions and restrictions of I&M ("I&M Rules"), but such I&M Rules shall be reasonable, just and fair between all Parties using the Subject Trackage and shall not discriminate against any of them. These I&M Rules shall include, but not be limited to, Operating Rules, Time Tables, Special

Instructions, Bulletins, General Orders and authoritative directions of Train Dispatchers and Operating Officers.

2.7 CPR shall be responsible for all mileage allowances and car hire charges accruing on cars in CPR's account on the Subject Trackage, and CPR shall report and pay the allowances and charges directly to the owners of such cars.

2.8 All employees of CPR engaged in the operation of CPR trains over the Subject Trackage shall be required to qualify for entry onto the Subject Trackage by passing periodic examinations on the I&M Rules governing operation on the Subject Trackage. In addition to examination, I&M may condition qualification of CPR's employees under this provision upon the completion of a reasonable number of trips over the Subject Trackage piloted by a qualified employee, and require that such qualification trips be repeated if the subject CPR employee has not made a trip over the Subject Trackage within a reasonable preceding period of time. Pending qualification of subject employees, I&M shall furnish a pilot or pilots, at the expense of CPR, to allow operation as contemplated in this Agreement. For purposes of Section 4 of this Agreement, any employee of I&M acting as a pilot for CPR will be considered a sole employee of CPR.

2.9 If any employee of CPR, in the sole reasonable opinion of I&M neglects, refuses or fails to abide by the I&M Rules governing the operation over the Subject Trackage, I&M shall in writing so notify CPR. I&M shall have the right to require CPR to withhold any CPR employee from service over the Subject Trackage pending the result of a formal investigation of such alleged neglect, refusal or failure. After the notice is given to CPR, I&M and CPR shall promptly hold a joint investigation, in which each of the Parties shall bear its own expense for its own employees and witnesses. Notice of such investigation to CPR employees shall be given by CPR officers, and failure to give proper notice shall not bar I&M from restricting the subject CPR employees. The investigation shall be conducted in accordance with the terms and conditions of schedule

agreements between CPR and its employees, but failure by CPR to comply with schedule agreements shall not bar I&M from restricting subject CPR employees. If, in the sole judgment of I&M, the result of such investigation warrants, any subject CPR employee so investigated, or whom CPR has failed to investigate after proper notice under this Agreement, shall be restricted by CPR from operating on the Subject Trackage. I&M shall not unreasonably exercise this right of restriction. CPR shall release and indemnify I&M from and against any and all claims and expenses because of such restriction; provided, that if the employee challenges the investigation or restriction to an arbitration board and such arbitration board sustain the employee's claim and reinstates such employee to full service, I&M shall honor the terms of the arbitration award.

2.10 If any cars, cabooses, or locomotives of CPR are bad ordered enroute on the Subject Trackage and it is necessary that they be set out, such cars, cabooses or locomotives shall, after being promptly repaired, be promptly picked up by CPR. I&M may, upon request of CPR and at CPR's expense, furnish required labor and material to perform any light repairs required to make such bad ordered equipment safe and lawful for movement, and billing for this work shall be at rates prescribed in the Field and Office Manuals of the Interchange Rules of the Association of American Railroads (the "Interchange Rules"). I&M shall prepare and submit billing directly to and collect from the car owner for car owner responsibility items as called for by the Interchange Rules, and shall prepare and submit billing to and collect from CPR for handling-line responsibility items under the Interchange Rules. If I&M performs repairs to CPR equipment other than freight cars, I&M shall prepare and submit billing directly to and collect from CPR. For purposes of Section 4 of this Agreement, any employee of I&M performing repairs to CPR's equipment or enroute to or from repairing CPR's equipment will be considered a sole employee of CPR.

2.11 Each of CPR's trains operated on and over any portion of the Subject Trackage shall be subject to the following specific requirements: (i) each such

train shall have the locomotive horsepower necessary to meet the requirements of the tonnage ratings in the current Special Instructions to the Operating Timetable of I&M on the subdivisions including the Subject Trackage; (ii) each such train shall be powered in a manner sufficient to operate at maximum authorized timetable speeds on such subdivision; (iii) each such train shall not exceed the reasonable train length restrictions established by I&M from time to time on such subdivision; (iv) each such train shall be equipped with radios and other communications and signal devices that comply with the reasonable requirements established by I&M from time to time; and (v) prior to commencement of operations, the locomotive of each such train shall be fueled, oiled, sanded, supplied and serviced so that passage over the Subject Trackage can be completed without interruption.

Section 3. COMPENSATION AND BILLING

3.1 For its use of the Subject Trackage, CPR shall pay to I&M

3.2 The Parties agree to furnish each other any data necessary for billing or the auditing of bills. CPR agrees to pay I&M billings within thirty (30) days after receiving them at its disbursements office or at such other location as CPR may

from time to time direct. The payment of bills shall not be delayed nor payment refused or shorted on payment of the face amount of the bill rendered because of errors in supporting details which are not serious and important, but bills shall be paid as rendered and exception taken in writing addressed to the officer of I&M responsible for the issuance of the bill. I&M will adjust the next subsequent billing if the exception is valid. No exception to any bill shall be honored if filed after two (2) years from the last day of the calendar month during which the bill was rendered.

3.3 The records of each Party pertaining to this Agreement shall be open to inspection by representatives of the other Party upon reasonable notice, during regular office hours.

3.4 Waiver of a default in any one or more instance shall not be construed as a waiver in any other instance. Failure of a Party to enforce its remedies in any one or many similar instances shall not constitute a waiver of the right to enforce its remedies in any other instance.

Section 4. LIABILITY

Whenever the expression "**Loss or Damage**" is used in this Agreement, it means (i) injury to or death of any person, including employees of the Parties hereto, and loss of or damage to any property, including property of the Parties hereto, which arises out of incidents occurring in the performance of this Agreement, (ii) liability for any and all claims, suits, demands, judgments and damages resulting from or arising out of such injury, death, loss or damage, (iii) all costs and expenses incident to such claims, suits demands, and judgments, including attorney's fees, court costs, and other costs of investigation and litigation, (iv) exemplary or punitive damages (except to the extent such damages are awarded based upon the wrongful intentional act of the Indemnified Party (as defined in Section 4.7 below), (v) the expense of clearing wrecked or derailed

equipment, trains or cars, and (vi) the costs of environmental protection, mitigation or cleanup necessitated by the incident. Loss or Damage shall be reduced by any amount recovered by the Indemnified Party from third parties.

4.1 The Parties shall undertake to comply with all applicable federal, state and local laws or regulations, and all applicable rules, regulations or orders promulgated by any court, agency, municipality, board or commission. If any failure of any Party to comply with such laws, rules, regulations or orders in respect to the use of the Subject Trackage results in any fine, penalty, cost or charge being assessed against the other Party, the Party which failed to comply agrees to reimburse promptly and indemnify the other Party for such amount.

4.2 The employees of either Party while maintaining or directing operations along the Subject Trackage shall not be considered as joint employees but will remain the sole employees of either Party. Except to the extent expressly provided otherwise herein, all operating employees of each Party will be treated as the sole employees of such Party.

4.3 Liability for Loss or Damage resulting from or in connection with the operation of trains, locomotives, cars, cabooses or maintenance-of-way motorized equipment owned by or in the account of either Party ("Equipment"), or in direct connection with the presence on the Subject Trackage of Equipment or property of either Party shall be borne and paid by the Parties as follows:

- (a) When the same shall directly involve the Equipment of only one of the Parties, regardless of any third party involvement, all Loss or Damage, including but not limited to restoration and repair of the Subject Trackage, will be borne by that Party; provided, that if an incident causing Loss or Damage involving the Equipment of only one of the Parties is caused solely by the wrongful intentional act of one or more sole employees of one Party, the Party whose sole employee(s) so caused such incident

shall bear all Loss or Damage in connection therewith; provided further, that employee injuries that are not caused by contact between Equipment and an employee shall be the responsibility of the Party that employs such employee.

(b) When the same shall directly involve the Equipment of both of the Parties, Loss or Damage shall be borne by each Party as to its own employees, property, or property in its custody (except for damage to the Subject Trackage) and as to third party persons or property, or the Subject Trackage, Loss or Damage shall be born equally by the Parties; provided, that if an incident causing Loss or Damage involving the Equipment of both of the Parties is caused solely by the wrongful intentional act of one or more sole employees of one Party, the Party whose sole employee(s) so caused such incident shall bear all Loss or Damage in connection therewith.

(c) Notwithstanding any provision to the contrary herein, the allocation of Loss or Damage in connection with Equipment that is handled over the Subject Trackage and that is subject to a haulage agreement between the Parties shall be as set forth in such agreement.

4.4 To the extent that Loss or Damage arising on or in connection with the Subject Trackage is not allocated under this Agreement, liability in connection therewith shall be in accordance with applicable law.

4.5 Each Party agrees that it will pay for all loss, damage and expense, the risk of which it has herein assumed, the judgment of any court to the contrary notwithstanding, and will forever indemnify and save harmless the other Party, its successors and assigns from any such judgment, loss, damage or expense, irrespective of the negligence or other fault attributable to either Party hereto (except as intentional wrongdoing is relevant to the allocation of liability

hereunder). Each Party specifically agrees to indemnify and hold harmless the other Party with respect to any Loss or Damage resulting from the other Party's negligence, to the extent necessary to effectuate the risk allocations established by this Agreement.

4.6 In the event both Parties shall be liable under this Agreement for Loss or Damage, and the same shall be compromised and settled, the settling Party shall obtain a valid and enforceable release from liability for both Parties, specifically naming Canadian Pacific Railway Company, Soo Line Railroad Company, Soo Line Corporation, I&M Rail Link, LLC, Montana Rail Link, Inc. and their respective parents, subsidiaries and affiliated companies, and all of their officers, agents, and employees. No Party shall make any such compromise or settlement in excess of Twenty Five Thousand Dollars (\$25,000) without prior, written authority of the other Parties having liability, but any settlement made by one Party in consideration of Twenty Five Thousand Dollars (\$25,000) or less shall be a settlement releasing all liability of all Parties and shall be binding upon all Parties.

4.7 The obligations and liabilities of I&M and/or CPR hereunder with respect to their respective indemnities pursuant to this Section 4 resulting from any claim or other assertion of liability by third parties (hereinafter called collectively, "Third Party Claims"), shall be subject to the following terms and conditions:

(a) The party seeking indemnification (the "Indemnified Party") must give the other party (the "Indemnifying Party") written notice of any claim within ninety (90) days after the Indemnified Party receives notice thereof.

(b) The Indemnifying Party shall have the right to undertake, by counsel or other representatives of its own choosing and reasonably acceptable to the Indemnified Party, the defense of such claim at the Indemnifying Party's cost and risk.

(c) In the event that the Indemnifying Party shall elect not to undertake such defense, or within a reasonable time after notice of any such claim from the Indemnified Party shall fail to defend, the Indemnified Party (upon further written notice of the Indemnifying Party) shall have the right on behalf of and for the account and risk of the Indemnifying Party to undertake the defense, compromise or settlement of such claim by counsel or other representative of the Indemnified Party's own choosing. In such event, the Indemnifying Party shall pay the Indemnified Party, in addition to any other sums required to be paid hereunder, the costs and expenses incurred by the Indemnified Party in connection with such defense, compromise or settlement as and when such costs and expenses are so incurred.

(d) Anything in this Section 4.7 to the contrary notwithstanding, (i) if there is a reasonable probability that a claim may materially and adversely affect the Indemnified Party, the Indemnified Party shall have the right, at its own cost and expense, to participate in the defense, compromise or settlement of the claim, (ii) the Indemnifying Party shall not, without the Indemnified Party's written consent, settle or compromise any claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all liability in respect of such claim in a form reasonably satisfactory to the Indemnifying Party, (iii) in the event that the Indemnifying Party undertakes defense of any claim, the Indemnified Party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the Indemnifying Party and its counsel or other representatives concerning such claim and the Indemnifying Party and the Indemnified Party and their respective counsel or other representatives shall cooperate with respect to such claim, and (iv) in the event that the Indemnifying Party undertakes defense of any claim, the Indemnifying Party shall have an obligation to

keep the Indemnified Party informed of the status of the defense of such claim and furnish the Indemnified Party with all documents, instruments, and information that the Indemnified Party shall reasonably request in connection therewith. Notwithstanding the foregoing, in the event the Indemnifying Party undertakes the defense of any claim, the Indemnified Party shall have the right to employ its own counsel at the Indemnified Party's expense if the Indemnified Party shall have reasonably concluded and specifically notified the Indemnifying Party that there may be one or more specific defenses available to it which are different from or additional to those available to the Indemnifying Party.

4.8 If Equipment of either Party is wrecked or derailed on the Subject Trackage, the Party responsible under the terms of this Section 4 shall bear the entire cost of such service.

4.9 It is understood and agreed that a number of vehicular crossings on the Subject Trackage presently exist, or may be constructed. CPR agrees to accept all crossings in whatever condition they may be during the term of this Agreement and will not assert any claim, demand or cause of action against I&M and will hold I&M harmless from any claim, demand or cause of action arising out of any crossing accident on the Subject Trackage in which the Equipment of CPR only is involved (except to the extent that Loss or Damage in connection therewith arises solely out of the wrongful intentional acts of sole employees of I&M during the term hereof).

4.10 Detour of foreign line equipment under Standard Industry Detour Agreements over the Subject Trackage is the at the sole discretion and permission of I&M.

Section 5. ARBITRATION

5.1 Any irreconcilable dispute arising between the Parties with respect to this Agreement involving Five Hundred Thousand Dollars (\$500,000) or less shall be settled through binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). If the Parties fail to agree on a single arbitrator, the dispute shall be determined by an arbitrator selected pursuant to the rules of the AAA. The decision of the arbitrator shall be final and conclusive upon the Parties. Each Party to the arbitration shall pay the compensation, costs, fees and expenses of its own witnesses, experts and counsel. The compensation, costs and expenses of the arbitrator shall be borne equally by the Parties.

Section 6. GOVERNMENT APPROVAL

6.1 CPR shall, at its own expense, initiate and prosecute the necessary application for approval or exemption from approval from any governmental agency having jurisdiction to approve this Agreement. I&M, at its own expense, shall assist and support such application and will furnish such information and execute, deliver and file such instrument or instruments in writing as may be necessary and appropriate to obtain such approval.

6.2 Upon the expiration of the Transportation Agreement and CPR's default service obligations thereunder, CPR shall discontinue the rights conferred by this Agreement. CPR shall, at its own expense, initiate and prosecute the necessary application or other filing with any governmental agency having jurisdiction to approve or exempt discontinuance, and I&M agrees not to oppose such discontinuance.

Section 7. OTHER CONSIDERATIONS

7.1 This Agreement shall be binding upon and inure to the benefit of the Parties, their respective successors, or assigns, but, except as provided in

Section 1.3(d), shall not be assigned or otherwise transferred by CPR without the prior written consent of I&M. I&M agrees that it will not object to assignment of this Agreement in connection with a sale of all or substantially all of the CPR's assets. In the event that I&M (or any successor to or assignee of I&M's interests hereunder) sells, leases or otherwise disposes of all or any portion of its interest in the Subject Trackage, I&M shall take all necessary and appropriate steps to ensure that this Agreement is binding upon the party acquiring such interest.

7.2 This Agreement shall be effective on the date CPR first commences operations over the Subject Trackage pursuant to this Agreement after having received all necessary approval or exemption from any governmental agency having jurisdiction to approve this Agreement and the operations to be carried out thereunder. Once activated by the commencement of CPR's operation as above indicated, this Agreement shall remain in effect thereafter for a term coextensive with the remaining term of the Transportation Agreement, and thereafter from year to year until terminated by either Party upon ninety (90) days' advance written notice.

THE PARTIES, hereto have caused this Agreement to be duly executed on the dates indicated, and agree that the laws of the State of Minnesota will apply to its interpretation.

SOO LINE RAILROAD COMPANY
d/b/a Canadian Pacific Railway

By M. Franzak
Its G.M. INTERLINE
Date MARCH 27, 2002

I&M RAIL LINK, LLC

By R. P. Stueck
Its Pers
Date 4-1-02

EXHIBIT C
VERIFICATION

VERIFICATION

I, William Tuttle, Counsel for Soo Line Railroad Company, d/b/a Canadian Pacific Railway, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this notice. Executed on this fourth day of April, 2002.

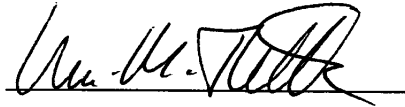
A handwritten signature in black ink, appearing to read "Wm. M. Tuttle", is written over a horizontal line.

EXHIBIT D
CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

Finance Docket No. 34006

Canadian Pacific Railway Company ("CPR") will obtain from I&M Rail Link, LLC ("IMRL"), trackage rights over the following lines of railroad:

Between River Junction (Mile Post 159.0) and the I&M/Kansas City Southern Railway Joint Agency Yard (Kansas City), Missouri (Mile Post 498.8) via Marquette, Iowa, Sabula, Iowa, Davenport, Iowa, Ottumwa, Iowa, and Chillicothe, Missouri, with access to all connections at Kansas City; and between Pingree Grove, Illinois (Mile Post 40.26), and Sabula, Iowa (Mile Post 140.8), the latter being the point of intersection between the aforementioned routes; and direct access to the Ipsco steel mill at Montpelier, Iowa (Mile Post 206.6).

The purpose of the transaction is to permit the grantee to continue to operate over the subject trackage. The trackage is subject to the jurisdiction of the Surface Transportation Board. The trackage rights will be effective on or after April ___, 2002. No employees of CPR will be affected by the trackage rights, and accordingly the provisions of Norfolk and Western Ry. Co.--Trackage Rights--BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc.--Lease and Operate, 360 I.C.C. 653 (1980) are inapplicable.

This notice is filed under § 1180.2(d)(7). Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not stay the transaction.

Dated: _____

By the Board.

Vernon A. Williams,
Secretary