307861

PUBLIC VERSION

SIDLEY

SIDLEY AUSTIN LLP
1501 K STREET, N.W.
WASHINGTON, D.C. 20005
+1 202 736 8000
+1 202 736 8711 FAX

AMERICA • ASIA PACIFIC • EUROPE

+1 202 736 8996
MJWARREN@SIDLEY.COM

January 30, 2024

Via E-Filing

Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street SW
Washington, DC 20423

Re: Finance Docket No. 36744, *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding is an application for a minor transaction pursuant to 49 U.S.C. § 11323(a) and 49 C.F.R. Part 1180. We are filing both a public version of the application, with appropriate redactions that the Board can place in its docket, and a highly confidential version, to be filed under seal. We are concurrently filing a motion for protective order.

Related verified notices of exemption for trackage rights pursuant to 49 C.F.R. § 1180.2(d)(7) in Docket Nos. FD 36744 (Sub-No. 1) and 36744 (Sub-No. 2) are being filed concurrently.

The filing fees for the minor application and the verified notices of exemption were paid using Pay.gov.

Please contact me with any questions.

SIDLEY

Respectfully submitted,

/s/ Matthew J. Warren

Matthew J. Warren

Counsel for Canadian National Railway Company and Grand Trunk Corporation

Enclosures

CC: Kevin Sheys
All parties of record

PUBLIC VERSION

CN/IANR-1

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36744

CANADIAN NATIONAL RAILWAY COMPANY
AND GRAND TRUNK CORPORATION
—CONTROL—
IOWA NORTHERN RAILWAY COMPANY

APPLICATION

Olivier Chouc
CN
935 de la Gauchetière Street West
16th Floor
Montréal, QC H3B 2M9
CANADA

Kathryn J. Gainey
CN
975 F Street NW
Washington, DC 20004

Matthew J. Warren
Allison C. Davis
Sidley Austin LLP
1501 K Street NW
Washington, DC 20005
(202) 736-8000
mjwarren@sidley.com

Counsel for Canadian National Railway Company and Grand Trunk Corporation

Kevin M. Sheys
Law Office of Kevin M. Sheys LLC
42 Brush Hill Road
Sherborn, MA 01770
(240) 463-4663
ksheys@railreglaw.com

Counsel for Iowa Northern Railway Company

Dated: January 30, 2024

TABLE OF CONTENTS

Page

SUMMARY OF APPLICATION 3

APPLICANTS' PROPOSED ACQUISITION OF CONTROL IS A MINOR TRANSACTION 5

STANDARD OF REVIEW 8

PROPOSED PROCEDURAL SCHEDULE 10

APPLICATION INFORMATION 10

1180.6(a)(1)(i)	A brief summary of the proposed transaction, the name of the applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.	11
1180.6(a)(1)(ii)	The proposed time schedule for consummation of the proposed transaction.	12
1180.6(a)(1)(iii)	The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.	13
1180.6(a)(1)(iv)	The nature and amount of any new securities or other financial arrangements.	17
1180.6(a)(2)	A detailed discussion of the public interest justifications in support of the application, indicating how the proposed transaction is consistent with the public interest, with particular regard to the relevant statutory criteria, including:	17
1180.6(a)(2)(i)	The effect of the transaction on inter- and intramodal competition, including a description of the relevant market (see § 1180.7). Include a discussion of whether, as a result of the transaction, there is likely to be any lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States.	17
1180.6(a)(2)(ii)	The financial consideration involved in the proposed transaction, and any economies, to be effected in operations, and any increase in traffic, revenues, earnings available for fixed charges, and net earnings, expected to result from the consummation of the proposed transaction.	20

1180.6(a)(2)(iii)	The effect of the increase, if any, of total fixed charges resulting from the proposed transaction.	21
1180.6(a)(2)(iv)	The effect of the proposed transaction upon the adequacy of transportation service to the public, as measured by the continuation of essential transportation services by applicants and other carriers.	21
1180.6(a)(2)(v)	The effect of the proposed transaction upon applicant carriers' employees (by class or craft), the geographic points where the impact will occur, the time frame of the impact (for at least 3 years after consolidation), and whether any employee protection agreements have been reached.	22
1180.6(a)(2)(vi)	The effect of inclusion (or lack of inclusion) in the proposed transaction of other railroads in the territory, under 49 U.S.C. 11324.	24
1180.6(a)(3)	Any other supporting or descriptive statements applicants deem material.	24
1180.6(a)(4)	An opinion of applicants' counsel that the transaction meets the requirements of the law and will be legally authorized and valid, if approved by the Board. This should include specific references to any pertinent provisions of applicants' bylaws or charter or articles of incorporation.	27
1180.6(a)(5)	A list of the State(s) in which any part of the property of each applicant carrier is situated.	27
1180.6(a)(6)	Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.	28
1180.6(a)(7)(i)	Describe the nature of the transaction (e.g., merger, control, purchase, trackage rights), the significant terms and conditions, and the consideration to be paid (monetary or otherwise).	28
1180.6(a)(7)(ii)	Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction. In addition, parties to exempt trackage rights agreements and renewal of agreements described at § 1180.2(d)(7) must	

	submit one copy of the executed agreement or renewal agreement with the notice of exemption, or within 10 days of the date that the agreement is executed, whichever is later.	29
1180.6(a)(7)(iii)	If a consolidation or merger is proposed indicate: (A) The name of the company resulting from the consolidation or merger; (B) the State or territory under the laws of which the consolidated company is to be formed or the merged company is to file its certificate of amendment; (C) the capitalization proposed for the resulting company; and (D) the amount and character of the capital stock and other securities to be issued.	29
1180.6(a)(7)(iv)	Court Order (exhibit 3). If a trustee, receiver, assignee, or personal representative of the real party in interest is an applicant, submit a certified copy of the order, if any, of the court having jurisdiction, authorizing the contemplated action.	29
1180.6(a)(7)(v)	State whether the property involved in the proposed transaction includes all the property of the applicant carriers and, if not, describe what property is included in the proposed transaction.	30
1180.6(a)(7)(vi)	Briefly describe the principal routes and termini of the lines involved, the principal points of interchange on the routes, and the amount of main-line mileage and branch line mileage involved.	30
1180.6(a)(7)(vii)	State whether any governmental financial assistance is involved in the proposed transaction and, if so, the form, amount, source, and application of such financial assistance.	33
1180.6(a)(8)	Environmental data (exhibit 4). Submit information and data with respect to environmental matters prepared in accordance with 49 CFR part 1105. In major and significant transactions, applicants shall, as soon as possible, and no later than the filing of a notice of intent, consult with the Board's Office of Environmental Analysis for the proper format of the environmental report.	33
1180.8(c)	Operational Data. For minor transactions: Operating plan-minor (exhibit 15). Discuss any significant changes in patterns or types of service as reflected by the operating plan expected to be used after consummation of the transaction. Where relevant, submit information related to the following: (1) Traffic level density on lines proposed for joint	

operations. (2) Impacts on commuter or other passenger service operated over a line which is to be downgraded, eliminated, or operated on a consolidated basis. (3) Operating economies, which include, but are not limited to, estimated savings. (4) Any anticipated discontinuances or abandonments. 38

1180.11(a) Transnational and other informational requirements. For applicants whose systems include operations in Canada or Mexico, applicants must explain how cooperation with the Federal Railroad Administration would be maintained to address potential impacts on operations within the United States of operations or events elsewhere in their systems. 39

1180.11(b) All applicants must assess whether any restrictions or preferences under foreign or domestic law or policies could affect their commercial decisions, and discuss any ownership restrictions applicable to them. 40

CONCLUSION..... 40

APPENDICES AND EXHIBITS

Appendix A Opinions of Counsel

Appendix B Verified Statements

Verified Statement of Tracy A. Robinson
Verified Statement of Daniel R. Sabin
Verified Statement of Sandra Ellis
Verified Statement of David T. Hunt

Appendix C Support Statements

Exhibit 1 Maps

Map A: CN System
Map B: CN System—U.S.
Map C: Iowa Northern System

Exhibit 2 Agreement

Unit Purchase Agreement dated as of December 6, 2023, by and among Cable & Ives, LLC, Sabin Group Holdings, L.L.C., TCFII IANR SPE LLC, and Grand Trunk Corporation

Exhibit 15 Operating Plan—Minor

PUBLIC VERSION

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36744

CANADIAN NATIONAL RAILWAY COMPANY AND GRAND TRUNK CORPORATION
—CONTROL—
IOWA NORTHERN RAILWAY COMPANY

APPLICATION

Canadian National Railway Company ("CNR") and Grand Trunk Corporation ("GTC")[1], together with the Iowa Northern Railway Company ("Iowa Northern" or "IANR") (collectively, "Applicants"), file this minor application ("Application") pursuant to 49 U.S.C. § 11323 and 49 C.F.R. Part 1180, seeking approval from the Surface Transportation Board ("STB" or "Board") for CNR and GTC to acquire control of Iowa Northern, a Class III rail carrier that operates a total of approximately 218 route miles in the state of Iowa, as described below in Section 1180.6(a)(7)(vi) and shown in Map C of Exhibit 1.[2]

On December 6, 2023, GTC signed and closed an agreement to acquire 100% of the equity interest of Cables & Ives, LLC, which wholly owns Iowa Northern, from Sabin Group Holdings, L.L.C., and TCFII IANR SPE LLC (collectively, the

---

[1] GTC is a non-carrier holding company through which CNR controls its U.S. rail carrier subsidiaries. CNR and its U.S. rail operating subsidiaries are referred to collectively as "CN."

[2] Iowa Northern owns or leases approximately 175 route miles and operates over additional 43 route miles pursuant to trackage rights.

"Sellers") (the "Transaction").[3] The shares of Cable & Ives were deposited into an independent voting trust pursuant to 49 C.F.R. Part 1013 pending review of the proposed Transaction by the Board.[4] If the Transaction is approved, CNR and GTC will indirectly control Iowa Northern.

Filed along with this Application in Docket Nos. FD 36744 (Sub-No. 1) and (Sub-No. 2) are related requests for mutual trackage rights between Iowa Northern and the Chicago, Central & Pacific Railroad Company ("CCP"), an indirect rail carrier subsidiary of GTC. As described in those Verified Notices of Exemption, the proposed trackage rights are intended to give the combined CN-Iowa Northern maximum operational flexibility by allowing those carriers to operate trains with their own crews over each other's track in Iowa.

Applicants respectfully request Board approval for CNR's and GTC's acquisition of control of Iowa Northern. The Application demonstrates that the Transaction: (1) is a minor transaction; (2) satisfies the criteria for approval under 49 U.S.C. § 11324(d); and (3) will not result in changes in carrier operations that would exceed the thresholds for an environmental review or that would require historic assessment under the Board's regulations.

---

[3] *See* Exhibit 2, Unit Purchase Agreement dated as of December 6, 2023, by and among Cable & Ives, LLC, Sabin Group Holdings, L.L.C., TCFII IANR SPE LLC, and Grand Trunk Corporation ("UPA").

[4] *See* CN Letter Filing of Voting Trust Agreement, Docket No. FD 36744 (filed Dec. 6, 2023).

SUMMARY OF APPLICATION

The proposed CN-Iowa Northern combination will benefit Iowa freight rail customers by giving them access to a broader network of more efficient single-line service while maintaining their existing transportation options. This Application demonstrates the clear absence of anticompetitive effects; the public benefits the Transaction will bring; and CN's and Iowa Northern's planning for eventual integration and future operations if the combination is approved.

Iowa Northern is a critical freight rail transportation provider in Iowa, serving more than 100 customers and handling approximately 60,000 cars per year. Much of that traffic is interchanged to other railroads for delivery across the country, and some is transported between points on the Iowa Northern system. Iowa Northern serves 20 grain elevators, two ethanol plants, two mineral processing facilities, and transports other commodities such as fertilizer, farm machinery, food, chemicals, and lumber. Iowa Northern is also the serving carrier to a liquids storage and transloading facility that serves biofuel production industries handling fuels, chemicals, and co-products.

Upon Board approval of the Transaction, Iowa Northern would become an indirect rail carrier subsidiary of GTC and would be indirectly controlled by CNR. A combined CN-Iowa Northern will provide more opportunities for Iowa freight rail customers. It will help new and existing customers grow their businesses through improved access to markets and more efficient transportation operations by creating new single-line service between points on Iowa Northern and points throughout North America while preserving current transportation options. CN's

investment in Iowa Northern will provide it with greater access to capital and financial resources. The Transaction will ensure that customers on the Iowa Northern continue to receive safe, reliable local service, both for interline traffic bound for points beyond Iowa and for movements local to the Iowa Northern system. And it will support Iowa jobs, communities, and the local economy, because a combined CN-Iowa Northern can serve existing traffic, pursue new opportunities, and grow together. Public officials, including Iowa state senators and the Mayors of Cedar Falls, Cedar Rapids, and Waterloo, and others, including SMART-TD, have recognized this beneficial opportunity, as shown in their support letters attached at Appendix C.

The Transaction will preserve transportation options for Iowa Northern customers and give them access to new markets via single-line routes on CN's networks. As explained herein, this Transaction would result in no two-to-one customer locations. In other words, there are **no** customers who have access only to CN and Iowa Northern. Moreover, CN is making a gateway commitment to ensure that Iowa Northern customers will continue to have access to interline options on commercially reasonable terms. This Transaction will add a single-line transportation option for CN-Iowa Northern customers without taking any existing transportation options away, and it is thus the definition of a pro-competitive transaction.

Below, Applicants explain why the proposed acquisition of control is a minor transaction under 49 C.F.R. § 1180.2(c). Applicants then provide the specific

information required by the Board's regulations, including an Operating Plan (Exhibit 15). CN is also providing verified statements from the following four individuals:

- CN President and Chief Executive Officer Tracy A. Robinson, who discusses the benefits that CN anticipates will be generated through the Transaction for customers, Iowa Northern, the economy, and the general public.
- Iowa Northern Chairman Daniel R. Sabin, who discusses the opportunities for growth that CN's proposed acquisition of the Iowa Northern will create and the significant benefits that becoming part of CN's network will produce for Iowa Northern's customers, Iowa Northern's employees, and the Iowa communities in which Iowa Northern operates.
- Sandra Ellis, CN's Vice President – Bulk, who discusses the Transaction's benefits for the transportation of grain traffic, biofuels, and fertilizer to and from Iowa industries, which will support both the growth of key industries in Iowa and the resilience of critical national supply chains.
- David Hunt of Oliver Wyman, who performed an analysis of the intermodal and intramodal effects of the Transaction, which shows that the Transaction is likely to result in some diversions of traffic to a CN-Iowa Northern routing. This analysis estimates that—annually—10,503 rail carloads would be diverted from other rail routes to a CN-Iowa Northern routing, and 14,619 trucks would be removed from highways due to being diverted to CN-Iowa Northern (which translates to 2,762 rail carloads and 5,576 containers). In total, these diversions average to approximately 52 carloads/containers per day.

APPLICANTS' PROPOSED ACQUISITION OF CONTROL IS A MINOR TRANSACTION

The Transaction is a minor transaction, as that term is defined in the Board's regulations. The Transaction is not a "major" transaction under 49 C.F.R. § 1180.2(a) because it does not involve the "control or merger of two or more class I railroads." Nor is the Transaction a "significant" transaction under 49 C.F.R.

§ 1180.2(b). Under § 1180.2(b), a non-major transaction is not significant if a determination can be made *either*: (1) that "the transaction clearly will not have any anticompetitive effects," *or* (2) that "any anticompetitive effects of the transaction will clearly be outweighed by the transaction's anticipated contribution to the public interest in meeting significant transportation needs."

This is a straightforward transaction involving a single Class III carrier, which operates only approximately 218 route miles located entirely in one state.[5] As shown below, the Transaction clearly will not have any anticompetitive effects and therefore qualifies as a minor transaction. There will be no shippers that go from two rail carrier options to one as a result of the Transaction.

The Board has categorized applications as minor in similar situations. For example, the Board concluded that Soo Line Corporation's proposed acquisition of the shortline carrier Central Maine & Quebec Railway, which operated approximately 301 route miles, was minor where that transaction would not result in any two-to-one customer locations and would result in more efficient movement of interline traffic.[6]

---

[5] *See* Decision No. 1, *Norfolk S. Ry.—Acquisition & Operation—Certain Rail Lines of the Del. & Hudson Ry.,* Docket No. FD 35873, slip op. at 9 (STB served Dec. 16, 2014) (noting that a minor transaction involving the acquisition of a 282.55-mile rail line "only involve[d] rail lines in a relatively small geographic area" of two states).

[6] *See* Decision No. 1, *Soo Line Corp.—Control—Cent. Me. & Quebec Ry. US Inc.*, Docket No. FD 36368, at 5 (STB served Jan. 16, 2020); *see also* Decision No. 2, *Norfolk S. Ry., et al.—Joint Control & Operating/Pooling Agreements—Pan Am S. LLC*, Docket No. FD 35147, at 9 (STB served June 26, 2008).

Further, CN will make the recognized competition-preserving commitment to maintain existing active gateway access on commercially reasonable terms. In plain English, this means that CN will commit to the Board and to Iowa Northern customers that, if the Transaction is approved, CN would provide Iowa Northern-served customers with commercially reasonable rates and service for interline traffic with rail carriers other than CN. This commitment encompasses interline traffic that is currently interchanged with Canadian Pacific Kansas City ("CPKC") or Union Pacific Railroad Company ("Union Pacific") at the northwestern end of Iowa Northern[7]; traffic that is interchanged with Union Pacific or the Cedar Rapids & Iowa City Railway Company ("CRANDIC") in Cedar Rapids; and traffic Iowa Northern moves between Union Pacific and the Union Pacific Industrial Lead at Waterloo. This commitment would apply equally to traffic that originates on Iowa Northern's lines and to traffic that terminates on Iowa Northern's lines.

CN also commits to maintaining existing carrier access to locations in current CN and Iowa Northern voluntary reciprocal switch tariffs. For Iowa Northern, industries open to Union Pacific via reciprocal switching on Iowa Northern at Manly and Waterloo will remain open. For CN, industries open to Union Pacific at Waterloo and Cedar Rapids, as well as industries open to the CRANDIC at Cedar Rapids, will remain open.

[7] As detailed in the Operating Plan, Iowa Northern currently interchanges traffic with Union Pacific at Manly and CPKC at Nora Springs.

Because the Board can find that the proposed Transaction will clearly not have any adverse competitive effects, the Board need not consider the public benefits that will result from the Transaction to find that it is minor. But the public interest benefits associated with the Transaction are substantial. Customers in a wide range of markets—including ethanol, fertilizer, and grain—will benefit from operational efficiencies and access to markets through new, more efficient single-line service on the combined CN-Iowa Northern system.[8] The Transaction will provide a firm financial foundation to enable a combined CN-Iowa Northern to continue providing safe, reliable local service to customers in Iowa.[9] The Transaction will also benefit the Iowa economy and local Iowa customers and communities by supporting the growth of local businesses via new, single-line service between points on Iowa Northern and locations throughout North America over CN's 18,600 miles of rail network.

Accordingly, Applicants respectfully request that the Board find that the Transaction is a minor transaction under 49 C.F.R. § 1180.2(c).

STANDARD OF REVIEW

Congress has mandated that, in proceedings such as this one that do not involve the merger or control of at least two Class I rail carriers, the Board "shall approve" the transaction unless it finds both that: "(1) as a result of the transaction, there is likely to be substantial lessening of competition, creation of a monopoly, or

[8] *See* Verified Statement of Sandra Ellis at 5, 7-13 ("V.S. Ellis").

[9] *See* Verified Statement of Daniel R. Sabin at 5 ("V.S. Sabin").

restraint of trade in freight surface transportation in any region of the United States; and (2) the anticompetitive effects of the transaction outweigh the public interest in meeting significant transportation needs." 49 U.S.C. § 11324(d).

The Board must approve a transaction under § 11324(d) unless it finds that it will cause "adverse competitive impacts that are both 'likely' and 'substantial.'"[10] Accordingly, the Board's "primary focus is on whether there would be adverse competitive impacts that are both likely and substantial."[11] If so, public interest factors are considered. But even then, the Board may not disapprove a transaction unless the anticompetitive impacts outweigh the public benefits of the transaction.[12]

As demonstrated in this Application, the Transaction would have no anticompetitive effects, let alone ones that are "likely" and "substantial." No shipper will go from two to one rail carrier options as a result of the Transaction. All existing Iowa Northern-interline carrier options will be preserved, and CN is committed to preserving that access on commercially reasonable terms. Moreover,

---

[10] Decision No. 6, *Norfolk S. Ry.—Acquisition & Operation—Certain Rail Lines of Del. & Hudson Ry.*, Docket No. FD 35873, slip op. at 14 (STB served May 15, 2015) ("*NS/D&H*"), *petition for rev. dismissed sub nom. Riffin v. STB*, No. 16-1043 (D.C. Cir. Mar. 31, 2017); Decision No. 16, *Canadian Nat'l Ry. & Grand Trunk Corp.—Control—EJ&E W. Co.*, Docket No. FD 35087, slip op. at 13 (STB served Dec. 24, 2008) ("*CN/EJ&E*") (same).

[11] *CN/EJ&E*, slip op. at 13; *see NS/D&H*, slip op. at 14 ("our primary focus is on the anticipated competitive effects").

[12] *See* 49 U.S.C. § 11324(d)(2); *NS/D&H*, slip op. at 14; Decision No. 5, *Paducah & Louisville Ry.—Acquisition—CSX Transp., Inc.,* Docket No. FD 34738, slip op. at 4 (STB served Nov. 18, 2005); *CN/EJ&E*, slip op. at 13.

even if there were any *de minimis* competitive impacts, the significant public benefits of the Transaction discussed herein would greatly outweigh such impacts.

Applicants therefore request that the Board approve the Transaction.

PROPOSED PROCEDURAL SCHEDULE

Applicants propose the following procedural schedule, consistent with the requirements of 49 U.S.C. § 11325.

DAY	DATE	ACTION
0	January 30, 2024	Application, related notices of exemption, and motion for protective order filed with the Board and served.
30	February 29, 2024	Board accepts application and establishes schedule.
45	March 15, 2024	Notices of intent filed with the Board.
62	April 1, 2024	Comments from all parties on application.
92	May 1, 2024	Responses to comments on application. Applicants' rebuttal in support of application.
135	June 13, 2024	Close of record.
180	July 26, 2024	Board serves final decision.
210	August 25, 2024	Board decision effective.

APPLICATION INFORMATION

In support of this Application, and pursuant to the Board's regulations at 49 C.F.R. Part 1180, Applicants submit the following information:

1180.6(a)(1)(i) ***A brief summary of the proposed transaction, the name of the applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.***

On December 6, 2023, GTC and Sellers executed a Unit Purchase Agreement ("UPA").[13] The UPA provides for the sale of Cable & Ives, LLC—100% owner of Iowa Northern—to GTC. The shares of Cable & Ives closed into an independent voting trust pursuant to 49 C.F.R. part 1013 pending review of the Transaction by the STB. In this Application, Applicants seek the Board's approval for CNR and GTC to acquire control of Iowa Northern.

The Applicants involved in the Transaction are Canadian National Railway Company and its indirect wholly owned subsidiary, Grand Trunk Corporation, and Iowa Northern Railway Company:

Canadian National Railway Company
935 de la Gauchetière West, 16th Floor
Montreal, Québec H3B 2M9
Tel: (888) 888-5909

Grand Trunk Corporation
17641 Ashland Avenue
Homewood, IL 60430
Tel: (708) 332-4490

Iowa Northern Railway Company
201 Tower Park Drive
Suite 300
Waterloo, IA 50701
Tel: (319) 297-6000

[13] *See* Ex. B, UPA.

Also involved in the Transaction as Sellers are:

Sabin Group Holdings, L.L.C.
201 Tower Park Drive
Suite 300
Waterloo, IA 50701

TCFII IANR SPE LLC
c/o Trive Capital
2021 McKinney Avenue, Suite 1200
Dallas, TX 75201

Questions and correspondence regarding this Application may be addressed to:

Matthew J. Warren
Sidley Austin LLP
1501 K Street NW
Washington, DC 20005
Tel: (202) 736-8000
mjwarren@sidley.com

1180.6(a)(1)(ii) The proposed time schedule for consummation of the proposed transaction.

As explained above, GTC signed and closed on an agreement to acquire 100% of the equity interest of Cable & Ives, LLC, which wholly owns Iowa Northern, from Sellers on December 6, 2023. In the meantime, the Transaction closed into a voting trust pursuant to STB rules and precedent, pending review of the Transaction by the Board. During the voting trust period, Iowa Northern continues to operate independently and is controlled by existing Iowa Northern management.[14]

[14] Ronald Batory, former Federal Railroad Administration Administrator, is the Trustee.

Applicants expect to consummate the proposed Transaction as soon as practicable after the Board's decision approving this Application becomes effective.

1180.6(a)(1)(iii) ***The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.***

CNR and GTC seek authority for the acquisition of control of Iowa Northern, which operates approximately 218 route miles in the state of Iowa. As described in more detail in Section 1180.6(a)(7)(vi) below, Iowa Northern's principal route runs from Cedar Rapids to Manly. Iowa Northern's Garner Subdivision extends between Forest City and Belmond, and it also has a branch line to Oelwein. CN's system connects to Iowa Northern at Waterloo and Cedar Rapids.

As explained in the verified statement of Daniel Sabin, Chairman of Iowa Northern, he led a group of investors to acquire Iowa Northern in 1994 when it was a 10-mph, grain-only railroad. Since that time, Iowa Northern has been transformed into a diversified operation with an upgraded system that handles more than 60,000 cars per year.[15]

The purpose of the Transaction is to support the long-term growth of rail traffic. CN carefully selected Iowa Northern as a complimentary addition to its U.S. network and believes that its investment in Iowa Northern will support growth, new efficient single-line service and market opportunities, and the resilience of the North American supply chain, while supporting reliable local service on the Iowa

[15] V.S. Sabin at 2.

Northern. CN plans to operate Iowa Northern as an integrated part of its overall operations.

The Transaction will result in more efficient single-line service, which will benefit shippers by opening up access to new market opportunities. As Sandra Ellis, Vice-President Bulk of CN, explains in her attached verified statement, the CN-Iowa Northern combination will connect Iowa Northern's network and customers in Iowa with CN's North American rail system, which spans three coasts, reaching major metropolitan centers in Canada and the United States as well as major U.S. and Canadian ports.[16] Iowa businesses and industries served by Iowa Northern will, as a result of the Transaction, enjoy new, more efficient and competitive single-line service to North American destinations, originations, and markets on CN's network.[17] In addition, and as described in the Operating Plan, single-line service will reduce the number of handling events, which in turn will reduce dwell time, and more efficient routing will reduce transit time. The CN-Iowa Northern single-line service will also meaningfully promote resilience in critical supply chains—including with regard to food products and biofuels—by increasing access to new markets and thus customers' optionality for moving their goods between a greater variety of origination and destination markets.[18]

[16] V.S. Ellis at 3, 5.

[17] *Id.* at 3-4.

[18] *See id.* at 8, 12-14.

CN recognizes that while much of Iowa Northern's traffic is currently interchanged to other railroads (including CN), there is also traffic transported between points on the Iowa Northern System. The Transaction would also support that important local service. CN's resources and access to capital will help Iowa Northern remain on a firm financial foundation to support continued safe, reliable, local service, both for interline traffic bound for points beyond Iowa and for movements local to the Iowa Northern system. As part of the CN network, Iowa Northern will have greater access to financial resources to make capital investments and support future growth.

Iowa Northern customers will also benefit from access to a broader range of railroad equipment, and improved equipment utilization, as a result of the Transaction. As explained in the Verified Statement of Sandra Ellis, Iowa Northern customers will be able to access CN's larger locomotive fleet, as well as a larger fleet of U.S. railroad-owned cars, including dedicated U.S. grain hopper cars.[19] CN is consulting with elevators and processors regarding anticipated demand and opportunity for growing inbound grain shipments by rail. CN expects to be able to dedicate railroad-owned cars year-round to Iowa to support this local business.[20] This local access, combined with the new single-line efficient route, will mean more

[19] *Id.* at 2, 4.

[20] *Id.* at 4.

railroad-owned equipment availability and better equipment utilization as a result of the Transaction.[21]

Expected increases in traffic as a result of the Transaction will produce increased revenue and increased earnings available for fixed charges, and reinvestment in Iowa Northern's infrastructure. Applicants estimate that a combined CN-Iowa Northern would increase its participation in traffic by 10,503 rail cars from other rail routes annually as a result of the Transaction, in addition to organic growth.[22] Additionally, 14,619 truck shipments would be diverted to a combined CN-Iowa Northern.[23]

Applicants also expect some cost synergies related to procurement, information technology, and other back office and overhead functions. But as described below, CN has no plans to reduce either CN's or Iowa Northern's craft workforce as a result of this Transaction. On the contrary, as described in the Operating Plan, CN expects to hire Transportation employees as a result of the Transaction.

The combination of CN and Iowa Northern will not pose any operational risk. CN and Iowa Northern currently connect at two points—Waterloo and Cedar Rapids. In 2022, CN and Iowa Northern interchanged approximately 29,000 cars. To ensure maximum operational flexibility, proposed mutual trackage rights

---

[21] *Id.*

[22] *See* Verified Statement of David T. Hunt at 3 & Ex. 2-1 ("V.S. Hunt"); *id.* § 5.

[23] *Id.* § 4.

between CCP and Iowa Northern are planned.[24] As described in more detail in the Operating Plan, modification to the interchange operations between CN and Iowa Northern will improve efficiency. For example, in Cedar Rapids, Iowa Northern will now deliver both its own and CN interchange traffic to CRANDIC and Union Pacific, and CRANDIC will deliver interchange traffic to CN and Iowa Northern in CN's Cedar Rapids Yard, which will streamline operations in downtown Cedar Rapids because the return interchange movements will be "light" (locomotives with no cars) which are faster and occupy grade crossings for less time. CN has extensive experience successfully integrating shortline acquisitions in the past, and CN will be drawing on that experience to pursue a successful integration once again.

1180.6(a)(1)(iv) ***The nature and amount of any new securities or other financial arrangements.***

No new securities have been or will be issued in connection with the Transaction. The financial arrangement for the Transaction is the payment of the purchase price by GTC, which was subject to certain adjustments, including for debt and certain transaction costs, as provided in the UPA (see Section 1180.6(a)(2)(ii) below).

1180.6(a)(2) ***A detailed discussion of the public interest justifications in support of the application, indicating how the proposed transaction is consistent with the public interest, with particular regard to the relevant statutory criteria, including:***

1180.6(a)(2)(i) ***The effect of the transaction on inter- and intramodal competition, including a description of***

[24] *See* Verified Notices of Exemption, Docket Nos. FD 36744 (Sub-No. 1) and (Sub-No. 2).

the relevant market (see § 1180.7). Include a discussion of whether, as a result of the transaction, there is likely to be any lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States.

The proposed Transaction will not result in a lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation. Indeed, the proposed Transaction—which involves only approximately 218 route miles located entirely in Iowa—will have no negative competitive impacts.

First, there are no two-to-one rail customer locations—*i.e.*, no shipper has access exclusively to both CN and Iowa Northern.[25] As such, no shipper will lose competitive rail access as a result of the Transaction. Although the Board's focus is generally on preserving competition between two rail carriers,[26] Applicants also note that there are only three potential three-to-two customers.[27] Those customers currently have access to CN, Iowa Northern, and Union Pacific, and CN commits to ensuring continued access to Union Pacific.

Second, CN will preserve existing access between Iowa Northern and other railroads. Iowa Northern currently interchanges with three Class I railroads (including CN) and one shortline. As described in more detail in the Operating Plan, there are no anticipated changes to the interchange with CPKC at Nora Springs or

---

[25] V.S. Hunt § 6.

[26] *See, e.g.*, *Union Pac. Corp., et al.—Control & Merger—S. Pac. Rail Corp., et al.*, 1 S.T.B. 233, 351 (1996).

[27] V.S. Hunt § 6 & Exhibit 6-1.

with Union Pacific at Manly, Waterloo, and Cedar Rapids. Interchange operations with CRANDIC in Cedar Rapids will be streamlined, not eliminated. Following consummation of the Transaction, Iowa Northern would deliver both its own and CN interchange traffic to Union Pacific and then the CRANDIC in Cedar Rapids before arriving in CN's Cedar Rapids Yard to pick up northbound cars. The CRANDIC would bring interchange traffic for both CN and Iowa Northern to CN's Cedar Rapids Yard. These operational changes would render two interchange movements "light" (locomotives with no cars) in downtown Cedar Rapids. This change will minimize the impacts to Union Pacific's 4th Street Corridor, which currently has maximum car limits and operating window restrictions. As noted above, CN is committing to provide Iowa Northern customers with commercially reasonable rates and service for such interline traffic between Iowa Northern and these other carriers.

Third, the Iowa Northern system complements the CN system. Currently, CN and Iowa Northern connect at Waterloo and Cedar Rapids. There are no duplicative lines, and no abandonments or discontinuances are anticipated as a result of the Transaction. Indeed, coordinated operations between the CN and Iowa Northern lines in Wateroo and Cedar Rapids will create capacity in existing yards and simplify operations. A combined CN-Iowa Northern will support growth of rail traffic.

Fourth, the creation of more efficient, single-line service will create increased opportunities to divert traffic from truck to rail. As David Hunt, Vice President with

Oliver Wyman, explains in his attached Verified Statement, the Transaction could enable CN to remove an estimated 14,619 trucks from roads *each year*, resulting in public benefits including reduced carbon emissions, reduced highway congestion, and reduced public expenditures for highway maintenance.[28] Some of the primary truck-hauled commodities that could be diverted off the roads include agriculture and food products, chemicals, lumber, machinery, and transportation equipment.[29] Competition with other modes will thus improve.

As explained herein, the Transaction will preserve and promote competition. CN has committed to preserving access between Iowa Northern and other carriers. Through the Transaction, a combined CN-Iowa Northern will be able to provide more efficient and more economical service, providing customers with access to new market opportunities, while supporting reliable local service on Iowa Northern's lines. It will also enable a combined CN-Iowa Northern to compete more effectively in the region with trucks.

1180.6(a)(2)(ii) ***The financial consideration involved in the proposed transaction, and any economies, to be effected in operations, and any increase in traffic, revenues, earnings available for fixed charges, and net earnings, expected to result from the consummation of the proposed transaction.***

Pursuant to the terms of the UPA, at closing GTC purchased the membership interests of Cable & Ives, LLC for a purchase price of approximately $230 million

[28] V.S. Hunt § 4.

[29] *Id.* § 4.1.

(USD), on a cash-free debt-free basis and subject to certain other adjustments, including repaying all outstanding indebtedness of Cable & Ives, LLC.

As described herein and in the Operating Plan, Applicants expect that there will be some economies realized in operations. Reducing the number of handling events will reduce dwell time and operating costs. More efficient single-line routing will improve transit time. Applicants anticipate that a combined CN-Iowa Northern would increase its participation in traffic by approximately 10,503 rail carloads from other rail routes and that over 14,619 trucks would be removed from highways and diverted to a combined CN-Iowa Northern annually as a result of the Transaction,[30] in addition to organic growth. Increases in traffic will produce increased revenue, increased earnings available for fixed charges, and net earnings, available for reinvestment in Iowa Northern's lines. Applicants also expect cost synergies related to procurement, information technology, and other back office and overhead functions.

1180.6(a)(2)(iii) ***The effect of the increase, if any, of total fixed charges resulting from the proposed transaction.***

No increase in fixed charges (*i.e.*, interest and other financial charges) will be incurred as a result of the Transaction.

1180.6(a)(2)(iv) ***The effect of the proposed transaction upon the adequacy of transportation service to the public, as measured by the continuation of essential transportation services by applicants and other carriers.***

[30] V.S. Hunt §§ 4–5.

The Transaction will preserve the competitive status quo. Iowa Northern customers will continue to have access to existing interline options on commercially reasonable terms. Iowa Northern will continue to provide local rail service while also connecting Iowa Northern's network to CN's broader network to offer customers new more efficient single-line routings and access to new markets. The Transaction will thus preserve essential transportation options by ensuring that Iowa Northern can continue to provide safe, reliable local service to its customers and critical industries in Iowa while also creating new transportation options across CN's broader network. Essential services provided by other carriers will not be affected by the Transaction. No anticipated diversion of traffic from other rail carriers or trucks will adversely affect essential transportation services provided by other carriers.

1180.6(a)(2)(v) ***The effect of the proposed transaction upon applicant carriers' employees (by class or craft), the geographic points where the impact will occur, the time frame of the impact (for at least 3 years after consolidation), and whether any employee protection agreements have been reached.***

CN recognizes the importance of Iowa Northern railroaders in reaching the growth potential of a combined CN-Iowa Northern, and it is CN's expectation that all existing craft employees on the Iowa Northern will be needed for operations on the Iowa Northern to help this combination succeed.[31] Indeed, the UPA includes provisions for a retention bonus for all current Iowa Northern employees. CN wants

[31] *See* Verified Statement of Tracy A. Robinson, at 6 ("V.S. Robinson"); Operating Plan at 31.

Iowa Northern employees to stay at the company for the long term and support the growth of the combined CN-Iowa Northern. As SMART-TD states in its letter of support, a combined CN-Iowa Northern solidifies job security.[32] Labor impacts are addressed in more detail in the Operating Plan.

The Transaction is an acquisition of control of a Class III rail carrier subject to Board approval pursuant to 49 U.S.C. § 11323(a). In accordance with 49 U.S.C. § 11326 and Board precedent, Applicants agree to imposition of the employee protective conditions set out in *New York Dock Railway Control Brooklyn Eastern District Terminal*, 360 I.C.C. 60 (1979), *affirmed New York Dock Railway v. United States*, 609 F.2d 83 (2d Cir. 1979).

As explained in the related Verified Notices of Exemption, the appropriate labor protective conditions for those trackage rights transactions are those set out in *Norfolk & Western Railway—Trackage Rights—Burlington Northern, Inc.*, 354 I.C.C. 605 (1978), *modified sub nom. Mendocino Coast Railway—Lease & Operate—California Western Railroad*, 360 I.C.C. 653 (1980), and Applicants agree to imposition of those protective conditions as well.

As described in the Operating Plan, prior to any rearrangement of forces made possible by the Transaction, CN will reach implementing agreements, to the extent necessary and pursuant to the *New York Dock* conditions, for each of the crafts affected by a rearrangement of forces. Implementing agreements will be

[32] *See* Appendix C, Letter from Jeremy R. Ferguson and Adren Crawford (Jan. 29, 2024).

reached with the respective union(s) representing craft employees or, in the case of unrepresented employees, with the employees themselves. As necessary, implementing agreements will be sought pursuant to the *Norfolk & Western* conditions with respect to the trackage rights described in Docket Nos. FD 36744 (Sub-Nos. 1 and 2).

1180.6(a)(2)(vi) ***The effect of inclusion (or lack of inclusion) in the proposed transaction of other railroads in the territory, under 49 U.S.C. 11324.***

Inclusion is not available as a form of relief in a minor transaction. In any event, there is no basis for including another railroad in the Transaction because the Transaction will not adversely affect the ability of any other carrier to provide essential services.

1180.6(a)(3) ***Any other supporting or descriptive statements applicants deem material.***

As explained above, the Transaction clearly will not have any anticompetitive effects, let alone ones that are "likely" and "substantial." There will be no shippers that go from two-to-one rail carrier options as a result of the Transaction, and all existing options between Iowa Northern and other railroads will be preserved. Except for changes to CN-Iowa Northern interchange to ensure maximum operating efficiency, Iowa Northern will continue to interchange with the same connecting carriers where it interchanges traffic today. Further, CN is committing to maintain existing active gateways open on commercially reasonable terms, as discussed above. Because the Transaction will not cause adverse competitive impacts that are both likely and substantial, the Board must approve the Transaction.

Applicants also note the substantial public benefits associated with the Transaction. As described in the Verified Statements of Tracy Robinson, Daniel Sabin, and Sandra Ellis, the Transaction will offer significant public benefits. CN's Chief Executive Officer, Tracy Robinson, explains in her Verified Statement how the Transaction will offer Iowa Northern customers new efficiencies and market opportunities via single-line service on CN's North American network.[33] Iowa Northern customers will be better positioned to respond to the needs of their existing markets and to reach new markets. The Transaction will also ensure that Iowa Northern customers will continue to enjoy safe, reliable local service, giving Iowa Northern greater access to financial resources to make capital investments to support future growth.[34] A wide range of Iowa industries and businesses will benefit from the Transaction, which will accelerate sustainable growth opportunities for all parties involved. Daniel Sabin, the Chairman of Iowa Northern, agrees that CN's investment in Iowa Northern will create growth opportunities while preserving access to other railroads and transportation options and will also provide Iowa Northern with stability moving forward.[35]

Sandra Ellis, Vice President Bulk of CN, provides more details about these public benefits in her Verified Statement. For example, she explains how, as a result of the Transaction, Iowa Northern grain customers will enjoy more efficiency,

[33] V.S. Robinson at 2-3.

[34] *Id.* at 5-6.

[35] V.S. Sabin at 4.

optionality, and resiliency—allowing them to spread their commercial risk across a broader geography in the event of unexpected events impacting their supply chains.[36] Other customers, including those who ship ethanol and other renewable fuels, will benefit from new single-line access to key points on CN's network, such as storage and export facilities and high-demand markets, offering more sales optionality that will benefit Iowa farmers with enhanced netbacks and demand resilience.[37] For Iowa Northern customers producing fertilizers, CN's rich origination franchise can supply key sources for these facilities through a single-line haul—meaning less transit time, less handling, less costs, more competition, and more efficient supply chains.[38] In addition, CN's ability to convert traffic from truck to rail at river locations increases competition among transportation modes and offers new options for lowering the carbon impacts of transportation.[39] Regardless of commodity, the Transaction will offer benefits to Iowa Northern customers and the public—from new single-line service efficiencies, to taking trucks off the road, to improved equipment utilization, to preserving active existing gateways on commercially reasonable terms, to strengthening the resilience of supply chains, to helping customers be more competitive in their markets, to supporting reliable local service on Iowa Northern's lines, and more.

---

[36] V.S. Ellis at 12.

[37] *Id.* at 8-9.

[38] *Id.* at 13.

[39] *Id.*

Finally, public officials, including Iowa state senators and the Mayors of Cedar Falls, Cedar Rapids, and Waterloo, and others, including SMART-TD, have recognized this beneficial opportunity, as shown in their support letters attached at Appendix C.

1180.6(a)(4) ***An opinion of applicants' counsel that the transaction meets the requirements of the law and will be legally authorized and valid, if approved by the Board. This should include specific references to any pertinent provisions of applicants' bylaws or charter or articles of incorporation.***

The opinions of counsel are set forth in Appendix A.

1180.6(a)(5) ***A list of the State(s) in which any part of the property of each applicant carrier is situated.***

GTC's U.S. rail operating subsidiaries report to the Board on a consolidated Class I basis, and operate approximately 5,453 route miles in the United States in the following states:

- Grand Trunk Western Railroad Company: Illinois, Indiana, Michigan, and Ohio[40]
- Wisconsin Central, Ltd.: Illinois, Indiana, Michigan, Minnesota, and Wisconsin
- Illinois Central Railroad Company: Alabama, Illinois, Kentucky, Louisiana, Mississippi, and Tennessee[41]
- Bessemer and Lake Erie Railroad Company: Ohio and Pennsylvania

[40] GTW also has non-rail property assets in Massachusetts.

[41] Illinois Central also has non-rail property in South Dakota and Wisconsin.

- Chicago, Central & Pacific Railroad Company: Illinois, Iowa, and Nebraska
- Cedar River Railroad Company: Iowa and Minnesota
- The Pittsburgh & Conneaut Dock Company: Ohio
- Sault. Ste Marie Bridge Company: Michigan and Wisconsin
- Waterloo Railway Company: Mississippi and Maine
- Wisconsin Chicago Link Ltd.: Illinois
- Canadian National Railway Company: Minnesota, New York, and Vermont.

Iowa Northern is a Class III carrier that operates approximately 218 route miles in the state of Iowa.

1180.6(a)(6) ***Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.***

Exhibit 1 contains Map A showing CN's entire system, Map B showing CN's U.S. system, and Map C showing Iowa Northern's system.

1180.6(a)(7)(i) ***Describe the nature of the transaction (e.g., merger, control, purchase, trackage rights), the significant terms and conditions, and the consideration to be paid (monetary or otherwise).***

Applicants seek authority from the Board for CNR and GTC to acquire control of Iowa Northern, as described above in Section 1180.6(a)(1)(i). The terms of the Transaction are set forth in the UPA set forth in Exhibit 2. The consideration

for GTC's purchase of Iowa Northern is set forth above in Section 1180.6(a)(2)(ii) and in Exhibit 2.

1180.6(a)(7)(ii) ***Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction. In addition, parties to exempt trackage rights agreements and renewal of agreements described at § 1180.2(d)(7) must submit one copy of the executed agreement or renewal agreement with the notice of exemption, or within 10 days of the date that the agreement is executed, whichever is later.***

A redacted copy of the UPA between GTC and Sellers is provided in Exhibit 2. An unredacted copy of the UPA is being submitted along with a motion for protective order to protect commercially sensitive information in the UPA from public disclosure.

1180.6(a)(7)(iii) ***If a consolidation or merger is proposed indicate: (A) The name of the company resulting from the consolidation or merger; (B) the State or territory under the laws of which the consolidated company is to be formed or the merged company is to file its certificate of amendment; (C) the capitalization proposed for the resulting company; and (D) the amount and character of the capital stock and other securities to be issued.***

Not applicable. Pursuant to the UPA, GTC would acquire 100% of the equity interest of Cables & Ives, LLC, which wholly owns Iowa Northern. Immediately upon taking Cable & Ives, LLC out of the voting trust, Iowa Northern will thus be an indirect subsidiary of GTC.

1180.6(a)(7)(iv) ***Court Order (exhibit 3). If a trustee, receiver, assignee, or personal representative of the real party in interest is an applicant, submit a certified***

copy of the order, if any, of the court having jurisdiction, authorizing the contemplated action.

Not applicable.

1180.6(a)(7)(v) ***State whether the property involved in the proposed transaction includes all the property of the applicant carriers and, if not, describe what property is included in the proposed transaction.***

The Transaction includes nearly all of the property of Iowa Northern.[42] The Transaction does not involve all of the property of CN.

1180.6(a)(7)(vi) ***Briefly describe the principal routes and termini of the lines involved, the principal points of interchange on the routes, and the amount of main-line mileage and branch line mileage involved.***

Iowa Northern is a Class III carrier that operates entirely in the state of Iowa. Iowa Northern operates over approximately 218 route miles, comprised of the following:

- Iowa Northern owns its principal route, on its Cedar Rapids and Manly Subdivisions, which runs northwest from Cedar Rapids, IA to Manly, IA for approximately 116.7 miles.
- Iowa Northern connects its lines between Cedar Falls and Waterloo via overhead trackage rights over approximately 8.7 miles of CCP (an indirect U.S. rail operating subsidiary of GTC) track.

[42] The only exception is property used exclusively in connection with the Manly Junction Railroad Museum, which will be conveyed to Daniel Sabin pursuant to the terms of the UPA.

- Iowa Northern's Garner Subdivision between Forest City, IA and Belmond, IA, is approximately 27.9 miles. Iowa Northern leases this track from the North Central Iowa Rail Corridor ("NCIRC").
- Iowa Northern has access from its principal route to the Garner Subdivision via approximately 30.2 miles of overhead trackage rights from Nora Springs, IA to Garner, IA, on the Canadian Pacific Kansas City Limited ("CPKC").
- Iowa Northern owns a branch line (Oelwein Subdivision), which extends approximately 22.5 miles from Dewar, IA to Oelwein, IA.
- Iowa Northern has access to the Oelwein Subdivision via the Waterloo Industrial Lead, an approximately 6.9-mile segment of track that Iowa Northern leases from Union Pacific.
- Iowa Northern operates over a small portion (3.8 miles) of Union Pacific track in Cedar Rapids via trackage rights.
- Iowa Northern also owns its Cedar Falls Utility Spur, which is approximately 1.75 miles. As noted below in Section 1180.8(c) and the Operating Plan, Iowa Northern has been working with the City of Cedar Falls toward the removal of this inactive freight track.

Iowa Northern interchanges directly with the following three Class I carriers and one shortline carrier at the following locations in Iowa:

- Union Pacific at Manly and Cedar Rapids,[43]

[43] At Waterloo, Iowa Northern also has a "paper" interchange with Union Pacific where cars handled by Iowa Northern as a handling carrier for Union Pacific from Waterloo, Armour, and Dewar shift into Union Pacific's haulage account, but are

- CPKC at Nora Springs,
- CN at Waterloo and Cedar Rapids, and
- CRANDIC at Cedar Rapids.

As described in more detail in the Operating Plan, CN anticipates streamlining interchange operations in both Waterloo and Cedar Rapids. CN plans to reroute traffic from Chicago destined for interchange with Union Pacific and CRANDIC in Cedar Rapids through Waterloo. This modification will allow Iowa Northern to deliver its own and CN's interchange traffic at the same time first to Union Pacific's North Yard and then to CRANDIC in its yard while CRANDIC will deliver interchange traffic for both CN and Iowa Northern to CN's Cedar Rapids Yard. This operational change will reduce the impact of the return movements which will be "light" (locomotives with no cars) in downtown Cedar Rapids. In Waterloo, CN is moving interchange activities into its Waterloo Yard from designated interchange tracks, which together with the exchange of trackage rights between Iowa Northern CCP will improve the overall fluidity of CN's yard operations and reduce blocked crossings. There are no anticipated changes to the interchange with CPKC at Nora Springs or with Union Pacific at Manly and Waterloo as a result of the Transaction.

handled by Iowa Northern all the way to Cedar Rapids (and a physical interchange between Iowa Northern and Union Pacific) pursuant to a haulage arrangement with Union Pacific.

1180.6(a)(7)(vii) ***State whether any governmental financial assistance is involved in the proposed transaction and, if so, the form, amount, source, and application of such financial assistance.***

No governmental financial assistance is involved in the Transaction.

1180.6(a)(8) ***Environmental data (exhibit 4). Submit information and data with respect to environmental matters prepared in accordance with 49 CFR part 1105. In major and significant transactions, applicants shall, as soon as possible, and no later than the filing of a notice of intent, consult with the Board's Office of Environmental Analysis for the proper format of the environmental report.***

The Transaction will not result in activity that requires the preparation of an environmental report under 49 C.F.R. part 1105. As noted below, none of the applicable "energy" or "air" thresholds in 49 C.F.R. § 1105.7(e)(4) or (5) will be exceeded. *See* 49 C.F.R. § 1105.6(c)(1) (indicating acquisitions that do not result in significant changes in carrier operations require no environmental documentation). Nonetheless, Applicants have consulted with the Board's Office of Environmental Analysis to ensure adequate consideration of environmental and energy factors.

The Transaction will not significantly change the transportation of energy resources.[44] Modeling results indicate that the Transaction will instead result in a diversion of 14,619 long-haul trucks to rail[45] lowering greenhouse gas emissions for

[44] Environmental documentation is not required where the Transaction will not exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4). 49 C.F.R. § 1105.6(c)(1).

[45] *See* V.S. Hunt § 4.

those diverted hauls and providing a net environmental benefit.[46] Consequently, the Transaction will not result in rail-to-car diversions above the applicable thresholds in 49 C.F.R. § 1105.7(e)(4)(iv) as no such diversions are expected. The Transaction will not have an effect on recyclable commodities, 49 C.F.R. § 1105.7(e)(4)(i). Additionally, the Transaction will not increase or decrease overall energy efficiency, *id.* at 1105.7(e)(4)(ii).

Similarly, the Transaction will not significantly change air quality. The thresholds for significance regarding air quality impacts in 49 C.F.R. § 1105.7(e)(5) are contingent upon the status of the air shed in the location of the transaction. Here, the Iowa Northern system is located entirely in attainment areas; there are no non-attainment or Class I air areas affected by the Transaction. Thus, the applicable significance thresholds are: (1) an increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment, (2) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles per day on any affected road segment. 49 C.F.R. § 1105.7(e)(5)(i)(A)–(C). The Transaction will not exceed any of these thresholds and, given the resulting truck-to-rail diversions, the Transaction will not negatively affect air quality.

---

[46] *See* Ass'n of Am. R.R.s, THE POSITIVE ENVIRONMENTAL EFFECTS OF INCREASED FREIGHT BY RAIL MOVEMENTS IN AMERICA, at p. 1, 3 (June 2020), https://www.aar.org/wp-content/uploads/2020/06/AAR-Positive-Environmental-Effects-of-Freight-Rail-White-Paper-62020.pdf (moving freight by rail instead of truck lowers greenhouse gas emissions by up to 75% on average).

First, the Transaction will not result in an increase in rail traffic of either 100 percent (measured in gross ton miles annually) or eight trains a day on any segment. The Transaction is expected to result in annual diversions of 10,503 rail carloads from other rail routes and 14,619 trucks from the road each year.[47] Taken together, this translates to approximately 52 carloads/containers per day.[48]

Rail traffic on each segment affected by the Transaction will not increase by more than a single train per day as a result of the Transaction, as shown below in Table 1:

Table 1. Anticipated Change in Rail Traffic by Subdivision and Line Segment in Year 3 (2027)[49]

Subdivision / Segment	Pre-Transaction Trains Per Day	Post-Transaction Trains Per Day	Change Resulting from Transaction
IANR Manly / Manly–Waterloo	2	2	0
IANR Cedar Rapids / Waterloo–Cedar Rapids	2	2	0
IANR Oelwein / Waterloo–Oelwein	1	1	0
IANR Garner / Forest City–Belmond	<1	<1	0
CN Waterloo / Tara–Waterloo	2	2	0
CN Dubuque / Waterloo–Manchester	3	4	1
CN Cedar Rapids / Manchester–Cedar Rapids	2	2	0

[47] V.S. Hunt §§ 4–5.

[48] *See id.*, Highly-Confidential-Diversion-Hunt-Workpaper.

[49] Table 1 does not reflect projections for non-transaction related organic growth. Pre-transaction trains per day reflect 2022 data.

Subdivision / Segment	Pre-Transaction Trains Per Day	Post-Transaction Trains Per Day	Change Resulting from Transaction
CN Dubuque / Manchester–Dubuque	4	5	1
CN Dubuque / Dubuque–Freeport	5	6	1
CN Freeport / Freeport–Chicago (16th Street)	4	5	1
CN Chicago / Chicago (16th Street)–Matteson	4	5	1
CN Matteson / Matteson–Gary (Kirk Yard)	40	41	1

In addition, the increased traffic will not exceed the 100% gross ton miles (GTMs) threshold either, as illustrated by Table 2.

Table 2. Anticipated Change in Gross Ton Miles by Subdivision and Line Segment in Year 3 (2027)[50]

Subdivision / Segment	Pre-Transaction GTMs	Post-Transaction GTMs	Change Resulting from Transaction
IANR Manly / Manly–Waterloo	3.3	4.1	24%
IANR Cedar Rapids / Waterloo–Cedar Rapids	3.8	3.3	-14%
IANR Oelwein / Waterloo–Oelwein	2.7	2.7	0%
IANR Garner / Forest City–Belmond	<2	<2	0%
CN Waterloo / Tara–Waterloo	8.0	8.0	0%
CN Dubuque / Waterloo–Manchester	11.9	14.0	18%

[50] Table 2 does not reflect projections for non-transaction related organic growth. Pre-transaction GTMs reflect 2022 data.

Subdivision / Segment	Pre-Transaction GTMs	Post-Transaction GTMs	Change Resulting from Transaction
CN Cedar Rapids / Manchester–Cedar Rapids	1.5	1.1	-22%
CN Dubuque / Manchester–Dubuque	12.8	15.0	17%
CN Dubuque / Dubuque–Freeport	13.9	16.1	15%
CN Freeport / Freeport–Chicago (16th Street)	9.6	11.7	22%
CN Chicago / Chicago (16th Street)–Matteson	8.1	10.2	27%
CN Matteson / Matteson–Gary (Kirk Yard)	56.2	58.3	4%

Second, the Transaction will not result in an increase in rail yard activity of 100 percent. Rather, as explained in the Operating Plan, the anticipated operating changes are designed to streamline existing interchanges between CN and Iowa Northern, reduce the number of handlings for interchange traffic, and consume less capacity, resulting in a net decrease in activity at two of the three affected rail yards over the 2022 baseline as shown in Table 3, below.

Table 3. Anticipated Change in Rail Yard Activity in Year 3 (2027)[51]

Rail Yard	Change Resulting From Transaction
CN Waterloo	40%
IANR Bryant Yard	-3% (decrease)
CN Cedar Rapids Yard	-14% (decrease)

[51] Table 3 does not reflect projections for non-transaction related organic growth. While CN's Waterloo Yard is projected to have an increase in yard activity, CN has plans (described further in the Operating Plan) to help improve overall fluidity and reduce blocked crossings.

Third, and finally, the Transaction will not cause an average increase in truck traffic of more than 10 percent or 50 vehicles. To the contrary, and as stated above, the Transaction is expected to remove 14,619 long-haul trucks from the road per year.

For these reasons, the Transaction is not subject to environmental reporting requirements. *See* 49 C.F.R. § 1105.6(c).

Similarly, the Transaction does not require an historic report under 49 C.F.R. § 1105.8(b) because the Transaction is "for the purpose of continued rail operations where further STB approval is required to abandon any service and there are no plans to dispose of or alter properties subject to STB jurisdiction that are 50 years old or older." 49 C.F.R. § 1105.8(b)(l).

1180.8(c) ***Operational Data. For minor transactions: Operating plan-minor (exhibit 15). Discuss any significant changes in patterns or types of service as reflected by the operating plan expected to be used after consummation of the transaction. Where relevant, submit information related to the following: (1) Traffic level density on lines proposed for joint operations. (2) Impacts on commuter or other passenger service operated over a line which is to be downgraded, eliminated, or operated on a consolidated basis. (3) Operating economies, which include, but are not limited to, estimated savings. (4) Any anticipated discontinuances or abandonments.***

See attached Operating Plan (Exhibit 15).

(1) Traffic level density on lines proposed for joint operations. There are no lines involved in the Transaction that will be used in joint operations with other carriers as a result of the proposed Transaction.

(2) Impacts on commuter or other passenger service operated over a line which is to be downgraded, eliminated, or operated on a consolidated basis. As explained in the operating plan, the Transaction is expected to have no impact on any commuter or other passenger service operating on any CN line, and Iowa Northern currently hosts no passenger service.

(3) Operating economies, which include, but are not limited to, estimated savings. As explained further in the Operating Plan, Applicants anticipate that there will be some cost synergies related to duplicative or overlapping procurement, information technology, and other back office and overhead functions. Moreover, Applicants anticipate that the opportunities the Transaction presents for more single-line service will reduce the number of handling events and interchanges, thus reducing operating costs and dwell time. Applicants also will benefit from increased operational flexibility and efficiency from the mutual exchange of trackage rights proposed in the related transactions.

(4) Any anticipated discontinuances or abandonments. There are no planned abandonments or discontinuances as a result of this Transaction. Applicants note that Iowa Northern has been working with the City of Cedar Falls toward the removal of Iowa Northern's Cedar Falls Utility Spur. CN will cooperate with pre-existing efforts by the City of Cedar Falls to abandon and remove this track after it assumes control of Iowa Northern, including obtaining any necessary STB authority.

1180.11(a) ***Transnational and other informational requirements. For applicants whose systems include***

operations in Canada or Mexico, applicants must explain how cooperation with the Federal Railroad Administration would be maintained to address potential impacts on operations within the United States of operations or events elsewhere in their systems.

GTC's U.S. rail operating subsidiaries operate approximately 5,453 route miles in the United States, which connect with approximately 13,147 miles that CNR operates in Canada. GTC's U.S. rail operating subsidiaries cooperate with the Federal Railroad Administration ("FRA") on a variety of safety issues at both the regional and national level. Cooperation with FRA will be maintained consistent with current practice for GTC's existing operating railroad subsidiaries in the United States.

1180.11(b) ***All applicants must assess whether any restrictions or preferences under foreign or domestic law or policies could affect their commercial decisions, and discuss any ownership restrictions applicable to them.***

None.

CONCLUSION

For the reasons set forth above, Applicants respectfully request that the Board grant this Application in its entirety.

Respectfully submitted,

/s/ Matthew J. Warren

Olivier Chouc
CN
935 de la Gauchetière Street West
16th Floor
Montréal, QC H3B 2M9
CANADA

Kathryn J. Gainey
CN
975 F Street NW
Washington, DC 20004

Matthew J. Warren
Allison C. Davis
Sidley Austin LLP
1501 K Street NW
Washington, DC 20005
(202) 736-8000
mjwarren@sidley.com

Counsel for Canadian National Railway Company and Grand Trunk Corporation

Kevin M. Sheys
Law Office of Kevin M. Sheys LLC
42 Brush Hill Road
Sherborn, MA 01770
(240) 463-4663
ksheys@railreglaw.com

Counsel for Iowa Northern Railway Company

Dated: January 30, 2024

PUBLIC VERSION

SIGNATURE OF APPLICANT'S OFFICER

49 C.F.R. 1180.4(C)(2)(I)

I, Derek M. Taylor, declare under penalty of perjury that I am Executive Vice-President and Chief Field Operating Officer of Canadian National Railway Company ("CNR"), and Executive Vice-President, Chief Field Operating Officer of Grand Trunk Corporation ("GTC"), which is an indirect wholly-owned subsidiary of CNR. I am duly authorized to sign, to verify, and to file this Application on behalf of CNR and GTC. The statements in this Application are true and correct to the best of my knowledge and belief.

Executed on this 30th day of January, 2024.

Derek M. Taylor

PUBLIC VERSION

SIGNATURE OF APPLICANT'S OFFICER

49 C.F.R. 1180.4(C)(2)(I)

I, Daniel R. Sabin, declare under penalty of perjury that I am Chairman of Iowa Northern Railway Company. I am duly authorized to sign, to verify, and to file this Application on behalf of Iowa Northern Railway Company. The statements in this Application are true and correct to the best of my knowledge and belief.

Executed on this 30th day of January, 2024.

Daniel R. Sabin

PUBLIC VERSION

CERTIFICATE OF SERVICE

I hereby certify that, on this 30th day of January 2024, the foregoing Application in Docket No. FD 36744, including all exhibits, appendices, and attachments thereto, as well as the related Verified Notices of Exemption in Docket Nos. 36744 (Sub-No. 1) and (Sub-No. 2), were served by first-class mail on all persons designated in 49 C.F.R. § 1180.4(c)(5), and by first-class mail or more expeditious means on all parties of record in this proceeding.

/s/ Morgan B. Lindsay
Morgan B. Lindsay

APPENDIX A

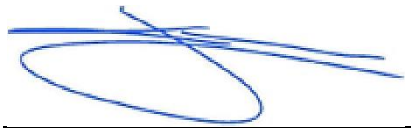
OPINIONS OF COUNSEL

PUBLIC VERSION

OPINION OF COUNSEL

As counsel for Canadian National Railway Company ("CNR"), an applicant herein, I have reviewed the foregoing Application and am generally familiar with the transaction proposed therein. It is my opinion that the proposed transaction meets the requirements of the law, is within the corporate powers of CNR, and will be legally authorized and valid, if approved by the Surface Transportation Board.

Executed on this 30th day of January, 2024.



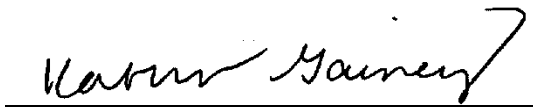
Olivier Chouc

PUBLIC VERSION

OPINION OF COUNSEL

As counsel for Grand Trunk Corporation ("GTC"), an applicant herein, I have reviewed the foregoing Application and am generally familiar with the transaction proposed therein. It is my opinion that the proposed transaction meets the requirements of the law, is within the corporate powers of GTC, and will be legally authorized and valid, if approved by the Surface Transportation Board.

Executed on this 30th day of January, 2024.



Kathryn J. Gainey

APPENDIX B

VERIFIED STATEMENTS

VERIFIED STATEMENT OF TRACY A. ROBINSON

PUBLIC VERSION

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36744

CANADIAN NATIONAL RAILWAY COMPANY
AND GRAND TRUNK CORPORATION
—CONTROL—
IOWA NORTHERN RAILWAY COMPANY

APPLICATION

VERIFIED STATEMENT OF TRACY A. ROBINSON

My name is Tracy Robinson. I am President and Chief Executive Officer of Canadian National Railway Company and its U.S. rail carrier subsidiaries (collectively, "CN"). The purpose of this Verified Statement is to explain the benefits that CN anticipates will be generated through its proposed acquisition of Iowa Northern for CN, Iowa Northern, customers, employees, and the general public. I came to CN two years ago after a long career as a railroader and executive. Prior to my current position, I served as Executive Vice-President of TC Energy Corporation, President of Canadian Natural Gas Pipelines, and President of Coastal GasLink. I also previously worked at Canadian Pacific Railway for 27 years where I served in executive roles in the commercial, finance and operating functions.

CN's operating vision is to deliver great customer service by running a scheduled railroad. By running a scheduled railroad, we will position our customers to win in their markets, and when they win, we win. Our "make the plan, run the plan, sell the plan" approach is all about ensuring that we have the

capabilities to reliably serve our customers, and to move the economy. Our operating model is premised on three concepts: make the plan, run the plan, and sell the plan. CN develops a central plan that accounts for and optimizes all the volume across our network and the unique characteristics and features of that network (make the plan) and then executes the plan given the ever-changing and sometimes challenging real-world conditions on the network (run the plan). The plan is dynamic and is adjusted as needed, including based on changes in volume, seasonality, and traffic mix. Our operating team works together with our commercial team to understand the evolving needs of our customers, and to plan for any changes in volumes, including investing in capacity expansions where required (sell the plan). The results speak for themselves. Average car velocity increased to 213 miles per day in 2023—a 9% improvement over 2022. The plan not only drives velocity, it drives reliability and builds operational resiliency. And it also furthers our safety mission. At CN, safety is at the core of everything we do and guides every decision we make. Safe rail operations are critical to our employees, customers, and the communities and environments through which our trains travel. By strictly adhering to the plan, CN has been better able to move traffic efficiently and safely, serve customers consistently, and pursue exciting growth opportunities with existing and new customers.

CN is dedicated to long-term growth. CN is taking a long-term approach to its growth mandate and its network. CN's proposed combination with the Iowa Northern will benefit customers, providing them with better market access and

more efficient transportation options. CN carefully selected Iowa Northern as a complementary addition to our U.S. network. CN's investment in Iowa Northern will support the long-term growth of rail traffic, new efficiencies and market opportunities, and the resilience of North American supply chains. The transaction will expand CN's reach in Iowa and open up new efficiencies and market opportunities to Iowa Northern customers via new single-line service on CN's North American network. Farmers and sustainable biofuel producers across Iowa and throughout the region will enjoy new options to reach markets around the world, making Iowa an even more attractive place for job creators to grow and invest.

New options for supply chains. CN is always exploring new options for supply chains, including by pursuing solutions with other railroads and supply chain partners. For example, CN partnered with Union Pacific and Ferromex to offer Falcon Premium intermodal service, which is an all-rail solution with unparalleled transit times via the most direct route between Canada and Mexico. As another example, CN recently partnered with the Port of Gulfport to establish a new intermodal service, which will provide customers with new ocean connectivity options to move goods between Canada, the U.S. Midwest, and the Gulf Coast.

The proposed acquisition of Iowa Northern will extend CN's network in the United States in a way that enhances CN's ability to partner with and serve important commodity groups and supply chains. For example, the proposed transaction will enable a combined CN-Iowa Northern to better serve the rapidly expanding biofuels market, which supports North America's transition away from

carbon. The transaction will also introduce new optionality for moving grain from agricultural customers that originate traffic on the Iowa Northern, while retaining access to grain processing destinations on Iowa Northern. Overall, CN sees opportunities for a combined CN-Iowa Northern network that will increase rail customers' optionality to respond to the needs of their existing and new markets. By enabling CN and Iowa Northern to play a more interconnected role in these critical supply chains, this transaction will accelerate sustainable growth opportunities for the benefit of Iowa farmers, sustainable biofuel producers, and job creators, as well as the broader U.S. economy.

Local moves on Iowa Northern. While CN is confident Iowa Northern customers will benefit from new single-line service and more optionality, we recognize that for some Iowa Northern customers, the important thing is the ability to continue local moves on Iowa Northern, such as inbound grain into processing facilities at Cedar Rapids. Those local moves are an important part of the value of the Iowa Northern franchise and one of the reasons why CN pursued this combination. CN values those local moves and is prepared to support them after the combination.

Gateway commitment. We also understand that other customers want to ensure that they could continue to move goods between Iowa Northern and other railroads the way that they can today (Union Pacific and CRANDIC in Cedar Rapids, Union Pacific in Manly, and CPKC at Nora Springs). This transaction will do so in a way that preserves transportation options for local customers. As the

Application explains, CN will keep active gateways commercially open so Iowa Northern customers will continue to have access to existing interline options.

The transaction will support reliable local service and will benefit Iowa Northern customers and communities. By coupling Iowa Northern's local service with CN's multi-national North American network, Iowa Northern customers will enjoy the best of both worlds—safe, reliable local service combined with new, more efficient routings, including single-line service to new destinations and markets, particularly in Canada and the U.S. South. As a result, the transaction will meaningfully support the growth of local businesses in Iowa. Iowa customers in a wide range of agricultural and industrial markets will benefit from the proposed transaction, which will provide customers with more efficient access to key markets as well as direct linkage to the strengths of the CN network.

The proposed transaction will also produce significant benefits for Iowa Northern and the communities in which it operates. CN has operated in Iowa for many years with a network that stretches from Illinois to Nebraska and dozens of communities in between. Iowa Northern supports critical businesses and industries in Iowa. Iowa Northern has built its reputation by delivering innovative, reliable transportation solutions, and CN shares Iowa Northern's commitment to provide quality service. Thanks to CN's national reach, Iowa Northern will be able to offer even more single-line options and opportunities for Iowa. And as part of the CN network, Iowa Northern will have greater access to financial resources than it does

today to make capital investments to support future growth as well as provide for resiliency when needed in times of natural disaster.

Employees. CN recognizes the importance of Iowa Northern railroaders in reaching the full growth potential of a combined CN-Iowa Northern. Their hard work and dedication to their craft is a key reason for Iowa Northern's success to date. CN expects a combined CN-Iowa Northern to generate more traffic operating on Iowa Northern's lines in the future. That is why we will need the experience and talent of all current Iowa Northern craft employees to help this combination succeed. That is also why our transaction agreement includes provisions for a retention bonus for all current Iowa Northern employees.

Careful preparation for eventual integration. I am also confident that combining the CN and Iowa Northern networks will be accomplished smoothly and without disruption to local service. CN has extensive and successful experience with combining shortline acquisitions and will be drawing on that experience with Iowa Northern. CN is excited to plan with customers and employees for a purposeful and safe integration of Iowa Northern, connecting it with the strength of CN's geographic reach and offering new CN-Iowa Northern single-line service options for customers across North America.

Furthering sustainability in transportation and supply chains. Freight rail transportation is the most sustainable land transportation solution available. CN is a leader in the industry when it comes to locomotive fuel efficiency. Expanding freight rail solutions enables customers to reduce dependence on fossil

fuels and the carbon intensity of our economy in their supply chains. Growth from truck to rail conversion not only reduces that carbon intensity, it frees capacity on Iowa's highway system without pouring a single pound of concrete.

* * *

In summary, I am enthusiastic about this transaction and its many public benefits, including the way it will increase optionality, efficiency, resiliency, and growth for rail customers in Iowa. I urge the Board to approve the proposed transaction.

PUBLIC VERSION

VERIFICATION

I, Tracy A. Robinson, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge. Further, I certify that I am qualified and authorized to file this statement.

Executed on this 30th day of January, 2024.

Tracy A. Robinson

VERIFIED STATEMENT OF DANIEL R. SABIN

PUBLIC VERSION

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36744

CANADIAN NATIONAL RAILWAY COMPANY
AND GRAND TRUNK CORPORATION
—CONTROL—
IOWA NORTHERN RAILWAY COMPANY

VERIFIED STATEMENT OF DANIEL R. SABIN

My name is Daniel R. Sabin and I am Chairman of the Iowa Northern Railway Company ("Iowa Northern"). The purpose of this Verified Statement is to discuss the benefits of CN's proposed acquisition of Iowa Northern for our customers, our employees, and the Iowa communities in which we operate. I am excited about the opportunities for growth that CN's proposed acquisition of Iowa Northern represents.

I am a second-generation railroader. I have a 55-year career in the railroading industry, beginning when I was a student train order operator at the Chicago, Rock Island & Pacific in 1968. I became a train dispatcher at 18, and later night chief dispatcher while I attended college. In 1978, I joined Canadian Pacific and served in a variety of operating positions, including trainmaster, assistant superintendent, and director of service planning. In 1981, I joined the Chessie System as manager of operations planning and later served as superintendent of operations and superintendent of administration. In 1987, I began work as a

consultant for rail shippers, state governments, and short lines. In the early 1990s, I began to plan the acquisition of Iowa Northern mentioned below and I have been fully occupied with operation of the Iowa Northern since that time.

Iowa Northern's history. Iowa Northern was formed in 1984 on a section of the bankrupt Chicago, Rock Island & Pacific Railroad Company that was at risk of abandonment by the bankruptcy court. Iowa Northern got off to a slow start in its first 10 years. In 1994, when I led a group of investors to acquire Iowa Northern, it had an average track speed of 10-mph and was a 15,000-annual-carload, 18-employee, grain-only railroad.

Today, Iowa Northern is a diversified operation that handles more than 60,000 cars per year through the efforts of 110 talented employees over an upgraded and well-maintained main line between Manly and Cedar Rapids, Iowa, a branch line between the main line at Cedar Falls and Oelwein, and a branch line between Belmond and Forest City, which we reach by trackage rights off the main line at Nora Springs. I am proud of the hard work of our employees, customers, investors, public partners, and countless others that have transformed the Iowa Northern over the last three decades.

Iowa Northern's importance to the Iowa economy. Our railroad is an integral part of the northeastern Iowa economy, hauling corn, ethanol, fertilizer, farm machinery, foods, chemicals, fuel, steel, lumber, and more. The Iowa Northern is particularly well situated to support growth in agricultural products and biofuels, markets which support the country's food and energy security.

We support the jobs of hundreds of Iowans working directly for the railroad and indirectly in the diverse industries we serve and our growth means growth in area employment. A recent example is the new railcar maintenance facility that Trinity Industries elected to build on our main line at the Butler Logistics Park, which alone has brought to Iowa 150 new jobs and counting. Butler Logistics Park provides employment to more than 300 people. As another example, Iowa Northern is the serving carrier to Manly Terminal, located at the northern end of our main line, which is a liquids storage and transloading facility. The Manly terminal serves biofuel production industries, handling fuels, chemicals, and co-products. Iowa is consistently one of the top ethanol producing states in the U.S. With any ethanol production there are also co-products that need to be transported. Dried Distillers Grains make up the bulk of these products and are distributed as feed for dairy, beef, swine, and poultry markets all over the world.

Iowa Northern's combination with CN is good for customers, employees, and communities. To continue our growth trajectory, we realized we needed a strategic partner that shared our values rooted in safety, customer service, community engagement, and entrepreneurial spirit. CN is that partner.

One of the reasons for selecting CN is my belief that it is well-positioned to help Iowa Northern continue to grow. CN shares our commitment to deliver quality service and maintain strong relationships with the communities we serve. The proposed combination will preserve competition for our customers—indeed, no customer will see a reduction from two rail carrier options to one. And it will open

new opportunities for our customers. CN operates a transcontinental rail system, and a combined Iowa Northern-CN will allow our customers to enjoy more efficient routing options, including single-line service, which will enhance their ability to compete successfully in end markets including major cities in North America, ports on three coasts (Atlantic, Pacific and Gulf), and locations along the Mississippi River. A combined Iowa Northern-CN will create growth opportunities while preserving access to other railroads and transportation options.

Iowa Northern railroaders will have a key role to play in the future growth of a combined CN-Iowa Northern. CN is welcoming Iowa Northern's employees to become a part of the CN team. I am proud that, as part of the combination, all Iowa Northern employees who continue their employment through June 2025 will be eligible for a retention bonus as an incentive to stay on. CN has indicated that it wants Iowa Northern employees to stay at the company during this time and to continue their employment beyond after the CN-Iowa Northern combination.

The combination with CN provides stability for the future. The proposed acquisition by CN represents a significant investment in Iowa by a Class I carrier to expand its routes and take on the obligation to maintain and, when necessary, replace infrastructure needed to provide rail service. For Iowa Northern customers and employees, this represents much needed stability into the future.

I am well aware of the significant costs associated with maintaining and replacing infrastructure needed to provide continued rail service. In 2008, severe flooding in Iowa washed away track and collapsed a bridge over the Cedar River in

Waterloo, which essentially divided Iowa Northern in half. Our customers and interline partners pitched in through pre-paying for service and providing long-distance detour routes, and our employees even took pay cuts to retain cash flow. Even with these efforts and sacrifices, Iowa Northern's financial recovery from this flood event required a cash infusion from an outside investor.

More recently, when one of Iowa Northern's outside investors announced its desire to divest its stake, we took steps to identify our long term financial and operational partner and concluded that CN would be the optimal choice. CN's investment provides Iowa Northern with stability moving forward, as CN's resources and access to capital will help us remain on a firm financial footing as we continue to invest in the railroad's capital infrastructure to support our customers and service.

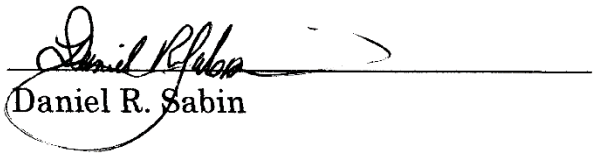
Conclusion. In short, the proposed CN-Iowa Northern combination offers significant benefits for our customers, our employees, and the communities we serve. It will provide new opportunities for our customers to access end markets through more efficient, single-line service. It will provide Iowa Northern with access to greater financial resources so that it can continue to provide safe and reliable service. It will provide greater job opportunities and stability to our employees. And it will advance economic growth in the Iowa communities in which we operate. For all these reasons, I urge the STB to approve the proposed transaction.

PUBLIC VERSION

VERIFICATION

I, Daniel R. Sabin, declare under penalty of perjury that the statements set forth in this Verified Statement are true and correct to the best of my knowledge and belief.

Executed on this 30th day of January, 2024.



Daniel R. Sabin

VERIFIED STATEMENT OF SANDRA ELLIS

PUBLIC VERSION

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36744

CANADIAN NATIONAL RAILWAY COMPANY AND GRAND TRUNK CORPORATION
—CONTROL—
IOWA NORTHERN RAILWAY COMPANY

APPLICATION

VERIFIED STATEMENT OF SANDRA ELLIS

My name is Sandra Ellis. I am the Vice President, Bulk, of CN, and was appointed to that role in 2022. I am responsible for driving CN's market expansion and sales activities for bulk commodities, including grain, fertilizer, vegetable oils, ethanol, sulphur, coal, and petroleum coke. My team and I support our bulk customers' growth and success. I also currently serve on the STB's Rail Energy Transportation Advisory Committee.

I bring to my role nearly 20 years of experience in the rail industry. Prior to joining CN, I was a railroad customer. I held commercial roles, including the Director Commercial Development NGL Processing at Inter Pipeline Ltd., where I led the negotiation of multi-million-dollar railcar purchases and lease agreements and integrated a rail/truck transportation team and associated transportation management processes and technology for natural gas liquid and plastics transportation. My rail career started at Canadian Pacific Railway, where I held progressive Sales and Marketing management roles for more than 15 years. I have

a Bachelor of Commerce from the University of Saskatchewan. Ultimately, I am a farm girl from Saskatchewan where the family farm currently operates with the 2nd, 3rd and 4th generations working together to grow and market grains, pulses and oilseeds.

I am submitting this statement in support of CN's application to acquire control of the Iowa Northern Railway Company ("Iowa Northern"). I want to emphasize that this transaction is about investing in Iowa's businesses and industries along the Iowa Northern, and it will benefit current and future customers, the Iowa economy, and the communities along the Iowa Northern. Those benefits include new single-line service, access to CN's fleet of railroad-owned cars and locomotives, and improved transit times. CN's goal is that Iowa Northern's customers grow. We know that we do not grow unless our customers grow and choose us to move their commodities via rail. As such, my team and I have engaged in extensive outreach with Iowa Northern customers to understand their businesses and transportation needs, and to provide information about the combination and answer any questions they may have.

Iowa Northern serves upper Midwest agricultural and industrial markets moving many bulk commodities that are within my responsibility in my current role, including grain, fertilizer, and ethanol. Iowa Northern directly serves close to 20 grain elevators, two ethanol plants, a soybean processing plant, and two mineral processing facilities, and it handles other commodities such as fertilizer, farm machinery, food, chemicals, and lumber. In the sections below, I describe the benefits

associated with this transaction for the transportation of these bulk commodities to, from, and within Iowa, which will support both the growth of key industries in Iowa and the resilience of critical national supply chains.

Honoring what works. Iowa Northern has developed a valuable customer-facing business model. This is why CN is excited by the opportunity to invest in Iowa through this acquisition. The everyday service that Iowa Northern executes is the core of good business. Much of Iowa Northern's traffic is currently interchanged to other railroads for movement to or from other parts of the North American rail network. In addition, other traffic is transported between points on the Iowa Northern system, including corn and soybean transportation from the elevators to the processors. This transaction will support important local service, which is good for the customers, the railroad, and the environment.

The CN-Iowa Northern combination will benefit Iowa Northern customers and supply chains. Concrete benefits will flow from this transaction connecting Iowa Northern's network and customers with CN's North American rail system, which spans three coasts, connecting Canada's Eastern and Western coasts with the U.S. South through an 18,600-mile rail network that runs through the U.S. heartland. CN's expansive network reaches major metropolitan centers in Canada (including Toronto, Montréal, and Vancouver) and the United States (including Chicago, Detroit, and Memphis), as well as the ports of Mobile and New Orleans in the Gulf, and multiple Canadian ports, including Vancouver and Prince Rupert on the Pacific coast and Halifax and Saint John serving the Atlantic. Combining with

Iowa Northern will allow CN to support Iowa businesses and industries by creating competitive and more efficient single-line service to North American destinations and markets on CN's network. The transaction will also meaningfully promote resilience in important supply chains, including food products and biofuels.

Greater car supply access and improved equipment utilization. As a result of the transaction, customers will also have access to a broader range of railroad equipment. In particular, Iowa Northern customers will have access to CN's large car fleet—CN has a U.S.-dedicated grain hopper car fleet of approximately 1,250 cars, and has invested in other key specialized cars that could support CN's efforts to provide Iowa Northern customers with alternatives to truck transportation (such as one of the largest fleets of refrigerated containers). This is in addition to the existing Iowa Northern car fleet, which would increase CN's overall fleet size after the combination. CN understands that availability of railcar supply is critical to bulk shippers of every size, particularly for grain, and we are continuously adapting fleet needs to accommodate expected demand. CN is consulting with elevators and processors regarding base demand and growth opportunity for local grain shipments by rail inbound to processors. CN expects to be able to dedicate incremental cars year-round to Iowa to support this business.

CN is acquiring Iowa Northern to grow, and access to CN's expansive and updated car fleet will facilitate that growth for Iowa Northern customers. The single-line service opportunities that would result from a combined CN-Iowa

Northern would benefit from elimination of interchange, thus reducing transit time and improving equipment utilization.

Locomotives and furthering sustainability. CN has made substantial investments in its locomotive fleet, which includes more than 2,300 locomotives, that will benefit Iowa Northern customers. As a result of the transaction, Iowa Northern customers will be able to access CN's locomotive fleet. CN is an industry leader when it comes to locomotive fuel efficiency. With access to CN's locomotive fleet and new optionality and efficiencies for customers shipping to and from Iowa, this Transaction will provide new opportunities for customers who are looking to reduce the carbon impact of their transportation by moving from truck to rail.

Improved transit times. Combining the Iowa Northern network with CN's tri-coastal network means that additional and more efficient single-line routes will be available to customers. This will improve customers' ability to ship to and from the markets that make the most sense for their businesses and will promote resilience in supply chains. In addition, because of CN's ability to effectively move traffic through the Chicago terminal, Iowa Northern customers will enjoy the benefits of improved transit times on the new combined single-line route.

Preserving competition. CN understands that customers want to ensure that they can continue to move goods between Iowa Northern and other railroads the way that they can today. This transaction will do so in a way that preserves transportation options. As described in the Application, CN is committed to maintaining existing active gateway access on commercially reasonable terms. Iowa

Northern currently interchanges with Union Pacific Railroad Company ("Union Pacific") at Manly; Canadian Pacific Kansas City at Nora Springs; and Union Pacific and the Cedar Rapids & Iowa City Railway Company ("CRANDIC") at Cedar Rapids.

Stability for the future of Iowa Northern. CN's investment in the Iowa Northern is preserving and growing what Iowa Northern has built. CN's access to capital and other resources will help the Iowa Northern remain financially sound and able to continue to provide safe and reliable local service. Iowa Northern's greater access to CN's resources will also support future capital investments, when needed, and support long-term rail traffic growth.

* * *

CN is excited to continue to support the broad variety of industries and customers on the Iowa Northern and the benefits that will result from a combined CN-Iowa Northern, which I have described above. In light of my expertise with certain bulk commodities, I will also describe certain specific benefits of the proposed transaction for customers moving grain, ethanol/renewables, and fertilizer traffic below.

I. Ethanol & Renewables

The ethanol industry is an exciting, growing industry that is critical to the nation's (and world's) transition away from carbon via cleaner biofuels, such as ethanol, biodiesel, renewable diesel and sustainable aviation fuel (SAF). Since 2008, U.S. ethanol production has increased largely due to the fuel blending requirements of the federal Renewable Fuel Standard program. Ethanol demand is expected to

grow each year, both globally and in the U.S., particularly as states in the U.S. make progress in increasing access to "E15," often marketed as Unleaded 88. In addition, there is growing demand from Canada in light of its increase in fuel blend mandates. Ethanol plants and corn growers continue to make gains in efficiencies that will increase access to cheaper, cleaner fuels for Americans. There is also a growing global demand for ethanol. The United States exported approximately 1.3 billion gallons of fuel ethanol to at least 87 countries in 2021. CN's acquisition of Iowa Northern is part of CN's long-term growth plan to continue to invest in this growing and innovative industry.

Iowa leads the nation in ethanol production, and Iowa Northern operates in the heart of U.S. ethanol production, serving two major ethanol plants. CN is a key player in the rapidly developing renewable fuels market in North America. CN is the only railroad that directly serves the refining hubs in Western and Eastern Canada, the U.S. Gulf Coast, and the U.S. Midwest. CN transports seed to oilseed crush plants, vegetable oil and other feedstocks to refineries, and renewable fuels to end markets. CN's extensive rail network allows customers producing ethanol and building additional oilseed processing capacity to extend their single-line reach into the rapidly expanding renewable fuels markets. CN also has efficient and integrated supply chain solutions to participate in the transportation of raw materials and finished products for the renewables industry in both Canada and the United States.

Specifically, CN serves refineries in Canada and the United States that include vegetable oils like soybean oil as part of their co-processing feedstock mix. As well, CN directly serves renewable fuels processors in the Louisiana Gulf that include these vegetable oils as their preferred feedstocks. Additional facilities and capacity expansion projects are expected to be announced on the CN network in Canada and the United States in the coming years, leading to more demand for Iowa Northern feedstocks.

CN's direct access to U.S. Gulf storage and export facilities, including those connected to the renewable fuel processors in the Louisiana Gulf, means that ethanol customers have the sales optionality to co-load ethanol with other Gulf-produced renewable fuels. Co-loading vessels to international markets mean that the marginal transportation cost is optimized while taking advantage of smaller volume spot opportunities. As the renewable fuels industry commercializes sustainable aviation fuel (SAF) technology, which may use ethanol as a feedstock, Iowa Northern shippers can benefit from access to these future markets via CN single-line move after the combination.

Growth in ethanol demand on both sides of the U.S.-Canada border is expected thanks to changes in government fuel standards as well as the sustainable aviation fuel market. CN is committed to investing in the growth of this industry, including for our own operations. CN is testing green propulsion technologies, such as biodiesel and renewable diesel, for use in our locomotives to help improve fuel efficiency and achieve our carbon-reduction targets.

CN's acquisition of Iowa Northern will offer new efficiencies and new market opportunities to ethanol customers. For example, new, single-line service on CN will connect ethanol producers along the Iowa Northern with new export opportunities via the port of Prince Rupert. Dredging has begun on Trigon's Berth 2 Beyond Carbon (B2BC) project, which is planned to nearly double terminal capacity and help connect clean energy exporters to global markets. Also at Prince Rupert, a new 50/50 joint venture between Vopak and AltaGas Ltd. for the development of a bulk liquids terminal could also facilitate the export of liquids, including vegetable oils and ethanol. This increased North American export capacity would be available on a single-line haul to Iowa Northern and other CN Midwest shippers, enabling competitive rail transit times, the shortest vessel distance to Asia off the U.S. West Coast and enhanced economic export optionality.

The advancement of blending mandates to E15 in Canada, and particularly in the high-population density regions of Eastern Canada, are opportunities for Iowa ethanol shippers. Connecting Iowa Northern-served ethanol processors on a single-line basis to the high-demand markets and fuel distribution centers (current and under development) will provide more sales optionality, ultimately benefiting the Iowa Northern shipper and the Iowa farmer with enhanced netbacks and demand resilience.

Another exciting project that will connect the U.S. Midwest ethanol industry with Canadian demand is CN's high-throughput fuel distribution center that it is building in the greater Toronto Area at MacMillan Yard. This new rail facility will

receive lower-carbon fuels like lower-CI ethanol and renewable diesel from around the world for delivery throughout Ontario. CN also plans to use this new supply chain for our own stock of renewable fuels to power our locomotives.

II. Grain

CN is focused on helping power the agriculture economy. Grain is critical to both national and international food security and the transition away from carbon-intense fuels via the production of biofuels like ethanol. The Iowa economy has benefited from value-added processing in the food and animal feed space for decades. This important investment in the agricultural value-chain is part of the base business that is at the heart of the Iowa Northern system. With technology-enabled grain yield improvements, there is the opportunity to first fill the demand from local value-added processing of grains and oilseeds and also to feed growing global demand for bulk commodities like grain and the value-added production of food staples and clean energy resources.

Iowa in particular is a rich origination area for food and grain products, and it serves as one of CN's primary direct origination networks for grain traffic in the United States. CN's grain traffic in Iowa includes commodities such as corn, soybeans, wheat, soybean meal and oil, ethanol, distillers dried grains (DDGs), and renewable fuel feedstock. These commodities move to both domestic and international end-users and are critical products in the national and international supply chains related to food security and the transition away from carbon fuels. CN's Midwest franchise currently connects customers in domestic markets directly

via points on CN, including Mississippi River barge locations and the ports of New Orleans and Mobile, and through interline connections with other railroads.

Focusing first on the local processing markets, CN will put into practice the local service model at the heart of the Iowa Northern operation. Rail is a lower carbon transportation option than truck. As the carbon footprint of processed goods becomes more important to the end markets of value-added products, the increase of inbound railed grains to processing plants will allow Iowa processors to continue to compete and grow in their end markets. The combination of the CN and Iowa Northern networks will reduce inbound rail miles and handling costs for CN originated grain, allowing processors the optionality of sourcing on rail from a larger draw area at a competitive cost versus truck. This also means that the higher payload of inbound railcars provides inventory when weather or other circumstances affects inbound truck movements.

In particular, corn and soybean processing in Iowa and CN's Central Division produces feed ingredients like corn and soybean meal that move to domestic end-users in the Gulf region, the Midwest, and eastern Canada, and bulk grain moves to corn, soybean, oat, and barley processing facilities in Iowa and throughout North America. Empty railcars returning to the processing facility can be filled with grain or oilseeds as they pass by CN and Iowa Northern elevators, to in turn be part of the inbound whole grain inventory pipeline. This reduction of empty miles is another carbon reduction action which will benefit the processor and the value-

chain. This more customer-service intensive option is an example of the synergies that can be expanded upon for the benefit of Iowa customers.

Grain traffic destined primarily for overseas markets typically moves on CN's network to grain terminals in the U.S. Gulf region—primarily New Orleans, Louisiana, and Mobile, Alabama. CN's Midwest grain shippers also access export markets via the St. Lawrence Seaway in Québec. CN also moves grain traffic via multiple barge loading locations in the U.S. inland waterway system, including the Mississippi River, with access locations stretching from southern Illinois to northeastern Iowa and northwestern Illinois. CN's network reach offers more efficient access to domestic and export feed markets, providing optionality as domestic and global markets evolve over time. The single-line haul available to Iowa Northern customers, both grain and value-added processors, will be available with improved efficiencies for these shippers. For soybean shippers, CN brings additional single-line market access optionality to Eastern Canadian crushers in Ontario and Québec.

The grain market is different every year, because factors like temperature and rainfall can significantly impact harvest size, quality, and timing in different geographic regions. A combined CN-Iowa Northern will help feed mills and other grain processing facilities spread out their product origination risk across a broader geography in the event of unexpected problems with crops in their typical product origination region. Increasing origination options thus adds resiliency for grain processing facilities. The transaction will also enable grain customers to adapt when

market shifts occur by offering additional rail-based transportation options for these grain customers and allowing them to spread their commercial risk across a larger network. Ultimately, the transaction will support CN's and Iowa Northern's grain customers' ability to grow and remain resilient and competitive, even when, as we have seen in recent times, there are significant and unexpected shifts in markets and/or crop quality.

III. Fertilizer

The U.S. fertilizer segment of CN's business is driven primarily by fertilizer consumption in the Midwest, including Iowa. CN's extensive fertilizer services include shipping fertilizers like potash for export, as well as ammonium nitrate, urea, and other fertilizers across Canada and the U.S. Other fertilizer commodities moved by CN include phosphate fertilizers, ammonium sulphate, and liquid fertilizers. CN transports fertilizer throughout North America and to/from ports on the Canadian West and East Coasts for import/export. The key drivers for fertilizers include input prices, demand, government policies, and international competition.

Fertilizers handled by the Iowa Northern are primarily received from offline originations. As a result of the transaction, CN's rich origination franchise, including Western Canadian potash, nitrogen products produced in the U.S. and Canada, as well as imported phosphates throughout the U.S. Gulf and river-system facilities, can be sources for Iowa Northern facilities through a single-line haul. This will mean less transit time, less handling, less costs, more competition, and more efficient supply chains. In addition, CN's ability to convert traffic from truck to rail

at river locations increases competition among transportation modes and offers new options for lowering the carbon impacts of transportation.

The single-line haul efficiencies will also make Iowa Northern receivers more attractive purchasers to the fertilizer producers who use private railcar fleets. Efficient source optionality for Iowa Northern customers can allow these Iowa businesses to grow their distribution reach. Continued fertilizer supplier and marketer investment in CN facilities, such as a new Memphis facility opening on CN in February 2024, will increase supply optionality and Iowa Northern facility competitiveness.

Precision agriculture means that farmers employ technology to increase yield and resilience in their growing strategies and practices. Fertilizer application is an important part of precision agriculture. The expected market value of grains and oilseeds, combined with the specific resident soil nutrients each season, drive planting and fertilizer application decisions. Having access to a robust and efficient supply chain with diverse fertilizer product supply options will generate value for the Iowa Northern fertilizer distributor and regional farmers, ultimately driving improved production yields and farm margin-growth (incomes) in Iowa.

CN is committed to helping fertilizer customers meet the growing demand in domestic markets and is well-positioned to do so with its broad North American franchise and connections to key ports for imports, enabling the lowest cost supply for the Iowa farmer. CN understands the distinct needs of our Canadian and U.S. fertilizer customers, as well as the economic factors that affect their markets. To

respond to changing trends, CN uses its broad network for fertilizer imports to optimize the supply chain. In particular, CN's unique access—from the U.S. Gulf, along the river system and to both Western Canadian production and Eastern Canadian import facilities— means the supply access and options of Iowa fertilizer distributors are backed by responsive, cost-competitive and primarily single-line (efficient) supply chains. We help our fertilizer customers gain market share in the U.S. Corn Belt through efficient single-routes, which means that CN shippers and receivers enjoy reduced transit time from northern origins to the U.S. Corn Belt as a result of eliminating interchange and yard processing time. That is impactful for customers using private cars to transport fertilizers.

* * *

CN is combining with Iowa Northern to expand its routes and invest in Iowa and its businesses. CN's acquisition of Iowa Northern will connect Iowa Northern customers to CN's network in new single-line service, which in turn will strengthen supply chains, increase optionality, and help those customers be more competitive in their markets. Together, a combined CN-Iowa Northern will help build stronger supply chains, grow Iowa's economy, and connect Iowa to global markets in single-line service, while preserving interline carrier access on commercially reasonable terms. I urge the Board to approve the proposed transaction.

PUBLIC VERSION

VERIFICATION

I, Sandra Ellis, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge. Further, I certify that I am qualified and authorized to file this statement.

Executed on this 30th day of January, 2024.

Sandra Ellis

PUBLIC VERSION

VERIFIED STATEMENT OF DAVID T. HUNT

PUBLIC VERSION

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36744

CANADIAN NATIONAL RAILWAY COMPANY AND GRAND TRUNK CORPORATION
—CONTROL—
IOWA NORTHERN RAILWAY COMPANY

APPLICATION

Verified Statement of David T. Hunt

January 30, 2024

Contents

1. Qualifications....1
2. Assignment and Summary of Findings....2
3. Overview of the Iowa Northern Railway....4
4. Estimated Truck-to-Rail Diversions....5
4.1 Truck-to-rail diversions by commodity....6
4.2 Truck-to-rail diversions by origin and destination....7
5. Estimated Rail-to-Rail Diversions....10
5.1 Rail-to-rail diversions by commodity....11
5.2 Rail-to-rail diversions by origin and destination....12
6. Competitive Analysis of Customer Locations....13
Appendix A. Resume of David Hunt....15
Appendix B. Truck-to-Rail Model Description....17
Appendix C: Rail-to-Rail Model Description....25

1. Qualifications

My name is David T. Hunt. I am a Vice President with Oliver Wyman, a global general management consulting firm with more than 70 offices in 30 countries. My office address is 1 University Square, Suite 100, Princeton, NJ 08540.

Oliver Wyman is a leading general management consulting firm. We maintain one of the largest practices in the world dedicated to the transportation and logistics sectors. Oliver Wyman's transportation clients include national and regional governments on six continents, as well as many of the world's largest users of rail services, railroads, motor carriers, leasing companies, and industrial and consumer manufacturing firms.

I have been a consultant in the transportation sector for more than 35 years. I joined Oliver Wyman in 2008, specializing in strategic planning, regulatory issues, and operations for freight railroads and other freight transportation providers. Prior to joining Oliver Wyman, I was a consultant at Cambridge Systematics, Wilbur Smith Associates, and ALK Associates. While at ALK from 1983 through 2000, I provided services to clients in connection with all the Class I railroad mergers that occurred during that time period. I also was responsible for the annual calibration of and updates to ALK's Advanced Traffic Diversion Model that was used in ICC and STB merger proceedings. I hold a bachelor's degree in civil engineering from West Virginia University and a master's degree in civil engineering and operations research from Princeton University. My resume is included in Appendix A.

2. Assignment and Summary of Findings

Canadian National Railway Company and Grand Trunk Corporation (collectively "CN") are applying to acquire the Iowa Northern Railway Company ("IANR"), a shortline railroad operating approximately 218 route miles in Iowa.[1] IANR currently interchanges with CN at Waterloo and Cedar Rapids. I have been asked to: 1) assess the traffic that CN could expect to divert from trucking companies and other railroads if it acquires IANR; and 2) identify which customers could have a reduction in rail competition, either from three to two railroads ("3-to-2") or from two railroads to one railroad ("2-to-1"). My key findings are as follows:

- The acquisition of IANR could enable CN to remove an estimated 14,619 trucks from roads each year, producing public benefits, including reduced carbon emissions, reduced highway congestion, and reduced public expenditures for highway maintenance. The 14,619 trucks are equivalent to 8,338 railcars and containers (Exhibit 2-1). The truck-hauled commodities diverted to CN are projected to include industrial chemicals, agriculture and food products, farm machinery, lumber, and transportation equipment.
- The acquisition could divert an estimated 10,503 railcars from other railroads (Exhibit 2-1).[2] This traffic would include food products, ethanol, fertilizers, and revenue empty railcars.
- No customers would see a 2-to-1 reduction in rail competition. Three customers would see a 3-to-2 reduction in rail competition as a result of the acquisition, although all three will retain access to two Class I railroads.

[1] See Application, Docket No. FD 36744 (filed Jan. 30, 2024).
[2] Note: The figures in the exhibit tables herein may deviate slightly from the figures in the workpapers due to rounding.

Exhibit 2-1: Diversion results summary for CN acquisition of IANR[3]

Category[4]	Rail-to-Rail (Carloads)	Truck-to-Rail (Carloads)	Truck-to-Rail (Containers)
Bulk goods	72	50	685
Food products	3,602	1,200	1,833
Industrial products	266	587	2,119
Petroleum and chemicals	3,260	663	293
Transportation equipment	3,303	262	519
All other	-		127
Total	**10,503**	**2,762**	**5,576**

Key assumptions used in the model and throughout this report include:

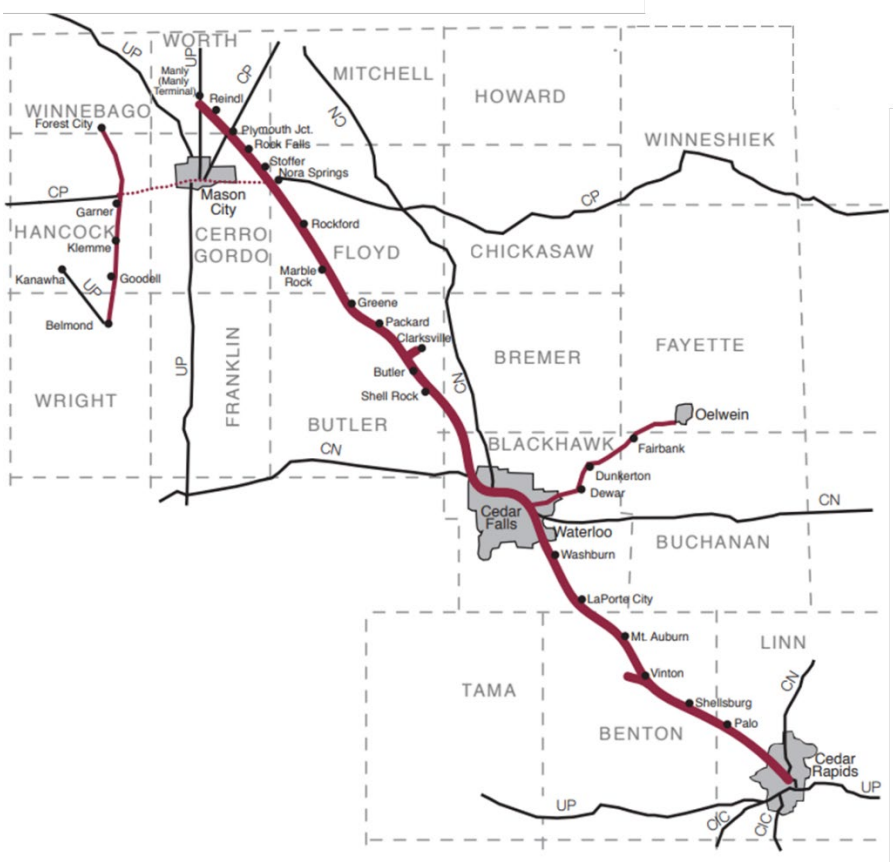
- All results represent fully phased-in totals. Full phase-in is assumed to occur in 2027 (Year 3 after STB approval); however, the values are reported as if they occurred in a base year of 2023, with no adjustments for organic growth.[5]
- The truck-to-rail and rail-to-rail models do not attempt to predict how increased competition or reduced costs may lead to an increase in production or demand. Therefore, the model assumes a gain in traffic by CN is offset by an equal loss of traffic for trucks or another railroad.
- Both the truck-to-rail and rail-to-rail diversion models are based on methodologies similar to the types of models that I have used in diversion modeling in prior consolidation proceedings before the Board.

[3] Rail-to-rail based on 2022 IANR traffic file plus February 2023-January 2024 traffic data for one new customer facility that opened in 2023 on IANR; truck-to-rail based on 2021 S&P Global Transearch freight data; Oliver Wyman analysis.
[4] Bulk goods are STCC 01, 10 and 11. Food Products are STCC 20. Industrial products are STCC 08, 14, 19, 24, 26, 30, 32, 33, 34, 35, 36, 38, 39, and 40. Petroleum and Chemicals are STCC 13, 28, 29, 48 and 49. Transportation Equipment is STCC 37. All Other are the remaining 2-digit STCCs.
[5] The base traffic year is 2022 for IANR rail traffic and 2021 for Transearch truck traffic. Additional volume for a one-year period (February 2023 through January 2024 (estimated)) from a new customer facility that opened in 2023 on IANR was included based on data from IANR.

3. Overview of the Iowa Northern Railway[6]

IANR operates approximately 218 route miles, including a main line that runs from Manly to Cedar Rapids, and branch lines from Waterloo to Oelwein, and from Forest City to Belmond, all within the state of Iowa (Exhibit 3-1).

Exhibit 3-1: Iowa Northern Railway[7]
Dark red lines reflect track IANR owns or leases



From north to south, IANR interchanges with Union Pacific ("UP") at Manly; Canadian Pacific Kansas City ("CPKC") at Nora Springs; CN and UP at Waterloo; and UP, CN, and the Cedar Rapids and Iowa City ("CRANDIC") at Cedar Rapids. IANR operates several yards and facilities, including Bryant Yard in Waterloo, Butler Logistics Park, Manly Logistics Park, and

[6] About - Iowa Northern Railway - Rail Shipping Services, ianr.pdf (iowadot.gov), Class II and III Railroads 2022 Annual Report, Iowa Department of Transportation.
[7] INRCNewMap_06.01.11 (iowanorthern.com).

Manly Terminal. Key commodities carried include farm products, ethanol, fertilizer, and food & kindred products. IANR originated 25,822 carloads in 2022. The {{[redacted]}}, which opened in 2023, generates over 5,000 additional carloads of soybeans, soybean hulls, soybean meal, and soybean oil not reflected in the 2022 carload data.

4. Estimated Truck-to-Rail Diversions

I estimate that a CN acquisition of IANR could remove 14,619 trucks per year from Iowa roadways.[8] This translates to 2,762 rail carloads and 5,576 containers.

- An estimated 4,571 of the trucks that could be removed terminate in the IANR-served region. The top origin locations are Detroit, MI; Baton Rouge, LA; and Jackson, MS.
- An estimated 10,048 of the trucks that could be removed originate in the IANR-served region. The top destination locations are Detroit, MI; Baton Rouge, LA; and New Orleans, LA.
- Approximately 68% of the estimated tons diverted are in 10 origin-destination lanes. The top lane is the IANR served region in Iowa (IANR Region) to Detroit, MI, followed by the IANR Region to Baton Rouge, LA.[9]

The analysis considered truck diversions if the truck length-of-haul was greater than 400 miles and where the origin and destination BEA is served by CN or IANR, or within drayage distance.[10] The details of the truck-to-rail diversion model are provided in Appendix B.

The 2022 base year data does not include the potential impacts of the recent CPKC merger. While the CPKC merger may affect some traffic flows on the current CPKC network, I have

[8] "Truck" refers to a standard five-axle Class 8 truck. Routes were identified using Google Map directions.
[9] "IANR Region" is defined as the 19 Iowa counties served by the IANR railroad. The 19 counties are named in Exhibit 3-1.
[10] Although truck competitiveness with rail can vary by commodity, region, and volume, for purposes of this analysis I used 400 miles. Based on S&P Global Transearch, 2019, rail had 3.6 percent of tons and 4.7 percent of ton miles of truck and rail traffic moving less than 400 miles, and 14.6 percent of tons and 20.2 percent of ton miles for traffic moving more than 400 miles.

reviewed the CPKC merger application diversion estimates and determined the merger does not impact my diversion estimates for the CN acquisition of IANR.[11] The reasons for this conclusion include:

- CPKC routes between Iowa and locations north of Kansas City were not improved as a result of the merger. For example, traffic moving between Iowa and Chicago for connections with eastern railroads did not see a route improvement due to the CPKC merger.
- Routes to southern states, such as Louisiana, require IANR to Nora Springs, IA to CPKC via Kansas City, MO, versus a CN-IANR single-line route. Traffic was diverted where CN-IANR could provide single line service instead of an interline IANR-CKPC route.
- Diversions contained in the CPKC merger application originating in Iowa primarily involved grain to Mexico and ethanol to Texas. Neither market would be significantly impacted by the CN acquisition of IANR.

4.1 Truck-to-rail diversions by commodity

The top divertible commodities by tonnage are food, chemicals, agriculture, transportation equipment, machinery, and lumber (Exhibit 4-1).

[11] *Canadian Pacific Railway, et. al.—Control—Kansas City Southern, et al.*, STB Docket No. FD 36500, Control Application, Vol. 2: Verified Statements of Jonathan Wahba and Michael J. Naatz; Richard W. Brown and Nathan S. Zebrowski; and Bengt Mutén (filed Oct. 29, 2021).

Exhibit 4-1: Estimated truck-to-rail diversions by commodity[12]
By 2-digit STCC code

Commodity	Addressable Tons	Est. Tons Diverted	Est. Rail Carloads	Est. Rail Intermodal	Est. Trucks
Food	966,083	132,287	1,200	1,833	(5,769)
Chemicals	365,171	62,035	612	229	(3,064)
Agriculture	146,615	19,129	50	685	(1,152)
Lumber	101,711	15,032	126	221	(589)
Transportation equipment	68,915	11,023	262	519	(785)
Metal	80,689	10,818	108	54	(434)
Machinery	77,517	9,420	168	466	(698)
Waste	71,955	8,690	67	90	(349)
Metal products	48,161	7,031	16	466	(392)
Nonmetallic minerals	51,907	6,029	55	10	(248)
Rubber & Plastics	26,752	3,786	1	327	(320)
All others[13]	113,902	16,784	97	676	(819)
Total	**2,119,378**	**302,064**	**2,762**	**5,576**	**(14,619)**

4.2 Truck-to-rail diversions by origin and destination

The potential tonnage that could be diverted from trucks represents 15% of the addressable tons terminating in the IANR-served region and 14% of the addressable tons originating in the IANR-served region. The top 10 origin/destination BEAs are similarly nearly in balance: 78% of the estimated diversions terminating in the IANR-served region come from the top 10 BEAs, and 86% of the estimated diversions originating in the IANR-served region terminate in the top 10 BEAs (Exhibits 4-2 and 4-3). Detroit, Baton Rouge, Jackson, and New Orleans are the top originating and destination BEAs for diverted truck traffic.

[12] Note: Diversions are unconstrained; they do not consider clearance, capacity, or other physical limitations. Source: 2021 S&P Global Transearch; Surface Transportation Board, 2021 public use waybill sample and STB URCS; 2021 ATRI operational costs of trucking; Oliver Wyman analysis.
[13] Note: The figures in this row may deviate slightly from the workpaper figures due to rounding. *See* Highly-Confidential-Diversion-Hunt-Workpaper.

The top 10 origin-destination lanes account for 68% of estimated divertible truck tons. The top lane is the IANR Region to Detroit, followed by the IANR Region to Baton Rouge (Exhibit 4-4).

Exhibit 4-2: Estimated truck-to-rail diversions by origin BEA[14]

Origin BEA	Addressable Tons	Est. Tons Diverted	Est. Rail Carloads	Est. Rail Intermodal	Est. Trucks
Detroit, MI	102,017	18,293	261	561	(1,051)
Baton Rouge, LA	48,434	12,248	127	18	(593)
Jackson, MS	42,937	8,650	84	92	(384)
New Orleans, LA	47,690	8,590	86	89	(376)
Non-CMA, ON	31,349	4,684	37	136	(240)
Toledo, OH	41,260	4,453	29	245	(269)
Green Bay, WI	29,551	3,728	32	57	(166)
Cleveland, OH	55,636	3,300	13	185	(189)
Non-CMA, QC	20,749	3,281	31	71	(149)
Mobile, AL	15,024	2,771	27	45	(127)
All others	171,819	20,003	148	638	(1,027)
Total	**606,466**	**90,001**	**875**	**2,137**	**(4,571)**

[14] Note: "Non-CMA, ON" is a Transearch region comprised of Ontario excluding the metropolitan areas of Hamilton, Kitchener, London, Oshawa, Ottawa, St. Catherines, Sudbury, Thunder Bay, Toronto and Windsor. "Non-CMA, QC" is a Transearch region comprised of Quebec excluding the metropolitan areas of Chicoutimi, Hull (QC portion), Montreal, Quebec City and Trois Rivières. Excludes truck traffic originating in the IANR region, defined as the 19 Iowa counties served by the railroad. The model does not consider physical constraints, such as clearance restrictions or yard limitations. Source: 2021 S&P Global Transearch; Surface Transportation Board, 2021 public use waybill sample and STB URCS; 2021 ATRI operational costs of trucking; Oliver Wyman analysis.

Exhibit 4-3: Estimated truck-to-rail diversions by destination BEA[15]

Destination BEA	Addressable Tons	Est. Tons Diverted	Est. Rail Carloads	Est. Rail Intermodal	Est. Trucks
Detroit, MI	286,111	51,030	443	854	(2,357)
Baton Rouge, LA	156,410	37,357	385	89	(1,808)
New Orleans, LA	185,199	23,115	259	342	(1,120)
Jackson, MS	101,562	22,186	224	191	(1,006)
Non-CMA, ON	73,510	12,535	101	301	(623)
Toledo, OH	162,210	10,480	80	213	(498)
Pittsburgh, PA	47,793	7,745	44	235	(352)
Cleveland, OH	160,662	6,593	15	311	(326)
Syracuse, NY	34,088	6,117	47	125	(287)
Toronto, ON	28,081	4,782	38	129	(235)
All others	277,287	30,123	251	649	(1,436)
Total	**1,512,913**	**212,063**	**1,887**	**3,439**	**(10,048)**

Exhibit 4-4: Estimated Truck-To-Rail Diversions by Origin-Destination BEA Lane[16]

Origin	Destination	Addressable Tons	Est. Tons Diverted	Est. Rail Carloads	Est. Rail Intermodal	Est. Trucks
IANR Region	Detroit, MI	286,111	51,030	443	854	(2,357)
IANR Region	Baton Rouge, LA	156,410	37,357	385	89	(1,808)
IANR Region	New Orleans, LA	185,199	23,115	259	342	(1,120)
IANR Region	Jackson, MS	101,562	22,186	224	191	(1,006)
Detroit, MI	IANR Region	102,017	18,293	261	561	(1,051)
IANR Region	Non-CMA, ON	73,510	12,535	101	301	(623)
Baton Rouge, LA	IANR Region	48,434	12,248	127	18	(593)
IANR Region	Toledo, OH	162,210	10,480	80	213	(498)
Jackson, MS	IANR Region	42,937	8,650	84	92	(384)
New Orleans, LA	IANR Region	47,690	8,590	86	89	(376)
All Other		913,298	97,580	712	2,826	(4,803)
Total		**2,119,378**	**302,064**	**2,762**	**5,576**	**(14,619)**

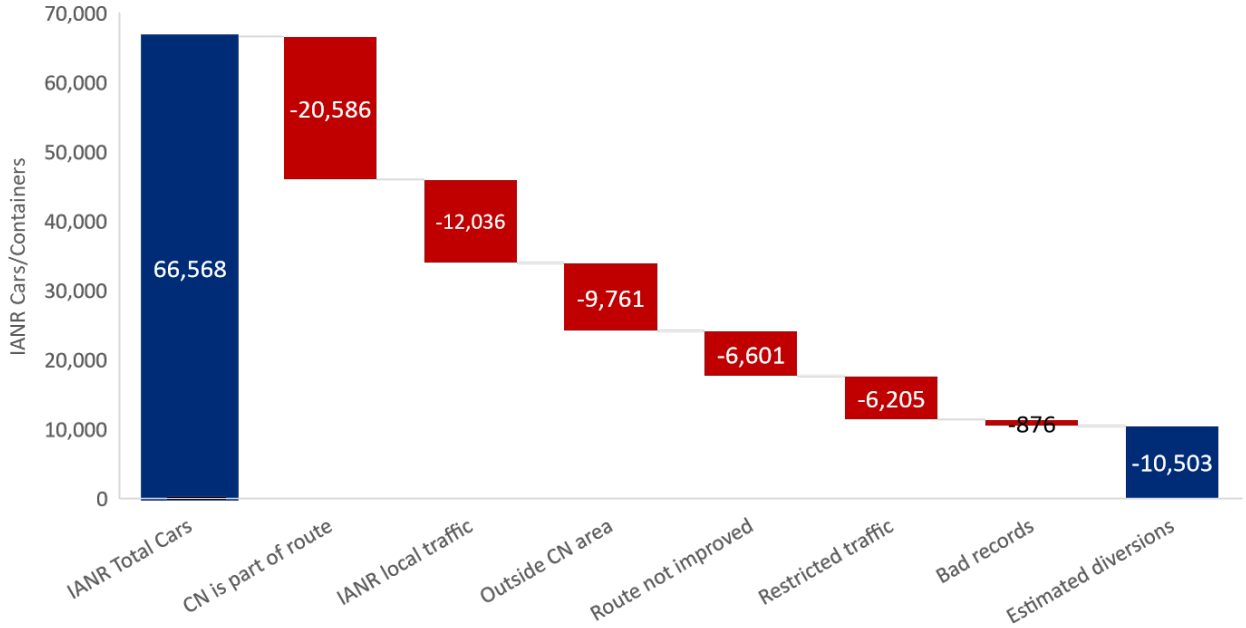
[15] Same note and sources, except excludes truck traffic terminating in the IANR region (instead of originating).
[16] "IANR Region" is defined as the 19 Iowa counties served by the IANR railroad. "Non-CMA, ON" is a Transearch region comprised of Ontario excluding the metropolitan areas of Hamilton, Kitchener, London, Oshawa, Ottawa, St. Catherines, Sudbury, Thunder Bay, Toronto and Windsor. Source: 2021 S&P Global Transearch; Surface Transportation Board, 2021 public use waybill sample and STB URCS; 2021 ATRI operational costs of trucking; Oliver Wyman analysis.

5. Estimated Rail-to-Rail Diversions

In total, I estimate that CN could divert approximately 10,503 rail cars per year due to the acquisition of IANR. Of this total, 7,750 estimated diversions are based on IANR 2022 traffic volumes of 59,822 cars handled. An additional 2,753 carloads are estimated to divert from the {{[redacted]}} which opened in 2023 and is not reflected in the 2022 IANR traffic data. Estimated diversions were based on eliminating from consideration all traffic where CN is currently part of the route or the route is not improved post-acquisition, IANR local traffic, traffic with restricted access[17], traffic with origin or destination in a western state or Mexico (which is outside of the CN direct-served area), and traffic records with incorrect or incomplete information (Exhibit 5-1). In the model, I did not assume any IANR local traffic would divert to longer-haul moves on CN's network. Instead, I assumed that this traffic would continue to move locally on IANR.

[17] Based on a combination of the Serving Carrier/Reciprocal Switch file maintained by Railinc, discussions with IANR, and discussions with CN, certain traffic is subject to an interchange commitment that makes it less likely to be diverted away from its current UP-IANR interline route.

Exhibit 5-1: Estimated rail-to rail diversions after traffic reductions[18]
IANR cars/containers



The details of the rail-to-rail diversion model are provided in Appendix C. The base year data does not include the potential impacts of the CPKC merger, as described above. I have reviewed the CPKC merger application diversion estimates and determined this does not impact my diversion estimates for the CN acquisition of IANR.[19]

5.1 Rail-to-rail diversions by commodity

The primary diversion opportunities are for transportation equipment, ethanol, fertilizers, and food products:

- Transportation equipment includes revenue movements of freight railcars.

[18] Note: "CN is part of the route" indicates that CN is already part of the existing route, so diversions were only considered if CN could get an extended haul. "Outside CN area" means the traffic originated or terminated at a location west or south of Iowa, and I assumed that CN would not be competitive in a single-line or interline route. "Route not improved" means that the existing route has a lower overall impedance (defined as mileage plus an assumed inefficiency for interchange) than the post-acquisition route or the post-acquisition route is >=50% more mileage than the current route. "Restricted traffic" is traffic originating at Armour, Dewar, or Waterloo, IA that is subject to an interchange commitment that makes it less likely to be diverted. Source: IANR traffic files; Oliver Wyman diversion analysis; SCRS; discussion with CN; discussion with IANR.
[19] Railroad Control Application, *Canadian Pacific Railway, et. al.—Control—Kansas City Southern, et al.*, STB Docket No. FD 36500, Vol. 2: Verified Statements of Jonathan Wahba and Michael J. Naatz; Richard W. Brown and Nathan S. Zebrowski; and Bengt Mutén (filed Oct. 29, 2021).

- Hazardous material movements include denatured alcohol (ethanol, methanol).[20]
- Fertilizer includes shipments of potash from Saskatchewan, where CN originates the traffic but now can have an extended length of haul.
- Food includes a variety of oils (corn, tallow, lard), flour, distilled mash, animal grease, and meat.

Exhibit 5-2: Estimated rail-to-rail diversions by commodity[21]

By 2-digit STCC code

Commodity	Est. Diverted Cars	Percent of Est. Diversions
Food products	3,602	34.3%
Transportation equipment (incl. revenue empty railcars)	3,303	31.4%
Hazardous materials (incl. ethanol)	2,036	19.4%
Fertilizer	1,193	11.4%
Industrial products	266	2.5%
Bulk	72	0.7%
Chemicals & petroleum	31	0.3%
Total	**10,503**	

5.2 Rail-to-rail diversions by origin and destination

Estimated rail diversions are weighted toward outbound movements by a ratio of 1.6 (approximately 6,500 outbound versus 4,000 inbound), with Illinois and Saskatchewan as the largest origins and Georgia and Virginia as the largest destinations (Exhibit 5-3).

[20] There were no loaded toxic- or poisonous-by-inhalation ("TIH/PIH") hazardous materials.
[21] IANR traffic files; Oliver Wyman diversion analysis.

Exhibit 5-3: Estimated rail-to-rail diversions by origin/destination state[22]

Origin State	Number of Cars
Iowa	6,595
Illinois	1,364
Saskatchewan	1,142
Indiana	262
Ohio	241
Pennsylvania	203
Louisiana	151
New Jersey	108
Arkansas	107
Missouri	64
Wisconsin	63
All Other	203
Total	**10,503**

Destination State	Number of Cars
Iowa	4,040
Illinois	1,923
Georgia	857
Virginia	693
Louisiana	509
North Carolina	357
Delaware	322
Missouri	239
Florida	211
Pennsylvania	203
South Carolina	125
All Other	1,024
Total	**10,503**

6. Competitive Analysis of Customer Locations

To assess locations with a potential change in the number of serving railroads, I used the Serving Carrier/Reciprocal Switch (SCRS) file, which is developed and maintained by Railinc.[23] SCRS is a rail industry reference file providing a standardized verification process of whether a railroad may serve, or under what conditions a railroad may serve, a specific customer at common service points.[24] The SCRS file contains 61 unique CIF IDs (customer identifications) served by IANR, of which 32 show IANR as the only serving railroad.[25] A summary of the serving carrier, the other railroads to which each station is open, and the changes from the proposed transaction are provided in Exhibit 6-1.[26]

None of the stations would go from two rail carriers to one rail carrier as a result of the proposed transaction.

[22] IANR traffic files; Oliver Wyman diversion analysis.
[23] Railinc Serving Carrier/Reciprocal Switch file for Iowa downloaded November 28, 2023.
[24] Railinc, "Serving Carrier Reciprocal Switch (SCRS) User Guide," September 2022.
[25] Serving Carrier Reciprocal Switch file, retrieved November 28, 2023 at 11:16 AM CST.
[26] This assessment is for carload traffic and not intermodal traffic.

There are six stations, based on SCRS, which would go from having access to three carriers to access to two carriers as a result of the proposed transaction. These six stations were further analyzed using the CN and UP reciprocal switching tariffs.[27] Two stations served by CN, which SCRS showed as having IANR and UP access, were determined to not have IANR or UP access. One station served by UP, which SCRS showed as having IANR and CN access, was determined to not have CN access. Therefore, there are three stations identified that would go from having access to three carriers to access to two carriers as a result of the proposed transaction. All three of these customer stations are located in Waterloo, IA.[28] Post transaction, all three stations will continue to have access to both CN and UP, thus providing Class I rail competition.

Exhibit 6-1: Stations accessed by IANR and how railroad access could potentially change from the proposed transaction[29]

Serving Carrier	Open To	# Stations	Potential Changes Due to the Proposed Transaction
IANR	None	32	None
IANR	UP	6	None
CN	IANR, UP	3	3-to-2
CN	CRANDIC, IANR, UP	2	4-to-3
CRANDIC	CN, IANR, UP	11	4-to-3
UP	CRANDIC, CN, IANR	5	4-to-3

[27] Canadian National Railway, Optional Services, CN 9001-US, Reciprocal Switching U.S.A., effective July 1, 2023. Union Pacific Railroad, UP Reciprocal Switching Circular, UP 8005 F, effective January 1, 2024.
[28] *See* SCRS-Hunt-Workpaper.
[29] Railinc Serving Carrier/Reciprocal Switch file for Iowa downloaded November 28, 2023. Canadian National Railway, Optional Services, CN 9001-US, Reciprocal Switching U.S.A., effective July 1, 2023. Union Pacific Railroad, UP Reciprocal Switching Circular, UP 8005 F, effective January 1, 2024.

Appendix A. Resume of David Hunt

Mr. Hunt, a Vice President in Oliver Wyman's Transportation & Services Practice, has over 30 years of experience in the areas of transportation operations and strategic planning, national and regional transportation policy, and network modeling and operations research. Mr. Hunt focuses on projects involving regulatory and policy analysis, strategic planning, and operational improvements. His projects include:

- Developed a market share model that predicted truck/rail shares and volumes under various scenarios, including autonomous truck technologies and the potential responses by the rail industry.
- Developed the rail and truck diversion analysis for a recent Class I merger and for the acquisition of a shortline by a Class I.
- Prepared several policy white papers filed with the US Department of Transportation, addressing issues such as positive train control and use of electronically controlled pneumatic brakes.
- Called as an expert witness in rail capacity modeling as part of an international arbitration case in South America.
- Participated in discussions with the Mexican government that led to a favorable ruling for the rail industry regarding proposed regulatory action to promote competition through expanded interconnection of rail services.
- Managed the design and development of BlueNet, a facility location model used in network design.

- Developed a simulation model that showed the benefits of operating a nationwide railcar pool, the results of which were used in a Surface Transportation Board proceeding to reauthorize the operation of the pool.
- Worked with a rail industry supplier to restructure their support services, incorporating predictive maintenance tools for safer and more reliable operations.

Prior to joining Oliver Wyman, Mr. Hunt was a Senior Associate at Cambridge Systematics (CS). Mr. Hunt was also a Vice President at ALK Associates.

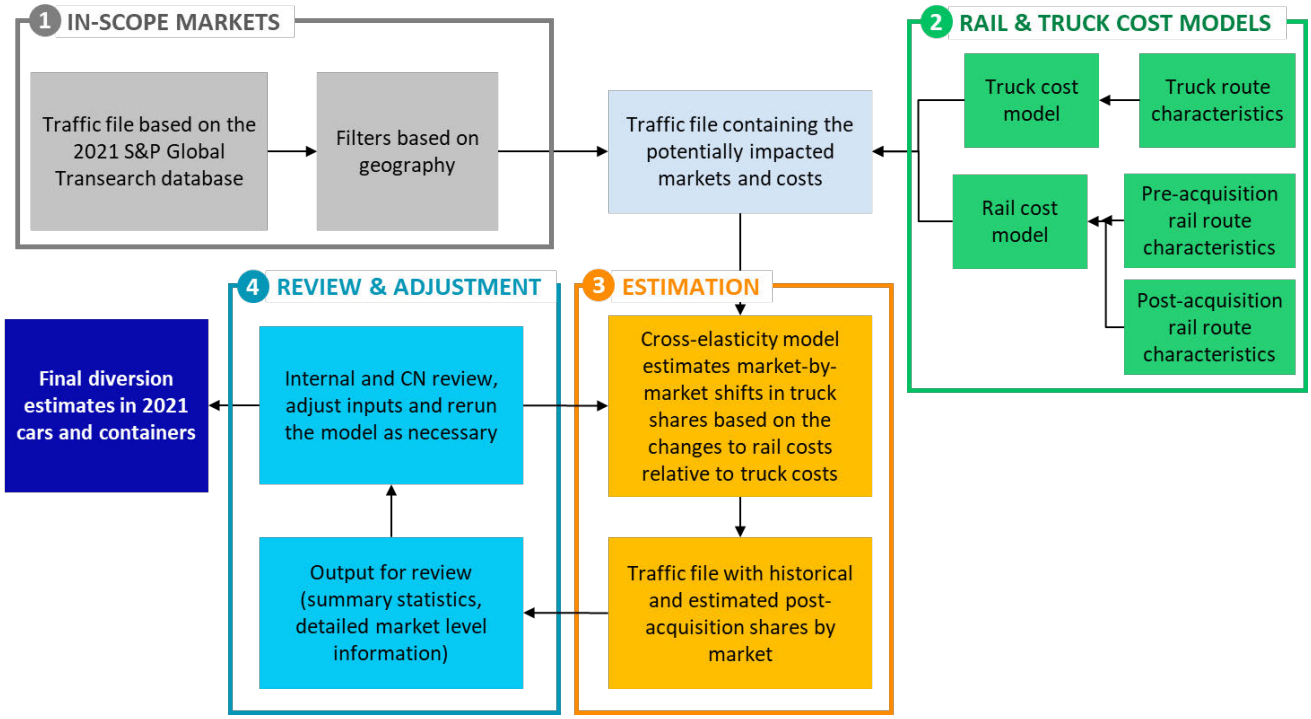
Mr. Hunt is active in the Institute for Operations Research and the Management Sciences (INFORMS), where he was elected as the 2024 President-Elect and 2025 President. He was the recipient of the 2017 INFORMS President's Award, given in recognition of important contributions to the welfare of society, for founding Pro Bono Analytics. He also is a member of the Transportation Research Board's Railroad Operating Technologies Committee.

Mr. Hunt earned a BS in civil engineering from West Virginia University and a MSE from the Civil Engineering and Operations Research Department at Princeton University.

Appendix B. Truck-to-Rail Model Description

The components of Oliver Wyman's truck-to-rail model are shown in Exhibit B-1, with each component discussed in more detail below. This is a cost-based model that considers the cost of a truck move relative to a rail move, using the same basic principle as used in models to evaluate previous railroad mergers in cases before the ICC and STB.[30]

Exhibit B-1: Oliver Wyman truck-to-rail model



The key assumptions used in modeling the potential truck-to-rail diversions due to CN's acquisition of IANR were:

- A market is defined as an origin, destination, and service type.
- Market volume is fixed (cost changes will not change total demand).
- Costs for truck and rail other than the CN-IANR are unchanged post-acquisition.

[30] *See*, for example, FD 32549 Verified Statement of Peter Stone, Reebie Associates and FD 36500 (Sub-No. 1) Verified Statement of David Hunt.

- Diversions of truck market volumes are bound between zero and current truck volume.

B.1 In-scope markets

Since the commodities are currently moving by truck, it is assumed that any commodity can be drayed to and from a rail terminal. The catchment areas were defined based on Bureau of Economic Analysis (BEA) regions, where the major location in the BEA was less than 200 miles from a CN terminal on one end, and within a 19-county IANR catchment area on the other end of the movement.

Exhibit B-2: 19-county IANR catchment area

FIPS Code	County Name
19011	Benton County, IA
19013	Black Hawk County, IA
19017	Bremer County, IA
19019	Buchanan County, IA
19023	Butler County, IA
19033	Cerro Gordo County, IA
19037	Chickasaw County, IA
19065	Fayette County, IA
19067	Floyd County, IA
19069	Franklin County, IA
19075	Grundy County, IA
19081	Hancock County, IA
19089	Howard County, IA
19113	Linn County, IA
19131	Mitchell County, IA
19171	Tama County, IA
19189	Winnebago County, IA
19195	Worth County, IA
19197	Wright County, IA

Diversions were considered by the model if the truck traffic moved from a region in the IANR catchment area to or from a region assigned to a CN terminal (i.e., Winnebago County to Detroit, MI). However, not every combination of BEA to BEA was included. Four rules were used to identify origin BEA – destination BEA pairs for input into the diversion model:

- **Rule 1**: Drayage catchment area is 200 miles or less at the origin and at the destination.
- **Rule 2**: CN rail length-of-haul (LOH) is greater than 400 miles.
- **Rule 3**: Average truck length-of-haul is greater than 400 miles.
- **Rule 4**: Retain origin-destination pairs where the average circuity is less than 1.57, based on:[31]

$$Circuity = \frac{Orig\ Dray + Rail\ LOH + Dest\ Dray}{Truck\ LOH}$$

Exhibit B-3 contains examples of how the rules were applied.

Exhibit B-3: Examples of Rules for Retaining or Removing Origin-Destination BEA Pairs

Origin	Destination	Truck Miles	Rail Miles	Rail Circuity	Origin Dray	Destination Dray
Champaign County, IL	Cerro Gordo County, IA	419	350	1.22	135	25
Benton County, IA	Brown County, WI	391	448	1.30	34	25
Grundy County, IA	Ottawa County, MI	479	595	1.64	35	158
Toronto, ON CMA	Howard County, IA	820	898	1.18	25	49

Red indicates failed rule and would not be diverted; green indicates passed rule and would be diverted

B.2 Rail and truck cost models

B.2.1 Rail cost estimation model

The cost for a rail haul was estimated using the STB's Uniform Rail Costing System (URCS) for CN's US operations, American Trucking Research Institute figures to estimate the

[31] 1.57 represents a 25% allowance on an average rail/truck circuity of 1.26, calculated from the 2019 S&P Global Transearch database for truck (excluding LTL) and rail traffic.

representative cost of drayage, and R-1 data submitted to the Board by the railroads, to estimate the incremental per-ton cost due to fixed cost allocations, which would otherwise be excluded from URCS figures. Exhibit B-4 shows the cost parameters applied to moves originated in CN-served locations and terminated in one of IANR's locally served counties, or vice-versa. An explanation of each cost parameter follows.

Exhibit B-4: Cost of rail moves originated in CN-served locations

Service type	Variable Costs, per Ton Mile	Fixed Costs, per Ton	Fixed IC Costs, per Ton	Variable IC Costs, per Ton Mile
Intermodal	.057	5.58	15.34	.002
Auto	.109	5.58	9.37	.007
Flatbed	.030	5.58	2.44	.002
Dry Bulk	.024	5.58	1.96	.002
Liquid Bulk	.026	5.58	2.31	.002

The costs are established as follows:

- **Variable cost per ton-mile:** the variable cost per ton-mile was determined using the STB's 2021 URCS-model, and the cost data associated with CN's US operations. In my analysis, I estimated the total variable costs for each service type at different lengths of haul. The figures used in this analysis are the average variable costs for moving 10 cars at 250-mile increments, ranging from 250 to 1,500 miles. These figures exclude variable interchange costs, which have been broken out separately to determine the total cost of an interchange event more accurately.
- **Fixed cost allocation per ton**: URCS-based STB Carload Waybill Sample costs only consider the variable portion of railroad costs. However, to fully capture the cost of rail service, certain fixed costs should be allocated to each move. To determine the total amount to be allocated, I followed the same approach as the work previously done for a previous CN

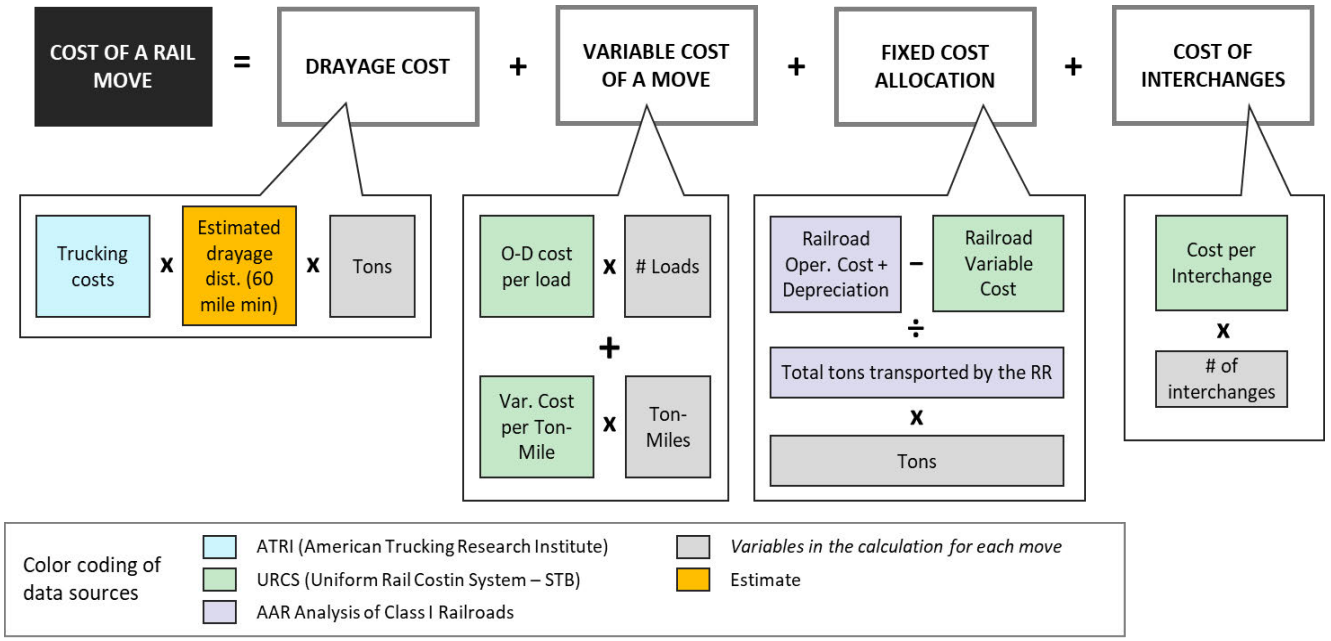
acquisition proposal,[32] where I used the total cost data for CN's US operations, sourced from their R-1 submissions, and subtracted the variable costs associated with URCS to arrive at an estimation of fixed costs per ton. I then inflated these figures using the AAR's freight rail cost index,[33] to make the fixed costs comparable to the other costs used in my analysis.

- **Variable interchange costs:** the variable interchange costs come from the STB's 2021 URCS model, using the methodology described from the "Variable cost per ton-mile" cost category. URCS breaks out the variable cost per interchange event, which I converted to a ton-mile basis for each service type. Breaking out this cost separately allows for a more accurate estimation of the cost of an interchange.
- In addition to the rail costs described above, I applied a drayage cost assumption for rail moves with a minimum of 60 miles at each end for intermodal shipments and 25 miles for carload shipments. An additional charge was then levied for each mile above these stated minimums to represent the fixed and variable costs associated with moving a shipment to and from a rail terminal.

The cost per ton-mile is higher for commodity groups with lower average net weight (automotive and intermodal) and lowest for bulk (which includes general merchandise). As expected, the estimated cost per ton-mile also decreases with distance. Finally, rail becomes increasingly competitive against trucking for longer distances, with a substantially lower cost per ton-mile for long distances.[34] Exhibit B-5 depicts the rail cost estimation process.

[32] *See* FD 36500, Verified Statement of David T. Hunt.
[33] All-Inclusive Index Less Fuel, Association of American Railroads (AAR).
[34] Although rail costs per ton-mile are generally substantially lower, in many cases rail routes are more circuitous than trucking routes, due to the many more miles of publicly-funded roadway available for use versus rail miles.

Exhibit B-5: Process used to estimate rail costs



This approach leverages consistent cost data provided by the STB and the AAR

B.2.2 Truck cost estimation model

To estimate truck transportation costs, I used data provided by ATRI (American Trucking Research Institute) in its 2022 update of the "Analysis of the Operational Costs of Trucking."[35] In my experience, ATRI provides the most credible and useful data source available for trucking costs. The report estimates an average cost per mile of $1.855 in 2021, which is the base year for all my truck-to-rail calculations. To estimate the average cost per ton-mile, I used Oliver Wyman estimates of the average payload and percent of empty miles by truck type. I used these figures in conjunction with the ATRI cost estimates to obtain the figures presented in Exhibit B-6. Since my analysis only covers O-D pairs in counties located more than 400 miles apart, I modeled trucking costs as being linear, with an intercept at zero. I believe that these costs are representative of trucking costs for lengths of haul that are in scope for this study.

[35] Analysis of the Operational Costs of Trucking 2023, American Truck Research Institute, p. 17. Used the value for 2021 since that is the year for the S&P Global Transearch data.

Exhibit B-6: Process used to estimate truck costs

A	• Starting point: Average cost per mile (2019)	**$1.855**	Source: American Trucking Research Institute (ATRI) – An Analysis of the Operational Cost of Trucking 2021
B	• Adjustment by truck type: – Automotive – Intermodal – Hopper truck, tank truck, flatbed		Source: Characteristics & Changes in Freight Transportation Demand, Oliver Wyman analysis
C	• Adjustment to Cost per Net Ton Mile: – Truck payload by type – % of empty trips by type of truck		Source: Characteristics & Changes in Freight Transportation Demand, Oliver Wyman analysis
D	Cost per net ton mile: Automotive	$0.1450	
	Cost per net ton mile: Intermodal	**$0.1488**	
	Cost per net ton mile: Dry Bulk	$0.1069	
	Cost per net ton mile: Tank	$0.1514	
	Cost per net ton mile: Flatbed	$0.0941	

Drayage costs were based on net ton-mile costs, except that since drayage moves will be shorter distances, a 60-mile minimum was set at both the origin and destination. If drayage distances exceeded 60 miles, then the additional mileage charges were added to the cost, which has the effect of reducing diversion percentages, since long drays increase rail cost when compared to a truck move.

B.3 Estimation process

The data for the model came from the S&P Global Transearch freight database. Trucks were defined as Truck Truckload (mode=4), Truck Private (mode=6), and Truck Not Elsewhere Classified (mode=7). Less-than-truckload truck moves were excluded. Also excluded were truckload movements of livestock, which generally does not move by rail. The geography included was based on the description contained in Section B.1.

The Oliver Wyman truck-to-rail diversion model is a logistics regression model that predicts how truck-rail market share will change based on changes in the cost differential between truck

and rail. The truck-to-rail model is first used to estimate pre-acquisition market shares (base case) and then used to estimate post-acquisition market shares. If the difference between post-acquisition and the base case results in a gain in rail market share, the difference is the diversion estimate.

Subtracting the diversions from the base case, rather than from historical traffic volume, helps to eliminate biases in the model. The model is prevented from diverting more tons than historically moved by truck in each market. Diverted tons were then converted into carload, container, and truck units using the average weight per unit from the 2021 Transearch database.

Calibration of the logistics regression model was based on the Transearch freight database for truck (excluding LTL) and rail, for moves exceeding 400 miles. Coefficients were calculated for intermodal, automotive, dry bulk, liquid bulk, and flatbeds by minimizing the sum of the square error (the square of the base case model prediction minus the historical market share).

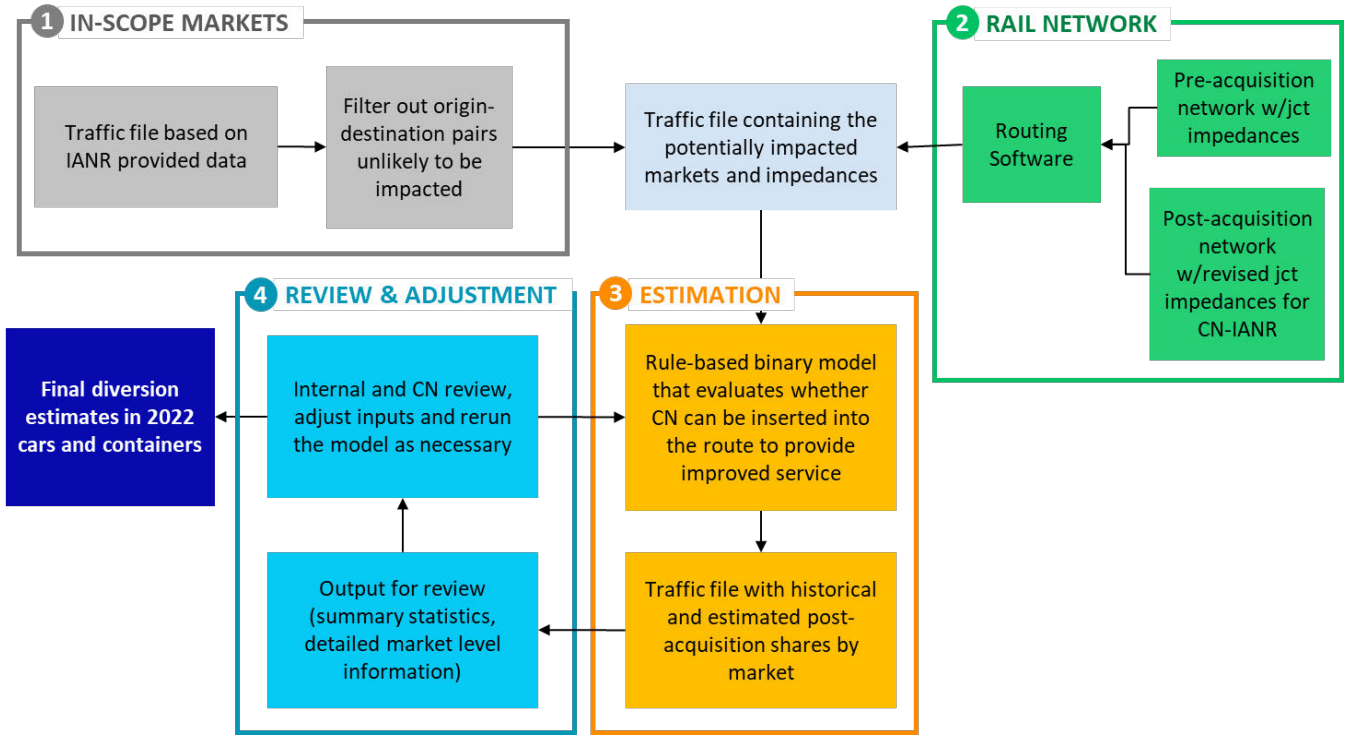
B.4 Review and adjustment

The final step was to review the diversion results internally and with CN to assess the findings. The reviews involved an explanation of the model assumptions and a review of diverted traffic, with market totals and diversion percentages removed to protect confidential data. Based on the review feedback, adjustments were made to the markets eligible for diversions, and the model rerun and reviewed again.

Appendix C: Rail-to-Rail Model Description

The components of Oliver Wyman's rail-to-rail model are shown in Exhibit C-1, with each component discussed in more detail below. This is the same structure and type of model I used to evaluate diversion analyses for railroad mergers in the 1980s and 1990s, while employed at ALK Associates. This model has been used in numerous ICC and STB rail merger cases.[36]

Exhibit C-1: Oliver Wyman rail-to-rail model



The key assumptions used in modeling the potential rail-to-rail diversions due to CN's acquisition of IANR were:

- A market is defined as an origin, destination, and service type.
- Market volume is fixed (a gain by CN's acquisition of IANR is offset by losses on other railroads).

[36] For example, *see* FD 32549 Verified Statement of Mark Hornung of ALK Associates.

- Impedance and junction frequency are surrogates for costs and service quality, which are properties that influence shipper route choice selection.

C.1 In-scope markets

The data was assembled from the 2022 traffic file provided by IANR. Traffic was eliminated if the non-IANR origin or termination was in one of these locations: AZ, CA, CO, ID, KS, MT, ND, NM, NV, OK, OR, SD, TX, UT, WA, WY, or Mexico. Traffic was added for the {{ [redacted] }} that opened in 2023 and thus was not reflected in the 2022 traffic file.

C.2 Rail network

The rail traffic diversion model is network-based, where before-and-after scenarios are constructed that reflect pre- and post-transaction changes to the network. In the case of the IANR acquisition by CN, I assumed the "before case" is the current North American rail network. The rail network is in a standard node-link format, with the exception that "vertical" junction links are added reflecting interchanges, and impedances (which represent an "interchange cost" specified in terms of miles) are assigned based on historical traffic volumes at the junction between railroads. A 350-mile impedance is used for high-volume junctions, while a 650-mile impedance is used for low-volume junctions. A junction between two railroads in the same family is assigned an impedance of zero. The rules for assigning impedances to junctions are provided in Exhibit C-2.

In modeling the IANR, I assumed the pre-acquisition base case has an impedance of 350 miles between CN and IANR at Waterloo, IA and 550 miles at Cedar Rapids, IA. In the post-acquisition case, the impedance is set to zero, reflecting the assumption that IANR is part of CN.

Exhibit C-2: Junction impedances are set based on historical volumes from waybill data

2019 Interchange Volume	Junction Impedance	Notes
Same Family	0	No impedance at the interchange
< 730	650	< 2 loaded units/day
730 to < 3,650	550	2 to 10 loaded units/day
3,650 to < 17,800	450	10 to 50 loaded units/day
> 17,800	350	> 50 loaded units/day

The combination of rail distance plus junction impedance provided the total impedance. If the CN-IANR route in the post-acquisition case was higher than the current route, then the traffic was not diverted from the current route.

C.3 Estimation process

Rather than using a logistics regression (logit) model, as I have done in prior rail-to-rail diversion modeling, the nature of this transaction and the fact that the base data only contained IANR movements was more suited to a binary choice – either all of the traffic for a record would divert to CN-IANR, or none of it would. Each traffic record was reviewed and assigned into one of the following categories:

1. CN already participated in the route and could not extend its current length-of-haul.
2. The non-IANR end of the move was to or from a region where CN could not provide competitive single-line or interline service, such as California, Texas or Mexico (full list in Appendix C.1).
3. The movement was IANR local.
4. The movement originated on {{[redacted]}}.
5. The CN-IANR route had a higher impedance than the current route (see Appendix C.2).
6. The traffic record had incomplete information (bad record).

If none of these categories applied, then the traffic was diverted to CN. This is summarized in Exhibit 5-1.

C.4 Review and adjustment

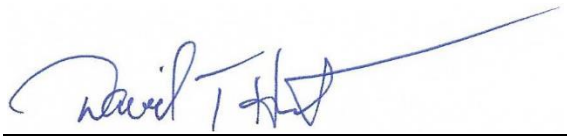
The final step was to review the diversion results internally and with CN to assess the findings. The reviews involved an explanation of the model assumptions and a review of diverted traffic, with market totals and diversion percentages removed to protect confidential data. Based on the review feedback, adjustments were made to the markets eligible for diversions, and the model rerun and reviewed again.

PUBLIC VERSION

VERIFICATION

I, David T. Hunt, declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge. Further, I certify that I am qualified and authorized to file this statement.

Executed on this 30th day of January, 2024.



David T. Hunt

APPENDIX C

SUPPORT STATEMENTS

SUPPORT STATEMENTS

The Honorable Waylon Brown, Iowa State Senator, District 30

The Honorable Tim Kraayenbrink, Iowa State Senator, District 4

The Honorable Tiffany D. O'Donnell, Mayor of City of Cedar Rapids, IA

The Honorable Quentin Hart, Mayor of City of Waterloo, IA

The Honorable Danny Laudick, Mayor of City of Cedar Falls, IA

The Honorables Greg Barnett, Wayne Dralle, and Rusty Eddy, Board of Supervisors for Butler County, IA

Cedar Rapids Metro Economic Alliance

Iowa Area Development Group

Iowa Association of Business and Industry

Sukup Manufacturing Co.

Hawkeye Community College

Kirkwood Community College

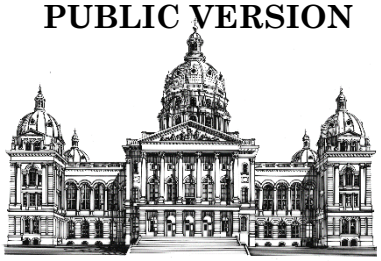
North Iowa Area Community College

SMART-TD

PUBLIC VERSION

WAYLON BROWN
STATE SENATOR
Thirtieth District
Statehouse: (515) 281-3371
–
HOME ADDRESS
2415 Hwy 218
Osage, IA 50461

waylon.brown@legis.iowa.gov



The Senate
State of Iowa
Ninetieth General Assembly
STATEHOUSE
Des Moines, IA 50319

COMMITTEES

Commerce, *Chair*
Health and Human Services
State Government
Transportation
Ways and Means
Administrative Rules Review

January 25, 2024

Honorable Martin J. Oberman, Chairman
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*, Docket No. FD 36744

Dear Chairman Oberman:

I am writing in support of the combination of Canadian National Railway Company (CN) and Iowa Northern Railway (IANR), for the advancement and benefit of the state of Iowa. As a public official that serves the people of Iowa Senate District 30, it is my responsibility to support policies and regulatory efforts that will benefit my constituents—and this proposed combination would do just that.

After experiencing significant supply chain issues these past few years on a statewide and national scale, when an opportunity presents itself to improve the access and delivery of critical goods, we must pursue it. Through CN and IANR's combination, agricultural goods will be transported to major markets across the Midwest, like Chicago, more efficiently. Additionally, shippers will be able to reach a higher number of agricultural processing centers, like feed mills and soybean plants, enabling entry to different and more geographically diverse markets.

The marketplace will remain competitive after a CN-IANR combination and will enable shippers to continue choosing which option best suits their business and output goals.

CN has called Iowa home for many years and is looking to continue growing their business within the state. This commitment to Iowans should be recognized as CN strives to build upon the great work done over the years by the team at Iowa Northern. I call on you and the rest of the Surface Transportation Board to do the right thing for Iowa by approving this acquisition.

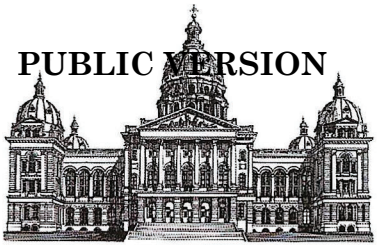
Sincerely,

Waylon Brown

Waylon Brown
Proudly Serving District 30, North Iowa
Waylon.brown@legis.iowa.gov

TIM KRAAYENBRINK
STATE SENATOR
Fourth District
Statehouse: (515) 281-3371
–
HOME ADDRESS
1561 National Ave.
Fort Dodge, IA 50501
H: (515) 576-0417
C: (515) 408-4770
O: (515) 576-0444
F: (515) 576-1638
tim.kraayenbrink@legis.iowa.gov
tim.brink@gmail.com

PUBLIC VERSION



The Senate
State of Iowa
Ninetieth General Assembly
STATEHOUSE
Des Moines, IA 50319

COMMITTEES

Appropriations, *Chair*
Education
Government Oversight
State Government

Public Retirement Systems, *Co-chair*

Honorable Martin J. Oberman, Chairman
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

January 24, 2024

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*, Docket No. FD 36744

Dear Chairman Oberman:

My name is Tim Kraayenbrink. I am a State Senator in Iowa representing District 4.

I am writing in support for Canadian National Railway's purchase of Iowa Northern Railway. Canadian National has a big presence in my district. They transport grain from m any of our rural elevators. Most importantly for my district, Canadian National serves many biofuel plants in the greater Fort Dodge, Iowa. Ethanol production is major economic driver in this area and Canadian National has done an excellent job working with our plants.

There is healthy rail competition in the area and that will remain. Our major ag industrial park is served by both Union Pacific and Canadian National and this acquisition of Iowa Northern won't affect that. We are also served by other short lines. The biofuel plants in my district support this effort by Canadian National and so do I.

Canadian National is also an excellent corporate citizen supporting everything from the Salvation Army to local volunteer fire departments.

I ask you to approve this acquisition.

Sincerely,

Tim Kraayenbrink

Tim Kraayenbrink
Iowa State Senator

PUBLIC VERSION

CEDAR RAPIDS
City of Five Seasons®

January 17, 2024

Honorable Martin J. Oberman, Chairman
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*, Docket No. FD 36744

Dear Chairman Oberman:

I am writing in support of the combination of Canadian National Railway Company (CN) and Iowa Northern Railway (IANR), for the advancement and benefit of the state of Iowa. As a public official that serves the people of Cedar Rapids, Iowa, it is my responsibility to support policies and regulatory efforts that will benefit my constituents—and this proposed combination would do just that.

After experiencing significant supply chain issues these past few years on a statewide and national scale, when an opportunity presents itself to improve the access and delivery of critical goods, we must pursue it. Through CN and IANR's combination, agricultural goods will be transported to major markets across the Midwest, like Chicago, more efficiently. Additionally, shippers will be able to reach a higher number of agricultural processing centers, like feed mills and soybean plants, enabling entry to different and more geographically diverse markets.

The marketplace will remain competitive after a CN-IANR combination and will enable shippers to continue choosing which option best suits their business and output goals.

CN has called Iowa home for many years and is looking to continue growing their business within the state. This commitment to Iowans should be recognized as CN strives to build upon the great work done over the years by the team at Iowa Northern. I call on you and the rest of the Surface Transportation Board to do the right thing for Iowa by approving this acquisition.

Sincerely,

Tiffany D. O'Donnell
Mayor

Office of the Cedar Rapids Mayor and City Council
City Hall • 101 First Street SE • Cedar Rapids, Iowa 52401 • (319) 286-5051 • FAX (319) 286-5144

715 Mulberry St, Waterloo, IA 50703
Phone: (319) 291-4301
CITYOFWATERLOOIOWA.COM

January 8, 2024

Honorable Martin J. Oberman, Chairman
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company, Docket No. FD 36744*

Dear Chairman Oberman:

I am writing in support of the combination of Canadian National Railway Company (CN) and Iowa Northern Railway (IANR), for the advancement and benefit of the state of Iowa. As a public official that serves the people of Waterloo, it is my responsibility to support policies and regulatory efforts that will benefit my constituents—and this proposed combination would do just that.

After experiencing significant supply chain issues these past few years on a statewide and national scale, when an opportunity presents itself to improve the access and delivery of critical goods, we must pursue it. Through CN and IANR's combination, agricultural goods will be transported to major markets across the Midwest, like Chicago, more efficiently. Additionally, shippers will be able to reach a higher number of agricultural processing centers, like feed mills and soybean plants, enabling entry to different and more geographically diverse markets.

The marketplace will remain competitive after a CN-IANR combination, and will enable shippers to continue choosing which option best suits their business and output goals.

CN has called Iowa home for many years and is looking to continue growing their business within the state. This commitment to Iowans should be recognized as CN strives to build upon the great work done over the years by the team at Iowa Northern. I call on you and the rest of the Surface Transportation Board to do the right thing for Iowa by approving this acquisition.

Sincerely

Quentin Hart
Mayor

PUBLIC VERSION

MAYOR DANNY LAUDICK

CITY OF CEDAR FALLS, IOWA
220 CLAY STREET
CEDAR FALLS, IOWA 50613
319-273-8600

MEMORANDUM
Office of the Mayor

January 22nd, 2024

Honorable Martin J. Oberman, Chairman
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*, Docket No. FD 36744

Dear Chairman Oberman:

I am writing in support of the combination of Canadian National Railway Company (CN) and Iowa Northern Railway (IANR), for the advancement and benefit of the state of Iowa. As a public official that serves the people of Cedar Falls, Iowa, it is my responsibility to support policies and regulatory efforts that will benefit my constituents—and I believe this proposed combination would do that.

After experiencing significant supply chain issues these past few years on a statewide and national scale, when an opportunity presents itself to improve the access and delivery of critical goods, we must pursue it. Through CN and IANR's combination, agricultural goods will be transported to major markets across the Midwest, like Chicago, more efficiently. Additionally, shippers will be able to reach a higher number of agricultural processing centers, like feed mills and soybean plants, enabling entry to different and more geographically diverse markets.

The marketplace will remain competitive after a CN-IANR combination, and will enable shippers to continue choosing which option best suits their business and output goals.

CN has called Iowa home for many years and is looking to continue growing their business within the state. This commitment to Iowans should be recognized as CN strives to build upon the great work done over the years by the team at Iowa Northern. I ask that you and the rest of the Surface Transportation Board to do the right thing for Iowa by approving this acquisition.

Sincerely,

Danny Laudick
Mayor
Danny.Laudick@cedarfalls.com

PUBLIC VERSION
BUTLER COUNTY BOARD OF SUPERVISORS
428 6th Street, PO Box 325, Allison, IA 50602

GREG BARNETT
1st District

WAYNE DRALLE
2nd District

RUSTY EDDY
3rd District

January 16, 2024

Honorable Martin J. Oberman, Chairman
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*, Docket No. FD 36744

Dear Chairman Oberman:

We are writing in support of the combination of Canadian National Railway Company (CN) and Iowa Northern Railway (IANR), for the advancement and benefit of the state of Iowa. As public officials that serve the people of **Butler County** it is our responsibility to support policies and regulatory efforts that will benefit our constituents—and this proposed combination would do just that.

After experiencing significant supply chain issues these past few years on a statewide and national scale, when an opportunity presents itself to improve the access and delivery of critical goods, we must pursue it. Through CN and IANR's combination, agricultural goods will be transported to major markets across the Midwest, like Chicago, more efficiently. Additionally, shippers will be able to reach a higher number of agricultural processing centers, like feed mills and soybean plants, enabling entry to different and more geographically diverse markets.

The marketplace will remain competitive after a CN-IANR combination, and will enable shippers to continue choosing which option best suits their business and output goals.

CN has called Iowa home for many years and is looking to continue growing their business within the state. This commitment to Iowans should be recognized as CN strives to build upon the great work done over the years by the team at Iowa Northern. We call on you and the rest of the Surface Transportation Board to do the right thing for Iowa by approving this acquisition.

Sincerely,

Greg Barnett
1st District Supervisor

Wayne Dralle
2nd District Supervisor

Rusty Eddy
3rd District Supervisor

Phone: 319-346-6547 Email: supervisor@butlercounty.iowa.gov Fax: 877-302-8852

PUBLIC VERSION

CEDAR RAPIDS METRO ECONOMIC ALLIANCE

January 23, 2024

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, SW
Washington, DC 20423-0001

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*, Docket No. FD 36744

Dear Ms. Brown:

I am Douglas Neumann with the Cedar Rapids Metro Economic Alliance located at 501 1st Street SE, Cedar Rapids, IA.

Cedar Rapids Metro Economic Alliance supports the proposed acquisition of Iowa Northern by Canadian National and we request that the Surface Transportation Board swiftly approves it.

After researching the proposed acquisition, we believe it will benefit both CN and IANR's customers. The transaction would provide IANR's existing customers access to CN's broad rail network and markets that extend across Canada down into the southern parts of the United States. The integration would create new single-line options that will benefit not just Iowa shippers, but consumers across the country.

Our primary focus is on preserving joint-line options between IANR and other rail carriers for our members. Knowing that CN is preserving IANR customers' access to other Class I rail carriers, reassures us at Cedar Rapids Metro Economic Alliance that this integration will be mutually beneficial. It is clear this proposed transaction will enable the combined CN-IANR to continue providing reliable first and last-mile service to local customers while offering new, single-line rail options to and from Iowa in a way that will truly benefit the people of Iowa. We encourage the Surface Transportation Board's approval of this proposed transaction.

Thank you for your consideration.

Sincerely,

Douglas Neumann, Executive Director
dneumann@cedarrapids.org
319/398.5317

501 First Street SE
Cedar Rapids, IA 52401

www.cedarrapids.org

VISION:

TO BE THE TOP ECONOMIC GROWTH REGION IN THE COUNTRY.

MISSION:

TO DRIVE ECONOMIC, WORKFORCE AND POPULATION GROWTH STRATEGIES, AND TO HELP BUSINESSES SUCCEED.

VALUES:

WE VALUE OUR MEMBERS AND STRIVE TO EXCEED THEIR EXPECTATIONS.

WE EMBRACE INNOVATION IN OUR WORK.

WE FOCUS ON COLLABORATIVE RELATIONSHIPS IN EVERYTHING WE DO.

WE ARE COMMITTED TO A HIGH-PERFORMANCE CULTURE, CENTERED ON CORE COMPETENCIES.

PROUD TO BE IN

ICR IOWA

PUBLIC VERSION

IOWA AREA DEVELOPMENT GROUP

January 24, 2024

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*, Docket No. FD 36744

Dear Ms. Brown:

On behalf of the Iowa Area Development Group (IADG), I am writing in support of the proposed combination of Canadian National Railway Company (CN) and Iowa Northern Railway Company (IANR) and its anticipated positive impact on Iowa's economic development goals.

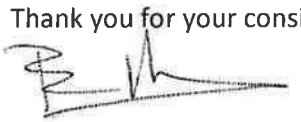
IADG serves over 150 utility members throughout the state and has assisted with nearly 2,500 business expansion projects, totaling over $13.9 billion in new locations and expansions. We take pride in providing a wide range of services and tools vital to developmental success which includes Butler Logistics Park, Shell Rock, Iowa, whose success is driven by rail, namely the IANR.

Over the past several years, we've all felt the effects of supply chain challenges – low-stocked shelves at the grocery store, delayed online orders, or the shortage of needed supplies and raw materials. To meet these challenges head-on, we must seek the best possible shipping and transportation solutions available.

The fusion of these two freight rail networks will facilitate more efficient rail service to more destinations and more customers, keeping store shelves and warehouses well-stocked and business on track. This is more than a combination; it's an investment in Iowa's growth and development. The faster and more efficiently developers can receive supply and materials, the sooner a new business, stock room, or data center can open its doors and serve its community.

In the last decade, Iowa has made great strides in keeping up with consumer demand and attracting great investment opportunities. We must continue to support efforts that elevate Iowa's business community, keeping this momentum going. With this in mind, I urge the Surface Transportation Board to approve this transaction.

Thank you for your consideration.



Sincerely,

BRUCE NUZUM, PRESIDENT
BNUZUM@IADG.COM

PUBLIC VERSION

IOWA ASSOCIATION OF BUSINESS AND INDUSTRY

January 18, 2024

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E St. SW
Washington, DC 20423-0001

Re: Docket No. FD 36744, Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company

Dear Ms. Brown:

As president of the Iowa Association of Business and Industry, I write in strong support of the proposed combination of Canadian National (CN) and Iowa Northern Railway Company (IANR). Our association is Iowa's largest statewide business organization, with more than 1,500 member companies representing 330,000 working Iowans. Our members come from all of Iowa's 99 counties and all industry sectors. We advocate for public policies that foster economic growth and prosperity so all Iowans can enjoy the highest possible quality of life. The proposed CN-IANR combination would produce major benefits and be a significant step forward for Iowa families and businesses.

As a result of the combination, customers on IANR lines will gain better access to global markets by way of new single-line services for goods like corn, soybeans, biofuels, and manufactured products. Customers will also keep their access to other Class I railroads, preserving choice and competition. CN's Class I maintenance and investment program will protect the infrastructure owned and maintained by IANR in Iowa well into the future, keeping our agricultural and industrial supply chains humming. And IANR's employees will enjoy the stability and benefits of working for one of the largest railroads in North America.

In the attached op-ed, which appeared in the Waterloo-Cedar Falls Courier and the Cedar Rapids Gazette, I detail how the CN-IANR combination would benefit our state. I urge the Board to approve this transaction in the interest of rail customers, employees, and communities across Iowa.

Sincerely,

Michael Ralston
President
Iowa Association of Business and Industry
mralston@iowaabi.org

PUBLIC VERSION

Sukup Manufacturing Co.

Family-owned and operated Manufacturer of Grain Bins, Dryers, & Material Handling

1555 255th St - Sheffield, Iowa 50475-0677 - Ph: 641-892-4222

www.sukup.com - info@sukup.com

January 15, 2024

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*, Docket No. FD 36744

Dear Ms. Brown:

On behalf of myself and my team at Sukup Manufacturing, I am writing in support of the proposed combination of Canadian National Railway Company (CN) and Iowa Northern Railway Company (IANR), as I am confident of the great benefits this combination will bring to Iowa and its neighboring midwestern states.

Since the pandemic, companies like ours have felt the impact of supply chain challenges, notably shipping challenges and the shortage of raw materials. We need the best possible shipping and transportation solutions to ensure the quality products our markets rely on are getting to their destination as quickly and efficiently as possible, and this combination ensures that.

The IANR line operates in North Central and East Central Iowa – two of Iowa's largest agricultural and industrial areas. If approved, this combination would allow CN to offer single-line service to even more destinations, facilitating more efficient rail service and helping supply chains stay on track.

As the largest family-owned and operated manufacturer of grain storage, and grain drying/handling equipment, Sukup Manufacturing depends on efficient and reliable rail service to keep us on track and continuously deliver quality products to our customers. One of our greatest values as an organization is the commitment to innovation and continually finding ways to provide for farmers and the agricultural industry. CN's investment ensures we can continue those strides well into the future.

We must pursue and support efforts that elevate Iowa's local businesses and supply chain. With these benefits in mind, I urge the Surface Transportation Board to approve this transaction.

Thank you for your consideration.

Sincerely,

Steve Sukup, President & CEO
Sukup Manufacturing Co.
ssukup@sukup.com

HAWKEYE COMMUNITY COLLEGE | OFFICE OF THE PRESIDENT

1501 East Orange Road • P.O. Box 8015 • Waterloo, Iowa 50704-8015 • 319-296-4201 • www.hawkeyecollege.edu

January 29, 2024
Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*, Docket No. FD 36744

Dear Ms. Brown:

My name is Dr. Todd Holcomb, President of Hawkeye Community College in Waterloo, Iowa. I write to you in support of the combination of Iowa Northern Railway (IANR) and Canadian National Railway Company (CN).

IANR has been a fixture at Hawkeye for several years, helping us expand the educational and professional opportunities for students. In 2018, we partnered with IANR to launch a Conductor Training Program, helping to correct the workforce development issues railways were facing in training and hiring conductors. They are more than a rail service; they are a community partner for our college and organizations across the region.

If approved, this combination can do more than just expand rail service to reach more markets quicker and more efficiently; other groups and organizations in North Iowa can reap the benefits of IANR's strong community partnership and leadership. We are excited about the potential opportunities to continue this partnership with a stronger national rail carrier with Iowa-based operations.

During a time when industries across the supply chain are experiencing staffing shortages, difficulty accessing materials, and much more, rail carriers are important now more than ever. We must pursue and support efforts that elevate Iowa's local workforce and supply chain, and this combination does just that. With these benefits in mind, I urge the Surface Transportation Board to approve this transaction.

Sincerely,

DR. TODD HOLCOMB, PRESIDENT
HAWKEYE COMMUNITY COLLEGE
TODD.HOLCOMB@HAWKEYECOLLEGE.EDU

Kirkwood
COMMUNITY COLLEGE

OFFICE OF THE PRESIDENT

January 24, 2024

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*, Docket No. FD 36744

Dear Ms. Brown:

I write to you in support of the combination of the Iowa Northern Railway (IANR) the Canadian National Railway Company (CN).

Kirkwood Community College is proud to help students of all ages find their future. We strive to seek innovative, data-driven ways to offer our students a quality education, training, and a successful future. In order for Kirkwood students to succeed, Cedar Rapids and surrounding communities must succeed.

A key factor in evaluating potential benefits and likelihood of success when a larger company like CN combines with a regional company like IANR is that the leadership has similar ideals and missions to make the transition within the community easier. As a family-owned business, IANR has been a strong, engaged community partner in the area for decades. Community partners are what make educational institutions like Kirkwood strong, allowing us to offer students more opportunities in their academic journey.

CN – which has a focus on community service, similar to IANR – has already demonstrated its commitment to the communities along the tracks. Combining with CN will ensure rail stability and customer access and expand existing partnership and community growth opportunities. We are excited about the potential opportunities to partner with a strong national rail carrier with Iowa-based operations.

With all this in mind, I encourage all Iowans to support this acquisition, and urge the Surface Transportation Board to approve it.

Thank you for your consideration.

Best,

Kristie Fisher, Ph.D.
President

January 25, 2024

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*, Docket No. FD 36744

Dear Ms. Brown:

My name is Steve Schulz, President of North Iowa Area Community College (NIACC). I write to you in support of the combination of Iowa Northern Railway (IANR) and Canadian National Railway Company (CN).

Northern Iowa has a strong sense of community, and IANR and the owning-Sabin family have been a part of that for decades. The combined railroads will ensure our community's continued growth into the future. Like IANR, CN is dedicated to providing the best possible service to its community, recognizing that businesses, organizations, and institutions in Northern Iowa are key pieces to Iowa's success.

Located in the heart of the region, NIACC believes in creating and nurturing strong partnerships in our community. Through extensive outreach programs and collaborations, we have become more than just an educational institution but a partner in the growth, development, and progress of the community we call home. We cherish our rich, over 100-year history, but our gaze is firmly set on the future.

If this combination is approved, CN will be able to expand upon IANR's single-line service to more destinations and support more customers, all while facilitating more efficient rail service. The railway's continued presence in the region presents new educational programming and opportunities for NIACC students, keeping them in the area after graduation.

As we look ahead and plan for the future of our region, we must pursue and support efforts that elevate and support Iowa's communities and economy.

Success is secured with this combination, and I encourage the Surface Transportation Board to approve this transaction.

Sincerely,

STEVE SCHULZ, PRESIDENT, PhD
NORTH IOWA AREA COMMUNITY COLLEGE
STEVE.SCHULZ@NIACC.EDU

SHEET METAL | AIR | RAIL | TRANSPORTATION
SMART
TRANSPORTATION DIVISION
6060 ROCKSIDE WOODS BLVD. N., STE. 325
INDEPENDENCE, OHIO 44131-2378
PHONE: 216-228-9400 • FAX: 216-228-5755
www.smart-union.org
JEREMY R. FERGUSON
President

PUBLIC VERSION

January 29, 2024

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

Re: *Canadian National Railway Company and Grand Trunk Corporation–Control–Iowa Northern Railway Company*, Docket No. FD 36744

Dear Ms. Brown:

SMART-TD represents conductors and engineers on IANR and represents conductors on CCP.

SMART-TD supports the Board moving forward with approval of this transaction. The combined CN-IANR solidifies job security and economic longevity for SMART-TD's membership. This minor transaction will require all aspects of the New York Dock protective conditions be provided via an implementing agreement, and we look forward to working with CN and its labor relations officers on that endeavor.

We appreciate CN's outreach and transparency about the combination. We look forward to working with a combined CN-IANR once the Board approves the transaction.

Thank you for your consideration.

Sincerely yours,

Jeremy R. Ferguson
President – Transportation Division

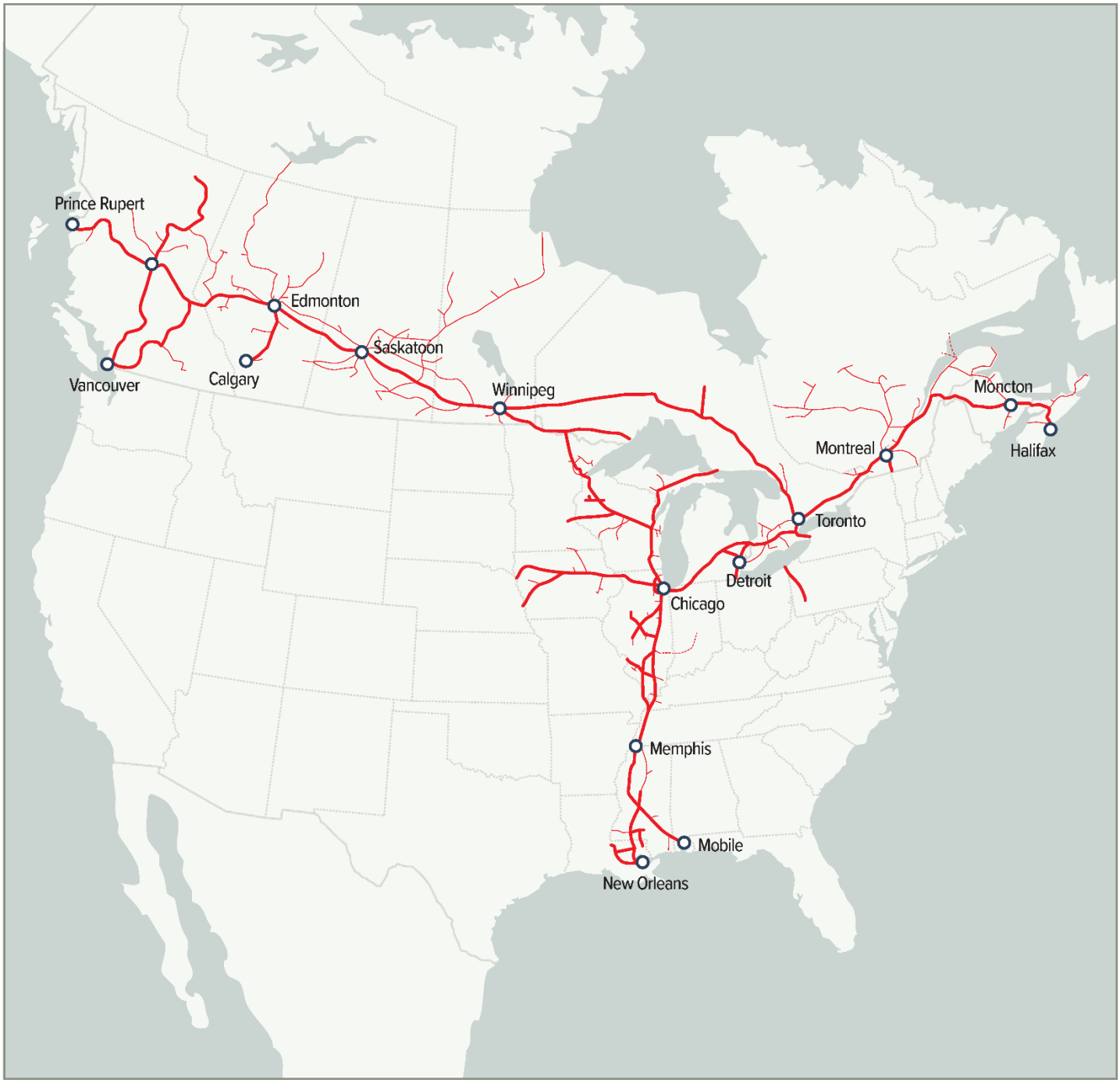
Adren Crawford
General Chairperson, SMART-TD

cc: Tom Sullivan, CN
Doug Mandalas, CN

EXHIBIT 1

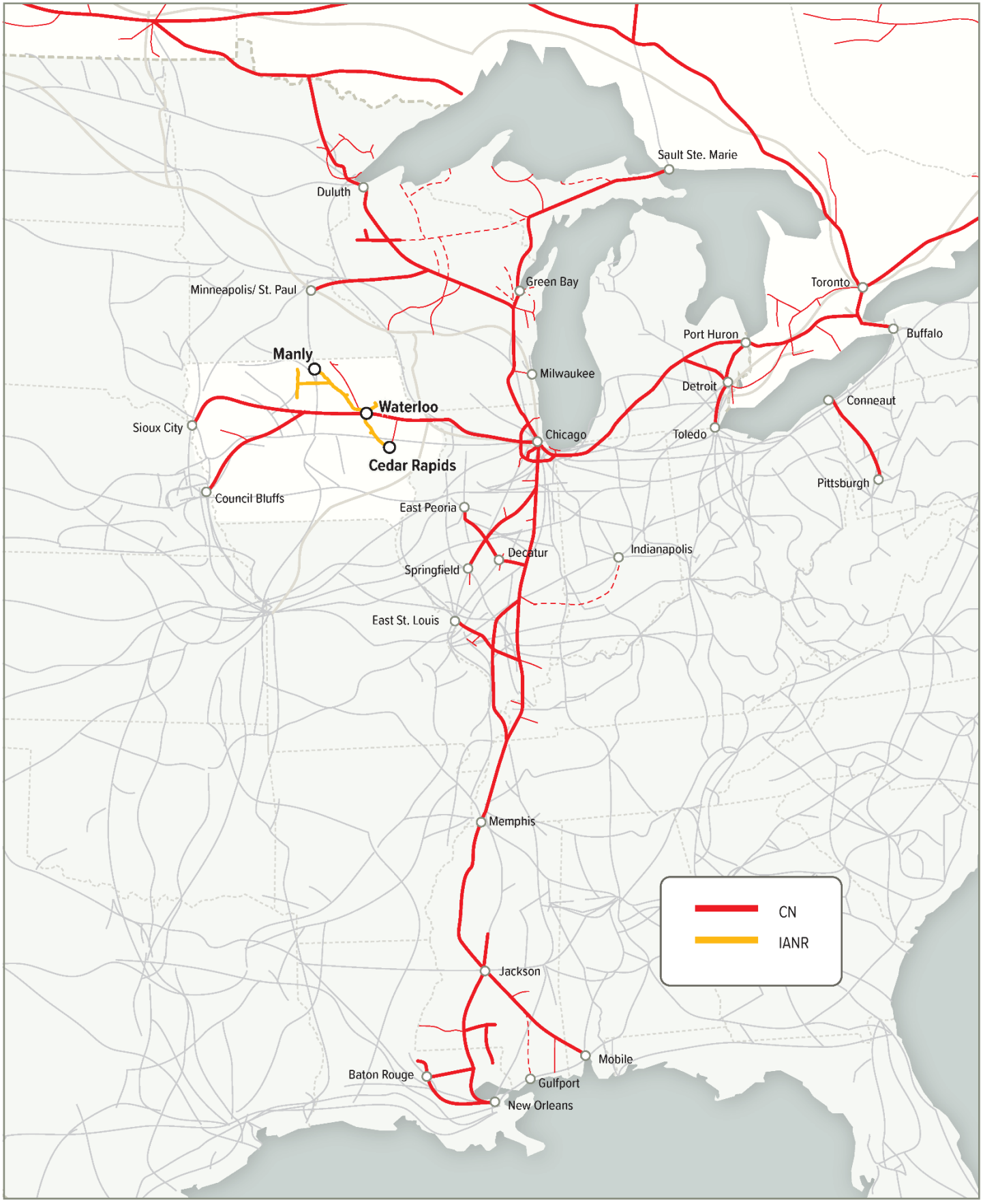
MAPS

MAP A: CN SYSTEM



PUBLIC VERSION

MAP B: CN SYSTEM—U.S.



MAP C: IOWA NORTHERN SYSTEM

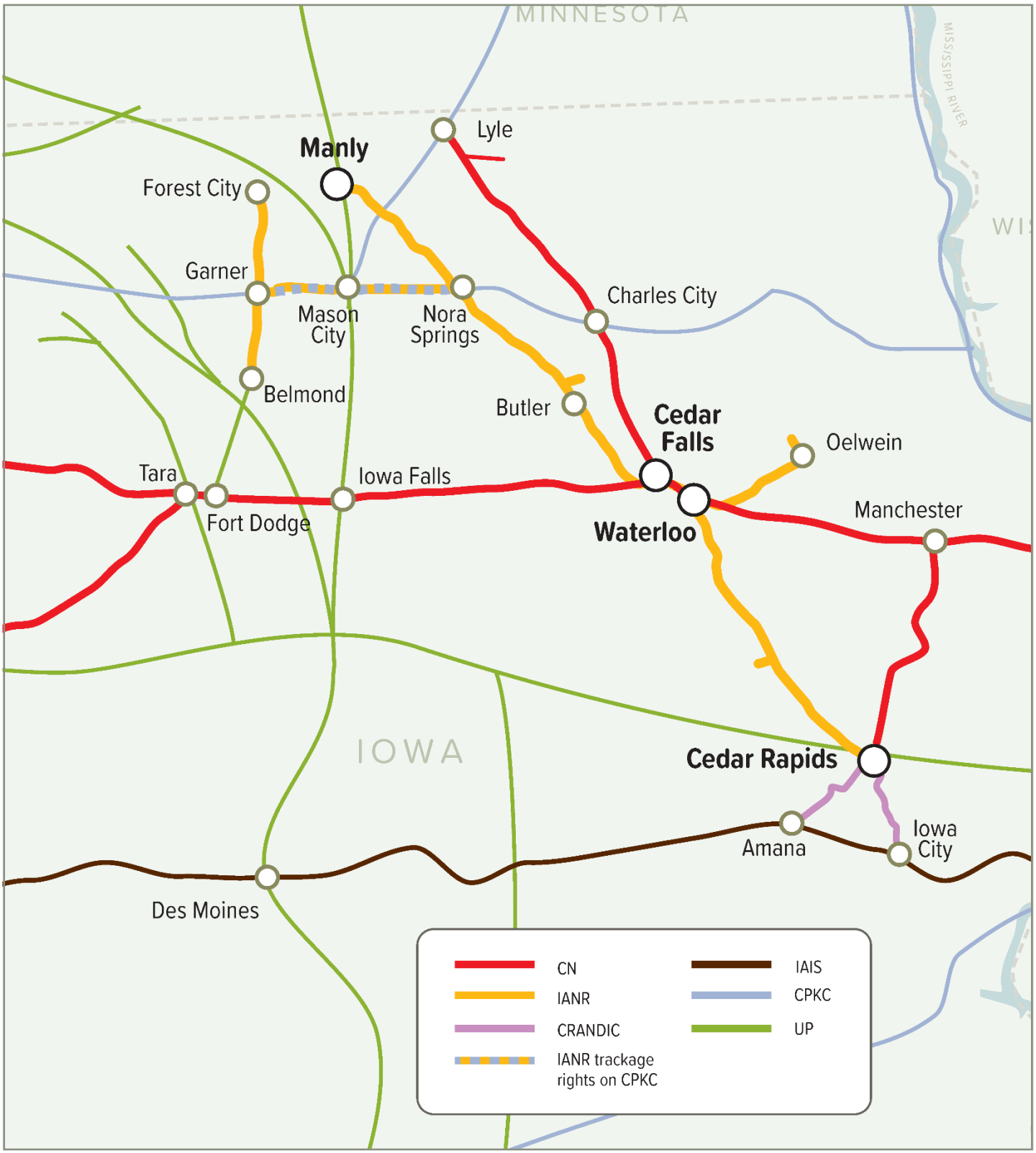


EXHIBIT 2

AGREEMENT

EXECUTION VERSION
STRICTLY CONFIDENTIAL

UNIT PURCHASE AGREEMENT

by and among

CABLE & IVES, LLC,

SABIN GROUP HOLDINGS, L.L.C.,

TCFII IANR SPE LLC

and

GRAND TRUNK CORPORATION

Dated as of December 6, 2023

PUBLIC VERSION

ARTICLE 1 PURCHASE AND SALE OF UNITS 1

1.1 Purchase and Sale of Units 1
1.2 Purchase Price. 1
1.3 Closing Date Adjustment. 3
1.4 The Closing 6
1.5 Withholding 6

ARTICLE 2 CLOSING DELIVERIES 6

2.1 Sellers' and the Company's Closing Date Deliveries 6
2.2 Buyer's Closing Date Deliveries 7

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE SELLERS 8

3.1 Organization and Power 8
3.2 Authorization; Valid and Binding Agreement. 8
3.3 Consents; No Breach 8
3.4 Ownership 9
3.5 Litigation 9
3.6 Brokers 9

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE SELLERS WITH RESPECT TO THE ACQUIRED COMPANIES AND NCIRC ... 10

4.1 Organization and Power 10
4.2 Subsidiaries 10
4.3 Authorization; Valid and Binding Agreement 11
4.4 Consents; No Breach. 11
4.5 Capitalization 12
4.6 Financial Statements; Undisclosed Liabilities 12
4.7 Absence of Certain Developments 13
4.8 Title to and Sufficiency of Assets 16
4.9 Real Property. 17
4.10 Tax Matters 18
4.11 Contracts and Commitments 20
4.12 Intellectual Property 22
4.13 Privacy and Security Matters 23
4.14 Litigation 23
4.15 Employee Benefit Plans 23
4.16 Insurance 25
4.17 Compliance with Laws; Permits 26
4.18 Customers and Vendors 26
4.19 Environmental Compliance and Conditions 26
4.20 Affiliated Transactions 27
4.21 Employment and Labor Matters 27
4.22 Brokers 29
4.23 NCIRC Matters 29

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF BUYER 30

5.1 Organization and Power 31
5.2 Authorization; Valid and Binding Agreement. 31
5.3 Consents; No Breach 31
5.4 Litigation 32
5.5 Brokers 32
5.6 Investment Representation 32
5.7 Solvency 32
5.8 WARN Act and Mass Layoff 32
5.9 Investigation 33

ARTICLE 6 [RESERVED] 33

ARTICLE 7 ADDITIONAL COVENANTS 33

7.1 Director and Officer Liability and Indemnification 33
7.2 R&W Insurance 35

ARTICLE 8 ADDITIONAL COVENANTS AND AGREEMENTS 35

8.1 No Survival; Certain Waivers. 35
8.2 Tax Matters 39
8.3 Employee Benefits 42
8.4 Further Assurances 43
8.5 Retention of Books and Records; Access 43
8.6 Confidentiality 44
8.7 Litigation Cooperation 45
8.8 Insurance 45
8.9 Misdirected Payments 45
8.10 Restrictive Covenants 46
8.11 Retention Bonuses 47
8.12 Affiliate Transfers; Post-Closing Transfers 48
8.13 Government Approvals 49
8.14 Post-Closing Cooperation 49
8.15 TCFII Article IV Representations 50
8.16 Financial Statements 50

ARTICLE 9 DEFINITIONS 51

9.1 Definitions 51
9.2 Other Definitional Provisions 61

ARTICLE 10 MISCELLANEOUS 62

10.1 Public Announcements and Communications 62
10.2 Expenses 63

10.3 Prevailing Party 63
10.4 Knowledge Defined 63
10.5 Notices 63
10.6 Assignment 66
10.7 Severability 66
10.8 Construction 66
10.9 Amendment and Waiver 67
10.10 Complete Agreement 67
10.11 Counterparts 67
10.12 Governing Law 68
10.13 Consent to Jurisdiction and Service of Process 68
10.14 WAIVER OF JURY TRIAL 68
10.15 Equitable Relief 68
10.16 No Third Party Beneficiaries 69
10.17 Representation of Sellers and their Affiliates 69
10.18 No Additional Representations; Disclaimer; Non-Recourse 70
10.19 Conflict Between Transaction Documents 72
10.20 Electronic Delivery 72
10.21 Buyer Deliveries 73
10.22 United States Dollars; Exchange Rate 73
10.23 Disclosure Schedules 73

Exhibits

Exhibit A – Units
Exhibit B – Form of Voting Trust Agreement
Exhibit C – Form of Escrow Agreement
Exhibit D – Form of Retention Agreement
Exhibit E – Form of R&W Insurance
Exhibit F – Agreed Accounting Principles and Net Working Capital

UNIT PURCHASE AGREEMENT

This UNIT PURCHASE AGREEMENT (this "Agreement") is made as of December 6, 2023 by and among Cable & Ives, LLC, a Delaware limited liability company (the "Company"), Sabin Group Holdings, L.L.C., an Iowa limited liability company ("Sabin"), and TCFII IANR SPE LLC, a Delaware limited liability company ("TCFII" and, together with Sabin, each a "Seller" and collectively, the "Sellers"), and Grand Trunk Corporation, a Delaware corporation ("Buyer"). The Company, the Sellers and Buyer are collectively referred to herein as the "Parties" and individually as a "Party". Capitalized terms used and not otherwise defined herein have the meanings set forth in Section 9.1 below.

WHEREAS, the Sellers own all of the issued and outstanding units (collectively, the "Units") of the Company;

WHEREAS, the Company owns all of the issued and outstanding capital stock (collectively, the "Shares") of Iowa Northern Railway Company, an Iowa corporation ("IANR");

WHEREAS, on the terms and subject to the conditions set forth in this Agreement, Buyer desires to purchase from the Sellers, and the Sellers desire to sell to Buyer, all of the Units;

WHEREAS, the Parties agree that at the Closing, Buyer will purchase from the Sellers, and the Sellers will assign, transfer and convey to Buyer, all the Units;

WHEREAS, immediately following the assignment, transfer and conveyance to Buyer of all the Units, Buyer shall deposit all the Units into an irrevocable voting trust (the "Voting Trust"), which Units will be held in the Voting Trust subject to the voting trust agreement in the form attached hereto as Exhibit A (the "Voting Trust Agreement"); and

WHEREAS, the respective boards of managers or directors or other governing bodies, as applicable, of the Sellers, the Company and Buyer have approved this Agreement and the transactions contemplated hereby, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, conditions, and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article 1
PURCHASE AND SALE OF UNITS

1.1 Purchase and Sale of Units. Upon the terms set forth in this Agreement, at the Closing, the Sellers will assign, transfer and convey the Units to Buyer, in exchange for the Purchase Price.

1.2 Purchase Price.

(a) Calculation of Purchase Price. For purposes of this Agreement, the "Purchase Price" means an amount equal to:

(i) the Base Amount;

(ii) plus the total amount of Cash;

(iii) minus the Indebtedness Amount;

(iv) minus the Transaction Expenses Amount;

(v) plus the amount, if any, by which the Net Working Capital exceeds the Net Working Capital Target;

(vi) minus the amount, if any, by which the Net Working Capital is less than the Net Working Capital Target; and

(vii) plus the Sabin Affiliate Receivable Amount.

(b) Estimated Purchase Price. Prior to the date hereof, the Company has prepared and delivered to Buyer (i) an unaudited, consolidated balance sheet of the Company as of the Closing (which will have been prepared with the assistance of the Company's accountants) (the "Estimated Balance Sheet"), and (ii) a schedule setting forth the Company's good faith calculation of (A) Cash, (B) the Indebtedness Amount, (C) the Transaction Expenses Amount, (D) Net Working Capital and (E) the resulting calculation of the Purchase Price (the "Estimated Purchase Price"), together with reasonable back up and support for such calculation (together, the "Estimated Closing Statement"). Such schedule and the determinations and calculations contained therein shall be prepared in accordance with the applicable defined terms contained in this Agreement and the applicable Agreed Accounting Principles.

(c) Closing Payments. At the Closing, Buyer shall pay, or shall cause to be paid, in cash by wire transfer of immediately available funds, the following amounts:

(i) (A) to TCFII its Closing Pro Rata Share of the Post-Escrow Estimated Purchase Price and (B) to Sabin an amount equal to (x) its Closing Pro Rata Share of the Post-Escrow Estimated Purchase Price less (y) the Sabin Affiliate Receivable Amount;

(ii) to the applicable recipients thereof, their applicable portion of the Indebtedness Amount, in each case, in accordance with their applicable payoff letters delivered by the Company to Buyer prior to the Closing;

(iii) to the applicable recipients thereof, each of their applicable portion of the Transaction Expenses Amount, in each case, in accordance with their applicable invoice delivered by the Company to Buyer prior to Closing (if applicable, through the Company's payroll system and subject to withholding, in which case, Buyer shall cause the Company to effect such payments within three (3) Business Days after the Closing, net of applicable withholding); and

(iv) [redacted] (such amount, the "Adjustment Escrow Amount") shall be deposited into an escrow account (the "Adjustment Escrow Account") which shall be established pursuant to an escrow agreement (the "Escrow Agreement"), which Escrow Agreement shall be (A) entered into on the Closing Date among Buyer, the Sellers and U.S. Bank National Association (the "Escrow Agent"), and (B) substantially in the form of Exhibit C attached hereto.

1.3 Closing Date Adjustment.

(a) Closing Statement. Within ninety (90) days after the Closing Date, Buyer will deliver to the Sellers (i) an unaudited, consolidated balance sheet of the Company as of the Closing (which will have been prepared with the assistance of Buyer's or the Company's accountants) (the "Closing Balance Sheet"), and (ii) Buyer's calculation of (A) Cash, (B) the Indebtedness Amount, (C) the Transaction Expenses Amount, (D) Net Working Capital and (E) the resulting calculations of the Purchase Price, together with reasonable back up and support for such calculation (together, the "Closing Statement"). The Company will (i) provide Buyer and its Representatives with reasonable access during normal business hours and upon reasonable advance written notice to the books, records (including work papers, schedules, memoranda and other documents), supporting data, facilities and employees of the Acquired Companies for purposes of their preparation of the Closing Statement, and (ii) reasonably cooperate with Buyer and its Representatives in connection with such preparation, including providing on a timely basis all other information necessary or useful in connection with the preparation of the Closing Statement as is reasonably requested by Buyer or its Representatives. If Buyer fails to deliver the Closing Statement within ninety (90) days after the Closing Date, the Sellers' Estimated Closing Statement shall be accepted as the Final Closing Statement. The Closing Statement and the determinations and calculations contained therein shall be prepared and calculated in accordance with the applicable defined terms contained in this Agreement and the applicable Agreed Accounting Principles; provided, that, such statements, determinations and calculations shall be based exclusively on facts and circumstances as they exist as of the Measurement Time and shall exclude the effect of any change in Law or GAAP (or interpretation or enforcement thereof) or any other act, decision or event occurring on or after the Closing. The Closing Statement will entirely disregard (y) any purchase accounting and any and all effects on the assets or liabilities of the Company, or other changes, as a result of the transactions contemplated hereby or of any financing or refinancing arrangements entered into at any time by Buyer or any other transaction entered into by Buyer in connection with the consummation of the transactions contemplated by this Agreement, and (z) any of the plans, transactions, or changes that Buyer intends to initiate or make or cause to be initiated or made after the Closing with respect to the Company or their respective businesses or assets. Buyer and the Sellers agree that the purpose of preparing the Closing Statement and determining Cash, the Indebtedness Amount, the Transaction Expenses Amount and Net Working Capital is to measure changes in such components taken into consideration in determining the Purchase Price relative to Estimated Purchase Price. Such processes are not intended to permit the introduction of different components, judgments, accounting methods, policies, principles, practices, procedures, classifications or estimation methodologies for the purpose of preparing the Closing Statement or determining the

Cash, the Indebtedness Amount, the Transaction Expenses Amount and Net Working Capital from the components, judgments, accounting methods, policies, principles, practices, procedures, classifications or estimation methodologies described in the Agreed Accounting Principles.

(b) Closing Statement Dispute. Buyer and the Company will (i) provide the Sellers and their respective Representatives with reasonable access during normal business hours and upon reasonable advance written notice to the books, records (including work papers, schedules, memoranda and other documents), supporting data, facilities and employees of the Acquired Companies for purposes of their review of the Closing Statement, and (ii) reasonably cooperate with the Sellers and their respective Representatives in connection with such review, including providing on a timely basis all other information necessary or useful in connection with the review of the Closing Statement as is reasonably requested by the Sellers or their respective Representatives; provided, that Buyer shall not be required to provide any internal work papers, memoranda or analyses or any work product of Buyer or its Representatives in connection with its obligations under this Section 1.3(b). If the Sellers have any objections to the Closing Statement, (i) the Sellers will deliver to Buyer, within forty-five (45) days after the Sellers' receipt of the Closing Statement, a statement setting forth their objections thereto (an "Objections Statement"), which statement will identify in reasonable detail those items and amounts to which the Sellers object (any items and amounts disputed in the Objections Statement, the "Disputed Items"). If Sellers do not deliver an Objections Statement to Buyer within such forty-five (45) day period, Sellers will be deemed to have accepted the Closing Statement in its entirety, which shall be final and binding on the Parties. If Buyer or the Company does not provide any papers or documents reasonably requested by the Sellers or any of their respective authorized Representatives within five (5) days of request therefor (or such shorter period as may remain in such forty-five (45) day period), such forty-five (45) day period will be extended by one (1) day for each additional day required for Buyer or Company to fully respond to such request. The Sellers and Buyer will negotiate in good faith to resolve the Disputed Items and all such discussions related thereto will (unless otherwise agreed in writing by Buyer and the Sellers) be governed by Rule 408 of the Federal Rules of Evidence and any applicable similar state rule, but if they do not reach a final resolution within thirty (30) days after the delivery of the Objections Statement to Buyer, the Sellers and Buyer will submit any unresolved Disputed Items to Deloitte & Touche LLP (the "Accounting Firm"). In the event the Parties submit any unresolved Disputed Items to the Accounting Firm, the Accounting Firm will be given reasonable access to the records of the Sellers, Buyer, and the Company to resolve any Disputed Item, and will be instructed to submit its determination in writing with respect to any Disputed Item to Buyer and the Sellers within twenty (20) Business Days following submission of the Disputed Items to the Accounting Firm. The Accounting Firm will address only the submitted Disputed Items and the Accounting Firm may not assign a value greater than the greatest value or lower than the lowest value for any such Disputed Item claimed by Buyer, on the one hand, or the Sellers, on the other hand. The Sellers and Buyer will be entitled to present any materials they deem appropriate to the Accounting Firm (provided that copies of such materials are simultaneously provided to the other Parties and the other Parties are given an opportunity to respond thereto), including a meeting, with all parties present (to the

extent such Parties desire to be present at such meeting), to discuss their respective positions. The fees and expenses of the Accounting Firm incurred in resolving the Disputed Items will be equitably apportioned (based on the relative success of the Parties so that the prevailing party pays the lower amount of the fee) by the Accounting Firm based on the extent to which Buyer, on the one hand, or the Sellers (in accordance with each such Seller's respective Adjustment Pro Rata Share), on the other hand, is determined by the Accounting Firm to be the prevailing party in the resolution of each such Disputed Item. The Closing Statement properly disputed under this Section 1.3(b) will, after resolution of such dispute pursuant to this Section 1.3(b), be final, binding, and conclusive on all Parties absent manifest error. Judgment may be entered upon the determination of the Accounting Firm in any court having jurisdiction over the Party against which such determination is to be enforced.

(c) Purchase Price Adjustment.

(i) If the Purchase Price as finally determined pursuant to Section 1.3(b) (the "Final Purchase Price") is greater than the Estimated Purchase Price (the "Excess"), then, within two (2) Business Days after the determination of the Final Purchase Price, (A) Buyer and the Sellers will instruct the Escrow Agent to release the entire Adjustment Escrow Amount to the Sellers (in accordance with each such Seller's respective Adjustment Pro Rata Share) by wire transfer of immediately available funds, to the accounts designated in writing by the Sellers to the Escrow Agent; and (B) Buyer will immediately pay, or cause to be paid, to each Seller the amount of any Excess (in accordance with each such Seller's respective Adjustment Pro Rata Share), provided that the aggregate amount payable to the Sellers pursuant to the foregoing clause (B) shall in no event exceed an amount equal to the Adjustment Escrow Amount.

(ii) If the Final Purchase Price is less than the Estimated Purchase Price (the "Shortfall"), then, within two (2) Business Days after the determination of the Final Purchase Price, Buyer and the Sellers will instruct the Escrow Agent to (A) pay to Buyer from the Adjustment Escrow Account an amount equal to the lesser of the (y) Shortfall or the (z) the Adjustment Escrow Amount; and (B) return to the Sellers the amount remaining in the Adjustment Escrow Account, if any, after the payment in (y), above (in accordance with each such Seller's respective Adjustment Pro Rata Share) by wire transfer of immediately available funds, to the accounts designated in writing by the Sellers to the Escrow Agent. For the avoidance of doubt, release of funds from the Adjustment Escrow Account up to the Adjustment Escrow Amount shall be the sole and exclusive remedy against the Sellers for any Shortfall regardless of whether the amount of the Shortfall exceeds the Adjustment Escrow Amount.

(d) No Purchase Price Adjustment. If the Final Purchase Price is equal to the Estimated Purchase Price, there will be no adjustment to the Purchase Price and Buyer and the Sellers will instruct the Escrow Agent to return the entire amount in the Adjustment Escrow Account to the Sellers (in accordance with each such Seller's

respective Adjustment Pro Rata Share) by wire transfer of immediately available funds, to the accounts designated in writing by the Sellers to the Escrow Agent.

(e) Adjustments for Tax Purposes. All payments required pursuant to Section 1.3(c) will be deemed for Tax purposes to be adjustments to the Purchase Price.

(f) Limitation of Remedy. This Section 1.3 is not intended to be used to adjust for errors or omissions that may be found with respect to the Latest Balance Sheet or any other balance sheet referenced in Section 4.6 or any inconsistencies between the Latest Balance Sheet or any other balance sheet referenced in Section 4.6 and GAAP; provided that the foregoing shall not be interpreted to mean that any errors or omissions that may be found in the Estimated Balance Sheet or Closing Balance Sheet cannot be taken into account in the calculation of Cash, the Indebtedness Amount, the Transaction Expenses Amount or Net Working Capital as provided hereunder.

1.4 The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") will take place on the date of this Agreement. The date of the Closing is herein referred to as the "Closing Date." The Closing will be deemed to occur at 12:01 a.m. on the Closing Date.

1.5 Withholding. Notwithstanding any other provision in this Agreement to the contrary, any amounts payable in connection with the transactions contemplated hereby may be reduced by any U.S. Tax withholding that is required by applicable Law, and any amount so withheld and timely paid to the applicable Governmental Authority will be treated for all purposes hereof as having been paid to the Person with respect to which the withholding was made. Except with respect to withholding pursuant to a Seller's failure to deliver the IRS Form W-9 described in Section 2.1(b) and withholding with respect to any payment treated as compensation subject to payroll Taxes for U.S. federal income Tax purposes, as soon as reasonably practicable, but in any event at least five (5) Business Days prior to deducting or withholding from any consideration otherwise payable to a Seller pursuant to this Agreement, Buyer will notify such Seller in writing of such intent to deduct and withhold and the legal basis therefor and will provide such Seller with a reasonable opportunity to provide forms or other evidence that would reduce or eliminate such deduction or withholding. In the case of any such payment treated as compensation subject to payroll Taxes for U.S. income Tax purposes, the Parties will cooperate to pay such amounts through the Company's payroll to facilitate applicable withholding.

Article 2
CLOSING DELIVERIES

2.1 Sellers' and the Company's Closing Date Deliveries. At the Closing:

(a) each Seller shall have delivered to Buyer an assignment of all Units held by such Seller and lost unit affidavits in respect of certificates (if any) representing such Units;

(b) each Seller and each Acquired Company shall have delivered, or caused to be delivered, to Buyer an IRS Form W-9 executed by such Seller or such Acquired Company, as applicable;

(c) the Company shall have delivered, or caused to be delivered, to Buyer each of the following:

(i) customary payoff letters with respect to the payoff amounts of the Indebtedness identified on Schedule 2.1(c)(i), together with customary Lien release documentation reasonably necessary to assure the release of all Liens securing such Indebtedness pursuant to the terms of each payoff letter;

(ii) invoices with respect to the payoff amounts of all outstanding Transaction Expenses of the Company as of the Measurement Time, other than any Transaction Expenses payable through payroll of the Company;

(iii) the Escrow Agreement, duly executed by the Sellers;

(iv) to the extent in the possession of any Seller and not an Acquired Company, the seal, register, statutory, minute, financial and accounting books of the Company and each other Acquired Company;

(v) evidence that (1) the intercompany accounts between the Sellers or any of their Affiliates (other than the Acquired Companies), on the one hand, and any Acquired Company, on the other hand, have been settled and paid in full and (2) all affiliate agreements set forth on Schedule 2.1(c)(v) have been terminated, in each case (except to the extent contemplated in Section 7.1) without further liability or obligation (contingent or otherwise) of any party thereunder;

(vi) evidence that the Tail Insurance Policies have been procured;

(vii) a retention agreement substantially in the form of Exhibit D attached hereto, duly executed by the applicable Seller Principal and the Company (the "Retention Agreements");

(viii) evidence that Sabin has, and has caused its applicable Affiliates to, convey, assign, transfer and deliver good and valid title to each of the assets set forth on Schedule 2.1(c)(viii) to IANR (the "Affiliate Asset Transfers"); and

(ix) that certain [redacted]

2.2 Buyer's Closing Date Deliveries. At the Closing:

(a) Buyer shall have delivered to the Company and the Sellers each of the following:

(i) the Escrow Agreement, duly executed by Buyer and the Escrow Agent;

(ii) a duly executed binder, attaching the final form of the R&W Insurance, effective as of the Closing; and

(iii) the Voting Trust Agreement, duly executed by Buyer and Ron Batory as trustee of the Voting Trust.

(b) Buyer shall have made the payments set forth in Section 1.2(c).

Article 3
REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Except as set forth on the Disclosure Schedules (but only to the extent provided in Section 10.23), each Seller severally (and not jointly) hereby represents and warrants, solely as to such Seller, to Buyer as of the date hereof as follows:

3.1 Organization and Power. Such Seller is a limited liability company duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite limited liability company power and authority to enter into, to perform its obligations under or to consummate the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party.

3.2 Authorization; Valid and Binding Agreement.

(a) The execution, delivery, and performance by such Seller of this Agreement and each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite action on the part of such Seller, and such authorization has not been subsequently modified or rescinded. No other proceedings or limited liability company actions on such Seller's part are necessary to authorize the execution, delivery or performance of this Agreement or any other Transaction Document to which it is a party or to consummate the transactions contemplated hereby or thereby.

(b) Assuming that this Agreement is and each of the other Transaction Documents to which such Seller is a party is, in each case, a valid and binding obligation of Buyer, the other Seller and the Company, this Agreement and such other Transaction Documents constitute a valid and binding obligation of such Seller, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium Laws, other similar Laws affecting creditors' rights and general principles of equity.

3.3 Consents; No Breach.

(a) Except for (i) any authorizations, consents, approvals, exemptions or other actions required to be obtained or performed by Buyer in connection with the transactions contemplated hereby, (ii) the STB Final Approval, (iii) the FCC Approval, and (iv) such other items set forth on Schedule 3.3(a), the execution, delivery and performance by such Seller of this Agreement and each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby do not and will

not require any authorization, consent, approval, or exemption by or notice to any Governmental Authority prior to the Closing.

(b) Assuming the authorizations, consents, approvals, exemptions or other actions referred to in Section 3.3(a) are obtained, complied with or made, the execution, delivery and performance by such Seller of this Agreement and each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Organizational Documents of such Seller, (ii) result in a violation or failure to comply with any Law or Order to which such Seller is subject, or (iii) result in a breach of, constitute (with or without notice or lapse of time, or both) a default under, require the payment of a penalty or increased Liabilities, fees or the loss of a benefit under, or otherwise give any Person the right to accelerate, terminate, modify or cancel, any of the terms, conditions or provisions of any indenture, mortgage, lease, loan agreement or other agreement or instrument to which such Seller is bound, or (iv) result in the creation of any Lien upon any assets of such Seller, except, in the case of clauses (iii) and (iv), for any such items that would not reasonably be expected to have a material adverse effect on the ability of such Seller to perform any of its obligations under, or to consummate the transactions contemplated by, this Agreement and the other Transaction Documents to which it is a party.

3.4 Ownership. Such Seller is the record and beneficial owner of the Units set forth next to such Seller's name on Exhibit A, and such Seller has good and valid title to all such Units, free and clear of all Liens, other than Liens pursuant to the terms of that certain Limited Liability Company Operating Agreement of the Company, dated March 4, 2016, as amended (the "Operating Agreement"), Liens created by Buyer and applicable federal and state securities Law restrictions. On the Closing Date, upon execution and delivery of all documentation required for the valid transfer of such Units and in accordance with the terms hereof, such Seller will transfer to Buyer good and valid title to such Units free and clear of all Liens, other than Liens existing under the Organizational Documents of the Company, Liens created by Buyer and applicable federal and state securities Law restrictions.

3.5 Litigation. There are no Actions pending or, to such Seller's knowledge, threatened against such Seller or any assets of such Seller or its Affiliates set forth on Schedule 2.1(c)(viii) which, if determined adversely to such Seller, would reasonably be expected to prevent, materially delay or materially impair the ability of such Seller to perform its obligations under, or to consummate the transactions contemplated by, this Agreement and the other Transaction Documents to which it is a party. Such Seller is not subject to any outstanding Order which would reasonably be expected to prevent, materially delay, or materially impair the ability of such Seller to perform its obligations under, or to consummate the transactions contemplated by, this Agreement and the other Transaction Documents to which it is a party.

3.6 Brokers. Such Seller has not incurred any liability for brokerage commissions, finders' fees, or similar compensation in connection with the transactions contemplated by this Agreement based on any contract made by or on behalf of such Seller.

Article 4

REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE SELLERS WITH RESPECT TO THE ACQUIRED COMPANIES AND NCIRC

Except as set forth on the Disclosure Schedules (but only to the extent provided in Section 10.23), each Seller severally (and not jointly), solely as to such Seller and subject to Section 8.15 , and the Company hereby represent and warrant to Buyer as of the date hereof as follows:

4.1 Organization and Power.

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware. The Company has all requisite limited liability company power and authority and all authorizations, licenses and Permits necessary to own and operate its properties and to carry on its business as now conducted, except where the failure to hold such authorizations, licenses and Permits would not have, individually or in the aggregate, a Material Adverse Effect. The Company is qualified to do business in every jurisdiction in which its ownership of property or the conduct of business as now conducted requires the Company to qualify, except where the failure to be so qualified would not have, individually or in the aggregate, a Material Adverse Effect.

(b) Each other Acquired Company is duly organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation. Each other Acquired Company has all requisite entity power and authority and all authorizations, licenses and Permits necessary to own and operate its properties and to carry on its business as now conducted, except where the failure to hold such authorizations, licenses and Permits would not have, individually or in the aggregate, a Material Adverse Effect. Each other Acquired Company is qualified to do business in every jurisdiction in which its ownership of property or the conduct of business as now conducted requires such other Acquired Company to qualify, except where the failure to be so qualified would not have, individually or in the aggregate, a Material Adverse Effect.

(c) Schedule 4.1(c) sets forth a complete and accurate list of (i) the names of each Acquired Company, (ii) the jurisdiction in which each such Acquired Company is organized and (iii) each foreign jurisdiction in which such Acquired Company is authorized to conduct business.

(d) Complete and accurate copies of the Organizational Documents of each Acquired Company have been made available to Buyer, each as amended to date. Each such instrument is in full force and effect and no other Organizational Documents are applicable to or binding upon any Acquired Company.

4.2 Subsidiaries. Schedule 4.2 sets forth a complete and accurate list of the Equity Interests constituting the capitalization of the Company's Subsidiaries. The Equity Interests of each of the Company's Subsidiaries are duly authorized, outstanding, validly issued, fully paid and nonassessable. The Company is the direct (or indirect, through a wholly-owned Subsidiary of the Company) record and beneficial owner of all of the Equity Interests of each of the

Company's Subsidiaries, and the Company (or a wholly-owned Subsidiary of the Company) has good and valid title to all such Equity Interests, free and clear of all Liens, other than Liens set forth on Schedule 9.1(b) and Liens created by Buyer and other than applicable federal and state securities Law restrictions. Except as set forth on Schedule 4.2, neither the Company nor any of its Subsidiaries owns or holds the right to acquire any Equity Interest in any other Person. Except as set forth on Schedule 4.2, (i) there are no outstanding Equity Interests of any Subsidiary of the Company, and (ii) there are no agreements, options, warrants, capital appreciation rights, phantom stock plans or awards, or other rights or arrangements existing or outstanding that provide for the voting, sale, issuance, repurchase or redemption of any of Equity Interests of any Subsidiary of the Company. There are no payable, accrued, or contingent dividends or distributions payable with respect to any Equity Interests of any Subsidiary of the Company.

4.3 Authorization; Valid and Binding Agreement.

(a) The execution, delivery, and performance by the Company of this Agreement and each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite action on the part of the Company, and such authorization has not been subsequently modified or rescinded. No other proceedings or limited liability company actions on the Company's part are necessary to authorize the execution, delivery or performance of this Agreement or any other Transaction Document to which the Company is a party or to consummate the transactions contemplated hereby or thereby.

(b) Assuming that this Agreement is and each of the other Transaction Documents to which the Company is a party is, in each case, a valid and binding obligation of Buyer and the Sellers, this Agreement and each other Transaction Documents constitute a valid and binding obligation of the Company, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium Laws, other similar Laws affecting creditors' rights and general principles of equity.

4.4 Consents; No Breach.

(a) Except for (i) the STB Final Approval, (ii) the FCC Approval, and (iii) such items set forth on Schedule 4.4(a), the execution, delivery and performance by the Company of this Agreement and each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby do not and will not require any authorization, consent, approval or exemption by or notice to any Governmental Authority.

(b) Assuming the authorizations, consents, approvals, exemptions or other actions referred to in Section 4.4(a) are obtained, complied with or made, except as set forth on Schedule 4.4(b), the execution, delivery and performance by the Company of this Agreement and each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Organizational Documents of any Acquired Company, (ii) result in a violation or failure to comply with any Law or Order to which

any Acquired Company is subject, (iii) result in a breach of, constitute (with or without notice or lapse of time, or both) a default under, require the payment of a penalty or increased Liabilities, fees or the loss of a benefit under, or otherwise give any Person the right to accelerate, terminate, modify or cancel, any of the terms, conditions or provisions of any Material Contract, or (iv) result in the creation of any material Lien upon any assets of any Acquired Company.

4.5 Capitalization. The Units, as set forth on Exhibit A, constitute all of the Equity Interests of the Company. The Units are duly authorized, outstanding, validly issued, fully paid and nonassessable. Except for this Agreement, there are no agreements, options, warrants, capital appreciation rights, phantom stock plans or awards, or other rights or arrangements existing or outstanding that provide for the voting, sale, issuance, repurchase or redemption of any of Equity Interests of the Company. There are no payable, accrued, or contingent dividends or distributions payable with respect to any Equity Interests of the Company.

4.6 Financial Statements; Undisclosed Liabilities.

(a) Schedule 4.6(a) consists of true, correct and complete copies of: (i) the consolidated and unaudited balance sheet of the Acquired Companies as of October 31, 2023 (the "Latest Balance Sheet" and such date, the "Balance Sheet Date") and the related consolidated statements of income and cash flows for the ten (10)-month period then ended (the "Interim Financial Statements"), (ii) the consolidated and unaudited balance sheet of the Acquired Companies as of the Balance Sheet Date, pro forma giving effect to the Affiliate Asset Transfers and the settlement of the intercompany accounts contemplated by Section 2.1(c)(v)(1) as if such Affiliate Asset Transfers had occurred as of, and the intercompany accounts had been settled as of, the Balance Sheet Date (the "Pro Forma Balance Sheet"), (iii) the consolidated and unaudited balance sheets of the Acquired Companies as of December 31, 2022 and 2021 and the related consolidated statements of income and cash flows for the years then ended (the "Unaudited Financial Statements"), and (iv) the consolidated and audited balance sheets and statements of income and cash flows of the Acquired Companies (with it being understood that the Audited Financial Statements include financial information of the members of the Consolidated Group that are not Acquired Companies) as of and for the fiscal years ended December 31, 2021 and December 31, 2022 (the "Audited Financial Statements" and, together with the Interim Financial Statements, the Pro Forma Balance Sheet and the Unaudited Financial Statements, the "Financial Statements"). The Financial Statements (x) have been prepared in good faith and, except for the Pro Forma Balance Sheet, in accordance with GAAP throughout the period involved (subject in the case of the Interim Financial Statements and the Unaudited Financial Statements, to the absence of footnote disclosures and other presentation items and changes resulting from year-end adjustments, the effect of which would not, individually or in the aggregate, be materially adverse to the Acquired Companies), (y) present fairly, in all material respects, the financial condition and results of operations of, (1) with respect to the Interim Financial Statements and the Unaudited Financial Statements, the Acquired Companies, (2) with respect to the Pro Forma Balance Sheet, the Acquired Companies after giving effect to the Affiliate Asset Transfers and intercompany accounts contemplated by Section 2.1(c)(v)(1) as if such transactions had occurred on or prior to the date of the Pro Forma Balance Sheet,

and (3) with respect to the Audited Financial Statements, the Acquired Companies (with it being understood that the Audited Financial Statements include financial information of the members of the Consolidated Group that are not Acquired Companies), as of the times and for the periods referred to therein, and (z) except for the Pro Forma Balance Sheet with respect to giving effect to the Affiliate Asset Transfers and the settlement of the intercompany accounts contemplated by Section 2.1(c)(v)(1) as if such Affiliate Asset Transfers and intercompany account settlements had occurred, were prepared on the accrual basis of accounting and derived from the books and records of the Acquired Companies or Consolidated Group, as applicable.

(b) Since the Look-Back Date, (i) there have been no internal investigations regarding financial reporting or accounting policies or practices at or with respect to any Acquired Company, and (ii) no Acquired Company nor any of their respective Affiliates have received any complaint, allegation, assertion or claim, in writing (or, to the Company's knowledge, orally) that any Acquired Company has engaged in improper, illegal or fraudulent accounting or auditing practices with respect to any Acquired Company. Since the Look-Back Date, there have not been, and currently there are no, material weaknesses or significant deficiencies in the internal controls over financial reporting of any Acquired Company.

(c) Except as set forth in Financial Statements, all accounts and notes receivable, unbilled receivables and other debts owed to the Acquired Companies, taken together (collectively, the "Accounts Receivable"), (i) represent valid obligations arising from sales actually made or services actually performed in the ordinary course of business, (ii) are not subject to valid counterclaims or setoffs, other than adjustments and modifications in the ordinary course of business, and (iii) are not past due, subject to a reserve for bad debts shown on the Latest Balance Sheet or, with respect to Accounts Receivable arising after the Balance Sheet Date, on the accounting records of the Acquired Companies made available to Buyer. The reserve for bad debts shown on the Latest Balance Sheet or, with respect to Accounts Receivable arising after the Balance Sheet Date, on the accounting records of the Acquired Companies made available to Buyer, has been determined in accordance with GAAP.

(d) No Acquired Company has any material Liability, other than Liabilities (i) reflected or reserved against in any of the Financial Statements or notes thereto, (ii) for trade accounts payable or executory obligations under contracts incurred in the ordinary course of business since the Balance Sheet Date (but, for the avoidance of doubt, excluding any Liability or obligation resulting from a breach of any contract, warranty, tort, infringement or violation of any Law), (iii) arising out of, relating to or resulting from the transactions contemplated by this Agreement or the other Transaction Documents or the announcement, negotiation, execution or performance of this Agreement or the other Transaction Documents or (iv) that have been discharged or paid off in full at or prior to the Closing.

4.7 Absence of Certain Developments. Since the Balance Sheet Date, no event, occurrence, or development has occurred which has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except as set forth on

Schedule 4.7 and other than any transfer or termination transactions associated with the Affiliate Asset Transfers, since the Balance Sheet Date:

(a) the Acquired Companies have conducted their respective businesses in the ordinary course of business, except to the extent directly arising from the transactions contemplated by this Agreement or any other Transaction Document and the negotiation and execution of this Agreement and the other Transaction Documents; and

(b) no Acquired Company has taken any of the following actions:

(i) issued, sold, transferred or pledged, or authorized or proposed the issuance, sale, transfer or pledge of, additional stock or equity interests of any class, or securities convertible into any such equity interests in the Company or any of its Subsidiaries, or any rights, warrants, or options to acquire any such equity or other convertible securities of the Company or any of its Subsidiaries;

(ii) except in connection with the Buyout Agreement, redeemed, purchased, or otherwise acquired any outstanding stock or other equity interests in the Company or any of its Subsidiaries;

(iii) adopted any amendment to the Organizational Documents of the Company or any of its Subsidiaries;

(iv) adopted a plan or agreement of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other material reorganization of any Acquired Company;

(v) except in the ordinary course of business (A) sold, transferred, leased, or otherwise disposed of any assets of any Acquired Company (including, without limitation, any Owned Real Property or Leased Real Property) having a value in excess of $100,000, (B) mortgaged, encumbered or subjected to any Lien any property or assets of the Acquired Companies (including, without limitation, any Owned Real Property or Leased Real Property), other than Permitted Liens, or (C) amended or modified any of the Real Property Leases, acquired any real property or entered into any new lease or other occupancy agreement with respect to real property;

(vi) except in the ordinary course of business, purchased or acquired any assets having a value in excess of $100,000;

(vii) except in the ordinary course of business, entered into, terminated, accelerated or materially amended, modified or renewed any Material Contract (or an agreement that would constitute a Material Contract if in effect on the date hereof);

(viii) accelerated the vesting, funding of or lapsing of restrictions with any award, compensation, or benefit owing, due, or payable to any Company Service Provider, whether under a Benefit Plan or otherwise;

(ix) entered into, modified, negotiated, or terminated any Collective Bargaining Agreement covering any employee;

(x) forgiven any loans, or issued any loans to any Company Service Provider;

(xi) planned, announced, implemented or effectuated a "plant closing," "mass layoff" or similar action under the WARN Act or similar Laws, or any reduction in force, lay-off, early retirement program, severance program or other program or effort concerning the termination of employment of any employees;

(xii) hired or engaged any employees, directors, officers or independent contractors with expected annualized compensation in excess of $100,000 (other than to replace any such individual who resigns or whose employment is terminated on the same or substantially similar terms and conditions of employment);

(xiii) terminated (other than terminations for "cause" in the Company's good faith discretion in accordance with the Company's current applicable practices and policies) the employment or engagement of any Company Service Provider, or induced or attempted to induce any Company Service Providers, whether directly or indirectly, to terminate their employment or engagement with the Acquired Companies prior to, at or after the Closing;

(xiv) other than regularly scheduled, across-the-board merit- or cost-of-living-related increases in salary in the ordinary course of business, granted or announced any increase in compensation or benefits (including wages, salaries, bonuses, vacation, pension, severance or incentive compensation, retirement or health and welfare benefits) payable to or make any material change to any other terms or conditions of engagement of any Company Service Provider;

(xv) established or increased or promised to establish or increase any benefits under any Benefit Plan except as required by Law or any contract in effect as of the Balance Sheet Date;

(xvi) amended or terminated any existing Benefit Plan or arrangement or commenced, participated in or committed itself to the adoption of any new arrangement that would (if it were in effect on the date hereof) constitute a Benefit Plan, in each case, to the extent applicable to Company Service Providers;

(xvii) declared, set aside, or paid any dividend or other distribution in respect of equity interests in the Company or any of its Subsidiaries, other than in cash prior to the Measurement Time, provided that any such Cash utilized shall be reflected as a reduction to the Cash amount;

(xviii) entered into any agreement or commitment involving a capital expenditure or commitment, individually or in the aggregate, exceeding $100,000;

(xix) incurred, issued, canceled or compromised any Indebtedness or claim (other than borrowings in the ordinary course of business under lines of credit existing as of the date of this Agreement, which will be reflected in the Indebtedness Amount) or waive or release any material rights of the Company or any of its Subsidiaries;

(xx) acquired (by merger, consolidation, acquisition of stock or assets or otherwise) any Person or other business organization or division;

(xxi) (A) made, changed or rescinded any Tax election, Tax accounting method or annual accounting period, (B) amended any Tax Return, (C) filed any Tax Return other than in accordance with past practice (except as required by Law), (D) settled or compromise any Tax claim, (E) failed to pay (or withhold) any Tax when due and payable, including estimated Taxes, (F) surrendered any right to claim a Tax refund or credit, (G) entered into any closing agreement under Section 7121 of the Code (or any corresponding or similar provisions of state, local or other Law), (H) consented to any extension or waiver of any statute of limitations periods with respect to Taxes (other than in connection with routine extensions of time to file Tax returns), (I) incurred any Tax liability outside of the ordinary course of business, or (J) requested a private letter ruling, administrative relief, technical advice or other similar request with a Governmental Authority related to Taxes;

(xxii) made any change to its methods of financial accounting, except as required by changes in GAAP or other applicable Law;

(xxiii) changed or modified its credit, collection, or payment policies, procedures or practices, including acceleration of collection or receivables (whether or not past due) or fail to pay or delay payment of payables or other liabilities;

(xxiv) initiated, settled or compromised any pending or threatened Legal Proceeding;

(xxv) cancelled, materially reduced or failed to maintain any material insurance coverage; or

(xxvi) agreed in writing to take any of the foregoing actions.

4.8 Title to and Sufficiency of Assets.

(a) Except as set forth in the Voting Trust, the Acquired Companies have and, immediately following the Closing, will have (after giving effect to the transactions contemplated in Section 2.1(c)(viii)) (in the case of owned personal property) good and valid title to or (in the case of leased personal property) valid and enforceable rights to use under existing Permits, easements or leasehold interests, all of the material tangible personal properties, rights, interests and other assets used in or necessary to carry on their

businesses as they are currently operated and in the ordinary course of business, in each case free and clear of all Liens, except for Permitted Liens.

(b) Except as set forth on Schedule 4.8(b), the properties and assets referred to in Section 4.8(a) are in good operating condition and repair (subject to ordinary wear and tear), are adequate for their use in the ordinary course of business, and, to the Company's knowledge, are structurally sound. No such properties or assets are in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

(c) Schedule 4.8(c) sets forth a true, correct, and complete list of all material leases, licenses, subleases or sublicenses pursuant to which any Acquired Company has a valid leasehold interest or rights to use any rail cars or other tangible personal property (the "Personal Property Leases" and the personal property subject to such Personal Property Leases, the "Leased Personal Property"). With respect to the Leased Personal Property leased or licensed pursuant to a Personal Property Lease, subject to any consents required to be obtained by Buyer after the Closing as set forth on Schedule 4.4(b), (i) the applicable Acquired Company has a valid and subsisting leasehold estate in, or a valid lease of, the Leased Personal Property, free and clear of any Liens, other than Permitted Liens, and (ii) no Acquired Company has subleased, licensed or otherwise granted to any Person the right to use or occupy any of the Leased Personal Property or any material portion thereof where such lease, sublease, or license would prevent Buyer or any Acquired Company from performing railroad transportation services in the ordinary course of business.

4.9 Real Property.

(a) Schedule 4.9(a)(i) sets forth a complete and accurate list of (i) all leases, subleases, licenses, occupancy agreements or similar agreements, including all amendments, modifications, supplements, renewals, extensions, guarantees and lease correspondence related thereto (each, individually, a "Real Property Lease") pursuant to which any Acquired Company leases, subleases, licenses, occupies, holds, or uses real property (the "Leased Real Property"), which constitutes all of the real property leased, subleased, licensed, occupied, held, or used by the Acquired Companies; and (ii) the names of the current landlord and tenant for each Leased Real Property and the common street address and suite number of each Leased Real Property. The Leased Real Property leases are in full force and effect, and an Acquired Company holds a valid and existing leasehold interest under each such lease, subject to proper authorization and execution of such lease by the other party and except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium Laws, other similar Laws affecting creditors' rights and general principles of equity. The Acquired Companies have made available to Buyer copies of each of the leases described on Schedule 4.9(a)(i), and no such lease has been modified in any material respect, except to the extent that such modifications are disclosed by the copies made available to Buyer. To the Company's knowledge, the Acquired Companies are not in default in any material respect under any such lease. With respect to the Leased Real Property, except as set forth on Schedule 4.9(a)(ii), no Acquired Company has assigned, transferred, conveyed,

mortgaged, deeded in trust, or encumbered any interest in the leasehold or subleasehold; (ii) all facilities leased or subleased thereunder have received all approvals of governmental authorities (including licenses and permits) required in connection with the operation thereof and have been operated and maintained in accordance with applicable laws, rules and regulations; (iii) no Acquired Company has subleased, licensed or otherwise granted any Person the right to use or occupy all or any portion of the Leased Real Property; (iv) no Acquired Company's possession and quiet enjoyment of the Leased Real Property has been disturbed; (v) there are no disputes, oral agreements, or forbearance programs in effect; (vi) there is no pending or threatened condemnation proceeding; (v) all facilities and properties leased or subleased under any Real Property Lease are supplied with utilities and other services necessary for the operation of said facilities; (vii) each Real Property Lease constitutes the entire agreement to which such Acquired Company is a party with respect to the Leased Real Property. The Company has made available to Buyer (i) all written notices received from any landlord party with respect to any restoration or remediation obligations that would be binding on Buyer under any Real Property Lease, and (ii) all leasehold title insurance policies and surveys in any Acquired Company's possession or control.

(b) Except as otherwise provided in Schedule 4.9(b), said Schedule sets forth a list of all real property owned in fee by the Acquired Companies as of the date hereof (the "Owned Real Property"). Each Acquired Company has good and valid fee title to the applicable Owned Real Property except as otherwise disclosed in Schedule 4.9(b), free and clear of any and all Liens except Permitted Liens. There are no pending or, to the knowledge of the Company, threatened condemnation proceedings, lawsuits, or administrative actions relating to the Owned Real Property or other matters affecting the current use, occupancy, or value thereof. All Owned Real Property has received all approvals of governmental authorities (including licenses and Permits) required in connection with the ownership or operation thereof and have been operated and maintained in accordance with applicable Law. There are no leases, subleases, licenses, concessions, or other agreements, written or oral, granting to any party or parties the right of use or occupancy of any portion of the Owned Real Property. There are no outstanding options or rights of first refusal to purchase the Owned Real Property, or any portion thereof or interest therein. There are no parties in possession of the Owned Real Property other than the Acquired Companies. The Owned Real Property are supplied with utilities and other services necessary for the operation of all facilities thereon, including gas, electricity, water, telephone, sanitary sewer, and storm sewer, all of which services are adequate in accordance with all applicable laws, ordinances, rules, and regulations and are provided via public roads or easements benefiting the Owned Real Property.

4.10 Tax Matters.

(a) The Acquired Companies have timely filed all federal income Tax Returns and all other material Tax Returns required to be filed by them, each such Tax Return is true, correct, and complete in all material respects. The Acquired Companies have timely paid all Taxes due, whether or not shown on any Tax Return.

(b) All material Taxes that the Acquired Companies are obligated to withhold from amounts owing to any employee, creditor, or other Person have been timely withheld, fully paid or properly accrued, and properly reported.

(c) Except as set forth on Schedule 4.10(c), there is no audit or administrative or judicial proceeding ongoing, pending or threatened by any taxing authority in writing with respect to any federal income or other material Tax liability of the Acquired Companies or of any Seller with respect to any Acquired Company. Except as set forth on Schedule 4.10(c), the Acquired Companies have not waived any statute of limitations in respect of federal income or other material Taxes beyond the date hereof or agreed to any extension of time beyond the date hereof with respect to any federal income or other material Tax assessment or deficiency.

(d) Within the last three (3) years, no written claim has been made by a Governmental Authority in a jurisdiction where an Acquired Company does not file Tax Returns that such Acquired Company is or may be subject to Taxes in such jurisdiction.

(e) There are no Liens for Taxes on any assets of the Acquired Companies other than Liens for Taxes not yet due.

(f) With respect to any taxable period for which the statute of limitations remains open, no Acquired Company has been a member of an Affiliated Group filing a consolidated federal income Tax Return. No Acquired Company has any liability for Taxes of any Person under Treasury Regulation 1.1502-6 or any similar provision of state, local or non-U.S. Law as a transferee or successor, or by contract (excluding any Commercial Non-Tax Agreement).

(g) The Acquired Companies are not a party to any written income Tax allocation or income Tax sharing agreement (excluding any Commercial Non-Tax Agreement).

(h) Except as set forth on Schedule 4.10(h), no Acquired Company has participated in any "listed transaction" or any "reportable transaction" within the meaning of Treas. Reg. § 1.6011-4.

(i) Within the last three (3) years, no Acquired Company has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 of the Code.

(j) No Acquired Company will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) beginning after the Closing Date as a result of any (i) change in method of accounting for a Pre-Closing Tax Period, (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of non-U.S., state or local Tax Law) executed prior to the Closing Date, (iii) deferred revenue, installment sale or open transaction disposition made prior to the Closing Date, or (iv) election to defer the payment of Taxes under Section 2302 of the CARES Act or any similar

election under state or local Tax Law, any executive order, or any other similar governmental program).

(k) No Acquired Company has entered into any PPP Loan or received any other benefit under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), including the Paycheck Protection Program.

4.11 Contracts and Commitments.

(a) Schedule 4.11(a) sets forth a complete and accurate list of each Material Contract to which any Acquired Company is a party. A "Material Contract" means any contracts or agreements, written or oral, in the following categories:

(i) contract with a Material Customer;

(ii) contract with a Material Vendor;

(iii) Collective Bargaining Agreement or contract with any labor union;

(iv) bonus, pension, profit sharing, retirement, or other form of deferred compensation plan;

(v) contract (x) for the employment of any Company Service Provider or other person on a full-time or consulting basis (other than any "at-will" contract that may be terminated by any Acquired Company upon thirty (30) days or less advance notice and that does not provide for any benefits or payments in respect of equity securities, severance, termination or redundancy, on a form previously made available to Buyer), or (y) relating to the indemnification of any officer, individual employee or other person on a full-time basis (other than the Organizational Documents of any Acquired Company and any "at-will" contract that may be terminated by any Acquired Company upon thirty (30) days or less advance notice and that does not provide for any benefits or payments in respect of equity securities, severance, termination or redundancy, on a form previously made available to Buyer);

(vi) loan, credit, note, debenture, indenture, mortgage, security, pledge installment obligation, capital lease or other contract under which any Indebtedness of any Acquired Company in excess of $100,000 is outstanding;

(vii) letter of credit, bond, other indemnity, or other contract imposing a Lien on an Acquired Company or its respective assets (other than Permitted Liens and endorsements of instruments for the collection of accounts receivable in the ordinary course of business);

(viii) contract, agreement, or purchase order for the purchase of goods or services by any Acquired Company under the terms of which such Acquired Company reasonably expects to pay consideration of at least $100,000 in the aggregate during the next twelve (12) months;

(ix) contract, agreement, purchase order or acknowledgment for the sale of goods or services by any Acquired Company under the terms of which such Acquired Company reasonably expects to receive consideration of at least $100,000 in the next twelve (12) months;

(x) except for this Agreement, any contract relating to the acquisition or disposition of (A) any business or material assets (whether by merger, sale of stock, sale of assets or otherwise) entered into during the three-year period immediately preceding the date hereof or (B) any business or material assets (whether by merger, sale of stock, sale of assets or otherwise) with respect to which Buyer or any Acquired Company will have any ongoing Liabilities after giving effect to the Closing;

(xi) contract under the terms of which any Acquired Company reasonably expects to pay capital expenditures in excess of $100,000, individually, or $200,000, in the aggregate;

(xii) contract limiting the freedom of the businesses of the Acquired Companies by (x) requiring any Acquired Company to deal exclusively with or grant exclusive rights to a third Person, or (y) prohibiting any Acquired Company from engaging in any line of business, competing with any Person, conducting any business in any location, or soliciting the services or employment of or hiring any Person or group of Persons;

(xiii) contract (x) pursuant to which any Acquired Company has agreed to purchase all of its requirements for the goods or services in question, (y) containing a most-favored-customer, best pricing or other similar term or provision, or (z) that contains a right of first refusal, first offer or first negotiation or any similar right with respect to an asset owned by an Acquired Company;

(xiv) partnership, joint venture or similar contract, or any contract providing for an investment in any other Person, including for any Equity Interests in another Person;

(xv) settlement, release, or compromise contract with respect to any Action pursuant to which any Acquired Company is subject to ongoing Liabilities;

(xvi) the Personal Property Leases;

(xvii) contract that is a lease or license under which any Acquired Company is lessor or licensor of or permits any third party to hold or operate any tangible property (other than real property), owned, or controlled by any Acquired Company, except for any lease or license under which the aggregate annual rental payments do not exceed $100,000;

(xviii) contracts or commitments that constitute a Real Property Lease;

(xix) contract by which any Acquired Company is granted a license, sublicense or similar right to use to Intellectual Property by a third party, or grants a license, sublicense or similar right to use any Owned IP to a third party, in each case excluding: (A) non-exclusive licenses granted by any Acquired Company in the ordinary course of business, (B) non-exclusive licenses for commercially-available off-the-shelf software, (C) standard permitted use rights contained in a non-disclosure agreement, and (D) permissions granted to a vendor or service provider to use an Acquired Company's name or logos to identify the Acquired Company as a current customer;

(xx) any contract with a Governmental Authority other than customer contracts entered into in the ordinary course of business; or

(xxi) contract committing or arranging for any Acquired Company to enter into or become legally bound by any of the foregoing.

(b) A complete and accurate copy (or, if oral, a complete and accurate summary) of each Material Contract has been made available to Buyer, together with all amendments, waivers, or other changes thereto.

(c) Subject to the consents required to be obtained by Buyer after the Closing as set forth on Schedule 4.4(b), each of the Material Contracts is in full force and effect and enforceable in accordance with its terms against the applicable Acquired Company that is party to such Material Contract and, to the Company's knowledge, with respect to each other party thereto. Subject to the consents required to be obtained by Buyer after Closing as set forth on Schedule 4.4(b), each Acquired Company is not in, and has not received written notice of, any breach of or default under (and, to the Company's knowledge, there are no conditions that with the passage of time or the giving of notice would cause such a breach of or default under) any Material Contract to which it is a party. To the Company's knowledge, each other party to each of the Material Contracts is not in breach of or default under (and there are no conditions that with the passage of time or the giving of notice would cause such a breach of or default under) any Material Contract. No Acquired Company has received written or, to the Company's knowledge, oral notice from any party to a Material Contract that such party intends either to terminate, cancel or adversely modify such Material Contract.

4.12 Intellectual Property.

(a) Schedule 4.12(a) sets forth a complete and accurate list of all (i) issued Patents and Patent applications, (ii) Trademark registrations and Trademark applications, (iii) internet domain name registrations, (iv) Copyright registrations and Copyright applications, in each case, that constitute Owned IP (such Intellectual Property, collectively, the "Registered IP"), together with a list of any material unregistered Trademarks that constitute Owned IP. For each such item, Schedule 4.12(a) specifies the jurisdiction thereof, the record (and if different, legal) owner, and the registration, application and issuance dates and numbers, as applicable. All Registered IP (other than applications for registrations) are valid and enforceable, and no Registered IP is or has been subject to any interference, derivation, reexamination, cancellation, or opposition

Action. As of the Closing Date, an Acquired Company will solely and exclusively own and possess all right, title and interest in and to each item of Owned IP, free of all Liens other than Permitted Liens.

(b) The Acquired Companies own and possess all right, title and interest in and to, or have a valid and enforceable license to use, all material Intellectual Property (other than Registered IP) used in the businesses of the Acquired Companies (together with Registered IP, "Material IP").

(c) No Action is pending or, to the Company's knowledge, threatened in writing, against any Acquired Company, alleging that an Acquired Company is infringing, misappropriating, or otherwise violating any Intellectual Property of any Person, or challenging the ownership, validity, or enforceability of any Material IP. To the Company's knowledge, no Acquired Company is infringing on the Intellectual Property rights of any other Person.

(d) No Action is pending or, to the Company's knowledge, threatened in writing, by any Acquired Company, alleging that any Person is infringing, misappropriating, or otherwise violating any Owned IP. To the Company's knowledge, no Person is infringing, misappropriating, or otherwise violating any Owned IP.

4.13 Privacy and Security Matters.

(a) Except as set forth on Schedule 4.13(a), since the Look-Back Date, each Acquired Company has complied in all material respects with all applicable Laws governing the privacy and security of personally identifiable information in the possession or custody of such Acquired Company. Since the Look-Back Date, there has been no (i) material loss, theft, or security breach relating to any Acquired Company's data or (ii) material unauthorized access to or acquisition of any personally identifiable information in the possession or custody of any Acquired Company, that required the notification of any individual or Government Authority of the incident by any Acquired Company under applicable Laws.

(b) The IT Systems are reasonably sufficient for the businesses of the Acquired Companies as currently conducted. Each Acquired Company uses commercially reasonable safeguards designed to protect the integrity and security of their IT Systems, including against any compromise or other security breach.

4.14 Litigation. There are no, and since the Look-Back Date there have been no, Actions pending or, to the Company's knowledge, threatened against any Acquired Company, any asset of any Acquired Company, any Benefit Plan or, to the Company's knowledge, any current or former employee in their capacities as such, which, if determined adversely to such Acquired Company, would reasonably be expected to be, individually or in the aggregate, material to the Acquired Companies, except as set forth on Schedule 4.14. No Acquired Company is subject to any outstanding Order.

4.15 Employee Benefit Plans.

(a) Schedule 4.15(a) sets forth a complete and accurate list of each Benefit Plan as of the date hereof. With respect to each Benefit Plan, the Company has made available to Buyer complete and accurate copies, including any amendments (or, to the extent no such copies exist, accurate written descriptions) thereof and, to the extent applicable: (i) any related administrative services agreement, insurance contract, trust agreement, other funding instrument or other contract; (ii) the most recent Internal Revenue Service determination letter or opinion letter, if applicable; (iii) any summary plan description (including any summaries of material modifications) and other written communications (or a description of any oral communications) by any Acquired Company to any Company Service Provider concerning the extent of the benefits provided under a Benefit Plan; (iv) for the three (3) most recent years (A) the Form 5500 and attached schedules, (B) audited financial statements, (C) actuarial valuation reports and (D) nondiscrimination testing calculations and results; and (v) any material written communications with any Governmental Authority with respect to such Benefit Plan.

(b) No Acquired Company maintains, contributes to, or has any liability or Loss with respect to any employee benefit plan (including any Benefit Plan), program, policy, arrangement or related contract maintained outside the jurisdiction of the United States.

(c) As of the date hereof, (i) no proceeding is pending or, to the Company's knowledge, threatened with respect to any Benefit Plan (other than routine claims for benefits payable in the ordinary course of business, and appeals of denied claims), and (ii) no administrative investigation, audit or other administrative proceeding by the U.S. Department of Labor, the Internal Revenue Service or other Governmental Authority is pending or, to the Company's knowledge, threatened. There has been no non-exempt "prohibited transaction" (and there will be none as a result of the transactions contemplated by this Agreement and the other Transaction Documents) within the meaning of Section 4975(c) of the Code or Section 406 of ERISA involving the assets of any Benefit Plan.

(d) Each Benefit Plan has been established, maintained, administered, funded and operated in accordance with its terms, and in material compliance with the applicable provisions of ERISA, the Code, the Patient Protections and Affordable Care Act (to the extent applicable) and other applicable Laws, and, as applicable, the Acquired Companies have each done whatever is required to receive intended Tax treatment with respect to each Benefit Plan. Each Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code has received a favorable determination letter or opinion letter as to its qualification, and nothing has occurred, whether by action or failure to act, that could be expected to cause such determination letter or opinion letter to be revoked.

(e) Except with respect to the Collective Bargaining Agreements, each Benefit Plan is by its terms able to be unilaterally amended or terminated by the applicable Acquired Company.

(f) All contributions, premiums and other payments required by and due under the terms of each Benefit Plan have been made on a timely basis, and all contributions, premiums and other payments which are not yet due for any period ending

prior to or on the Closing Date have been made, contributed, remitted, paid, or accrued to the extent required by GAAP.

(g) There are no Benefit Plans nor are there any Company Service Providers eligible for any retiree medical or other post-employment health or welfare benefits, other than coverage as may be required under Section 4980B of the Code or Part 6 of Title I of ERISA, or under the continuation of coverage provisions of the Laws of any state or locality.

(h) The execution of this Agreement or any other Transaction Document will not (whether alone or together with any other event), (i) result in any payment or Loss to or benefit becoming due to any current or former Company Service Provider (including any severance pay or increase in severance pay upon any termination of service after the date hereof pursuant to any contract or Benefit Plan), (ii) increase any payment or benefit to be paid or provided to any such current or former Company Service Provider, or (iii) accelerate the time of payment or vesting or result in any payment, Loss or funding (through a grantor trust or otherwise) of compensation or benefits under, any Benefit Plan. No payment, Loss or benefit with respect to any Company Service Provider is required to be characterized as a "parachute payment," within the meaning of Section 280G(b)(2) of the Code, and there is no contract to which any Acquired Company is a party, or by which any are bound, to compensate any Company Service Provider for excise Tax paid pursuant to Section 280G or Section 4999 of the Code.

(i) No Acquired Company nor their ERISA Affiliates have ever maintained, established, sponsored, participated in, contributed to, or have a liability or Losses (contingent or otherwise) with respect to, (i) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Section 302 or Title IV of ERISA, (ii) a "multiemployer plan" (as defined in Section 3(37) of ERISA), (iii) a "multiple employer plan" (within the meaning of Section 413 of the Code) or (iv) a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA.

(j) Each Benefit Plan that is a "nonqualified deferred compensation plan" (as defined in Section 409A(d)(1) of the Code) has been operated in compliance with the applicable provisions of Section 409A of the Code and the regulations and official guidance issued thereunder and is in documentary compliance with the applicable provisions of Section 409A of the Code.

(k) No individual classified as a non-employee, including any independent contractor, leased employee or consultant, for purposes of receiving employee benefits, regardless of treatment for other purposes, is eligible to participate in, or receive benefits under, any Benefit Plan that does not specifically provide for his or her participation.

4.16 Insurance. Schedule 4.16 sets forth a complete and accurate list of each insurance policy maintained by any Acquired Company or for the benefit of any Acquired Company or any officer, director, or employee thereof. With respect to each insurance policy set forth on Schedule 4.16: (i) all policy premiums due to date have been paid in full and the policy is valid, binding and enforceable, and in full force and effect, (ii) none of the Acquired Companies and, to the Company's knowledge, no other Person party thereto is in material breach or default and no

event has occurred which, with notice or the passage of time, would constitute a material breach or default, and (iii) no Acquired Company has received written notice of any non-renewal.

4.17 Compliance with Laws; Permits.

(a) Since the Look-Back Date, the Acquired Companies have been in compliance with all applicable Laws in all material respects.

(b) The Acquired Companies have all Permits necessary to own the assets and operate the businesses of the Acquired Companies lawfully in all material respects and in the ordinary course of business, which material Permits are set forth in Schedule 4.17(b). No Action is pending or, to the Company's knowledge, threatened to revoke or limit any such Permit, and each such Permit is valid and in full force and effect.

(c) The Acquired Companies are, and since the Look-Back Date have been, in compliance in all material respects with all applicable Anti-Corruption Laws and Sanctions Laws. There are no pending Actions, Orders, inquiries, audits, or investigations with any Governmental Authority with respect to an actual or alleged violation by any Acquired Company of any Anti-Corruption Laws or Sanctions Laws, and no Acquired Company is currently investigating any actual or alleged, or apparent violation by any Acquired Company of any Anti-Corruption Laws or Sanction Laws.

4.18 Customers and Vendors. Schedule 4.18 sets forth a complete and accurate list of (a) the ten (10) largest customers of the Acquired Companies, taken as a whole, by revenue for the twelve (12) months ended October 31, 2023 (the "Material Customers"), and (b) the ten (10) largest vendors of the Acquired Companies, taken as a whole, by dollar value spend for the twelve (12) months ended October 31, 2023 (the "Material Vendors"). No Acquired Company has received any written notice or, to the Company's knowledge, oral notice from any Material Customer or Material Vendor of any intention to terminate, eliminate, reduce or otherwise limit in any material manner its business dealings with any Acquired Company, or to request a material decrease in the prices paid to or by an Acquired Company that is inconsistent with the terms of its existing contract with such Acquired Company. Since the Look-Back Date, the Acquired Companies have not been involved in any material dispute with any Material Customer or Material Vendor.

4.19 Environmental Compliance and Conditions.

(a) Except as set forth on Schedule 4.19(a), each Acquired Company is, and since the Look-Back Date has been in compliance with all applicable Environmental Laws in all material respects.

(b) Except as set forth on Schedule 4.19(b), the Acquired Companies hold and are in compliance with all material Environmental Permits required under applicable Environmental Laws to operate at the Owned Real Property and Leased Real Property and to carry on the Acquired Companies' respective businesses as now conducted in all material respects.

(c) Except as set forth on Schedule 4.19(c), since the Look-Back Date, no Acquired Company has received any written notice from any Governmental Authority asserting any (i) actual or alleged violation of Environmental Laws, (ii) non-compliance with Environmental Permits, or (iii) liabilities for investigation costs, cleanup costs, response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney fees under Environmental Laws, which remain unresolved.

(d) Except as set forth on Schedule 4.19(d), since the Look-Back Date, there have been no material Environmental Releases from the Owned Real Property or Leased Real Property or as a result of the operations of the Acquired Companies.

(e) To the Company's knowledge, there are no underground storage tanks, asbestos-containing materials, lead-based paint, radioactive materials, per- and polyfluoroalkyl substances (PFAS), or polychlorinated biphenyls located on the Owned Real Property or Leased Real Property.

4.20 Affiliated Transactions. Except for the Affiliated Asset Transfers and as set forth on Schedule 4.20, no officer, director, member, manager, equityholder of any Acquired Company or controlled Affiliate of any equityholder of any Acquired Company, nor, to the Company's knowledge, any Affiliate of any of the foregoing or any individual in such officer's, director's, member's, manager's or equityholder's immediate family is a party to any contract (whether written or oral) or transaction with any Acquired Company (other than employment contracts in the ordinary course of business) or has any interest in any property used by any Acquired Company.

4.21 Employment and Labor Matters.

(a) Schedule 4.21(a) sets forth a complete and accurate list of all Company Employees as of the date hereof, including in each case, their name, employer, title, date of hire, full time/part time status, salaried/hourly status, union/unrepresented status, exempt/nonexempt status, active or leave status (and, if on leave, with type of leave indicated), work location, base salary/wage, bonus entitlement, commission entitlement, and collective bargaining craft or class. Schedule 4.21(a) also sets forth a complete and accurate list of all Company Service Providers currently on disability or leaves of absence (including the date such disability or leave commenced, the type of leave of absence, and the expected date of return to active employment). The information in Schedule 4.21(a) is provided in accordance with and subject to applicable Laws.

(b) Schedule 4.21(b) sets forth a complete and accurate list of all third-party temporary employees, consultants, and independent contractors who are Company Service Providers as of the date hereof and includes their name, employer, work location, position description or service performed, date initially contracted, hours worked, term of assignment and fee structure. The information in Schedule 4.21(b) is provided in accordance with and subject to applicable Laws.

(c) Except as set forth on Schedule 4.21(c), there are no Collective Bargaining Agreements to which any Acquired Company is a party, nor is any such agreement or

contract currently being negotiated. Except as to the labor organizations party to the Collective Bargaining Agreements set forth on Schedule 4.21(c), no labor union or works council represents any Company Employees in connection with their employment.

(d) Since the Look-Back Date, there have been no activities or proceedings by any employee, labor organization, union, group, or association or representative thereof to organize or decertify unions representing any Company Employees or any threats thereof. No strike, material labor dispute, slowdown, lockout, walkout, concerted refusal to work overtime, work stoppage unfair labor practice, labor arbitration, grievance, major or minor dispute, or other collective bargaining dispute against any Acquired Company is pending or, to the Company's knowledge, threatened.

(e) Since the Look-Back Date, no Acquired Company has effectuated (i) a "plant closing" as defined in the WARN Act affecting any site of employment or one or more facilities or operating units within any site of employment or facility of any Acquired Company or (ii) a "mass layoff" as defined in the WARN affecting any site of employment or facility of any of the Company Employees employed by any Acquired Company.

(f) The Acquired Companies (i) are in compliance with all Laws and Collective Bargaining Agreements with respect to employment, employment practices, classification (exempt/nonexempt or employee/independent contractor), immigration matters, terms and conditions of employment and wages and hours; (ii) have withheld and reported all amounts required by Law to be withheld and reported with respect to wages, salaries and other payments to Company Service Providers; (iii) are not liable for any arrears of wages or any Taxes or any penalty for failure to comply with any of the foregoing; and (iv) are not liable for any payment or Loss to any trust or other fund governed by or maintained by or on behalf of any Governmental Authority, with respect to sickness, unemployment compensation benefits, railroad retirement, social security or other benefits or obligations for Company Service Providers (other than routine payments to be made in the ordinary course of business). There are no pending or, to the Company's knowledge, threatened or reasonably anticipated actions, suits or Actions against any Acquired Company under the Federal Employers' Liability Act, 45 U.S.C. § 51, any workers' compensation policy or long-term disability policy. The Acquired Companies do not have any material liability or Loss, individually or in the aggregate, with respect to any misclassification (x) of any individual as an independent contractor rather than as an employee, or with respect to any employee leased from another employer or (y) of any employee's status under the Fair Labor Standards Act (or any similar federal, state, local, or foreign Laws). There are no proceedings against or involving any Acquired Company with respect to any charges, claims or allegations of violations of any Laws related to labor or employment matters currently pending before the U.S. Equal Employment Opportunity Commission, the U.S. Department of Labor, National Railroad Adjustment Board, National Mediation Board, Public Law Board, or any other Governmental Authority.

(g) No complaint of sexual harassment, sexual assault, sexual misconduct, gender discrimination or similar behavior has been made since the Look-Back Date by a Company Employee to any director, officer, or manager of any Acquired Company

against any Person who is or was a director, officer, or manager of any Acquired Company, in each case, in such person's capacity as such or, to the Company's knowledge, in any other capacity. Since the Look-Back Date, no Acquired Company has entered into any settlement agreement related to a Company Employee's complaint of sexual harassment, sexual assault, sexual misconduct, gender discrimination or similar behavior.

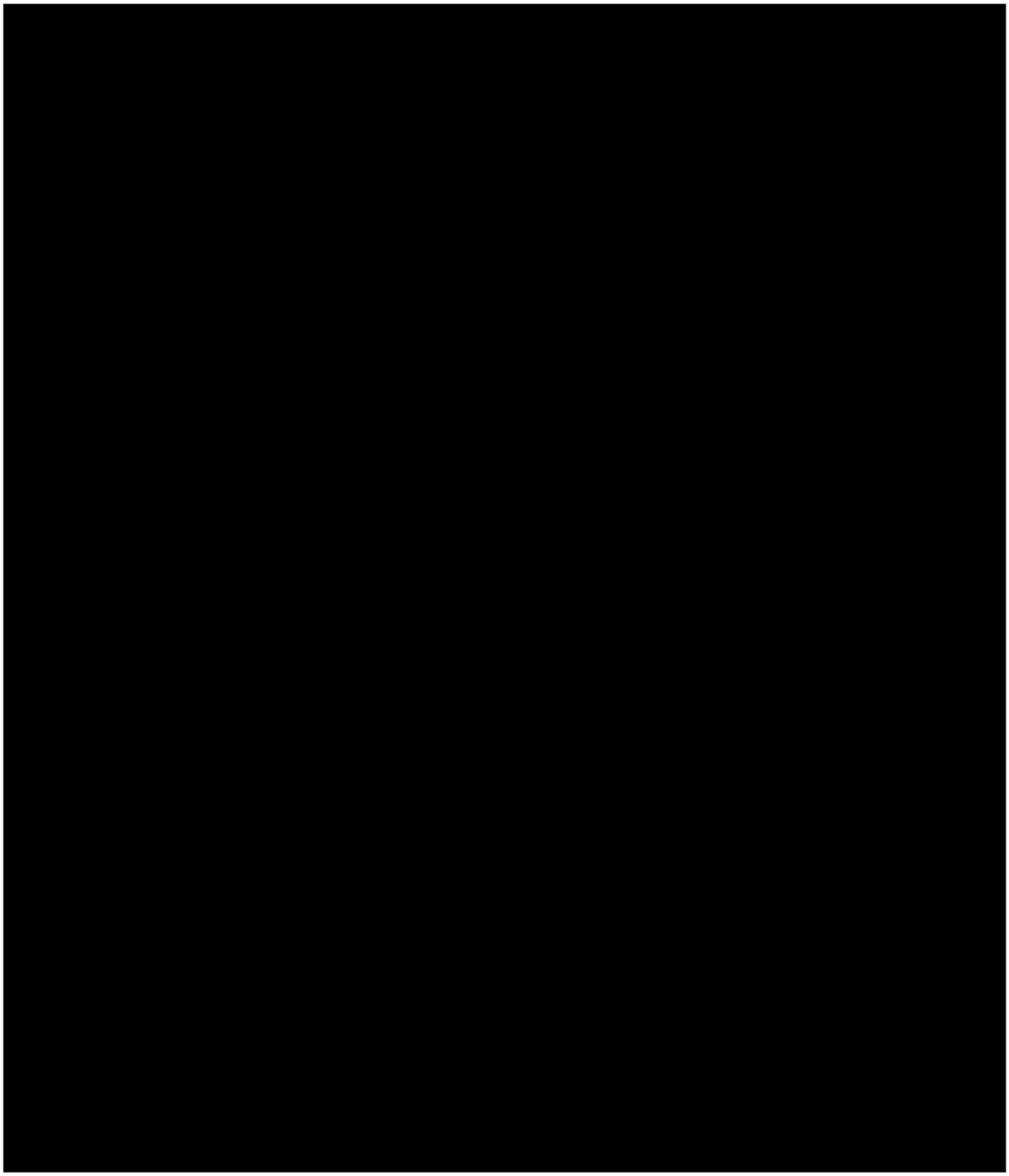
(h) Except in the ordinary course of business, no proposal, assurance, or commitment has been communicated to any Company Service Provider regarding any (i) change to his or her terms of engagement or working conditions or (ii) continuance, introduction, increase or improvement of any benefit or any customary or discretionary arrangement, contract or practice, and no negotiations have commenced for any such matter.

(i) Since the Look-Back Date, each Acquired Company has been in compliance in all material respects with applicable COVID-19 health and safety protocols, COVID-19 leave Laws, and COVID-19 anti-retaliation Laws, and have used commercially reasonable efforts to adhere to applicable guidance relating to COVID-19 from applicable Governmental Authorities such as the U.S. Centers for Disease Control and Prevention and the federal Occupational Safety and Health Administration.

(j) No Company Service Provider has a principal place of employment outside the United States or is subject to the labor and employment Laws of any country other than the United States.

4.22 Brokers. Except for the engagement of Northborne Partners and the fees and expenses associated therewith, no Acquired Company or its respective officers, directors, or employees (i) has engaged any broker, investment banker, financial advisor, or finder or (ii) incurred any liability for brokerage commissions, finders' fees, or similar compensation, in each case in connection with the transactions contemplated by this Agreement and the other Transaction Documents.

4.23 NCIRC Matters.



Article 5

REPRESENTATIONS AND WARRANTIES OF BUYER

Other than as set forth on the Disclosure Schedules (but only to the extent provided in Section 10.23), Buyer hereby represents and warrants to the Sellers and the Company as of the date hereof as follows:

5.1 Organization and Power. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the state of its organization, with full corporate power and authority to enter into this Agreement and perform its obligations hereunder.

5.2 Authorization; Valid and Binding Agreement.

(a) The execution, delivery, and performance by Buyer of this Agreement and each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite action on the part of Buyer, and such authorization has not been subsequently modified or rescinded. No other proceedings or limited liability company actions on Buyer's part are necessary to authorize the execution, delivery or performance of this Agreement or any other Transaction Document to which Buyer is a party or to consummate the transactions contemplated hereby or thereby.

(b) Assuming that this Agreement is and each of the other Transaction Documents to which Buyer is a party is, in each case, a valid and binding obligation of the Sellers and the Company, this Agreement and such other Transaction Documents constitute a valid and binding obligation of Buyer, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, or moratorium Laws, other similar Laws affecting creditors' rights and general principles of equity.

5.3 Consents; No Breach.

(a) Except for (i) the STB Final Approval, (ii) the FCC Approval, and (iii) such items set forth on Schedule 5.3(a), the execution, delivery and performance by Buyer of this Agreement each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby do not and will not require any authorization, consent, approval or exemption by or notice to any Governmental Authority by Buyer prior to Closing, and Buyer hereby accepts sole responsibility for obtaining after Closing, the STB Final Approval, the FCC Approval and any other item set forth on Schedule 5.3(a).

(b) Assuming the authorizations, consents, approvals, exemptions or other actions referred to in Section 5.3(a) are obtained, complied with or made, the execution, delivery and performance by Buyer of this Agreement and each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Organizational Documents of Buyer, (ii) result in a violation or failure to comply with any Law or Order to which Buyer is subject, (iii) result in a breach of, constitute (with or without notice or lapse of time, or both) a default under, require the payment of a penalty or increased Liabilities, fees or the loss of a benefit under, or otherwise give any Person the right to accelerate, terminate, modify or cancel, any of the terms, conditions or provisions of any indenture, mortgage, lease, loan agreement or other agreement or instrument to which Buyer is bound, or (iv) result in the creation of any Lien upon any assets of Buyer, except, in the case of clauses (iii) and (iv), for any such items that would not reasonably be expected to prevent, materially delay or materially impair the ability of

Buyer to perform its obligations under, or to consummate the transactions contemplated by, this Agreement and the other Transaction Documents to which it is a party.

5.4 Litigation. There are no Actions pending or, to Buyer's knowledge, threatened against Buyer or its assets which, if determined adversely to Buyer, would reasonably be expected to prevent, materially delay, or materially impair the ability of Buyer to perform its obligations under, or to consummate the transactions contemplated by, this Agreement and the other Transaction Documents to which it is a party. Buyer is not subject to any outstanding Order which would reasonably be expected to prevent, materially delay, or materially impair the ability of Buyer to perform its obligations under, or to consummate the transactions contemplated by, this Agreement and the other Transaction Documents to which it is a party.

5.5 Brokers. There is no liability for brokerage commissions, finders' fees, or similar compensation in connection with the transactions contemplated by this Agreement based on any contract made by or on behalf of Buyer.

5.6 Investment Representation. Buyer is acquiring the Units for its own account with the present intention of holding such securities for investment purposes and not with a view to, or for sale in connection with, any distribution of such securities in violation of any federal or state securities Laws. Buyer is an "accredited investor" as defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act. Buyer acknowledges that it is informed as to the risks of the transactions contemplated hereby and of ownership of the Units. Buyer acknowledges that the Units have not been registered under the Securities Act or any state or foreign securities Laws and that the Units may not be sold, transferred, offered for sale, assigned, pledged, hypothecated or otherwise disposed of unless such transfer, sale, assignment, pledge, hypothecation or other disposition is pursuant to the terms of an effective registration statement under the Securities Act and the Units is registered under any applicable state or foreign securities Laws or sold pursuant to an exemption from registration under the Securities Act of 1933 and any applicable state or foreign securities Laws.

5.7 Solvency. Immediately after giving effect to the transactions contemplated hereby, Buyer and, assuming the accuracy of the representations and warranties set forth in Article III and Article IV, each of the Acquired Companies, will (a) be solvent (in that the fair saleable value of such entity's respective assets will not be less than the sum of (i) the value of all liabilities of Buyer, including contingent and other liabilities, as of such date, as such quoted terms are generally determined in accordance with the applicable Laws governing determinations of the solvency of debtors and (ii) the amount that will be required to pay its probable liabilities on its existing debts (including contingent liabilities) as such debts become absolute and matured), (b) have, as of such date, sufficient amount of capital for the operation of the business in which it is engaged or proposed to be engaged by Buyer following such date and (c) be able to pay its liabilities, including contingent and other liabilities, as they mature. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of Buyer or the Acquired Companies.

5.8 WARN Act and Mass Layoff. Buyer does not currently plan or contemplate any reduction in force or terminations of employees of the Company or any of its Subsidiaries that would trigger obligations under the Warn Act or similar Laws.

5.9 Investigation. Except for the representations and warranties set forth in Article 3 and Article 4, Buyer acknowledges, covenants, and agrees that it is relying on its own independent investigation and analysis in entering into this Agreement and consummating the transactions contemplated hereby. Buyer is knowledgeable about the industries in which the Company and its Subsidiaries operate and is capable of evaluating the merits and risks of the transactions contemplated by this Agreement and is able to bear the substantial economic risk of such investment for an indefinite period of time. Buyer has been afforded adequate access to the books and records, facilities and personnel of the Company and its Subsidiaries for purposes of conducting a due diligence investigation and has conducted an adequate due diligence investigation of the Company and its Subsidiaries.

Article 6
[RESERVED]

Article 7
ADDITIONAL COVENANTS

7.1 Director and Officer Liability and Indemnification.

(a) For a period of at least six (6) years after the Closing Date, Buyer will not, and will not permit the Company or any of its Subsidiaries to, amend, repeal or modify any provision in the Company's or any of its Subsidiaries' Organizational Documents, in each case as they exist as of the date of this Agreement, relating to the exculpation, indemnification or advancement of expenses of any current or former officers, managers, directors and/or direct or indirect equityholder of the Company or any of its Subsidiaries (each, a "D&O Indemnified Person") for acts or omissions occurring at or prior to the Closing unless expressly required by applicable Law, it being the intent of the Parties that the D&O Indemnified Persons will continue to be entitled to all rights to exculpation, indemnification and advancement of expenses for acts or omissions occurring at or prior to the Closing to the full extent of the law.

(b) In addition to the other rights provided for in this Section 7.1 and not in limitation thereof, for a period of at least six (6) years after the Closing Date, each applicable Acquired Company (each, a "D&O Indemnifying Party") will, to the fullest extent permitted by applicable Law and required by the terms of the Organizational Documents of the Company or any of its Subsidiaries, (i) indemnify and hold harmless and exculpate (and release from any liability to Buyer or the Company or any of its Subsidiaries), the D&O Indemnified Persons against all D&O Expenses (as defined below), and all losses, claims, damages, penalties, Taxes, interest, fines judgments or amounts paid in settlement (collectively, "D&O Costs") in respect of any threatened, pending, or completed Action, whether criminal, civil, administrative or investigative or otherwise arising out of acts or omissions occurring on or prior to the Closing (including in respect of acts or omissions in connection with this Agreement and the transactions contemplated thereby) (a "D&O Indemnifiable Claim"), and (ii) advance to such D&O Indemnified Persons all D&O Expenses incurred in connection with any D&O Indemnifiable Claim (including in circumstances where the D&O Indemnifying Party has assumed the defense of such claim) promptly after receipt of reasonable statements therefor. The rights of any D&O Indemnified Person with respect to any D&O

Indemnifiable Claims will continue until such D&O Indemnifiable Claim is finally disposed of or all Orders in connection with such D&O Indemnifiable Claim are fully satisfied. For the purposes of this Section 7.1(b), "D&O Expenses" will include attorneys' fees and all other costs, charges and expenses paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, to be a witness in or participate in, any D&O Indemnifiable Claim, but solely to avoid duplication bases for recover, will exclude losses, claims, damages, judgments and amounts paid in settlement (because such items are included in the definition of D&O Costs).

(c) The Company will, at the Closing, obtain an irrevocable "tail" insurance policies insuring the D&O Indemnified Persons (with respect to matters existing or occurring at or prior to the Closing Date) with a coverage period of at least six (6) years from the Closing Date from an insurance carrier with the same or better credit rating as the Company's current insurance carrier with respect to directors' and officers' liability insurance, employment practices liability insurance and fiduciary liability insurance in an amount and scope of coverage at least as favorable to the D&O Indemnified Persons as the Company's and its Subsidiaries' existing policies (collectively, the "Tail Insurance Policies"). Buyer will not, and will cause the Company and its Subsidiaries not to, cancel or change the Tail Insurance Policies in any respect. All costs and expenses of the Tail Insurance Policies shall be borne by the Buyer.

(d) Buyer hereby acknowledges (on behalf of itself and its respective Affiliates, including the Company from and after the Closing) that the D&O Indemnified Persons may have certain rights to indemnification, advancement of expenses and/or insurance provided by current direct or indirect equityholders, members, or other Affiliates of the Sellers or their respective direct or indirect equityholders ("Indemnitee Affiliates") separate from the obligations of Buyer and the Company hereunder. The Parties hereby agree that, from and after the Closing, to the fullest extent permitted by applicable Law and required by the terms of this Agreement and the Organizational Documents of the Company or any of its Subsidiaries (i) the D&O Indemnifying Parties are the indemnitors of first resort (*i.e.*, their obligations to the D&O Indemnified Persons are primary and any obligation of any Indemnitee Affiliate to advance expenses or to provide indemnification or insurance for the same expenses or liabilities incurred by the D&O Indemnified Persons are secondary), (ii) the D&O Indemnifying Parties will be required to advance the full amount of expenses incurred by the D&O Indemnified Persons and will be liable for the full amount of all fees, costs, expenses, judgments, penalties, fines, interest and amounts paid in settlement to the extent legally permitted, without regard to any rights the D&O Indemnified Persons may have against any Indemnitee Affiliate, and (iii) that the Parties (on behalf of themselves and their respective Affiliates) irrevocably waive, relinquish and release the Indemnitee Affiliates from any and all claims against the Indemnitee Affiliates for contribution, subrogation or any other recovery of any kind in respect thereof.

(e) In the event that all or substantially all of the equity or assets of the Company are sold, or any of the Company merges or otherwise combines with another Person, in each case whether in one transaction or a series of transactions, then Buyer and the Company will, in each such case, ensure that the successors and assigns of the

Company, as applicable, assume the obligations set forth in this Section 7.1. The provisions of this Section 7.1(e) will apply to all of the successors and assigns of the Company.

(f) Each of the Sellers acknowledges and agrees that, to the extent such Seller is a D&O Indemnified Person, such Seller shall have no rights to, and shall not exercise any rights to, indemnification from any Acquired Company for any amounts such Seller may be liable hereunder in respect of such Seller's Fraud.

7.2 R&W Insurance.

(a) Buyer will comply with all terms of the binder agreement associated with obtaining the R&W Insurance, and take all other actions necessary to cause the proper issuance of the R&W Insurance as soon as practicable after the Closing. Buyer will be responsible for one hundred percent (100%) of the premiums, costs, and expenses of the R&W Insurance. Buyer will not permit the R&W Insurance to be amended, waived, or otherwise modified in a manner adverse to the Sellers, including in any manner that would allow R&W Insurer to subrogate any claim that R&W Insurer may have against any Seller, other than with respect to Fraud committed by such Seller, without the prior written consent of the Sellers. Buyer's obligations under this Agreement are not contingent or conditioned upon the procurement of the R&W Insurance.

(b) Buyer, on behalf of Buyer and each other Buyer Related Party, hereby (i) expressly waives any right of subrogation against any Seller under this Agreement except to the extent such a waiver would violate the terms of any insurance policy (other than the R&W Insurance) and other than with respect to Fraud committed by such Seller, and (ii) agrees that the R&W Insurance shall expressly exclude any right of subrogation against any Seller under this Agreement (other than for Fraud committed by such Seller). "R&W Insurance" means a representations and warranties insurance policy to be issued by [redacted] ("R&W Insurer") to Buyer in the form attached as Exhibit E.

Article 8
ADDITIONAL COVENANTS AND AGREEMENTS

8.1 No Survival; Certain Waivers.

(a) No Survival. The representations, warranties, covenants and agreements of Buyer, the Sellers and the Company in this Agreement or in any agreement delivered pursuant to this Agreement will not survive beyond the Closing such that no claim for breach of any such representation or warranty, detrimental reliance, or other right or remedy (whether in contract, in tort or at law or in equity) may be brought after the Closing with respect thereto against Buyer or any Seller, and there will be no liability in respect thereof, whether such liability has accrued prior to or after the Closing, on the part of Buyer or any Seller, except that (i) those covenants and agreements and other provisions contained herein that by their terms apply or are to be performed in whole or in part after the Closing set forth in Article 1, Article 7, Article 8, and Article 10 shall survive in accordance with the term of its performance and then terminate; and (ii) the foregoing shall in no event limit any Party from seeking to recover any losses (x) with respect to a

claim for Fraud from the Party alleged to have committed such Fraud or (y) under the R&W Insurance. For the avoidance of doubt, in no event shall any Seller be liable for any breach by the Company of, or failure of the Company to perform or comply with, any covenant or obligation of the Company and not of Sellers.

(b) Waiver.

(i) Buyer, for itself and on behalf of the other Buyer Related Parties, acknowledges and agrees that, from and after the Closing, to the fullest extent permitted under applicable Law (including under CERCLA or any other Environmental Law), any and all rights, claims and causes of action it may have at any time against any Seller, their respective successors and assigns, any of their respective Affiliates, or any past, present or future directors, managers, officers, employees, agents, lenders, investors, partners, principals, members, direct or indirect shareholders or equityholders of any of the foregoing Persons (collectively, the "Seller Released Parties") relating to the operation of the Company or any of its Subsidiaries or their respective businesses, the subject matter of this Agreement or any Exhibit or Disclosure Schedule hereto, or any ancillary agreement, certificate, or other document entered into, made, delivered, or made available in connection herewith, or as a result of any of the transactions contemplated hereby or thereby, whether arising under, or based upon, any federal, state, local or foreign statute, law (including common law), ordinance, rule or regulation or otherwise (including any right, whether arising at law or in equity, to seek indemnification, contribution, cost recovery, damages or any other recourse or remedy, including as may arise under common law) are hereby irrevocably waived; provided, however, that the foregoing shall not apply to any rights, claims, or causes of action relating to (A) any claims against a Party for Fraud committed by such Party, (B) claims for breach by such Party of covenants and agreements hereunder required to be performed after the Closing, subject to the limitations set forth in Section 8.1(a), (C) claims related to any Retention Agreement, employment agreement, consulting agreement, or other claims or rights that any Buyer Related Party may have as an employee of any Acquired Company, (D) rights and obligations under the contracts listed on Schedule 4.20, and (E) rights and obligations under the Retention Agreement, Escrow Agreement or any other agreements entered into at Closing (such rights, claims or causes of action in subsections (A) – (E), the "Buyer Retained Claims"). Furthermore, without limiting the generality of this Section 8.1(b), no claim will be brought or maintained by, or on behalf of, Buyer or any other Buyer Related Parties against any Seller Released Party, and no recourse will be sought or granted against any of them, by virtue of, or based upon, any alleged misrepresentation or inaccuracy in, or breach of, any of the representations, warranties, covenants, or agreements of the Sellers or any other Person set forth or contained in this Agreement or any Exhibit or Disclosure Schedule hereto, or any ancillary agreement, certificate or other document entered into, made, delivered, or made available in connection herewith, or as a result of any of the transactions contemplated hereby or thereby; provided, however, that the foregoing shall not apply to any Buyer Retained Claims.

(ii) Buyer acknowledges and agrees that the Buyer Related Parties may not avoid such limitation on liability by (A) seeking damages for breach of contract, tort, or pursuant to any other theory of liability, all of which are hereby waived, or (B) asserting or threatening any claim against any Person that is not a Party (or a successor to a Party) for breaches of the representations, warranties, covenants, or agreements contained in this Agreement .

(iii) Each Seller, for itself and on behalf of the other Seller Related Parties, acknowledges and agrees that, from and after the Closing, to the fullest extent permitted under applicable Law (including under CERCLA or any other Environmental Law), any and all rights, claims and causes of action it may have at any time against any Buyer, any Acquired Company, or their respective successors and assigns, any of their respective Affiliates, or any past, present or future directors, managers, officers, employees, agents, lenders, investors, partners, principals, members, direct or indirect shareholders or equityholders of any of the foregoing Persons (collectively, the "Buyer Released Parties" and together with the Seller Released Parties, the "Released Parties"), relating to the operation of any Acquired Company or their respective businesses, the subject matter of this Agreement or any Exhibit or Disclosure Schedule hereto, or any ancillary agreement, certificate, or other document entered into, made, delivered, or made available in connection herewith, or as a result of any of the transactions contemplated hereby or thereby (including the allocation of the Purchase Price pursuant to the Operating Agreement), whether arising under, or based upon, any federal, state, local or foreign statute, law (including common law), ordinance, rule or regulation or otherwise (including any right, whether arising at law or in equity, to seek indemnification, contribution, cost recovery, damages or any other recourse or remedy, including as may arise under common law) are hereby irrevocably waived; provided, however, that the foregoing shall not apply to any rights, claims, or causes of action relating to (A) claims against a Party for Fraud committed by such Party, or (B) claims for breach by such Party of covenants and agreements hereunder required to be performed after the Closing, subject to the limitations set forth in Section 8.1(a), (C) claims related to any Retention Agreement, employment agreement, consulting agreement, or other claims or rights that any Seller Related Party may have as an employee of any Acquired Company to earned and unpaid salary, bonuses, accrued vacation, other benefits under each Benefit Plan, or other employee compensation and unreimbursed expenses, (D) any D&O insurance policy, including rights to seek indemnification as permitted by Section 7.1 or coverage under the Tail Insurance Policies following the Closing, (E) rights and obligations under the contracts listed on Schedule 4.20, and (G) rights and obligations under the Retention Agreement, Escrow Agreement or any other agreements entered into at Closing (such rights, claims or causes of action in subsections (A) – (G), the "Seller Retained Claims"). Furthermore, without limiting the generality of this Section 8.1(b), no claim will be brought or maintained by, or on behalf of, any Seller or any other Seller Related Parties against Buyer, any Acquired Company, or any Company Service Provider, and no recourse will be sought or granted against any of them, by virtue of, or based upon, any alleged misrepresentation or inaccuracy in, or breach of, any of the

representations, warranties, covenants, or agreements of Buyer or any other Person set forth or contained in this Agreement or any Exhibit or Disclosure Schedule hereto, or any ancillary agreement, certificate or other document entered into, made, delivered, or made available in connection herewith, or as a result of any of the transactions contemplated hereby or thereby; provided, however, that the foregoing shall not apply to any Seller Retained Claims.

(iv) Each Seller acknowledges and agrees that the Seller Related Parties may not avoid such limitation on liability by (A) seeking damages for breach of contract, tort, or pursuant to any other theory of liability, all of which are hereby waived, or (B) asserting or threatening any claim against any Person that is not a Party (or a successor to a Party) for breaches of the representations, warranties, covenants, or agreements contained in this Agreement.

(c) Notwithstanding anything herein to the contrary, Buyer acknowledges and agrees, on behalf of Buyer and each other Buyer Related Party, that (i) the Sellers are making the representations and warranties of the applicable Sellers contained in this Agreement (including the applicable Sellers making the representations and warranties as to the Acquired Companies and NCIRC set forth in Article 4) solely for purposes of Fraud, and (ii) the Sellers shall have no direct or indirect liability (derivatively or otherwise) with respect to any breach of, or inaccuracy in, any representation or warranty contained in this Agreement, except and only to the extent such breach constitutes Fraud by such Seller, which may only be brought against the Seller alleged to have committed such Fraud. In furtherance of the foregoing, Buyer (on behalf of itself and each of the Buyer Related Parties) acknowledges and agrees that (i) the sole and exclusive remedy of the Buyer Related Parties for Losses or other claims, causes of action or other remedies as a matter of contract, tort, strict liability under or based upon any applicable Law or otherwise (including any right, whether arising at law or in equity, to seek indemnification, contribution, cost recovery, rescission, damages, or any other recourse or remedy, including as may arise under common law) with respect to any alleged or actual inaccuracy in, or breach of, any representation and warranty of any Seller or the Company contained in this Agreement (except to the extent any such claim constitutes Fraud by the Company or such Seller, which may only be brought against the Company or the Seller alleged to have committed such Fraud) shall be satisfied solely from the proceeds (if any) that may be available under the R&W Insurance, regardless as to whether or not all or some of any such claim is covered by the R&W Insurance or whether or not the R&W Insurance has expired, been terminated or lapsed, and (ii) the Sellers shall not have any direct or indirect liability of any kind or nature with respect to any such R&W Insurance.

(d) Nothing in this Section 8.1 will limit any claim by Buyer for Fraud of a Seller to the extent such Fraud results in Losses in excess of the available coverage under the R&W Insurance; provided, that Buyer will first have used commercially reasonable efforts to recover such Losses under the R&W Insurance before proceeding against any Seller; provided, further, to the extent any claim for Fraud can be made against both Sellers (a "Joint Claim"), Buyer shall first bring such claim only against Sabin, and shall only be able to bring such claim against TCFII to the extent that Buyer has obtained a

judgment or settlement against Sabin which Sabin shall have failed to satisfy following use of commercially reasonable efforts by Buyer; provided, further, that Buyer's recovery from (i) the Sellers in the aggregate shall not event exceed the Purchase Price; and (ii) TCFII shall not exceed the Purchase Price actually received by TCFII; provided, further, in no event shall any Seller incur any liability for an act of Fraud that such Seller did not commit or that was committed solely by another Seller. In the event that Buyer recovers from TCFII on a Joint Claim, Sabin agrees that, as between Sabin and TCFII, Sabin shall indemnify and hold harmless TCFII for any Losses incurred by TCFII arising out of or related to such Joint Claim.

8.2 Tax Matters.

(a) Transfer Taxes. Except as set forth in the proviso below, the Buyer will pay, and will indemnify and hold Sellers (and its Affiliates and direct and indirect owners) harmless against, any transfer, documentary, sales, use, registration and real property transfer or gains tax, stamp tax, excise tax, stock transfer tax, or other similar Tax imposed on the Acquired Companies or the Sellers (or any of their Affiliates or direct or indirect owners) as a result of the transactions contemplated by this Agreement (collectively, "Transfer Taxes"), and any penalties, fines, interest, costs, fees, or additions to Tax with respect to the Transfer Taxes; provided, however, that the Sellers severally (and not jointly) will pay, and will indemnify and hold Buyer (and its Affiliates and direct and indirect owners) harmless against, any Transfer Taxes, and any penalties, fines, interest, costs or fees with respect to the Transfer Taxes, arising from or related to the Affiliate Asset Transfers (the "Affiliate Transfer Taxes"). The Sellers will cooperate with Buyer as Buyer may reasonably request in the filing of any Tax Returns with respect to Transfer Taxes, including promptly supplying any information in its possession that is reasonably necessary to complete such Tax Returns.

(b) Tax Returns.

(i) Buyer will prepare or cause to be prepared, and timely file or cause to be timely filed, all Tax Returns for the IANR and its Subsidiaries and all non-income tax returns for the Company for any Pre-Closing Tax Period the due date of which (taking into account extensions of time to file) is after the Closing Date but only if not filed prior to the Closing. All such Income Tax Returns and material non-Income Tax Returns ("Seller Tax Returns") will be prepared in a manner consistent with the past custom and practice of the Acquired Companies, except as otherwise required by a change in applicable Law, in the case of such Income Tax Returns using the Company's historic team at the Company's historic tax return preparation firm, RSM US, LLP; provided that, with respect to the preparation and filing of Seller Tax Returns under this Section 8.2(b)(i) with respect to Income Taxes, such Tax Returns will reflect all applicable Transaction Tax Deductions in the Pre-Closing Tax Period to the extent consistent with applicable Law and the Parties further agree to make the safe-harbor election of Rev. Proc. 2011-29 with respect to any Transaction Expense or Transaction Tax Deduction that is a success-based fee). Buyer will not, and will not permit the Acquired Companies to, waive any carryback of any net operating loss, capital

loss or credit on any such Seller Tax Return. At least thirty (30) days prior to the date on which each such Seller Tax Return is due (taking into account extensions of time to file), Buyer will submit such Seller Tax Return to the Sellers for review, comment, and consent (such consent not to be unreasonably withheld, conditioned, or delayed).

(ii) For the portion of the day of the Closing after the time of Closing, Buyer will cause the Acquired Companies to carry on their business only in the ordinary course in the same manner as heretofore conducted and will not convert or otherwise change the form of any of the Acquired Companies under applicable state, local, or non-U.S. Law. The Acquired Companies will elect with the relevant taxing authority to treat for all purposes the Closing Date as the last day of a taxable period of the Acquired Companies and Buyer will cause the eligible Company and its eligible Subsidiaries to join Buyer's "consolidated group" (as defined in Treasury Regulation Section 1.1502-1(h)) effective as of the beginning of the day on the day after the Closing Date. The Parties agree that Buyer, its Affiliates, the Company and its Subsidiaries will not (i) make an election under Treasury Regulation Section 1.1502-76(b)(2)(ii)(D) to ratably allocate items (or make any similar election or ratably allocate items under any corresponding provision of state, local or non-U.S. Law) or (ii) apply the "next day" rule of Treasury Regulation Section 1.1502-76(b)(1)(ii)(B) with respect to any of the Transaction Tax Deductions.

(c) Straddle Period Allocation. In the case of any Taxes based on or measured by income, gross or net sales, payments or receipts, or payroll that are payable with respect to a Straddle Period, the portion of such Taxes attributable to a Pre-Closing Tax Period will be determined on the basis of a deemed closing of the books and records of the Acquired Companies as of the close of business on the Closing Date (and for such purpose, the taxable period of the pass-through entities and any non-U.S. entities in which the Company holds a beneficial interest shall be deemed to terminate at such time). In the case of any other Taxes that are payable with respect to a Straddle Period, the portion of such Taxes attributable to the portion of such Straddle Period ending on the Closing Date will be equal to the product of all such Taxes multiplied by a fraction, the numerator of which is the number of days in the portion of the Straddle Period ending on the Closing Date, and the denominator of which is the number of days in the entire Straddle Period.

(d) Post-Closing Actions. After Closing, Buyer and its Affiliates shall not, and Buyer and its Affiliates shall not permit any Acquired Company to, (i) other than Tax Returns that are filed pursuant to Section 8.2(b), file or amend or otherwise modify any Tax Return of the Company relating to a Pre-Closing Tax Period, (ii) after the date any Tax Returns filed pursuant to Section 8.2(b) is filed, amend or otherwise modify any such Tax Return, (iii) make, change or revoke any Tax election or accounting method or practice with respect to, or that has retroactive effect to, any Pre-Closing Tax Period, or (iv) enter into any closing agreement, settle any Tax claim or assessment, surrender any right to a refund of Taxes with respect to any Pre-Closing Tax Period, in each such case except (A) with the prior written consent of the Sellers (which will not be unreasonably withheld, delayed, or conditioned), or (B) if such action could not reduce the Purchase Price or

otherwise increase the Sellers' (or their beneficial owners') liability for Taxes (including pursuant to this Agreement).

(e) Tax Proceedings. With respect to any audit, litigation claim, assessment, proposed adjustment, examination or other administrative or court proceeding with respect to income Taxes or other material Taxes of the Company which may adversely impact or reasonably be expected to adversely impact the Sellers (each a "Tax Proceeding"), the Sellers may elect, at the Sellers' sole cost and expense, to control such Tax Proceeding, at the Sellers' expense, including the defense and settlement thereof; provided that the Sellers will (i) keep Buyer reasonably informed concerning material developments and events relating to such Tax Proceeding, (ii) provide Buyer copies of all correspondence and other documents relevant to such Tax Proceeding, and (iii) with respect to any such Tax Proceeding that could reasonably be expected to increase Buyer's (or any Acquired Company's) Tax liability, or otherwise adversely affect any of them, after the Closing, not settle or resolve such Tax Proceeding without the consent of Buyer, which consent will not be unreasonably withheld, conditioned or delayed. Buyer will have the right to participate in (but not control) the defense of any such Tax Proceeding controlled by the Sellers and to employ counsel, at its own expense, separate from the counsel employed by the Sellers. With respect to any Tax Proceeding of the Company that the Sellers could but do not elect to control pursuant to the first sentence of this Section 8.2(e), Buyer will control such Tax Proceeding, including the defense and settlement thereof; provided that if such Tax Proceeding could reduce the Purchase Price or otherwise increase the Sellers' (or their beneficial owners') liability for Taxes (including pursuant to this Agreement), Buyer will (1) keep the Sellers reasonably informed concerning material developments and events relating to such Tax Proceeding, (2) provide the Sellers copies of all correspondence and other documents relevant to such Tax Proceeding, and (3) not settle or resolve such Tax Proceeding without the consent of the Sellers, which consent will not be unreasonably withheld, conditioned or delayed. In such case, if such Tax Proceeding could reduce the Purchase Price or otherwise increase the Sellers' (or their beneficial owners') liability for Taxes (including pursuant to this Agreement), the Sellers will have the right to participate in the defense of any such Tax Proceeding (which will include participation in meetings with taxing authorities and review and comment on written submissions to taxing authorities) and to employ counsel, at the Sellers' expense, separate from the counsel employed by Buyer. Buyer shall maintain sole control, at Buyer's expense, of any audit, litigation claim, assessment, proposed adjustment, examination or other administrative or court proceeding with respect to Taxes of the Acquired Companies not otherwise addressed within this Section 8.2(e).

(f) Cooperation. Buyer, the Company and the Sellers shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the preparation and filing of Tax Returns pursuant to this Section 8.2 and any audit, litigation or other proceeding with respect to Taxes and the computation and verification of any amounts paid or payable under this Agreement (including any supporting work papers, schedules and documents). Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available

on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Company shall retain all books and records with respect to Tax matters pertinent to the Acquired Companies relating to any Tax periods and shall abide by all record retention agreements entered into with any taxing authority, and shall give the Sellers reasonable written notice prior to transferring, destroying or discarding any such books and records prior to the expiration of the applicable statute of limitations for that tax period, and if the Sellers so requests, the Acquired Companies shall allow the Sellers to take possession of such books and records rather than destroying or discarding such books and records.

(g) Records. At the request of the Company, Buyer shall deliver to the Sellers copies of all filed Tax Returns relating to the tax periods (or portions thereof) ending on or prior to the Closing prepared in accordance with Section 8.2(b).

8.3 Employee Benefits.

(a) During the [redacted] month period following the Closing Date, (i) with respect to the period during which the Units are held by the Voting Trust, the Company shall, and (ii) with respect to the period following the release of the Units from the Voting Trust to Buyer, Buyer shall use commercially reasonable efforts to cause the Company to, retain all Company Employees (subject to termination by such Company Employees for any reason (including due to death, resignation, retirement or disability) or by the Company for cause as reasonably determined by the Company (including due to poor performance or for any other reason constituting "cause" pursuant to any contract of employment)) and provide each Company Employee with compensation and benefits that, with respect to each Company Employee, are substantially comparable in the aggregate to the compensation and benefits provided to such Company Employee under the Benefit Plans immediately prior to the Closing Date (including the severance obligations set forth on Schedule 8.3(a) but excluding retiree medical, defined benefit pension opportunities, nonqualified deferred compensation and equity or equity-based incentive opportunities) or Collective Bargaining Agreement (if applicable), in each case to the extent made available to Buyer prior to the Closing.

(b) Buyer shall give the Company Employees who are not covered by a Collective Bargaining Agreement (the "Unrepresented Company Employees") full credit for purposes of eligibility, vesting, and determination of benefits (including, for purposes of vacation and severance but not for retiree medical or defined benefit pension benefits) under any benefit plan maintained by Buyer (and made available to the Unrepresented Company Employees) for such Unrepresented Company Employees' service with the Company to the same extent recognized by the Company immediately prior to the Closing Date; provided, however, that such service shall not be recognized to the extent that such recognition would result in a duplication of benefits with respect to the same period of service.

(c) Buyer shall use commercially reasonable efforts to (i) waive any pre-existing condition limitations otherwise applicable to the Unrepresented Company Employees and their eligible dependents under any plan that provides health benefits in which the Unrepresented Company Employees may be eligible to participate following

the Closing maintained by Buyer (and made available to the Unrepresented Company Employees) to the extent such conditions are covered under the analogous Benefit Plan in which such Unrepresented Company Employees participated immediately prior to the Closing Date, and (ii) waive any waiting period limitation or evidence of insurability requirement that would otherwise be applicable to an Unrepresented Company Employee and his or her eligible dependents on or after the Closing Date, in each case to the extent such Unrepresented Company Employee or eligible dependent had satisfied any similar limitation or requirement under an analogous Benefit Plan prior to the Closing Date.

(d) The provisions contained in this Section 8.3 are included for the sole benefit of the Company and Buyer and nothing in this Section 8.3, whether express or implied, shall (i) create any third-party beneficiary or other rights in any other Person, including any current or former employees of the Company, any participant in any Benefit Plan, or any dependent or beneficiary thereof, (ii) be construed as an amendment, waiver or creation of or limitation on the ability to terminate any Benefit Plans or benefit plan or agreement of Buyer or (iii) limit the ability of Buyer, the Company, or any of their respective Subsidiaries to terminate the employment of any Company Employee at any time.

(e) Prior to the Closing, (i) the Acquired Companies shall take all necessary actions to fully vest each Company Employee in his or her account balance under the Company 401(k) Plan, and (ii) the Acquired Companies shall make (or properly accrue) any applicable Company 401(k) Plan matching contribution or any profit-sharing or other non-elective contribution for which the Company Employees are eligible (notwithstanding any "last day of the year" eligibility requirement.

8.4 Further Assurances. From time to time after the Closing, as and when requested by any Party and at such requesting Party's expense, any other Party will execute and deliver, or cause to be executed and delivered, all such documents and instruments and will take, or cause to be taken, all such further or other actions as such requesting Party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated by this Agreement. In furtherance of the foregoing, from and after the Closing, the Company shall, and shall cause each other Acquired Company to, cooperate with Buyer in any manner requested by Buyer to assist Buyer in complying with any of Buyer's covenants and agreements hereunder. In the event the [redacted] is not resolved prior to Closing, Sabin and the Company will continue to use commercially reasonable efforts to resolve the matter without liability incurred by IANR and, in the event that Sabin and the Company propose a settlement or resolution of the [redacted] involving liability incurred by IANR, they will seek and obtain the prior written consent of Buyer before effecting such settlement or resolution.

8.5 Retention of Books and Records; Access. Buyer shall cause the Company to retain all books, ledgers, files, reports, plans, operating records and any other material documents pertaining to the Company in existence at the Closing and in its possession that are required to be retained under Buyer's current retention policies for a period of seven (7) years from the Closing Date. For a period of seven (7) years from the Closing Date, Buyer shall cause the Company to make available after the Closing for inspection and copying by any Seller or its

respective Representatives at such Seller's expense, during regular business hours and upon reasonable request and upon reasonable advance notice, any material books, ledgers, files, reports, plans, operating records and any other material documents pertaining to the Company in existence at the Closing and in its possession, in each case to the extent reasonably necessary to permit the requesting Party and its respective Representatives to perform or satisfy any legal, accounting, Tax or regulatory obligation relating to any period on, before or that includes the Closing Date, provided, however, neither Buyer nor the Company shall be required to provide access or disclose information to any Seller or its respective Representatives to the extent such access or disclosure would (a) jeopardize the attorney-client privilege, or (b) contravene any applicable Law, contract or fiduciary duty to which Buyer or the Company is a party or is subject or in connection with any Action between Buyer and its Affiliates, on the one hand, and the Sellers and their Affiliates, on the other hand.

8.6 Confidentiality. From and after the Closing, each Seller agrees that it shall not, and shall cause its Affiliates and its and their Representatives, in each case, who have Confidential Information, not to, for a period of five (5) years after the Closing Date, directly or indirectly, without Buyer's consent or as permitted pursuant to Section 10.1, use or disclose to any third party any Confidential Information; provided that the foregoing restriction shall not prohibit any disclosure (i) required by applicable Law or any regulatory or supervisory body or the rules of any securities exchange to which the disclosing party is subject, so long as, to the extent legally permissible, such Seller provides Buyer with reasonable prior notice of such disclosure so that Buyer may, at Buyer's cost and expense, seek an appropriate protective order, and so long as the disclosing party only discloses information to the extent counsel reasonably believes is necessary to be disclosed pursuant to applicable Law; provided, further, that no such notice will be required with respect to disclosure to any bank, securities, tax, or other regulatory authority having jurisdiction in the course of an examination of such disclosing party's books and records or in response to any request by a regulatory authority, (ii) to the extent reasonably required to facilitate the performance of this Agreement or made in connection with the enforcement of any right or remedy relating to this Agreement or the transactions contemplated hereby, or (iii) to such Seller's Affiliates, and such Seller's and such Seller's Affiliates' respective, legal, accounting and financial advisors who are bound by customary obligations of confidentiality. Buyer acknowledges: (x) that TCFII and its Affiliates may now or in the future evaluate, invest in (directly or indirectly, including providing financing to) or do business with competitors or potential competitors of Buyer or the Acquired Companies, and that neither this Agreement nor receipt of the Confidential Information is intended to or shall restrict or preclude such activities; provided, that TCFII and its Affiliates shall not use or disclose any Confidential Information in connection with any such evaluation, investment or doing business with a competitor or potential competitor of Buyer or the Acquired Companies; (y) receipt of Confidential Information shall not be imputed to any Affiliate(s) of TCFII solely by virtue of the fact that any of TCFII's directors, managers, officers, members, or employees who serve in a similar capacity for such Affiliate(s) have received Confidential Information, provided that such Persons have not provided such Affiliate(s) or any other director, officer, employee, or other representative of such Affiliate(s) with Confidential Information; and (z) that the disclosure or use by any Seller, its Affiliates, or its and their Representatives of the general business knowledge acquired and/or known by such Person with respect to the industry in which the Company Group conducts business, acquired or known as a result of such Person's relationship with the Company Group, shall not be a breach of this Section 8.6 unless such Person actually discloses Confidential Information in violation of

this Section 8.6 in connection therewith. The Parties agree that at the Closing, the Confidentiality Agreement shall terminate and be of no further force or effect, regardless of any provisions therein providing for survival following the Closing.

8.7 Litigation Cooperation. Following the Closing, in the event and for so long as Buyer, the Company, any other Acquired Company or any of their Affiliates are actively contesting or defending against any Action brought by a third party in connection with (a) any transaction contemplated by this Agreement or any Transaction Document or (b) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act or transaction involving the Company or any other Acquired Company on or prior to the Closing Date, Sabin and its Affiliates shall reasonably cooperate with such contesting or defending party and its counsel in the contest or defense, make available its personnel and provide such testimony and access to its non-privileged books and records as may be reasonably requested in connection with the contest or defense, at the sole cost and expense of the contesting or defending party, provided that Buyer shall reasonably compensate Sabin and its Affiliates for time spent on activities described in this Section 8.7.

8.8 Insurance.

(a) From and after the Closing, to the extent any third party insurance policies owned by Sabin or any of its Affiliates, other than any insurance policies (i) associated with any Company employee benefit plan and (ii) covering directors' and officers' liability in the name of Sabin or an Affiliate of Sabin prior to the Closing that remains with Sabin or an Affiliate of Sabin following the Closing (excluding (i) and (ii), the "Sabin Insurance Policies"), cover any losses with respect to the Acquired Companies arising out of an occurrence commencing on or before the Closing (the "Buyer's Claims"), at Buyer's sole cost and expense, Sabin shall or shall cause its Affiliates to cooperate with Buyer in submitting Buyer's Claims on behalf of and for the benefit of Buyer under any Sabin Insurance Policy; provided, that Buyer shall have delivered reasonable advance written notice of any such claim or loss to Sabin prior to such submission.

(b) Sabin shall promptly following receipt thereof deliver all proceeds, if any, received under the Sabin Insurance Policies with respect to any of the Buyer's Claims; provided, that any such proceeds shall be subject to, and reduced by, any deductibles, self-insured retentions, retained amounts, retentions or exclusions as well as pro rata allocation thereof as between Sabin and its Affiliates, on the one hand, and Buyer, on the other hand, based on the aggregate claims asserted by each under the respective policy.

(c) Except as provided in this Section 8.9, Buyer shall not have access to the Sabin Insurance Policies.

8.9 Misdirected Payments. If after the Closing Date any Seller or its Affiliates receives any funds properly belonging to Buyer or its Affiliates (including the Acquired Companies) in accordance with the terms of this Agreement or any Transaction Document, the applicable Seller shall promptly advise Buyer, shall hold such funds in trust for the benefit of Buyer and its Affiliates and shall promptly deliver such funds to an account or accounts designated in writing by Buyer.

8.10 Restrictive Covenants.

(a) For a period of [redacted] from and after the Closing Date, Sabin shall not, and shall cause its respective Affiliates not to, directly or indirectly, whether as principal, partner, officer, director, employee, consultant, manager, member or stockholder, own, manage, operate, participate in, control or acquire more than two percent (2%) of (or the right to acquire more than two percent (2%) of) any class of voting securities of, perform services for or otherwise carry on or engage in, a business that competes with the businesses of the Acquired Companies in North America, except as set forth on Schedule 8.10(a).

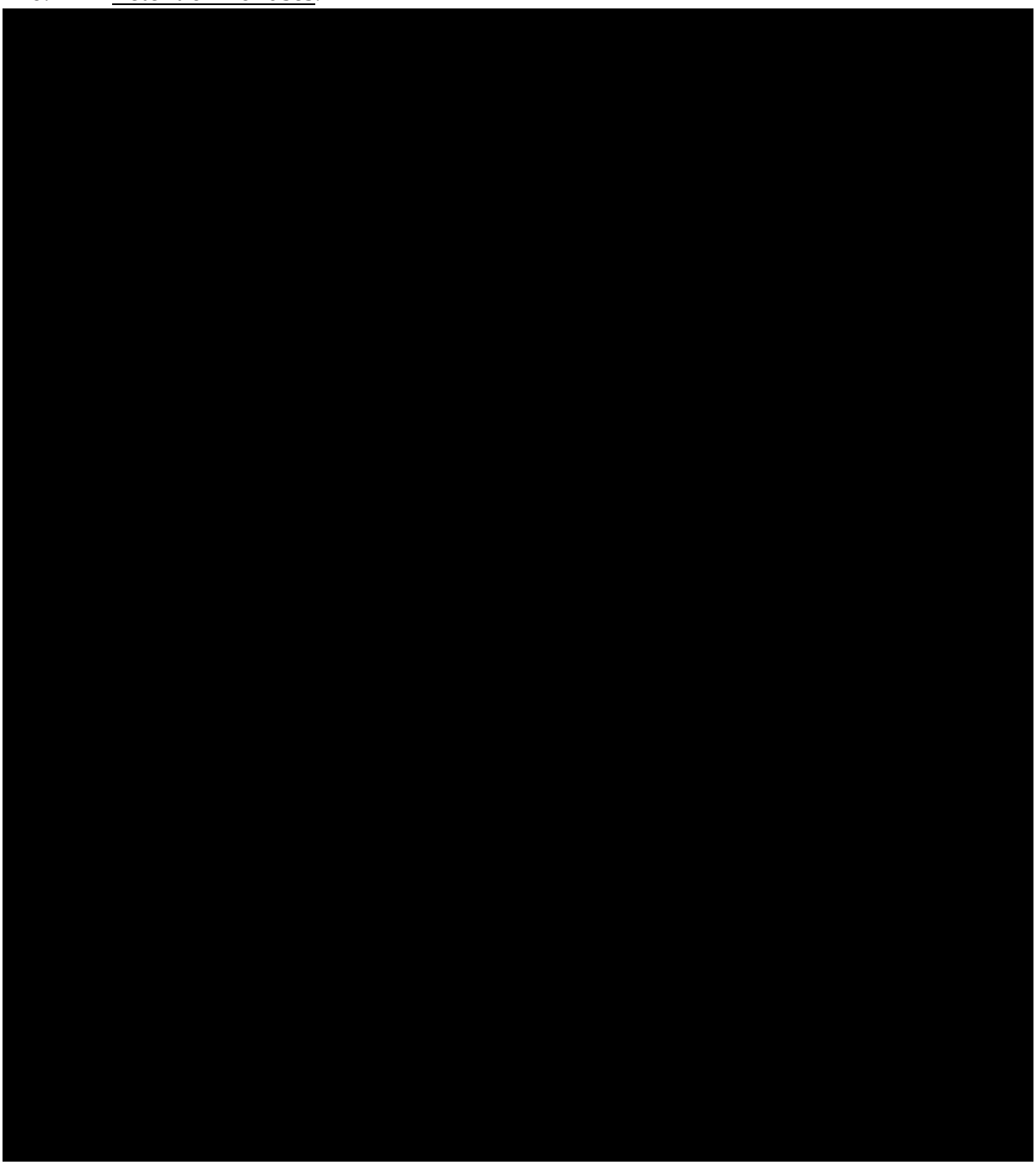
(b) For a period of [redacted] from and after the Closing Date, Sabin shall not, and shall cause its respective Affiliates not to, directly or indirectly, solicit, divert, or take away, or attempt to solicit, divert or take away, the business of any Person with whom any Acquired Company has established or is actively seeking to establish a business (including a customer or supplier) relationship as of the date hereof or the Closing Date.

(c) During the period commencing on the Closing Date and ending [redacted] thereafter, each Seller agrees that it shall not, and shall cause its respective Affiliates not to, without the written consent of Buyer, directly or indirectly, hire, engage or solicit to hire (or assist or encourage others to) any Company Service Providers listed on Schedule 8.10(c). Notwithstanding the foregoing, any Seller or any of such Seller's Affiliates shall not be precluded from (i) engaging in general solicitations or advertising for personnel, including advertisements and searches conducted by a headhunter agency; provided that such solicitation, advertising or searches are not directed in any way at any Company Service Providers subject to this Section 8.10(c); (ii) soliciting for employment or engagement or hiring or engaging any such individuals who have not been employed or engaged by any Acquired Company for a period of six (6) months prior to the date such individuals were first solicited for employment or engagement; or (iii) soliciting for employment or engagement or hiring or engaging any individuals whose employment or engagement with the applicable Acquired Company is terminated by such Acquired Company.

(d) Each Seller acknowledges and agrees that the scope of the restrictive covenants set forth in clauses (a), (b) and (c) above are reasonably tailored, and not broader than necessary, to protect the legitimate business interests of Buyer. If any term or provision of this Section 8.10 shall be determined by any court of competent jurisdiction to be invalid, illegal or unenforceable, in whole or in part, and such determination shall become final, such provision or portion shall be deemed to be severed or limited, but only to the extent required to render the remaining terms and provisions of this Section 8.10 enforceable. This Section 8.10 as thus amended shall be enforced so as to give effect to the intention of the Parties insofar as that is possible. In addition, the Parties hereby expressly empower a court of competent jurisdiction to modify any term or provision of this Section 8.10, to the extent necessary to comply with any Law and to enforce this Section 8.10, as modified.

(e) Each Seller acknowledges that a breach or threatened breach of this Section 8.10 would give rise to irreparable harm to Buyer, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by such Seller of any such obligations, Buyer shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to seek equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

8.11 Retention Bonuses.



8.12 Affiliate Transfers; Post-Closing Transfers.

(a) All representations and warranties set forth in Article 4 shall give effect to the Affiliate Asset Transfers as if they had occurred as of the date of this Agreement, such that the assets of the Acquired Companies include assets subject to the Affiliate Asset Transfers for all purposes of such representations and warranties.

(b) Promptly following the Closing, Sabin shall, and shall cause its applicable Affiliates to, convey, assign, transfer and deliver good and valid title to each of the assets that are the subject of the Affiliate Asset Transfers but have not been transferred as of the Closing, as set forth on Schedule 8.12(b) (collectively, the "Post-Closing Affiliate Asset Transfers"), to IANR, free and clear of all Liens other than Permitted Liens. Such transfers shall be effected in accordance with transfer agreements, assignment agreements, and other documentation in form and substance substantially similar to the transfer agreements, assignment agreements, and other documentation executed in connection with the Affiliate Asset Transfers effected as of the Closing. Reasonably in advance of effecting the Post-Closing Affiliate Asset Transfers, Sabin shall provide Buyer with copies of the associated documentation and a reasonable opportunity to comment, and Sabin shall accept all reasonable comments of Buyer to the same. All costs and expenses of the Post-Closing Affiliate Asset Transfers, including any Transfer Taxes or recording expenses with respect thereto, shall be borne by Sabin.

(c) Following the Closing, Buyer and Sabin shall cooperate in good faith to mutually identify and agree upon any Owned Real Property that is set forth on Schedule 8.12(c) and both (i) exclusively used in connection with the operation of the Manly Junction Railroad Museum located at 111 E Main St, Manly, IA 50456, as operated as of the date hereof, and (ii) not used in, held for use in connection with, or necessary for the operation of the businesses of the Acquired Companies (the "Museum Real Property"). Following mutual identification and agreement upon the scope of Museum Real Property pursuant to the foregoing, the Company shall, and shall cause IANR to, convey, assign,

transfer and deliver good and valid title to the Museum Real Property to Sabin, subject to the negotiation of the release of any Liens with respect thereto. Such transfers shall be effected in accordance with transfer agreements, assignment agreements, and other documentation in form and substance substantially similar to the transfer agreements, assignment agreements, and other documentation executed in connection with the Affiliate Asset Transfers. Reasonably in advance of effecting the transfers of any Museum Real Property, the Company and Sabin shall provide Buyer with copies of the associated documentation and a reasonable opportunity to comment, and the Company and Sabin shall accept all reasonable comments of Buyer to the same. All costs and expenses of the transfers of Museum Real Property, including any Transfer Taxes or recording expenses with respect thereto, shall be borne by Sabin.

8.13 Government Approvals.

(a) Each of the Buyer and the Company shall use its reasonable best efforts to obtain, as promptly as practicable, the final and non-appealable approval or exemption by the STB of the transactions contemplated hereby pursuant to 49 U.S.C. § 11323 *et seq*. (the "STB Final Approval").

(b) Each of the Buyer and the Company shall use their reasonable best efforts to (A) prosecute all such filings and other presentations made, and promptly make any subsequent filings or presentations, with the STB with diligence, (B) diligently oppose any third party's objections to, appeals from or petitions to reconsider or reopen any approval, opinion, exemption or other authorization obtained from the STB, (C) cooperate in all respects, to the extent permitted under applicable Law, to obtain the STB Final Approval, and (D) take all such further action as in the reasonable judgment of Buyer and the Company may facilitate obtaining the STB Final Approval.

(c) In furtherance and not in limitation of the foregoing, the Company agrees to use commercially reasonable efforts to obtain consents or approvals from any customers or suppliers of the Acquired Companies that could reasonably be expected to facilitate or expedite obtaining the STB Final Approval, and to cooperate with Buyer with respect to the foregoing.

(d) Buyer shall, acting reasonably, devise and implement the strategy and timing for obtaining the STB Final Approval, and Buyer shall have the final authority over the development, presentation and conduct of the STB case. Buyer shall take the lead in all meetings and communications with any Governmental Authority in connection with obtaining the STB Final Approval.

(e) Each of the Company and Buyer will notify and keep the other party advised as to and provide copies of (i) any material communication from the STB or any other Governmental Authority regarding any of the transactions contemplated by this Agreement, and (ii) any action pending and known to such party, or to its knowledge threatened, which challenges the transactions contemplated by this Agreement.

8.14 Post-Closing Cooperation. Following the Closing, in the event of a STB Denial or as may be required in connection with obtaining STB Final Approval, Buyer shall, consistently

with the terms of the Voting Trust Agreement, devise and implement the process and strategy to sell or otherwise dispose of, whether directly or indirectly, the Units ("Post-Closing Disposition"), subject to any jurisdiction of the STB to oversee the Post-Closing Disposition. Following the Closing, the Company and its successors shall cooperate with Buyer and shall (and shall cause each of its Subsidiaries to) use its reasonable best efforts to take all actions reasonably requested by Buyer and do or cause to be done all things necessary, proper or advisable on its part to assist Buyer in its process to effect the Post-Closing Disposition. Such reasonable best efforts following the Closing shall include the Company and its Subsidiaries using reasonable best efforts to (i) make senior management available at reasonable times and locations and upon reasonable prior notice, to participate in meetings, drafting sessions, presentations, road shows, rating agency presentations and due diligence sessions; (ii) assist Buyer in the preparation and filing of any offering documents, offering memoranda, offering circulars, private placement memoranda, registration statements, prospectuses, information memoranda, lender and investor presentations, bank books and other marketing documents, and similar documents, and any customary financial statements and other information required to be provided therein; (iii) cause the Company's independent registered accounting firm and internal and external counsel of the Company to provide assistance to Buyer, including delivery of any required comfort letters and customary backup certificates; (iv) cooperate with any marketing efforts of Buyer, including, to the extent applicable, obtaining representation and authorization letters and arranging for customary auditor consents for use of financial data in any marketing and offering documentation; (v) assist in the preparation and negotiation of, and executing and delivering, any credit agreement, indenture, note, purchase agreement, underwriting agreement, guarantees, hedging agreement, pay-off letters, customary closing certificates and any other certificates, exhibits, schedules, letters and documents as may be reasonably requested by Buyer; and (vi) furnish all non-privileged information concerning the Company and its Subsidiaries that is required by applicable Law; provided, that to the extent any of the foregoing requires the entry of a protective order by the STB, the Company and its successors shall be required to take such action only if such order is obtained, subject to the terms of such order. Buyer acknowledges and agrees that none of the Sellers or their respective Affiliates or its and their respective Representatives shall incur any liability to any Person from and after the Closing in connection with the ownership or operation of the Acquired Companies or in respect of any covenant or agreement of any Acquired Company contained in this Agreement, any Transaction Document or otherwise.

8.15 TCFII Article IV Representations. Notwithstanding anything herein to the contrary, TCFII makes the representations and warranties in Article IV only to the actual knowledge, without inquiry, of Chris Zugaro and Connor Anderson.

8.16 Financial Statements. Promptly following the end of December 31, 2023, but in any event no later than March 31, 2024, the Company shall deliver to Buyer a true, correct and complete copy of the consolidated and audited balance sheet and statement of income and cash flows of the Acquired Companies as of and for the fiscal year ended December 31, 2023. Such audited statements shall be prepared on a basis consistent with the preparation of the Financial Statements and be in a form reasonably satisfactory to Buyer.

Article 9
DEFINITIONS

9.1 Definitions. For purposes hereof, the following terms, when used herein will have the respective meanings set forth below:

"Acquired Companies" means, collectively, the Company and its Subsidiaries (including, for the avoidance of doubt, IANR).

"Action" means any claim, demand, action, suit, arbitration, litigation, administrative hearing, enforcement proceeding or other similar proceeding, at law or in equity, by or before any Governmental Authority or arbitral body.

"Adjustment Pro Rata Share" means [redacted] for Sabin and [redacted] for TCFII.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

"Affiliated Group" means an affiliated group as defined in Section 1504 of the Code (or any analogous combined, consolidated, or unitary group defined under state, local or foreign income Tax Law).

"Agreed Accounting Principles" means (i) subject to clause (ii) of this definition, GAAP as consistently applied by the Acquired Companies in the preparation of the Financial Statements; and (ii) the accounting principles, practices, methodologies, policies, treatments, and categorizations, including any exceptions to GAAP, as set forth in Section 1.3(a) and on Exhibit F

"Anti-Corruption Laws" means the U.S. Foreign Corrupt Practices Act of 1977 and any Law of similar effect, including any domestic or foreign Laws that relate to commercial bribery.

"Base Amount" means $230,000,000.

"Benefit Plan" shall mean each "employee benefit plan" within the meaning of Section 3(3) of ERISA, and any benefit or compensation plan, policy, program, practice, arrangement or agreement, including any equity, equity-based, retirement, pension, profit sharing, bonus, incentive, severance, separation, change in control, retention, transaction, termination, deferred compensation, employee loan, fringe benefit, vacation, paid time off, health and welfare (including any medical, retiree medical, dental, life, retiree life or disability), collective bargaining, employment or other similar individual agreement, plan, policy, arrangement or program, whether or not subject to ERISA (including any funding mechanism now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise), whether formal or informal, oral or written, legally binding or not, under which (i) any current or former Company Service Provider has any present or future right to benefits and which are sponsored, maintained or contributed to by the Company or its Subsidiaries or any ERISA Affiliate for the benefit of any current or former Company Service Provider, or with respect to which the Company or its Subsidiaries or any ERISA Affiliate have any liability as of

immediately prior to the Closing with respect to any current or former Company Service Provider, other than any of the foregoing that is required to be maintained by a Governmental Authority.

"Business Day" means any day that is not a Saturday, a Sunday, or a day on which banks are required or permitted to be closed in the State of New York.

"Buyer Material Adverse Effect" means any effect which, individually or in the aggregate, has prevented or materially delayed or materially impaired or would reasonably be expected to prevent or materially delay or materially impair, the ability of Buyer to perform its obligations under, or to consummate the transactions contemplated by this Agreement.

"Buyer Related Parties" means, collectively, Buyer, its Affiliates, and their respective directors, officers, employees, owners, and advisors, including, from and after the Closing, any Acquired Company.

"Cash" means, as of the Measurement Time, the aggregate amount of all cash and cash equivalents of the Acquired Companies (including marketable securities, short term investments, liquid instruments, petty cash, security deposits to the extent not claimed against, cash deposits in transit to the extent there has been a reduction of receivables on account therefor, and the amount of any received and uncleared checks, wires or drafts, but not including (i) the amount of any issued but uncleared checks, wires or drafts and (ii) any cash or cash equivalents frozen or designated, separated or otherwise restricted for a particular use, purpose or event and not available for general corporate use).

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Closing Pro Rata Share" means [redacted] for Sabin and [redacted] for TCFII.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collective Bargaining Agreement" shall mean any collective bargaining agreements and any other labor-related agreements or contracts with any labor or trade union, works council, employee representative or association or other labor organization.

"Commercial Non-Tax Agreement" means commercial agreements not primarily related to Taxes that contain agreements or arrangements relating to apportionment, sharing, assignment or allocation of Taxes (such as financing agreements with Tax gross-up obligations, service agreements with allocation of sales and use tax or leases with Tax escalation provisions).

"Company Employees" means the employees of the Acquired Companies as of the Closing Date.

"Company Service Provider" shall mean each director, officer, manager, employee (including any third party temporary employee), consultant, independent contractor and any other individual engaged to provide services to the Company.

"Confidential Information" means all confidential and/or proprietary information regarding the Acquired Companies. Notwithstanding the foregoing, in no event shall "Confidential Information" include any information that (w) is generally available to the public on the date of this Agreement, (x) becomes available to and known by the public other than through the receiving party's obligations in Section 8.7, (y) any information that is, or thereafter becomes, available to a party or its Representatives on a non-confidential basis from a third-party source or prior to its disclosure by or on behalf of any Acquired Company, or (z) was or is independently developed without reference to or use of Confidential Information.

"Confidentiality Agreement" means the confidentiality letter agreement between Canadian National Railway Company and the Company, dated June 4, 2023.

"Consolidated Group" means NCIRC, Zephyr Rocket, L.L.C., Hawkeye Express Co., L.L.C., and Manly Logistics Park, LLC.

"Disclosure Schedules" means the disclosure schedules delivered by the Parties on the Closing Date.

"Environmental Laws" means any applicable Laws concerning environmental matters, including those pertaining to land use, air, indoor air quality, soil, soil vapor, surface water, ground water (including the protection, cleanup, removal, remediation or damage thereof), public or employee health or safety or any other environmental matter, together with Laws relating to Environmental Releases or threatened Environmental Releases of any pollutant or contaminant including medical, chemical, biological, biohazardous or radioactive waste and materials, into ambient air, indoor air, land, surface water, groundwater, personal property or structures, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, discharge or handling of any contaminant, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. 9601 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. 651 et seq.), as such Laws have been amended and any analogous federal or state or local Laws, statutes and regulations, promulgated thereunder and in effect on or prior to the Closing Date.

"Environmental Permit" means all Permits required under applicable Environmental Laws.

"Environmental Release" means any releasing, spilling, emitting, leaking, pumping, pouring, emptying, injecting, depositing, disposing, discharging, dispersing, leaching, dumping, storing, escaping, discarding, burying, abandoning, or migrating of Hazardous Substances into the environment.

"Equity Interests" means with respect to any Person: (i) all of the shares of capital stock, membership interests or equity of (or other ownership or profit interests in) such Person, (ii) all of the warrants, options or other rights for the purchase or acquisition of shares of capital stock, membership interests or equity of (or other ownership or profit interests in) such Person, (iii) all of the securities convertible into or exchangeable for shares of capital stock, membership interests

or equity of (or other ownership or profit interests in) such Person and (iv) all restricted stock awards, restricted stock units, equity appreciation rights, phantom equity rights, profit participation and all of the other ownership or profit interests of such Person (including partnership or member interests therein), in each case, whether voting or nonvoting.

"ERISA Affiliate" shall mean any Person, trade, or business that, together with the Company, would be deemed a single employer under Section 414 of the Code or Section 4001 of ERISA.

"FCC Approval" means approval by the Federal Communications Commission or any successor agency to the transfer of control to the Voting Trust of the relevant licenses set forth on Schedule 9.1(a).

"Fraud" means (a) as to Sabin and Buyer, a misrepresentation in the making of a specific representation or warranty expressly set forth in Article 3, Article 4, or Article 5 of this Agreement, committed by the Party making such express representation or warranty, which, subject to the foregoing, constitutes actual common law fraud in the state of Delaware; and (b) as to TCFII, an actual knowing and intentional misrepresentation in the making of a specific representation or warranty expressly set forth in Article 3 or Article 4 of this Agreement, which, subject to the foregoing, constitutes actual common law fraud in the state of Delaware (disregarding recklessness, negligence and constructive knowledge). A claim for fraud may only be made against the Party committing such fraud.

"Fredrikson" means Fredrikson & Byron, P.A.

"GAAP" means United States generally accepted accounting principles as in effect on the Closing Date, applied in a manner consistent with the Company's past practice.

"Governmental Authority" means any federal, state, local, municipal, non-U.S. or other government or quasi-governmental authority or any department, agency, commission, board, subdivision, bureau, agency, instrumentality, court, or other tribunal of any of the foregoing.

"H&B" means Haynes and Boone, LLP.

"Hazardous Substance" means any chemical, pollutant, contaminant, pesticide, petroleum product or byproduct, radioactive substance, hazardous or extremely hazardous solid waste, hazardous or toxic substance, or any chemical or material that is regulated, limited or prohibited under any Environmental Laws, including without limitation: (a) friable or damaged asbestos, asbestos-containing material, polychlorinated biphenyls (PCBs), lead, per- and polyfluoroalkyl substances (PFAS), solvents, and waste oil; (b) any "hazardous substance" or "toxic substance" (or words of similar meaning) as defined under any Environmental Laws; (c) any hazardous waste defined under any Environmental Laws; and (d) even if not prohibited, listed, limited or regulated by an Environmental Laws, all pollutants, contaminants, chemical materials, wastes or any other substances, which could pose a hazard to the environment, or the health and safety of any person or impair the use or value of any portion of the property of the Company.

"Income Tax Liability Amount" means, an amount equal to the sum of liabilities for Income Taxes (the aggregate of which shall be not less than zero) of the Acquired Companies (including the Acquired Companies' liability for Income Taxes of NCIRC) owing and unpaid as of the Closing Date that are first due after the Closing Date computed for the taxable period (or portion thereof) ending on and including the Closing Date (in the case of any Straddle Period, determined in accordance with Section 8.2(c)); provided that, for purposes of calculating any such liability for Income Taxes, (a) such liability for Income Taxes shall be calculated in accordance with the past practice (including reporting positions, jurisdictions elections and accounting methods) of the Acquired Companies in preparing Tax Returns for Income Taxes and, for the avoidance of doubt, shall be reduced by any available credits, loss carryforwards, and deduction carryforwards to the fullest extent such items may be applied, (b) any financing or refinancing arrangements entered into at any time by or at the direction of Buyer or any other transactions entered into by or at the direction of Buyer in connection with the transactions contemplated hereby shall not be taken into account, (c) any Taxes attributable to transactions outside the ordinary course of business on the Closing Date after the time the Closing shall be excluded, (d) any liabilities for accruals or reserves established or required to be established under GAAP methodologies that require the accrual for contingent Taxes or with respect to uncertain Tax positions shall be excluded, (e) all deductions with respect to Transaction Tax Deductions shall be taken into account to the extent permitted by Law in the Pre-Closing Tax Period, (f) all deferred tax liabilities established for GAAP purposes shall be excluded, and (g) any payments of estimated Income Taxes made prior to Closing in respect of the taxable period (or portion thereof) ending on or before the Closing Date shall be taken into account to the extent such payments are available to reduce the particular Income Tax liability with respect to which such payments were made.

"Income Taxes" means any federal state, local, provincial, or foreign tax based on, measured by or with respect to (in whole or in part) net income.

"Indebtedness" means, without duplication, with respect to the Acquired Companies, all obligations of the Acquired Companies (a) under capitalized leases, (b) for borrowed money or in respect of loans or advances (c) all accrued interest, prepayment premiums or penalties and fees on the foregoing which would be payable if such obligations were paid in full as of such date, (d) obligations for the deferred purchase price of property, services or assets (but excluding any trade payables or other accrued liabilities accounted for as current liabilities pursuant to the Agreed Accounting Principles), including any amounts in respect of the aged payables due to Canadian National relative to invoices dated January 1, 2022 to August 31, 2023 in the amount of [redacted], (e) reimbursement obligations of such Person relating to drawn letters of credit, bankers' acceptances, surety or other bonds or similar instruments, (f) any obligations under any contract in respect of any cap, swap, collar, future, derivative or similar transactions, or any option or similar agreement involving, or settled by reference to, any rate, currency, commodity, price of any equity or debt security or instrument, or economic, financial or pricing index or measure of economic, financial or pricing risk or value, or any similar transaction or combination of the foregoing transactions, (g) all amounts payable by any Acquired Company pursuant to the Affiliate Asset Transfers, and (h) any indebtedness or other obligations of any other Person of the type described in the preceding clauses (a) through (g) to the extent guaranteed by any Acquired Company. For the avoidance of doubt, Indebtedness shall not include any (i) amounts reflected in Net Working Capital or Transaction Expenses, as finally determined, (ii) guarantees, letters of

credit, performance bonds, bid bonds or other sureties of any kind or nature issued by or on behalf of the Company in connection with any customer contracts, proposals or otherwise to the extent undrawn, (iii) payables or loans of any kind or nature solely between or among the Acquired Companies, or any trade payable or other accrued expenses arising in the ordinary course of business and accounted for as a current liability pursuant to the Agreed Accounting Principles, (iv) any liability that is incurred by Buyer or its Affiliates, including by Buyer or its Affiliates on behalf of an Acquired Company (for example, liabilities incurred by Buyer and/or its Affiliates to finance the transactions contemplated hereby), (v) the Income Tax Liability Amount, which is included in Net Working Capital, (vi) deferred revenue or prepaid freight expenses or (vii) any amounts in respect of the capex related and aged payables due to [redacted] relative to invoices dated March 3, 2023 to November 18, 2023 in the amount of [redacted]. For the avoidance of doubt, "Indebtedness" will not include an operating or real estate lease.

"Indebtedness Amount" means the amount required to repay all outstanding Indebtedness of the Company as of the Measurement Time.

"Intellectual Property" means all intellectual property and industrial property rights of any kind in any jurisdiction throughout the world, including the following: (a) patents and patent applications (including divisionals, continuations, continuations-in-part, reissues, extensions, substitutions, reexaminations, provisionals and foreign counterparts) and rights to file patent applications ("Patents"), (b) trade secrets and other confidential know-how, information, ideas, inventions, proprietary processes, formulae, models and methodologies, (c) trademarks, service marks, trade names, brand names, logos, trade dress, other indicia of source or origin, Internet domain names and all registrations and applications for registration of the foregoing, together with the goodwill symbolized by any of the foregoing ("Trademarks"), (d) copyrights and copyrightable subject matter (whether registered or unregistered), all registrations and applications for registration of such copyrights, and all issuances, extensions and renewals of such registrations and applications ("Copyrights"), and (e) computer software, whether in source code, object code, or executable code format, including systems software, application software (including mobile apps), firmware, middleware, development tools, interfaces, libraries, and databases, and all related specifications, documentation and training materials.

"IT Systems" means the Company' servers, software, computer firmware, computer hardware, electronic data processing equipment, websites, databases, circuits, networks, network equipment, peripherals, computer systems, and other computer, communications, and telecommunications devices and equipment, and data or information contained therein or transmitted thereby.

"Law" means any and all domestic (federal, state, or local) or foreign laws (including common law), rules, statutes, directives, constitutions, treaties, conventions, ordinances, mandates, codes, regulations, orders, judgments or decrees or other similar requirements enacted, adopted, promulgated, or applied by any Governmental Authority.

"Liabilities" means any debt, obligation, duty or liability of any nature (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability), regardless of whether such debt, obligation, duty or liability would be required to be disclosed on a balance sheet prepared

in accordance with GAAP and regardless of whether such debt, obligation, duty or liability is immediately due and payable.

"Liens" means any lien, mortgage, security interest, pledge deposit, easement, or other encumbrance.

"Look-Back Date" means October 1, 2020.

"Losses" means any claim, Liability, obligation, loss, damage, demand, action, cause of action, assessment, judgment, deficiency, cost, penalty, fine, Tax, Lien, or other expense (including, without limitation, reasonable attorney's fees).

"Material Adverse Effect" means any event, occurrence, effect or development which, individually or in the aggregate has had or would reasonably be expected to have a material adverse effect upon the financial condition, business, assets or operating results of the Acquired Companies taken as a whole, except any adverse effect related to or resulting from any of the following occurring after the date hereof (either alone or in combination, it being understood that no event, occurrence or development resulting from or related to any of the following shall be taken into account in determining whether there has been a Material Adverse Effect): (a) general business or economic conditions affecting the industry in which the Acquired Companies operate, (b) national or international political or social conditions, including the engagement by the United States in hostilities or the escalation thereof, whether or not pursuant to the declaration of a national emergency or war, or the occurrence or the escalation of any military or terrorist attack, (c) financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (d) changes or proposed changes in GAAP or other accounting standards (or the interpretation or enforcement thereof), (e) changes or proposed changes in Laws or other legal or regulatory conditions (or the interpretation or enforcement thereof), (f) the taking of, or failure to take, any action requested by Buyer in writing or otherwise required to by this Agreement or the other agreements contemplated hereby, (g) any adverse change in or effect on the business of an Acquired Company that is cured by or on behalf of such Acquired Company before the Closing Date, (h) any failure of the Acquired Companies to meet projections, forecasts or revenue or earning predictions for any period (provided that the underlying causes of such failure may, to the extent applicable, be considered in determining whether there has been, or is reasonably be expected to be, a Material Adverse Effect), (i) any local, state, United States, or global epidemic, pandemic, health emergency, any act of God, natural disaster or calamity or any worsening of or material change to any of the foregoing, (j) the availability, or any increase in the cost, of the financing necessary for Buyer to consummate the Closing, or (k) any effect resulting from the negotiation of, public announcement of, entry into or pendency of, actions required or contemplated by or performance of obligations under, this Agreement and the transaction contemplated hereby, the identity of the Parties or the nature or ownership of Buyer, including any termination of, reduction in or similar impact on relationships, contractual or otherwise, with any customers, suppliers, distributors, partners or employees of any Acquired Company relating thereto, other than any public announcement of the transactions contemplated by this Agreement made by the Sellers, the Company or their Affiliates or Representatives in violation of this Agreement, except, in the case of clauses (a) through (e) and (i), to the extent the Acquired Companies, taken as a whole, are materially and disproportionately affected thereby relative to other participants in the industry or industries in which the Acquired

Companies operate (in which case only the incremental material and disproportionate effect or effects may be taken into account in determining whether there has been a Material Adverse Effect).

"Measurement Time" means the close of business on the date immediately preceding the Closing Date.

"NCIRC" means North Central Iowa Rail Corridor, L.L.C., an Iowa limited liability company.

"Net Working Capital" means, as of the Measurement Time and with respect to the Acquired Companies, (i) only those specific line items delineated as "current assets" on Exhibit F (other than Cash), minus (ii) only those specific line items designated as "current liabilities" on Exhibit F (other than Loans payable), in each case determined in accordance with the Agreed Accounting Principles.

"Net Working Capital Target" means [redacted]

"Order" shall mean any order, verdict, decision, writ, rule, ruling, directive, stipulation, determination, decree, judgment, or injunction made, issued, or entered by or with any Governmental Authority, whether preliminary, interlocutory, or final.

"ordinary course of business" means any action taken, or omitted to be taken, by any Person in the ordinary course of such Person's business; provided that any action taken, or omitted to be taken, that relates to, or arises out of, any pandemic, epidemic or disease outbreak, shall be deemed to be in the ordinary course of business and consistent with past practices.

"Organizational Documents" means, as applicable, the articles of incorporation, certificate of incorporation, charter, bylaws, articles of formation, articles of association, certificate of formation, regulations, operating agreement, certificate of limited partnership, partnership agreement, and all other similar documents, instruments or certificates executed, adopted, or filed in connection with the creation, formation, or organization of a Person, including any amendments thereto.

"Owned IP" means the Intellectual Property owned or purported to be owned by the Acquired Companies.

"Permits" means all permits, licenses, registrations, certificates, identification numbers, franchises, authorizations, or approvals from any Governmental Authority that are necessary for the conduct of business or operations of the Company as currently conducted.

"Permitted Liens" means (a) statutory Liens for current Taxes or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings by the Company, (b) mechanics', carriers', workers', repairers' and similar statutory Liens arising or incurred in the ordinary course of business for amounts which are not delinquent and which are not, individually or in the aggregate, significant, (c) zoning, entitlement, building and other land use regulations imposed by any Governmental Authority having jurisdiction over the Owned Real Property and Leased Real Property which are

not violated by the current use and operation of the Owned Real Property or the Leased Real Property, (d) Liens arising under worker's compensation, unemployment insurance, social security, retirement and similar legislation, (e) non-exclusive licenses of Intellectual Property entered into in the ordinary course of business, (f) covenants, conditions, restrictions, easements and other similar matters of record affecting title to the Owned Real Property or the Leased Real Property which do not materially impair the occupant or use of the Owned Real Property or the Leased Real Property for the purposes for which it is currently used in connection with the Company businesses, and (g) those matters identified on Schedule 9.1(b).

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, and a Governmental Authority.

"Pre-Closing Tax Period" means any taxable periods ending on or before the Closing Date and the portion through the end of the Closing Date for any Straddle Period.

"Post-Escrow Estimated Purchase Price" means an amount equal to Estimated Purchase Price less the Adjustment Escrow Amount.

"Representatives" means, as to any Person, such Person's Affiliates and its and their respective directors, officers, employees, agents, advisors, consultants, representatives and controlling Persons and any representatives of the foregoing.

"Sabin Affiliate Receivable Amount" means [redacted]

"Sanction Laws" means economic or financial sanctions or trade embargoes imposed, administered, as applicable, the articles of incorporation, certificate of incorporation, charter, bylaws, articles of formation, articles of association, certificate of formation, regulations, operating agreement, certificate of limited partnership, partnership agreement, and all other similar documents, instruments or certificates executed, adopted, or filed in connection with the creation, formation, or organization of a Person, including any amendments thereto.

"Securities Act" means the Securities Act of 1933, as amended.

"Seller" has the meaning set forth in the preamble to this Agreement.

"Seller Principals" means [redacted]

"Seller Related Parties" means, collectively, the Sellers, their Affiliates, and their respective directors, officers, employees, owners and advisors.

"STB" means the United States Surface Transportation Board.

"STB Denial" means the STB shall have, by an Order which shall have become final and non-appealable, refused to provide STB Final Approval.

"Straddle Period" means any taxable period that includes (but does not end on) the Closing Date.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company, association or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a partnership, limited liability company, association, or other business entity, a majority of the partnership, limited liability company, or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a partnership, limited liability company, association, or other business entity if such Person or Persons is allocated a majority of partnership, association or other business entity gains or losses or otherwise control the managing director, managing member, general partner or other managing Person of such partnership, limited liability company, association, or other business entity. Unless the context requires otherwise, each reference to a Subsidiary will be deemed to be a reference to a Subsidiary of the Company.

"Tax" or "Taxes" means any United States federal, state, local or non-U.S. income, gross receipts, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, transfer, value added, alternative minimum, estimated or other tax imposed by a Governmental Authority, including any interest, penalty, or addition with respect thereto.

"Tax Returns" means any return, report, or information return (including any schedule or attachment) filed or required to be filed with any Governmental Authority in connection with the determination, assessment, or collection of any Tax.

"Transaction Documents" means any agreement or other document contemplated by this Agreement, including without limitation the Escrow Agreement.

"Transaction Expenses" means (a) the aggregate fees and expenses of the Sellers and the Company relating to the negotiation, preparation or execution of this Agreement or the Transaction Documents or the performance or consummation of the transactions contemplated hereby or thereby, including all such fees and expenses payable to (i) Fredrikson, H&B, and Hogan Lovells for legal services, (ii) Northborne Partners for financial advisory services, and (iii) Kroll for quality of earnings services (b) any amounts incurred or otherwise payable by the Acquired Companies to any Person, including management, directors, employees or independent contractors of the Company, in connection with, or conditioned in whole or in part on, the consummation of the transactions contemplated by this Agreement, including any change in control, sale bonus or retention arrangements, together with the employer portion of employment Taxes payable in connection with the payments described in this clause (b) above, and in each case for clauses (a) and (b) above to the extent incurred or otherwise payable and unpaid as of the Closing, and (c) the Affiliate Transfer Taxes. Notwithstanding anything to the contrary contained herein, in no event shall "Transaction Expenses" include any amounts with respect to (i) costs or fees (including the premium) for the Tail Insurance Policies and (ii) other costs or amounts to be borne by Buyer or its Affiliates in accordance with this Agreement or any Transaction Document (it being understood that Buyer shall bear all premiums, costs and other

expenses associated with the R&W Insurance, all costs and expenses of the payment of the Retention Bonuses and all filing fees, costs and other expenses associated with obtaining FCC Approval and STB Final Approval).

"Transaction Expenses Amount" means the amount required to repay all unpaid Transaction Expenses as of the Measurement Time.

"Transaction Tax Deductions" means, without duplication, any and all deductions or losses of the Company that are deductible for Tax purposes (at a confidence level of at least "more likely than not") arising from (a) the payment of bonuses or other compensatory payments made in connection with the transactions contemplated by this Agreement, (b) the employer's portion of employment Taxes with respect any amounts described in clause (a) above, (c) Transaction Expenses and amounts that would be Transaction Expenses but for the payment thereof prior to the Closing; (d) the payment of any fees, expenses, premiums or penalties with respect to the prepayment or satisfaction of Indebtedness or the write-off or acceleration of the amortization of deferred financing costs associated with Indebtedness in connection with the transactions contemplated by this Agreement; and (e) and any other deductible payments taken into account as an adjustment in the calculation of the Purchase Price (as finally determined).

[redacted]

"WARN Act" shall mean the Worker Adjustment and Retraining Notification Act, as amended, and any similar state, local, or foreign Law.

9.2 Other Definitional Provisions.

(a) Accounting terms which are not otherwise defined in this Agreement have the meanings given to them under GAAP. To the extent that the definition of an accounting term defined in this Agreement is inconsistent with the meaning of such term under GAAP, the definition set forth in this Agreement will control.

(b) Any reference to any particular Code section or any other Law will be interpreted to include any revision of or successor to that section or Law regardless of how it is named, numbered, or classified.

(c) All references in this Agreement to Exhibits, Disclosure Schedules, Articles, Sections, subsections, and other subdivisions refer to the corresponding Exhibits, Disclosure Schedules, Articles, Sections, subsections, and other subdivisions of or to this Agreement unless expressly provided otherwise. The table of contents and the titles appearing at the beginning of any Articles, Sections, subsections or other subdivisions of this Agreement and the Exhibits are for convenience only, do not constitute any part of this Agreement or such Exhibit, and will be disregarded in construing the language hereof.

(d) The Exhibits and Disclosure Schedules to this Agreement are incorporated herein for all purposes.

(e) The words "this Agreement," "herein," "hereby," "hereunder" and "hereof," and words of similar import, refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The words "this Article," "this Section" and "this subsection," and words of similar import, refer only to the Article, Section, or subsection hereof in which such words occur. The word "or" is exclusive, and the word "including" (in its various forms) means including without limitation.

(f) All references to "$" and dollars will be deemed to refer to United States currency unless otherwise specifically provided.

(g) Pronouns in masculine, feminine or neuter genders will be construed to state and include any other gender, and words, terms, and titles (including terms defined herein) in the singular form will be construed to include the plural and vice versa, unless the context otherwise requires.

(h) The word "threatened" means threatened in writing.

(i) All references to days or months will be deemed references to calendar days or months unless otherwise expressly specified.

(j) All references to time will be deemed to be Minneapolis time unless otherwise expressly specified.

Article 10
MISCELLANEOUS

10.1 Public Announcements and Communications. No press release or public announcement related to this Agreement or the transactions contemplated herein, including the terms of this Agreement, will be issued or made by any Party without the joint approval of Buyer and the Sellers (such approval not to be unreasonably withheld, conditioned or delayed), unless, in the reasonable opinion of counsel, such disclosure is required by applicable Law (including federal securities laws or stock exchange rules), in which case the Party seeking to make such disclosure shall use commercially reasonable efforts to provide the other Party a reasonable opportunity to review such disclosure prior to its issuance, distribution or publication; provided, however, that the foregoing will not restrict or prohibit the Company from making any announcement to its employees, independent contractors, customers, suppliers, and other business relations to the extent the Company reasonably determines in good faith that such announcement is necessary or advisable. Once a press release or other public announcement is approved in accordance with this Section 10.1, any Party shall be permitted to issue press releases and public announcements that are substantially similar with respect to the content thereof to the press release or public announcement previously approved. The Sellers and Buyer agree that the terms of this Agreement shall not be disclosed or otherwise made available to the public and that copies of this Agreement shall not be publicly filed or otherwise made available to the public, except where such disclosure, availability or filing is required by applicable Law (including federal securities laws or stock exchange rules) and only to the extent required by such Law. In the event that the filing of a copy of this Agreement is required by applicable Law, the Sellers and Buyer agree to use commercially reasonable efforts to obtain "confidential treatment" of this Agreement with the U.S. Securities and Exchange Commission (or the equivalent treatment by

any other Governmental Authority) and to redact such terms of this Agreement as the other Party shall request. Notwithstanding anything in this Section 10.1 to the contrary, either Party or its Affiliates may make such disclosures regarding the terms of this Agreement or the transactions contemplated hereby as it may deem necessary or desirable in connection with marketing to investors for fund raising purposes or in connection with reporting to any of their limited partners or investors or their Representatives, or to any finance providers in connection with any debt financing, subject in each case to customary obligations of confidentiality with respect to non-public information such as transaction value or other specific economic terms.

10.2 Expenses. Except as otherwise expressly provided herein (including Section 1.2(c), Section 7.1(c), Section 7.2(a) and Section 10.3), each Party will each pay its own expenses (including fees and expenses for attorneys, accountants and other Representatives) in connection with the negotiation and execution of this Agreement and the other Transaction Documents, the performance of its respective obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby (whether consummated or not).

10.3 Prevailing Party. In the event any Action is commenced or threatened by any Party (the "Claiming Party") to enforce its rights under this Agreement against any other Party (the "Defending Party"), if the Defending Party is the prevailing party in such Action, all fees, costs and expenses, including reasonable attorneys' fees and court costs, incurred by the Defending Party in such Action will be reimbursed by the Claiming Party; provided that if the Defending Party prevails in part, and loses in part, in such Action, the court, arbitrator or other adjudicator presiding over such Action will award a reimbursement of the fees, costs and expenses incurred by the Defending Party on an equitable basis.

10.4 Knowledge Defined. As used in this Agreement, (a) the term "the Company's knowledge" means the actual knowledge of [redacted] and the knowledge that each such Person would have had after reasonable inquiry of such individual's direct reports, and (b) the term "Buyer's knowledge" means the actual knowledge of [redacted] and the knowledge each such Person would have had after reasonable inquiry of his direct reports.

10.5 Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given (a) when personally delivered if received before 5:00 p.m. local time on a Business Day at the recipient's location (otherwise the next Business Day), (b) when transmitted via email to the email address set out below (with all email notices expressly stating in the subject line "NOTICE UNDER PROJECT GOLDFINCH PURCHASE AGREEMENT"), if such email copy is received before 5:00 p.m. local time on a Business Day at the recipient's location (otherwise the next Business Day), or (c) the day following the day (except if not a Business Day then the next Business Day) on which the same has been delivered prepaid to a reputable national overnight air courier service. Notices, demands and communications, in each case to the respective Parties, will be sent to the applicable address set forth below, unless another address has been previously specified in writing:

Notices to Buyer and the Company:

Grand Trunk Corporation
17641 S. Ashland Avenue
Homewood, IL 60430
Attention: [redacted]
E-mail: [redacted]

and

c/o Canadian National Railway Company
935 de la Gauchetière West, 16th Floor
Montreal, Québec H3B 2M9
Attention: [redacted]
Email: [redacted]

with a mandatory copy to (which will not constitute notice):

Jenner & Block LLP
1155 6th Avenue
New York, NY 10036
Attn: [redacted]

Email: [redacted]

Notices to Sabin:

201 Tower Park Drive, Suite 300
Waterloo, IA 50701
Attn: [redacted]
Email: [redacted]

with a mandatory copy to (which will not constitute notice):

TCFII IANR SPE LLC
c/o Trive Capital
2021 McKinney Avenue, Suite 1200
Dallas, TX 75201
Attention: [redacted]

Email: [redacted]

Fredrikson & Byron, P.A.
60 South Sixth Street, Suite 1500
Minneapolis, MN 55402
Attn: [redacted]

Email: [redacted]

[redacted]

and

Haynes and Boone, LLP
675 15th Street, Suite 2200
Denver, Colorado 80202
Attn: [redacted]

Email: [redacted]

Notices to TCFII:

TCFII IANR SPE LLC
c/o Trive Capital
2021 McKinney Avenue, Suite 1200
Dallas, TX 75201
Attention: [redacted]

Email: [redacted]

with a mandatory copy to (which will not constitute notice):

201 Tower Park Drive, Suite 300
Waterloo, IA 50701
Attn: Dan Sabin
Email: dsabin@iowanorthern.com

Fredrikson & Byron, P.A.
60 South Sixth Street, Suite 1500
Minneapolis, MN 55402
Attn: [redacted]

Email: [redacted]

and

Haynes and Boone, LLP
675 15th Street, Suite 2200

Denver, Colorado 80202
Attn: [redacted]

Email: [redacted]

10.6 Assignment. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated, in whole or in part, whether by operation of Law or otherwise, by any Party without the prior written consent of the other Parties, and any purported assignment or delegation without such consent shall be null and void. Notwithstanding the foregoing, after the Closing, Buyer may assign its rights and/or obligations hereunder to any Affiliate or to any subsequent purchaser of the Company or IANR or all or substantially all of the assets comprising the business of the Acquired Companies, without the prior written consent of the other Parties; provided that no such assignment shall relieve Buyer of its obligations hereunder.

10.7 Severability. Whenever possible, each provision of this Agreement and each other Transaction Document will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement or any other Transaction Document is held to be prohibited by or invalid under applicable Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or such other Transaction Document, and the Parties will amend or otherwise modify this Agreement or such other Transaction Document to replace any prohibited or invalid provision with an effective and valid provision that gives effect to the intent of the Parties to the maximum extent permitted by applicable Law.

10.8 Construction. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction will be applied against any Person. The Disclosure Schedules have been arranged for purposes of convenience in separately numbered sections corresponding to sections of this Agreement; provided, however, each section of the Disclosure Schedules will be deemed to incorporate by reference all information disclosed in any other section of the Disclosure Schedules to the extent that the relevance of such item to such other section is reasonably apparent on its face. Capitalized terms used in the Disclosure Schedules and not otherwise defined therein have the meanings given to them in this Agreement. The specification of any dollar amount in the representations and warranties contained in this Agreement or the inclusion of any specific item in the Disclosure Schedules is not intended to imply that such amounts, or higher or lower amounts, or the items so included, or other items, are or are not material or are within or outside of the ordinary course of business, and no Party will use the fact of the setting of the amounts or the fact of the inclusion of any item in this Agreement or the Disclosure Schedules in any dispute or controversy between the Parties as to whether any obligation, item or matter not described or included in this Agreement or in any Disclosure Schedule is or is not material or is within or outside of the ordinary course of business for purposes of this Agreement. The information contained in this Agreement and in the Disclosure Schedules and Exhibits hereto is disclosed solely for purposes of this Agreement, and no information contained herein or therein will be deemed to be an

admission by any Party to any third party of any matter whatsoever (including any violation of Law or breach of contract).

10.9 Amendment and Waiver. Any provision of this Agreement may be amended only in a writing signed by Buyer, the Company and the Sellers, and may be waived only in a writing signed by the Party against whom such waiver is to be effective (but only to the extent expressly specified therein); provided that (a) Section 7.1 will not be amended or waived without the express written consent of the D&O Indemnified Persons and (b) Section 10.17 will not be amended or waived without the express written consent of the Sellers, Fredrikson and H&B. No waiver of any provision hereunder or any breach or default thereof will extend to or affect in any way any other provision or prior or subsequent breach or default.

10.10 Complete Agreement. This Agreement, together with all Disclosure Schedules and Exhibits hereto, and the other Transaction Documents, contain the complete agreement by, between, and among the Parties and supersede any prior understandings, agreements, or representations by, between or among the Parties, written or oral, which may have related to the subject matter hereof in any way. Prior drafts of this Agreement and the documents referred to herein will be deemed not to provide any evidence as to the meaning of any provision hereof or the intent of the Parties with respect hereto and such drafts will be deemed joint work product of the Parties. The Parties have voluntarily agreed to define their rights, liabilities, and obligations respecting the transactions contemplated by this Agreement exclusively in contract pursuant to and subject to the express terms and provisions of this Agreement; and the Parties, solely as among the Parties, expressly disclaim that they are owed any duties or are entitled to any remedies not expressly set forth in this Agreement (except in the case of Fraud or as required by Law). Furthermore, the Parties each hereby acknowledge that this Agreement embodies the justifiable expectations of sophisticated parties derived from arm's-length negotiations; all Parties specifically acknowledge that no Party has any special relationship with another Party that would justify any expectation beyond that of an ordinary buyer and an ordinary seller in an arm's-length transaction. The sole and exclusive remedies for any breach of the terms and provisions of this Agreement or breach of any representations and warranties not set forth herein (whether made in connection herewith or as an inducement to enter into this Agreement or otherwise), or any claim or cause of action otherwise arising out of or related to this Agreement, the negotiation, execution, or performance of this Agreement or the transactions contemplated hereby will be those remedies available at law or in equity for Fraud (as set forth herein) or breach of contract only (as such contractual remedies have been further limited or excluded pursuant to the express terms of this Agreement); and the Parties hereby agree that no Party will have any remedy or claim (whether in contract, in tort, in statute, or otherwise) arising out of or related to this Agreement, the negotiation, execution, or performance of this Agreement or the transactions contemplated hereby, which arise out of or are related to any statements, communications, disclosures, failures to disclose, covenants, agreements, understandings, representations or warranties not set forth in this Agreement, except pursuant to the Transaction Documents.

10.11 Counterparts. This Agreement may be executed in multiple counterparts (including by means of telecopied signature pages or electronic transmission in portable document format (*.pdf*)), any one of which need not contain the signatures of more than one Party, but all such counterparts taken together will constitute one and the same instrument.

10.12 Governing Law. This Agreement, and all claims or causes of action (whether at law or in equity, whether in contract, tort, statute or otherwise) arising out of or relating to this Agreement, the negotiation, execution or performance of this Agreement or the transactions contemplated hereby will be governed by and construed and enforced in accordance with the internal Law of the State of Delaware applicable to agreements executed and performed entirely within such State.

10.13 Consent to Jurisdiction and Service of Process. Subject to Section 1.3 (which will govern any dispute arising thereunder), each of the Parties hereby irrevocably: (a) submits to the exclusive jurisdiction of the federal court sitting in Delaware (or if such court lacks jurisdiction, any other state or federal court sitting in the State of Delaware) in respect of any litigation (whether at law or in equity, whether in contract, tort, statute or otherwise) arising out of or relating to this Agreement, the negotiation, execution or performance of this Agreement or the transactions contemplated hereby; (b) waives, and agrees not to assert in any way in any such litigation (i) that it is not subject to the jurisdiction of such courts in any such litigation, (ii) that such litigation may not be brought in or is not maintainable in such courts, (iii) that its property is exempt or immune from execution in connection with such litigation, (iv) to the fullest extent permitted by applicable Law, that such litigation is brought in an inconvenient forum, that the venue of such litigation is improper, or that this Agreement may not be enforced in or by such courts; and (c) consents to service of process in any such litigation by delivering such process to such Party at its address as provided in Section 10.5, in addition to any other method of service of process permitted by applicable Law.

10.14 WAIVER OF JURY TRIAL. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DESCRIBED IN SECTION 10.13 (INCLUDING ANY LITIGATION IN RESPECT OF THE DEBT FINANCING). EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT, OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.14. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRAIL BY JURY AND THAT ANY ACTION OR PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

10.15 Equitable Relief. The Parties acknowledge and agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur to the non-breaching parties in the event that a Party do not perform the provisions of this Agreement (including failing to take such actions as are required of it hereunder to consummate

this Agreement) in accordance with its specified terms or otherwise breach such provisions. Accordingly, the Parties acknowledge and agree that the Parties shall be entitled to seek an injunction, specific performance and other equitable relief to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions hereof (including the right of a Party to cause the other Parties to consummate the transactions contemplated by this Agreement), in addition to any other remedy to which they are entitled at law or in equity. Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance, and other equitable relief on the basis that any other Party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity. Any Party seeking an injunction or any other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to show proof of actual damages or provide any bond or other security in connection with any such Order. The rights to such equitable remedies are in addition to all other rights or remedies that a Party may have under this Agreement.

10.16 No Third Party Beneficiaries. Sections 7.1 and 10.17 of this Agreement are intended for the benefit of, and will be enforceable by D&O Indemnified Persons and Fredrikson and H&B, respectively. Except as otherwise expressly provided herein nothing expressed or referred to in this Agreement will or will be construed to give any other Person other than the Parties any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

10.17 Representation of Sellers and their Affiliates. Buyer covenants and agrees, on its own behalf and on behalf of its Affiliates (including the Company from and after the Closing), that, following the Closing, Fredrikson or H&B may serve as counsel to the Sellers and their Affiliates in connection with any matters related to this Agreement; the negotiation, execution, or performance of this Agreement; or the transactions contemplated hereby, including any litigation, claim, or dispute arising out of or relating to this Agreement, the negotiation, execution, or performance of this Agreement, or the transactions contemplated hereby (the "Transactional Matters"), notwithstanding any representation by Fredrikson or H&B prior to the Closing of the Company. Buyer (on its own behalf and on behalf of its Subsidiaries and, following the Closing, the Company) hereby irrevocably (a) waives any claim any of them have or may have that Fredrikson or H&B has a conflict of interest or is otherwise prohibited from engaging in such representation, and (b) agrees that, in the event that a dispute (including litigation) arises after the Closing between Buyer or any of its Affiliates (including the Company), on the one hand, and the Sellers or any of their respective Affiliates, on the other hand, Fredrikson or H&B may represent the Sellers or any of their respective Affiliates in such dispute even though the interests of such Person(s) may be directly adverse to Buyer or its Affiliates (including the Company) and even though Fredrikson or H&B may have represented the Company in a matter substantially related to such dispute, in each case with respect to the Transactional Matters. Buyer (on its own behalf and on behalf of its Subsidiaries and, following the Closing, the Company) also further covenants and agrees that, as to all communications between Fredrikson or H&B and any of the Sellers, the Company, or their respective Affiliates and Representatives, that relate in any way to this Agreement, the negotiation, execution or performance of this Agreement, or the transactions contemplated hereby, the attorney-client privilege and the expectation of client confidence belongs and shall belong to the Sellers (provided that all such communications between Sabin or its Affiliates and Fredrikson shall belong to Sabin, and all such communications between TCFII

or its Affiliates and H&B shall belong to TCFII) and will not pass to or be claimed by Buyer or its Affiliates (including the Company), and Buyer and its Affiliates (including the Company) will comply with such attorney-client privilege. In addition, from and after the Closing, all of the client files and records in the possession of Fredrikson or H&B, as the case may be, related to this Agreement, the negotiation, execution or performance of this Agreement or the transactions contemplated hereby will continue to be property of (and be controlled by) Sabin, in the case of Fredrikson, and TCFII, in the case of H&B, and none of Buyer or any of its Affiliates (including the Company) will retain any copies of such records. Notwithstanding the foregoing, in the event that after the Closing a dispute arises between Buyer or any of its Affiliates (including the Company) and a Party other than the Sellers (or any Affiliate of the Sellers), then Buyer or any of its Affiliates (including the Company) may assert the attorney-client privilege to prevent disclosure of such privileged communications by Fredrikson or H&B to such third party; provided, however, that Buyer and any of its Affiliates (including the Company) may not waive such privilege without the prior written consent of the Sellers (which may be withheld, conditioned or delayed in the sole and unfettered discretion of the Sellers).

10.18 No Additional Representations; Disclaimer; Non-Recourse.

(a) Buyer acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the financial condition, results of operations, assets, liabilities, properties and projected operations of the Acquired Companies, and, in making its determination to proceed with the transactions contemplated by this Agreement, Buyer has relied solely on the results of its own independent investigation and verification and the representations and warranties of the Sellers and the Company expressly and specifically set forth in Article 3 and Article 4, respectively, as qualified by the Disclosure Schedules. The representations and warranties, and statements of any kind, of the Sellers and the Company expressly and specifically set forth in Article 3 and Article 4, respectively, constitute the sole and exclusive representations and warranties, and statements of any kind, of the Sellers and the Company in connection with the transactions contemplated hereby, and Buyer understands, acknowledges and agrees that all other representations and warranties, expressed or implied (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Acquired Companies, or the quality, quantity, or condition of the Acquired Companies assets), are specifically disclaimed by the Sellers and the Company. All representations and warranties set forth in this Agreement are contractual in nature only and subject to the sole and exclusive remedies set forth herein. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NO SELLER NOR THE COMPANY MAKES OR PROVIDES, AND BUYER HEREBY IRREVOCABLY WAIVES, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO SAMPLES, OR CONDITION OF THE COMPANY' ASSETS OR ANY PART THEREOF. BUYER SPECIFICALLY REPRESENTS, WARRANTS, ACKNOWLEDGES, COVENANTS, AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE SELLERS AND THE COMPANY SET FORTH IN ARTICLE 3 AND ARTICLE 4, RESPECTIVELY, (X) BUYER IS ACQUIRING THE UNITS ON AN "AS IS, WHERE IS" BASIS AND (Y) NONE OF THE SELLERS, THE COMPANY, OR ANY OTHER PERSON (INCLUDING ANY, MEMBER,

OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF ANY OF THE FOREGOING, WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) HAS MADE OR IS MAKING, AND BUYER HAS NOT RELIED ON AND IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING THE COMPANY, THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) BUYER OR ANY OF ITS REPRESENTATIVES.

(b) This Agreement may only be enforced against, and any Action (whether in contract or in tort, in law or in equity, or granted by statute) based upon, in respect of, arising out of or related in any manner to this Agreement, or the negotiation, execution or performance of this Agreement (including any representation, warranty, covenant or agreement made in, in connection with, or as an inducement to, this Agreement), may only be brought only against the named parties to this Agreement (each, a "Contracting Party") and then only with respect to the specific obligations set forth herein with respect to the named parties to this Agreement and subject to the terms, conditions, and limitations hereof. No Person who is not a Contracting Party, including any current, former or future Representative or Affiliate of the Company or the Sellers, or any current, former or future Representative or Affiliate of any of the foregoing (collectively, "Nonparty Affiliates"), shall have any liability (whether in contract or in tort, in law or in equity, or granted by statute) for any Actions arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach, and, to the maximum extent permitted by Law, each Contracting Party hereby waives and releases all such Actions against any such Nonparty Affiliates. Without limiting the foregoing, to the maximum extent permitted by Law, (i) each Contracting Party hereby waives and releases any and all Actions that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose liability of a Contracting Party on any Nonparty Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise, and (ii) each Contracting Party disclaims any reliance upon any Nonparty Affiliates with respect to the performance of this Agreement or any representation, warranty, covenant or agreement made in, in connection with, or as an inducement to this Agreement.

(c) In connection with the investigation by Buyer of the Acquired Companies, Buyer has received or may receive from the Acquired Companies certain projections, forward-looking statements and other forecasts and certain business plan information. Buyer acknowledges that there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, that Buyer is familiar with such uncertainties, that Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections and other forecasts and plans so furnished to it (including the reasonableness of the assumptions underlying such estimates, projections, forecasts or plans), and that Buyer will have no claim against

anyone with respect thereto. Accordingly, Buyer acknowledges that none of the Sellers, the Company, nor any member, officer, director, employee or agent of any of the foregoing, whether in an individual, corporate or any other capacity, make any representation, warranty, or other statement with respect to, and Buyer is not relying on, such estimates, projections, forecasts or plans (including the reasonableness of the assumptions underlying such estimates, projections, forecasts or plans), and Buyer agrees that it has not relied thereon.

(d) Each Seller acknowledges and agrees that it has relied solely on the results of its own independent investigation and verification and the representations and warranties of Buyer expressly and specifically set forth in Article 5, as qualified by the Disclosure Schedules. The representations and warranties of Buyer expressly and specifically set forth in Article 5 constitute the sole and exclusive representations and warranties, and statements of any kind, of Buyer in connection with the transactions contemplated hereby, and each Seller understands, acknowledges and agrees that all other representations and warranties, and statements of any kind, expressed or implied (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities Buyer or the Acquired Companies, or the quality, quantity, or condition of Buyer or the Acquired Companies' assets), are specifically disclaimed by Buyer. All representations and warranties set forth in this Agreement are contractual in nature only and subject to the sole and exclusive remedies set forth herein. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER NEITHER MAKES NOR PROVIDES, AND EACH SELLER HEREBY IRREVOCABLY WAIVES, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO SAMPLES, OR CONDITION OF THE BUYER OR ANY PART THEREOF. EACH SELLER SPECIFICALLY REPRESENTS, WARRANTS, ACKNOWLEDGES, COVENANTS, AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF BUYER SET FORTH IN ARTICLE 5, NEITHER BUYER NOR ANY OTHER PERSON (INCLUDING ANY, MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF ANY OF THE FOREGOING, WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) HAS MADE OR IS MAKING, AND NO SELLER HAS RELIED ON OR IS RELYING ON, ANY REPRESENTATIONS, WARRANTIES, OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING BUYER, THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) SELLERS, THE COMPANY OR ANY OF THEIR RESPECTIVE REPRESENTATIVES.

10.19 Conflict Between Transaction Documents. To the extent any terms and provisions of this Agreement are in any way inconsistent with or in conflict with any term, condition or provision of any other Transaction Document, this Agreement will govern and control.

10.20 Electronic Delivery. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent delivered by means of a facsimile machine or electronic mail (any such delivery, an

"Electronic Delivery"), will be treated in all manner and respects as an original agreement or instrument and will be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any Party or to any such agreement or instrument, each other Party or thereto will re-execute original forms thereof and deliver them to all other Parties. No Party or to any such agreement or instrument will raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such Party forever waives any such defense, except to the extent such defense related to lack of authenticity.

10.21 Buyer Deliveries. Any document or item will be deemed "delivered," "provided" or "made available" by the Sellers and/or the Company, as applicable, within the meaning of this Agreement if a complete and accurate copy of such document or item was (a) included in the electronic data room hosted by Intralinks, (b) actually delivered or provided to Buyer or any of Buyer's Representatives, or (c) made available upon request, including at Company's offices, in each case no later than forty-eight (48) hours prior to the Closing Date.

10.22 United States Dollars; Exchange Rate. Payments pursuant to this Agreement by any Party will be made in U.S. Dollars. All exchange rates will be determined in the same manner as set forth in the Financial Statements.

10.23 Disclosure Schedules. The information set forth in the Disclosure Schedules is not intended to constitute, and shall not be construed as constituting, representations, warranties or covenants of the Company, the Sellers or Buyer, as applicable, except to the extent expressly provided in this Agreement and shall not be deemed to expand in any way the scope or effect of any of such representations, warranties, or covenants. Certain information set forth in the Disclosure Schedules is included solely for information purposes and may not be required to be disclosed pursuant to this Agreement. The inclusion of an item in the Disclosure Schedules as an exception to a representation, warranty or covenant shall not be deemed to constitute an acknowledgment that such information is required to be disclosed in connection with the representations, warranties or covenants of the Company, the Sellers or Buyer, as applicable, nor shall such information constitute an admission by any Party, as applicable, that such item constitutes an item, event, circumstance or occurrence that is material to the Company, the Sellers or Buyer, as applicable, or constitutes a Material Adverse Effect or Buyer Material Adverse Effect, as applicable. Any fact or item that is disclosed in any Section of the Disclosure Schedules in a way as to make its relevance or applicability to information called for by any other Sections of the Disclosure Schedules reasonably apparent on its face shall be deemed to be disclosed in such other Sections of the Disclosure Schedules for all purposes of this Agreement, notwithstanding the omission of a reference or cross-reference thereto. Disclosure of any allegations with respect to any alleged breach, violation or default under any contractual or other obligation, or any Law or infringement of third party proprietary rights, is not an admission that such breach, violation, default or infringement has occurred. Headings and subheadings have been inserted on certain Disclosure Schedules for convenience of reference only and shall not be considered a part of or affect the construction or interpretation of information in such Disclosure Schedules. Where the terms of a contract or other item have been summarized or described in the Disclosure Schedules, such summary or description does not purport to be a complete statement of the material terms of such contract or other item. The information provided in the Disclosure Schedules is being

provided solely for the purpose of making disclosures to the Acquired Companies, the Sellers or Buyer, as applicable, under this Agreement. In disclosing this information, each of the Company, the Sellers and Buyer do not waive, and expressly reserves any rights under, any attorney-client privilege associated with such information or any protection afforded by the work-product doctrine or common interest privilege with respect to any of the matters disclosed or discussed therein.

*** Signature pages follow ***

IN WITNESS WHEREOF, the Parties have executed this Unit Purchase Agreement on the day and year first above written.

BUYER:

GRAND TRUNK CORPORATION

By: _____
Name: Ghislain Houle
Title: Authorized Signatory

COMPANY:

CABLE & IVES, LLC

DocuSigned by:
By: Daniel Sabin
B8A46E5004DC4D6...
Name: Daniel R. Sabin
Title: President

SELLERS:

SABIN GROUP HOLDINGS, L.L.C.

By: DocuSigned by: Daniel Sabin B8A46E5004DC4D6...
Name: Daniel R. Sabin
Title: President

TCFII IANR SPE LLC

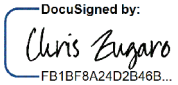
By: _____
Name:
Title:

SELLERS:

SABIN GROUP HOLDINGS, L.L.C.

By: _____
Name:
Title:

TCFII IANR SPE LLC

By: 

_____
Name: Chris Zugaro
Title: Vice President

EXHIBIT 15

OPERATING PLAN—MINOR

Operating Plan – Minor

49 C.F.R. § 1180.8(c) provides that, in minor transactions, applicants should prepare an operating plan that discusses "any significant changes in patterns or types of service as reflected by the operating plan expected to be used after consummation of the transaction" including, when relevant:

- "Traffic level density on lines proposed for joint operations";
- "Impacts on commuter or other passenger service";
- "Operating economies, which include, but are not limited to, estimated savings"; and
- "Any anticipated discontinuances or abandonments."

This Operating Plan fulfills these specific requirements of § 1180.8(c) and shows how a post-transaction Iowa Northern would operate as part of CN's network. This plan was developed through consultation with CN's operations team, including Derek Taylor, Executive Vice President and Chief Field Operating Officer of CN and Nicholas Clark, CN's Vice President, Transportation Southern Region.

Iowa Northern will become an indirect rail carrier subsidiary of GTC and maintain a separate corporate existence. As with prior transactions, CN will pursue a gradual step-by-step approach to combining with Iowa Northern. The lines constituting Iowa Northern will become a part of the Central Division (Iowa Zone) in CN's Southern Region, and the existing Iowa Northern subdivisions will be added to the corresponding CN timetable.

Fig. 1 – Map Showing Combined CN-IANR in the United States

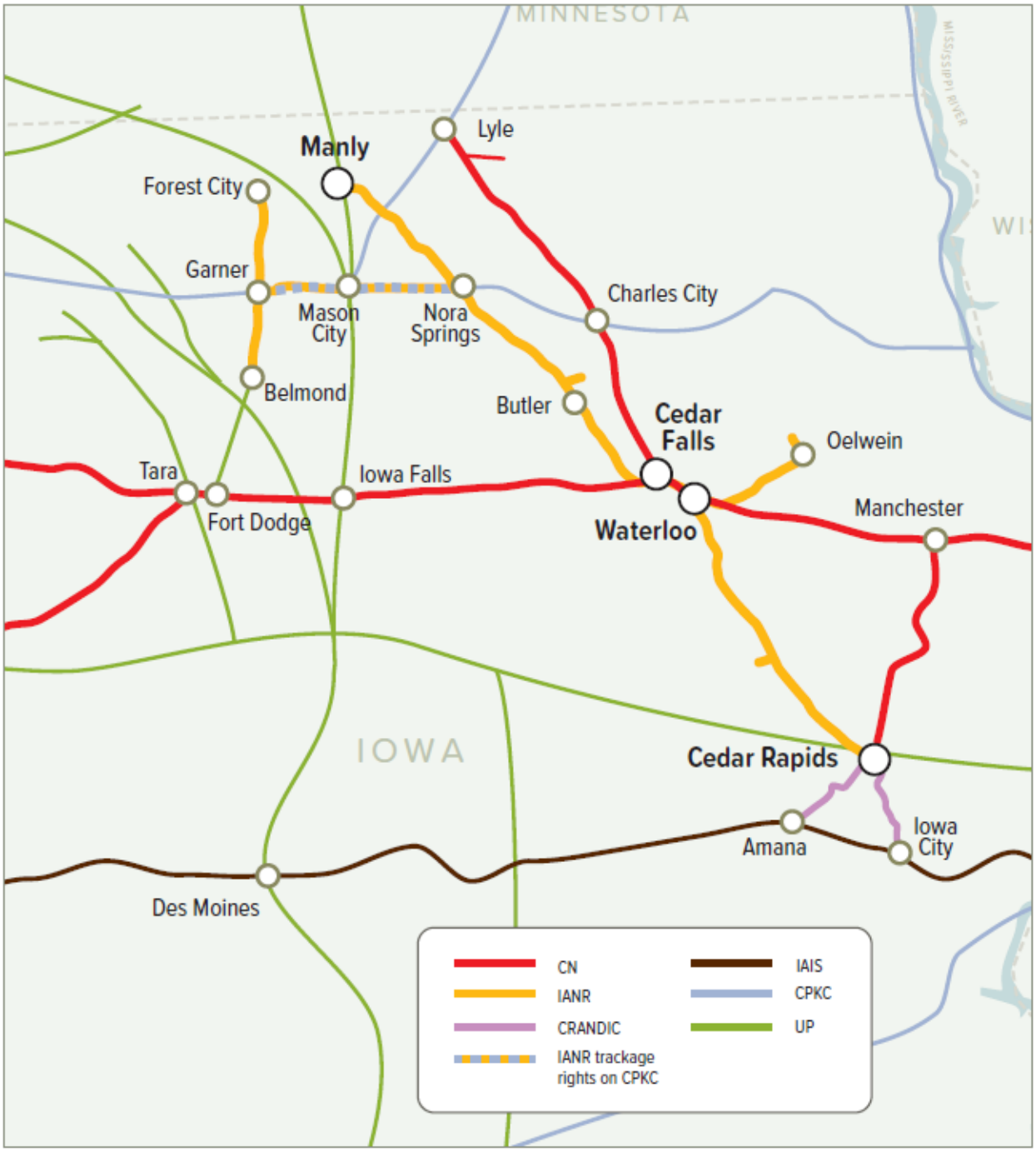
I. Pre-Transaction Operations.

A. Iowa Northern's Current Operations.

Iowa Northern is a Class III railroad that owns or leases approximately 175 route miles of rail line in Iowa, and operates via trackage rights over an additional approximately 43 route miles of track (for a total of 218 route miles). As shown in the figure below, Iowa Northern's main line runs northwest from Cedar Rapids, IA through Waterloo and Cedar Falls, IA to Manly, IA. An Iowa Northern branch line extends from Dewar, IA (near Waterloo) to Oelwein, IA, which Iowa Northern accesses via approximately seven miles of track known as the "Waterloo Industrial Lead" extending from Waterloo to Dewar and leased from Union Pacific Railroad Company ("Union Pacific").[1] Iowa Northern owns the rail lines on which it operates between Manly and Cedar Falls, between Waterloo and Cedar Rapids, and between Dewar and Oelwein. Iowa Northern also operates a line from Forest City, IA to Belmond, IA, which Iowa Northern leases from the North Central Iowa Rail Corridor, L.L.C. Iowa Northern is organized into four subdivisions: Manly (Manly–Waterloo), Cedar Rapids (Waterloo–Cedar Rapids), Oelwein (Waterloo–Oelwein), and Garner (Forest City–Belmond).

[1] Iowa Northern acts as a handling carrier for Union Pacific for customers on the Waterloo Industrial Lead, which extends between Milepost 325.1 and Milepost 332.0 on the Oelwein Subdivision, and certain traffic to and from industries on the Waterloo Industrial Lead is subject to an interchange commitment. Iowa Northern has underlying dormant overhead trackage rights on the Waterloo Industrial Lead, which would be reactivated upon any expiration or termination of the lease.

Fig. 2 – Map Showing IANR Lines



Iowa Northern operates over other railroads as follows:

- Iowa Northern accesses its Garner Subdivision (between Forest City and Belmond) via approximately 30.2 miles of overhead trackage rights on a Canadian Pacific Kansas City ("CPKC") line from Nora Springs, IA to Garner, IA.
- Iowa Northern connects its lines between Cedar Falls and Waterloo via overhead trackage rights on approximately 8.7 miles of CN track.[2]
- Iowa Northern accesses the Oelwein Subdivision via the Waterloo Industrial Lead, an approximately 6.9-mile segment of track that Iowa Northern leases from Union Pacific.
- Iowa Northern also operates over a short portion of Union Pacific track in Cedar Rapids, which Iowa Northern uses to access Union Pacific, CN, and the Cedar Rapids and Iowa City Railway ("CRANDIC") in Cedar Rapids.[3]

Iowa Northern Yards and Facilities. Iowa Northern operates several yards and facilities including Bryant Yard and Linden Yard in Waterloo, IA; Manly Yard, Manly Terminal, and Manly Logistics Park in Manly, IA; and Butler Intermodal Terminal and Butler Logistics Park north of Shell Rock, IA.

[2] Iowa Northern's line between those adjacent cities was removed as part of a joint relocation project in the late 1980s.

[3] Although frequently referred to as CRANDIC, "CIC" is this shortline's reporting mark. This Operating Plan will use the term "CRANDIC."

Iowa Northern's Locomotive and Car Fleet. Iowa Northern owns 19 locomotives and six slug units,[4] and leases an additional seven locomotives and two slugs. Iowa Northern also operates a fleet of 400 railcars consisting of 371 hopper cars (91 railroad-owned and 280 leased), 11 ballast cars (railroad-owned), four flat cars (railroad-owned), five gondolas (railroad-owned), and four cabooses (railroad-owned).

Iowa Northern's Interchanges with Other Railroads. Iowa Northern directly interchanges with three Class I railroads and one shortline.

Interchange with Union Pacific. Iowa Northern interchanges with Union Pacific in two locations: Cedar Rapids and Manly. Interchange at Cedar Rapids occurs in Union Pacific's North Yard, while interchange at Manly occurs in Iowa Northern's Manly Yard. Iowa Northern also has a "paper" interchange with Union Pacific at Waterloo where cars handled by Iowa Northern as a handling carrier for Union Pacific on the Waterloo Industrial Lead between Waterloo and Dewar are interchanged into Union Pacific's haulage account.[5]

Interchange with CPKC. Iowa Northern interchanges with CPKC at Nora Springs. The interchange occurs on CPKC's tracks, and Iowa Northern pulls and delivers to those tracks.

---

[4] A "slug" is a locomotive carbody which lacks a prime mover and a cab, and derives the power to operate its traction motors from an adjacent, powered "mother" locomotive.

[5] Iowa Northern provides haulage for Union Pacific between the Waterloo Industrial Lead and either Cedar Rapids or Manly, where a physical interchange occurs between Iowa Northern and Union Pacific. Iowa Northern also provides haulage service for Union Pacific between Manly and Cedar Rapids.

Interchange with CRANDIC. Iowa Northern interchanges with CRANDIC at Cedar Rapids, using Iowa Northern's rights over Union Pacific into Cedar Rapids to reach the CRANDIC's yard. Via this interchange with CRANDIC, traffic also moves between Iowa Northern and Iowa Interstate Railroad, Ltd. ("IAIS").

Interchange with CN. Iowa Northern interchanges with CN at Cedar Rapids and Waterloo. These interchanges are described further below.

Current Service. Iowa Northern's current service is to run, typically daily, one train in each direction on its mainline (Manly–Waterloo–Cedar Rapids) and one local train in each direction on the Oelwein Subdivision. Southbound and eastbound trains are usually loaded, and northbound and westbound trains return with empties. There is also less frequent service on the Garner Subdivision. In addition, Iowa Northern runs several switcher jobs that build these trains from local shippers and yards at Manly, IA; Butler, IA; and Waterloo, IA. Iowa Northern's traffic includes both local traffic—where the origin and destination are both on Iowa Northern's lines, typically from grain elevators to processors—and interline traffic interchanged with connecting carriers.

Current Investment Plans. In 2024 and 2025, Iowa Northern expects to continue certain capital investment plans that it made prior to the Transaction and that it would pursue regardless of whether the Transaction is approved. Specifically, in 2024, Iowa Northern expects to install continuous welded rail on several remaining sections of its Cedar Rapids Subdivision between Bryant Yard in Waterloo and Union Pacific's North Yard in Cedar Rapids. That project will enable Iowa Northern to eliminate several 10

mph speed restrictions and increase track speed to 25 mph for the entire distance between those locations.

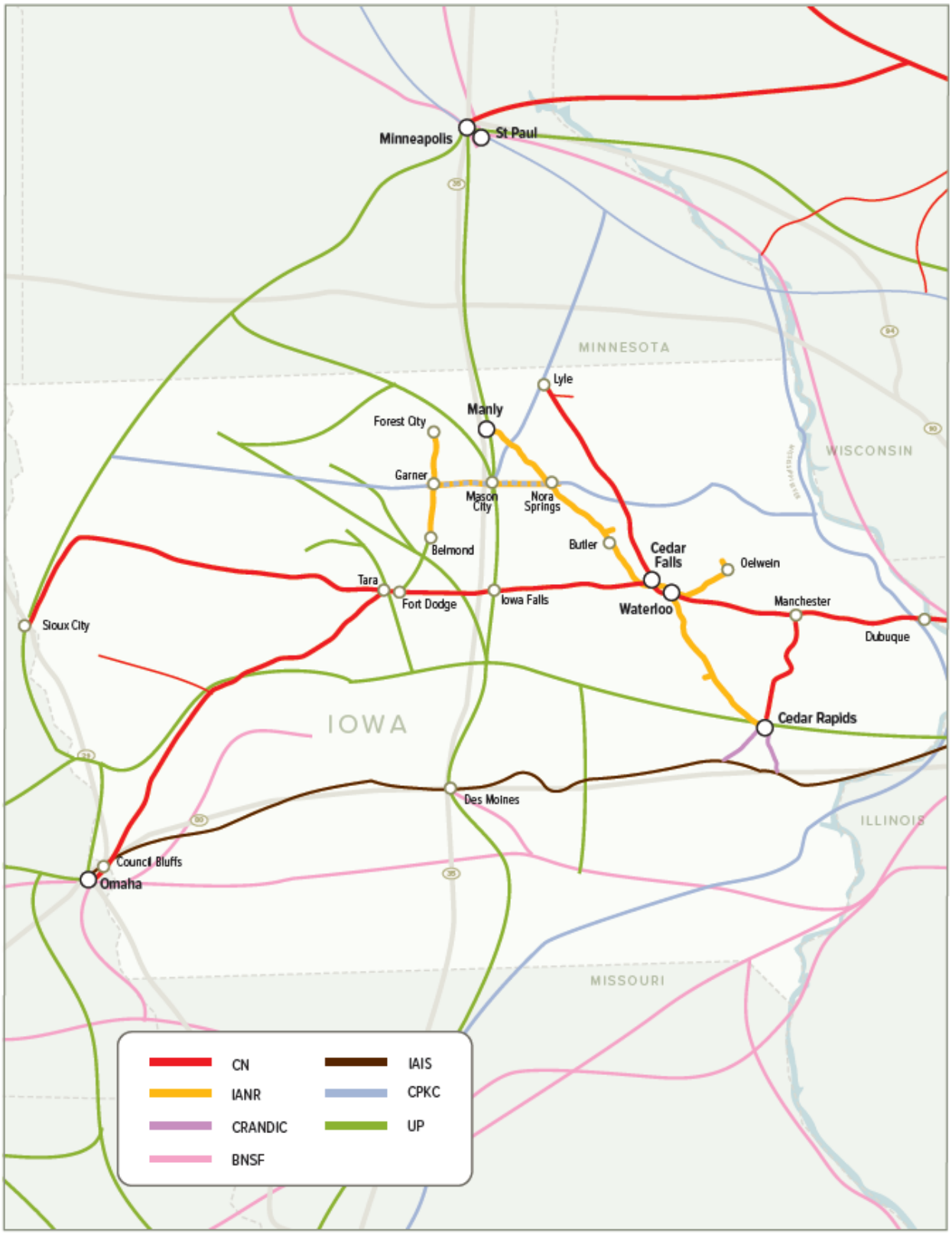
B. CN's Current Operations.

CN Network. CN's current network spans approximately 18,600 route miles in 13 U.S. states and eight Canadian provinces. Its network links the Atlantic, Pacific, and Gulf Coasts of North America. CN has over 2,300 locomotives, more than 56,000 freight cars, and over 24,000 employees across its U.S. and Canadian operations. CN's network is organized into three regions: Western (Western Canada), Eastern (Eastern Canada), and the Southern Region (United States).

CN Operations in Iowa. CN's existing Iowa operations are in its Southern Region. Chicago Central and Pacific Railroad ("CCP") is the CN rail operating subsidiary which primarily owns and operates CN's rail lines in Iowa. CN currently has 226 craft employees in Iowa and operates 574 route miles in Iowa. CN operates mainlines east from Sioux City and Council Bluffs that converge near Fort Dodge and run through Waterloo and Dubuque, with several secondary feeder lines in between. CN traffic on its mainlines in Iowa consists generally of loaded carloads eastbound and empties westbound. CN handles multiple unit train movements of ethanol, DDG (dried distiller grains), and grain in Iowa. Approximately 70% of the loaded unit trains are eastbound and are interchanged with other railroads in Dubuque, IA, or Chicago, IL, or proceed south out of Chicago on CN for delivery to customers and other carriers for interchange along the Mississippi River or to the Gulf of Mexico for export. The other 30% of loaded unit trains proceed westbound for interchange at Sioux City, IA. CN also

runs manifest trains to and from Sioux City and Council Bluffs that interchange traffic with multiple carriers and service customers enroute. An eastbound manifest train departs Waterloo Yard daily and arrives in CN's Kirk Yard in Gary, IN—CN's major classifying yard in the United States—the following morning. A westbound manifest train (carrying largely empties) departs Kirk Yard in the morning and arrives in Waterloo early the following morning.

Fig. 3 – Map of CN's Routes In Iowa



CN interchanges with other railroads in Iowa.

Interchange with Iowa Northern. CN and Iowa Northern currently interchange at two locations. Elimination of these two interchanges in favor of single-line service is an important benefit of the Transaction for interline customers that move goods between CN and Iowa Northern.

CN and Iowa Northern interchange most traffic at Waterloo, where nearly 27,000 cars were interchanged in 2022. Manifest traffic is interchanged on designated tracks on CN's mainline west of CN's Waterloo Yard.[6] Unit trains are interchanged in CN's Waterloo Yard. For unit trains originating or terminating on Iowa Northern's Oelwein Subdivision, this interchange requires a reverse movement into or out of CN's yard.

CN and Iowa Northern have a smaller interchange at CN's Cedar Rapids Yard, which Iowa Northern accesses over Union Pacific. In 2022, CN interchanged nearly 1,500 cars with Iowa Northern. CN moves its traffic in and out of Cedar Rapids on its line running north to Manchester, IA via a daily train, although an additional night job is available when necessary.

Interchange with CRANDIC. Like Iowa Northern, CN also interchanges with CRANDIC in Cedar Rapids. CRANDIC interchange occurs at CN's yard, with CRANDIC delivering and pulling traffic with a transfer movement from its own yard. Via this interchange with CRANDIC, traffic also moves between CN and IAIS.

[6] Iowa Northern operates by this location pursuant to its trackage rights on CN between Cedar Falls and Waterloo.

Interchange with Union Pacific. CN and Union Pacific interchange traffic at Cedar Rapids on a six-month alternating basis, with CN delivering and pulling traffic at Union Pacific's North Yard for six months of the year, and Union Pacific delivering and pulling traffic at CN's Cedar Rapids Yard for the other six months of the year.

II. Post-Combination Operations.

Based on anticipated traffic levels and demand and consultation with CN's operating team, CN has developed the following post-combination operating plan for three years after the STB's approval decision. This post-combination operating plan is designed to ensure that customers on the Iowa Northern continue to receive safe, reliable local service, both for interline traffic bound for points beyond Iowa and for movements within the Iowa Northern system.

A. Changes to Train Operations.

There will be few initial changes to the current train operations after the combination. In the first three years after consummation, CN expects that it may add one train in each direction on CN's Dubuque, Freeport, Chicago, and Matteson Subdivisions[7] to accommodate projected rail-to-rail and truck-to-rail diversions (approximately 52 cars/containers per day)[8] as well as an anticipated 2.5% organic

[7] The CN Dubuque, Freeport, Chicago, and Matteson Subdivisions extend from Waterloo (where CN's east-west main line across Iowa meets the Iowa Northern Manly Subdivision) around the Chicagoland area to CN's Kirk Yard in Gary, IN.

[8] *See* Verified Statement of D. Hunt at 3 (calculated by dividing all diversions from rail-to-rail carloads and truck-to-rail carloads and containers by 365 days); Highly-Confidential-Diversion-Hunt-Workpaper, Tab "Summary."

traffic growth each year during the first three years after consummation.[9] This additional train would be in manifest service. CN expects that any added intermodal traffic would move in single-stack service on these manifest trains because of certain tunnel restrictions. Table 1 shows Transaction-related changes in rail traffic by Iowa Northern and CN subdivision as well as planned organic growth.

[9] Of these two additional trains, only one is needed to accommodate the projected rail-to-rail and truck-to-rail diversions.

Table 1 – Anticipated Change In Rail Traffic By Subdivision and Line Segment In Year 3 (2027)[10]

Subdivision / Segment	Pre-Transaction Trains Per Day	Post-Transaction Trains Per Day	Change Resulting from Transaction
IANR Manly / Manly–Waterloo	2	2	0
IANR Cedar Rapids / Waterloo–Cedar Rapids	2	2	0
IANR Oelwein / Waterloo–Oelwein	1	1	0
IANR Garner / Forest City–Belmond	<1	<1	0
CN Waterloo / Tara–Waterloo	2	2	0
CN Dubuque / Waterloo–Manchester	3	4	1
CN Cedar Rapids / Manchester–Cedar Rapids	2	2	0
CN Dubuque / Manchester–Dubuque	4	5	1
CN Dubuque / Dubuque–Freeport	5	6	1
CN Freeport / Freeport–Chicago (16th Street)	4	5	1
CN Chicago / Chicago (16th Street)–Matteson	4	5	1
CN Matteson / Matteson–Gary (Kirk Yard)	40	41	1

[10] Table 1 does not reflect projections for organic growth. *See* Verified Statement of D. Hunt at 3 (explaining that the diversion analysis does not account for organic growth).

B. Changes to Interchange With Other Railroads

As described in the Application, CN will make the recognized competition-preserving commitment to maintain existing active gateway access on commercially reasonable terms.

CN and Iowa Northern Interchanges. As explained above, CN and Iowa Northern currently interchange in Waterloo and Cedar Rapids. CN plans to streamline these interchanges (and the interchange with CRANDIC and Union Pacific in Cedar Rapids) by adjusting the flow of westbound traffic from Chicago and eastbound traffic received in interchange at Cedar Rapids. These coordinated operations between the CN and Iowa Northern lines will create capacity in existing yards and simplify operations in Waterloo and Cedar Rapids.

Currently, traffic moving on CN westbound from Chicago into Iowa and destined for Cedar Rapids is set off in Dubuque where it is then picked up by a separate train that takes it south to Cedar Rapids by way of Manchester. Further train movements are then required to interchange that traffic to Union Pacific or CRANDIC. Post-transaction, CN anticipates that such traffic for CRANDIC and Union Pacific will continue beyond Dubuque to Waterloo, where it will be transferred from CN's Waterloo Yard to Iowa Northern's Bryant Yard and combined with Iowa Northern's traffic destined for interchange or delivery in Cedar Rapids. This routing change will result in fewer handlings for traffic destined for interchange with CRANDIC and Union Pacific in Cedar Rapids.

Once in Cedar Rapids, Iowa Northern will first deliver both Iowa Northern and CN interchange traffic to Union Pacific's North Yard. Iowa Northern will then proceed to CRANDIC's yard to deliver both Iowa Northern and CN interchange traffic to CRANDIC. Iowa Northern's locomotives will then return "light" (with no cars) to CN's Cedar Rapids Yard, and pick up any cars delivered there by CRANDIC destined for points on Iowa Northern. The Iowa Northern trains will then head northward to Waterloo with that traffic.

Interchange traffic from CRANDIC currently received by Iowa Northern in Cedar Rapids for movement eastward that previously was handled via Waterloo for interchange with CN will now move north on CN to Manchester and then east to Dubuque and points beyond. The transit time for this eastbound traffic is expected to improve because it will bypass the prior interchange at Waterloo and instead move more directly via Manchester. CN expects that traffic moving southbound between Manchester and Cedar Rapids will consist mostly of industry cars for customers along that route.

Iowa Northern will continue to pick up CN traffic moving west on its way northbound heading back to Waterloo from Cedar Rapids.

CN/Iowa Northern Interchange with CRANDIC in Cedar Rapids. As explained above, Iowa Northern currently interchanges with CRANDIC at CRANDIC's yard, using Iowa Northern's trackage rights over Union Pacific. CN and CRANDIC currently interchange via a CRANDIC transfer movement, with CRANDIC operating over the same line to reach CN's Cedar Rapids Yard. This results in two sets of interchange

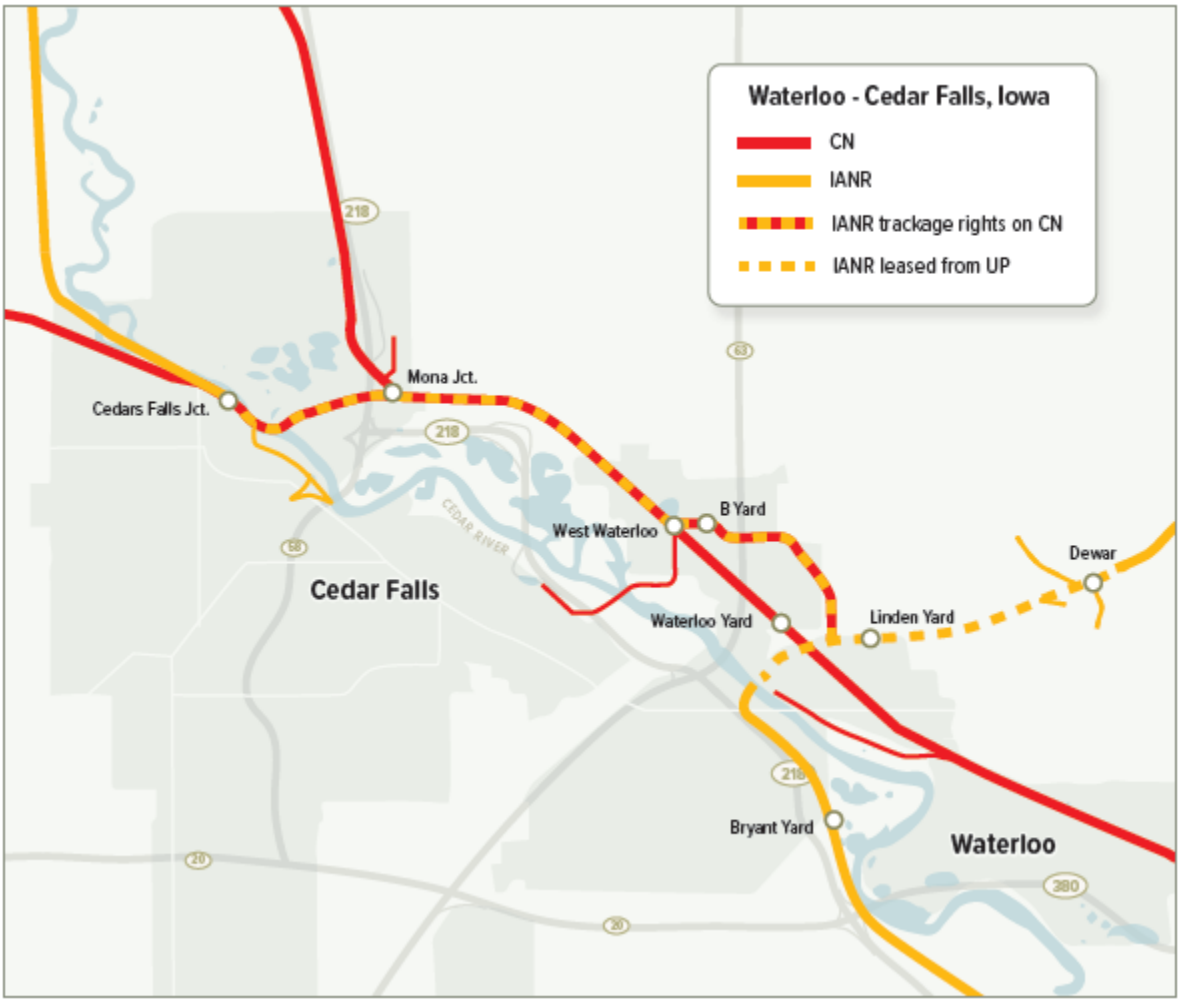
trains traversing the Union Pacific 4th Street corridor through downtown Cedar Rapids. Such movements are subject to a 105-car maximum length, as well as a 2:00 am–6:00 am overnight operating window. CN anticipates streamlining operations in Cedar Rapids by consolidating CN and Iowa Northern interchange with CRANDIC in both directions. All traffic coming to CRANDIC from Iowa Northern and CN will be delivered by Iowa Northern coming southbound from Waterloo. In turn, CRANDIC will interchange all traffic coming to Iowa Northern and CN at CN's Cedar Rapids Yard. This will reduce two train movements to "light" movements (no cars) through downtown Cedar Rapids, which are faster and less impactful to the community, as well as minimize the impacts of the limitations on train operations over the Union Pacific 4th Street corridor. CN is discussing with CRANDIC how best to implement this interchange consolidation in a way that works for both railroads.

CN/Iowa Northern Interchange with Union Pacific. CN traffic entering Iowa from the east through Dubuque that is destined for interchange with Union Pacific will now travel via Waterloo and be delivered by Iowa Northern together with Iowa Northern's interchange traffic for Union Pacific. No changes to interchange of Union Pacific's eastbound traffic to CN at Cedar Rapids are anticipated as a result of the Transaction given the extremely close proximity of Union Pacific's North Yard and CN's Cedar Rapids Yard. Similarly, no changes to interchange between Iowa Northern and Union Pacific are anticipated except that Iowa Northern will now also deliver CN interchange traffic to Union Pacific. Iowa Northern will continue to set out and pickup cars for interchange with Union Pacific in North Yard.

Remaining CN/Iowa Northern Interchanges with Union Pacific. Existing Iowa Northern interchange operations with Union Pacific at Manly are not expected to change as a result of the Transaction. The current "paper" interchange between Iowa Northern and Union Pacific at Waterloo also will not change, and Iowa Northern will continue to provide haulage services for Union Pacific under the parties' existing agreement.

CN/Iowa Northern Interchange with CPKC. No changes to interchange between Iowa Northern and CPKC at Nora Springs are anticipated as a result of the Transaction.

Fig. 4 – Map Showing CN and IANR Lines in Waterloo and Cedar Falls



C. Changes to Yard Operations and Facilities

CN's Waterloo Yard.[11] While yard activity at Waterloo Yard would increase as a result of the interchange changes described above and anticipated diversions, CN is concurrently planning changes that would improve overall fluidity of the yard. CN

[11] Last year, the City of Waterloo submitted an application under the Reconnecting Communities Pilot (RCP) Program seeking a federal grant to study the feasibility of relocating CN's Waterloo Yard outside of the City's downtown core. CN and Iowa Northern supported the study and are cooperating with the community in completing the study if the funding request is granted.

would move interchange activities with Iowa Northern for manifest traffic currently occurring west of Waterloo Yard on designated interchange tracks on CN's mainline into Waterloo Yard. In addition, as a result of the trackage rights anticipated to be exchanged between Iowa Northern and CCP in connection with the Transaction (discussed further below), unit trains which are currently interchanged between Iowa Northern and CN in CN's Waterloo Yard—and that necessarily change both locomotive power and crews in the yard—would be able to pass through the yard without the need for changing either locomotives or crews. These changes are expected to improve the overall fluidity of CN's yard operations at Waterloo and reduce existing blocked crossings near the yard due to the CN and Iowa Northern interchange, including changing locomotives and crews.

Iowa Northern's Bryant Yard in Waterloo. Iowa Northern crews will continue to report at Bryant Yard immediately after the combination. CN anticipates that some switching and block swaps will continue to occur in Iowa Northern's Bryant Yard, but there will be reduced yard activity there because that activity will move to CN's Waterloo Yard. CN traffic destined for Union Pacific and CRANDIC in Cedar Rapids will be transferred from CN's Waterloo Yard to Iowa Northern's Bryant Yard. Iowa Northern currently uses some tracks in Bryant Yard for storage purposes.

Iowa Northern's Linden Yard. CN does not anticipate changes as a result of the Transaction to operations in Iowa Northern's Linden Yard in Waterloo on the Union Pacific Industrial Lead.

CN's Cedar Rapids Yard. Currently, Iowa Northern pulls and delivers at CN's yard in Cedar Rapids. Iowa Northern delivers interchange traffic bound for Union Pacific and CRANDIC to CN's yard in Cedar Rapids, which is grouped with the CN interchange traffic destined for Union Pacific and CRANDIC in one location. Post-combination, Iowa Northern will receive CN's traffic for Union Pacific and CRANDIC in Waterloo as described above and deliver directly to Union Pacific's North Yard and CRANDIC's yard in Cedar Rapids before returning light to CN's Cedar Rapids Yard.

Fig. 5 – Map Showing Rail Lines in Cedar Rapids

Iowa Northern's Butler Intermodal Terminal. CN does not anticipate changes to operations in Butler Intermodal Terminal as a result of the Transaction, except that CN plans to negotiate with Union Pacific to accommodate any anticipated truck-to-rail diversions that may result from the Transaction through this terminal.

Iowa Northern's Manly Yard. CN does not anticipate changes to operations in Manly Yard in Manly as a result of the Transaction.

D. Maintenance and Capital Investment

No specific capital projects such as extending sidings or adding double track segments are required as a result of the Transaction. CN notes that Iowa Northern was pursuing certain pre-transaction plans for future improvements, including plans to add a bypass track to increase capacity at Bryant Yard in Waterloo. CN will continue to consider these pre-transaction plans in the future.

III. Other Anticipated Post-Transaction Changes.

Trackage rights. As contemplated in Docket No. FD 36744 (Sub-No. 2), Iowa Northern will obtain trackage rights on CCP from Waterloo east to Dubuque, IA and from Waterloo west to Tara, IA (just west of Fort Dodge, IA) as well as over the connecting track at Waterloo. In each instance, Dubuque and Fort Dodge represent the next CN crew change point beyond Waterloo. The proposed trackage rights will offer operational flexibility and efficiency and improve customer service by allowing Iowa Northern crews with remaining hours of service time to operate trains directly between points on the Iowa Northern and Dubuque and Tara/Fort Dodge.

Similarly, as contemplated in Docket No. FD 36744 (Sub-No. 1), CCP will obtain trackage rights on Iowa Northern from Cedar Falls to Manly, again allowing CCP crews to operate trains directly to and from points on the Iowa Northern when needed because of crew availability and train scheduling.

In both cases, these trackage rights arrangements will remove the need for a crew change for those trains in CN's Waterloo Yard and help alleviate crew shortages that

have occasionally affected rail service in Iowa and required the use of contract operating employees by Iowa Northern.

Fig. 6 – Proposed CCP Trackage Rights On Iowa Northern

Fig. 7A – Proposed Iowa Northern Trackage Rights On CCP

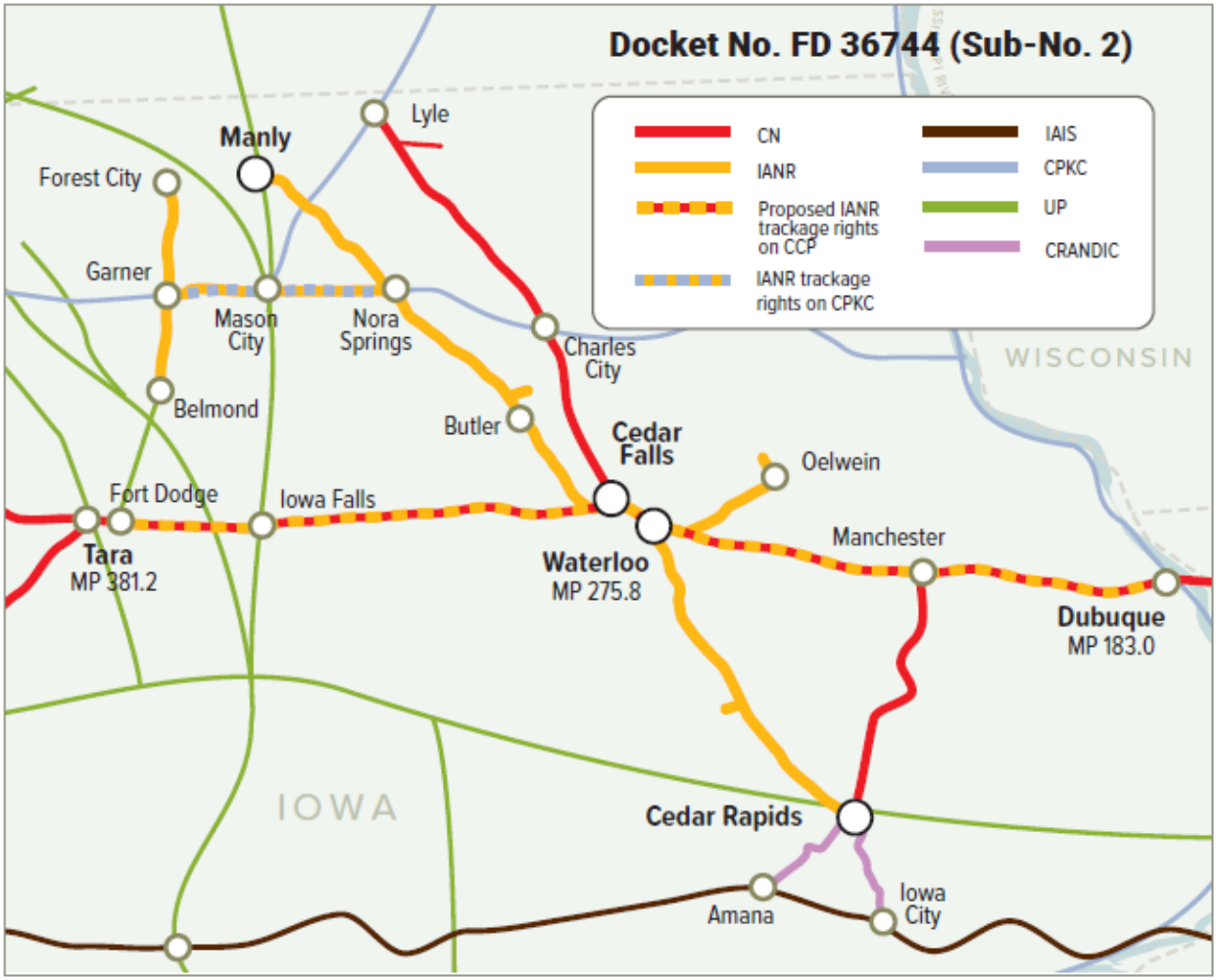
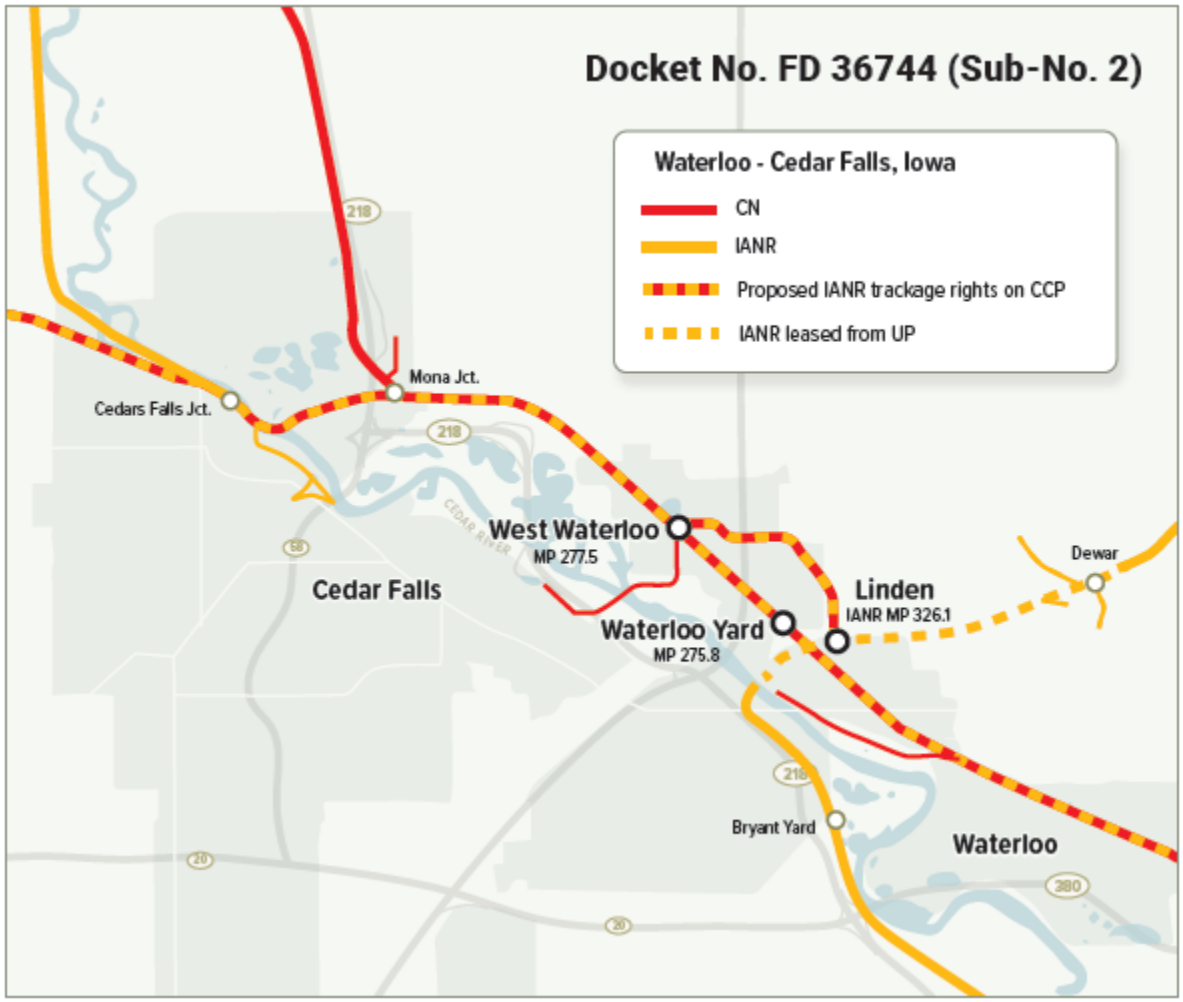


Fig. 7B – Proposed Iowa Northern Trackage Rights On CCP



Positive Train Control ("PTC"). Iowa Northern has 21 PTC-equipped locomotives to facilitate its operations over PTC-equipped track owned by CN between Waterloo and Cedar Falls and track owned by CPKC between Nora Springs and Mason City. Iowa Northern's PTC-equipped locomotives are already interoperable with CN and CPKC. Iowa Northern does not handle any poisonous- or toxic-by-inhalation ("PIH/TIH") hazardous materials on its lines, although it does occasionally move residue empty PIH/TIH cars. And as explained below, Iowa Northern hosts no passenger service on its lines, and that is not expected to change following the

combination. Therefore, CN does not anticipate any PTC changes resulting from the Transaction.

Local Service for Customers Served By Iowa Northern. Iowa Northern currently does not have a scheduled local service plan, and instead typically provides local service on an as-needed basis in response to customer communications. In the near term after approval, CN plans to continue this method of local service on Iowa Northern. After gaining experience and familiarity with Iowa Northern's local customers, CN would look to develop a scheduled local service plan to provide consistent and reliable service.

Iowa Northern's Pre-Existing Track Upgrade to Continuous Welded Rail. To the extent Iowa Northern does not complete its continuous welded rail installation work described above before the CN-Iowa Northern combination is consummated, CN would plan to complete existing Iowa Northern plans.[12]

Equipment. The operating changes proposed should not necessitate the acquisition of additional equipment given the equipment inventories of Iowa Northern

[12] Similarly, CN intends to continue Iowa Northern's obligations as the recipient of a FY20 Consolidated Rail Infrastructure and Safety Improvements Program grant ("CRISI Grant") from the Federal Railroad Administration ("FRA") to provide technical education and training to safety-related railroad employees of short line railroads for the purpose of improving railroad safety and compliance with FRA regulations, enhancing and expanding work force development, and improving the efficiency of rail operations. Iowa Northern partnered with the American Short Line and Regional Railroad Association ("ASLRRA") to apply for and administer the CRISI Grant. The grant period runs through July 31, 2027, and the Transaction is not expected to interfere with Iowa Northern and ASLRRA's ability to complete the education and training program pursuant to the CRISI Grant.

and CN. Iowa Northern maintains a mechanical and engineering facility at Bryant Yard in Waterloo, and functions there will be coordinated with CN's locomotive and car facilities in Waterloo.

Cars. CN plans to retain Iowa Northern's existing fleet of railroad-owned cars and leased cars. After the combination, Iowa Northern customers will have access to CN's U.S. car fleet as well as Iowa Northern's car fleet.

IV. Other Minor Application Elements.

A. Traffic level density on lines proposed for joint operations (49 C.F.R. § 1180.8(c)(1)).

There are no lines involved in the proposed Transaction that will be used in joint operations with other carriers as a result of the proposed Transaction.

B. Impacts on commuter or other passenger service operated over a line which is to be downgraded, eliminated, or operated on a consolidated basis. 49 C.F.R. § 1180.8(c)(2).

Applicants anticipate no impact on commuter or other passenger service. There currently is no such service on Iowa Northern, and the Transaction is not expected to impact any passenger service operating on any CN lines.

C. Operating economies, which include, but are not limited to, estimated savings. 49 C.F.R. § 1180.8(c)(3).

Applicants anticipate that there will be some cost synergies related to duplicative or overlapping procurement, shifting contractor work to existing CN employees, information technology, and other back office and overhead functions.

Moreover, CN anticipates that the opportunities the Transaction presents for more single-line service will reduce the number of handling events and interchanges for

approximately 29,000 cars that were interchanged between Iowa Northern and CN in 2022, reducing operating costs and dwell time to the benefit of the customers moving goods between Iowa Northern and CN, as well as to benefit the fluidity of the rail network.

Applicants will both benefit from increased operational flexibility and efficiency from the mutual exchange of trackage rights. As explained above, Iowa Northern will obtain trackage rights on CCP to operate from Waterloo east to Dubuque and west to Tara and CCP will obtain trackage rights on Iowa Northern to operate between Cedar Falls and Manly. This exchange of trackage rights will eliminate crew changes for these trains in CN's Waterloo Yard. And the modifications to interchange between CN-Iowa Northern and Union Pacific and CRANDIC will reduce two movements in downtown Cedar Rapids to light movements, which are less impactful to the community and the corridor's capacity.

D. Abandonments and Discontinuances. 49 C.F.R. § 1180.8(c)(4).

There are no planned abandonments or discontinuances as a result of this Transaction. Applicants note that Iowa Northern has been working with the City of Cedar Falls toward the removal of Iowa Northern's Cedar Falls Utility Spur, an approximately 1.75-mile utility spur through downtown Cedar Falls. CN will cooperate with pre-existing efforts by the City of Cedar Falls to abandon and remove this track after it assumes control of Iowa Northern, including obtaining any necessary STB authority.

E. Labor Impacts. 49 C.F.R. § 1180.6(a)(2)(v).

Iowa Northern's approximate current craft employee counts are as follows:

Craft or Class	Number of Employees
Transportation (Dual Qualified)	19
Transportation (Conductor Only)	8
Maintenance of Way	21
Signals & Communications	3
Dispatch	6
Locomotive Repair	12
Carmen	7
Clerical	7
Total	**83**

The public benefits of this Transaction are not premised on a reduction of the Iowa Northern workforce. On the contrary, while some positions may be relocated or modified to permit the efficiencies and service improvements described above, Applicants have committed to retain all existing craft employees on the Iowa Northern to maintain and expand operations. To that end, Applicants have exceeded the Board's standard labor protection conditions by offering substantial retention bonuses—in addition to continuation of existing compensation and benefit levels—to Iowa Northern craft employees who remain employees of Iowa Northern until at least June, 2025. Union-represented employees as well as other craft employees will be eligible for these retention bonuses.

In addition, Applicants agree to the imposition of standard labor protective conditions with respect to the Transaction as set forth in *New York Dock Railway –*

Control – Brooklyn Eastern District Terminal, 360 I.C.C. 60 (1979), *aff'd sub nom. New York Dock Railway v. United States*, 609 F.2d 83 (2d Cir. 1979). With respect to the exemptions sought for the related trackage rights applications, the appropriate employee protective conditions are those established in *Norfolk & Western Railway – Trackage Rights – Burlington Northern, Inc.*, 354 I.C.C. 605 (1978), *as modified in Mendocino Coast Railway – Lease & Operate – California Western Railroad*, 360 I.C.C. 653 (1980).

Prior to any rearrangement of forces made possible by the Transaction, CN will reach implementing agreements, to the extent necessary and pursuant to the *New York Dock* conditions, for each of the crafts affected by a rearrangement of forces. Implementing agreements will be reached with the respective union(s) representing craft employees or, in the case of unrepresented employees, with the employees themselves. As necessary, implementing agreements will be sought pursuant to the *Norfolk & Western* conditions with respect to the trackage rights described in the Sub-Nos. 1 and 2 dockets. Set forth below is a description of CN's current plan for integration of certain functions in which craft employees are employed. This description is based upon the best information currently available, and Applicants note that further opportunities for safe and efficient integration of operations and forces may become evident at a later date as CN implements the transactions contemplated by this Application.

Train and Engine Employees. In the immediate future, CN will operate Iowa Northern as a separate railroad without integrating its train and engine service employees with those of CN's U.S. railroads. CN will pursue an implementing

agreement to allow the combining of Iowa Northern's train and engine service employees into a single pool with those of the CCP, although Iowa Northern's operation as a separate railroad will continue. CN anticipates that Iowa Northern train and engine employees would effectively fall within a separate seniority district within the current Illinois Central Railroad/CCP collective bargaining agreements. CN also expects to hire an additional 12 conductors and 4 engineers to ensure Iowa Northern is able to meet current and future demand from its customers.

Mechanical. Subject to any implementing agreements, CN plans to integrate Iowa Northern mechanical employees with CCP shopcraft employees at Waterloo with the ultimate goal of establishing joint seniority rosters to cover all of Iowa. CN also anticipates that Iowa Northern mechanical employees will be trained to perform car repair, which is currently being performed by contractors, as well as to perform car inspections. CN anticipates that some mechanical employees will inspect and repair cars at Manly. The service track at Bryant Yard will continue to be used. Cars and locomotives will be repaired at CN's Waterloo Yard.

Engineering. Subject to any implementing agreements, CN plans to integrate Iowa Northern engineering employee crafts with CCP engineering employees based in Waterloo with the ultimate goal of establishing joint seniority rosters to cover all of Iowa. CN plans to upgrade Iowa Northern track to CN track standards and to replace current manual recordkeeping. Currently, Iowa Northern uses contractors for major capital track, bridge, and structures projects. CN anticipates using CN production gangs in the future to either replace or supplement contractors for major capital track, bridge,

and structures projects, subject to any agreement that may be needed with CN's engineering union to perform work on Iowa Northern.

Crew Calling/Dispatch/Clerks. CN will maintain the Iowa Northern crew calling and dispatch functions until CN can safely and efficiently integrate those functions with CN's centralized dispatching center in Homewood, IL. No sooner than June 2025, CN plans to integrate Iowa Northern's crew calling and dispatch functions into the Homewood dispatch center. However, Iowa Northern dispatchers perform a variety of other duties in addition to dispatching and CN will continue to evaluate how many dispatchers would be integrated at CN's dispatching center as "Rail Traffic Controllers" (CN's term for dispatchers) and how many would maintain their other roles in Iowa. Any changes would be subject to the *New York Dock* protective conditions, including moving allowances. Iowa Northern dispatching will also be transitioned from Train Management and Dispatch System ("TMDS") to CN's Precision Dispatch System ("PDS").

Similarly, over time CN will shift crew calling for the Iowa Northern lines to its centralized U.S. crew calling system based in Homewood using CN's automated Crew Assignments and Timekeeping System ("CATS"). Iowa Northern dispatchers currently perform crew calling and use software called "CrewPro Short Line."

Finally, in the future, CN plans to eventually integrate Iowa Northern's clerks, who perform customer service and train reporting, with CN's clerks. In the years following combination, clerks will continue to support customer service functions, and may be offered employment in other locations on CN's network.

A labor impact chart is provided in Appendix A.

V. Conclusion.

The national rail network will benefit from the increased efficient single-line service that CN's combination with Iowa Northern will facilitate to move traffic in and out of Iowa. In particular, there will be more opportunity for agricultural and biofuels products from Iowa to reach new markets and destinations by leveraging CN's national rail network. Iowa Northern's lines will also benefit from ownership by a Class I railroad and the financial resources and investment that can bring over time. And CN shares Iowa Northern's commitment to providing quality local service, including local service on Iowa Northern's lines.

Appendix A: Labor Impact Chart

Exhibit E-1: Current Iowa Northern Craft Employees as of January 27, 2024

Department	Waterloo, IA
Transportation (Dual Qualified)	19
Transportation (Conductor Only)	8
Maintenance-of-Way	21
Signals & Communication	3
Dispatch	6
Locomotive Repair	12
Carmen	7
Clerical	7
Grand Total	**83**

Exhibit E-2: Current CN Craft Employees in Iowa as of January 16, 2024[13]

Department	Position	Waterloo, IA	Dubuque, IA	Fort Dodge, IA	Freeport, IA	Cedar Rapids, IA	Homewood, IL[14]	Total
Engineering	Track, Bridges and Structures, and Work Equipment	20	30	-	20	-	-	**70**
Engineering	Signalman	4	5	-	2	-	-	**11**
Engineering	Clerical	-	1	-	-	-	-	**1**
Engineering	**Subtotal**	**24**	**36**	**-**	**22**	**-**	**-**	**82**
Mechanical	Carmen	11	-	-	-	-	-	**11**
Mechanical	Locomotive Repair	7	-	-	-	-	-	**7**
Mechanical	**Subtotal**	**18**	**-**	**-**	**-**	**-**	**-**	**18**
Transportation	Conductor	-	35	32	1	4	-	**72**
Transportation	Engineer	-	31	20	1	2	-	**54**
Transportation	**Subtotal**	**-**	**66**	**52**	**2**	**6**	**-**	**126**
Dispatch	Dispatch	-	-	-	-	-	60	**60**
Dispatch	**Subtotal**	**-**	**-**	**-**	**-**	**-**	**60**	**60**
Grand Total		**42**	**102**	**52**	**24**	**6**	**60**	**286**

[13] Exhibit E-2 includes craft employees of the Cedar River Railroad and the Chicago, Central & Pacific Railroad, both CN U.S. rail operating subsidiaries.

[14] CN's dispatching employees are included in this chart despite their location in Illinois because CN anticipates integrating Iowa Northern crew calling and dispatch functions with CN's centralized dispatching center in Homewood, IL.

Exhibit E-3: Summary of Anticipated Labor Impacts in 2027

Department	Position	Jobs Transferred	Jobs Created	Jobs Abolished
Engineering	Track, Bridges and Structures, and Work Equipment	0	0	0
Engineering	Signalman	0	0	0
Engineering	Clerical	0	0	0
Engineering	**Subtotal**	**0**	**0**	**0**
Mechanical	Carmen	3	0	0
Mechanical	Locomotive Repair	0	0	0
Mechanical	**Subtotal**	**3***	**0**	**0**
Transportation	Conductor	0	12	0
Transportation	Engineer	0	4	0
Transportation	Dual Qualified	0	0	0
Transportation	**Subtotal**	**0**	**0**	**0**
Dispatch	Dispatch	6	0	0
Dispatch	**Subtotal**	**6****	**0**	**0**
Clerical	Clerks	0	0	0
Clerical	**Subtotal**	**0**	**0**	**0**
Grand Total		**9**	**16**	**0**

*These jobs would be transferred from Waterloo, IA to Manly, IA.

**These jobs would be transferred from Waterloo, IA to Homewood, IL.