

ENTERED
Office of Proceedings

205910

JUL 23 2002

Part of
Public Record

Phone: (312) 540-0500
Fax: (312) 540-9098
www.fletcher-sippel.com

FLETCHER & SIPPEL LLC

Two Prudential Plaza, Suite 3125
180 North Stetson Avenue
Chicago, Illinois 60601-6721

Thomas J. Litwiler
(312) 540-9440
tlitwiler@fletcher-sippel.com

July 19, 2002



VIA FACSIMILE AND FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006

Re: **Finance Docket No. 34177**
Iowa, Chicago & Eastern Railroad Corporation – Acquisition
and Operation Exemption – Lines of I&M Rail Link, LLC

Dear Secretary Williams:

Attached please find two letters confirming the completion and commitment of financing for the acquisition by Iowa, Chicago & Eastern Railroad Corporation ("IC&E") of the rail lines of I&M Rail Link, LLC. These letters demonstrate conclusively the financial feasibility and viability of the proposed IC&E transaction. IC&E is fully prepared and able to consummate the transaction, subject only to further action from the Board on pending stay matters.

As both of the attached letters indicate, such Board action must occur reasonably in advance of July 26, 2002 to allow the transaction to close on that date (when, as the Board knows, the Asset Purchase Agreement between IC&E and IMRL will otherwise expire). It is thus vital that the Board issue its decision on pending stay matters as early next week as possible.

Ten copies of this letter are enclosed for filing with the Board. One extra copy of this letter also is enclosed. I would request that you date-stamp that copy to show receipt of this filing and return it to me in the provided envelope. Thank you for your assistance on this matter.

Respectfully submitted,

Thomas J. Litwiler
Attorney for Iowa, Chicago & Eastern
Railroad Corporation

TJL:tl
Enclosures
cc: Mr. David M. Konschnik
Parties of record

HOULIHAN LOKEY HOWARD & ZUKIN

INVESTMENT BANKING SERVICES

www.hlhs.com

July 19, 2002

Mr. Robert O. Brownell
President
Iowa, Chicago & Eastern Railroad
140 North Phillips
Sioux Falls, SD 57104

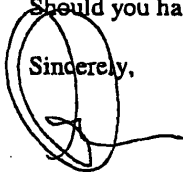
Dear Bob:

I am pleased to forward to you the attached letter from TD Securities confirming completion of the senior loan syndication. With the subordinated debt and equity already committed and documentation of all three capital components in the final stages, the financing for the IMRL acquisition is essentially completed. Due to the short period of time between now and closing, it is important to get some indication of when the regulatory process will be completed so that we can schedule the closing. Please advise as soon as possible so that we may proceed.

Congratulations on a very successful financing. We are pleased by the enthusiasm and depth of the support for this transaction and IC&E's business plan. In this market environment, this demonstrates a strong endorsement of the viability of this property going forward.

Should you have any questions, please feel free to contact me directly at (212) 497-4235.

Sincerely,



Raymond J. Kane
Director

RJK/hb
Enclosure



Securities

TD Securities (USA) Inc.
31 West 52nd Street
New York, NY 10019-6101
T: 212 827 7503 F: 212 827 7227

July 18, 2002

Mr. Ray Kane
Houlihan Lokey Howard & Zukin Capital
685 Third Avenue, 15th Floor
New York, NY 10017-4024

Dear Mr. Kane:

We are pleased to advise you that the syndication for the senior debt associated with Iowa, Chicago and Eastern Railroad Corporation's acquisition of the assets of I&M Rail Link, LLC is now fully committed. There are no remaining financing or due diligence contingencies associated with our commitment. Accordingly, the senior debt component of the financing is committed on the terms and conditions set forth in the final draft Securities Agreement and is subject now to satisfaction with standard documentation. Obviously, this commitment is subject to timely regulatory approval and other standard conditions.

Assuming prompt regulatory approval, we will be in a position to close the financing on or before July 26, 2002 with reasonable advance notice from you. Please advise as soon as you receive word on regulatory approval, and we will begin work necessary to close next week!

Should you have any questions, do not hesitate to contact me.

Sincerely,

Brendan O'Halloran
Managing Director and Group Head
TD Securities

