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17542

RECORDATION NO. \_\_\_\_\_ FILED 1991

ANDREW P. GOLDSTEIN  
Counsel

CHARLES J. MCCARTHY  
Counsel

SEP 26 1991 -4:00 PM

INTERSTATE COMMERCE COMMISSION  
September 26, 1991

Interstate Commerce Commission  
12th & Constitution Avenue, N.W.  
Washington, DC 20423

Attention: Mildred Lee.

Dear Ms. Lee:

Enclosed for filing recordation with the Commission are a certified copy and two counterparts of the document described below, to be record pursuant to Section 11303 of the Interstate Commerce Act, 49 U.S.C. § 11303.

This document is a LEASE, dated June 27, 1991, between Louis Dreyfus Corporation and Kankakee, Beaverville and Southern Railroad. This is a primary document.

The names and addresses of the parties to this document are as follows:

Lessor:

Louis Dreyfus Corporation  
10 Westport Road  
Wilton, CT 06897

Lessee:

Kankakee, Beaverville and  
Southern Railroad  
P. O. Box 136  
Beaverville, IL 60912

The equipment covered by this document is twenty-six (26) covered hopper cars bearing LDCX markings.

This document should be indexed as:

Lease dated June 27, 1991, between Louis Dreyfus Corporation (Lessor) and Kankakee, Beaverville and Southern Railroad (Lessee).

SEP 26 4 35 PM '91  
MOTOR OPERATING UNIT

*Counterpart - Michael L. Cantor*

A check in the amount of \$15.00 is enclosed as the filing fee required under 49 C.F.R. 1177.3.

Sincerely,



Andrew P. Goldstein  
Attorney for  
Louis Dreyfus Corporation

Enclosures

APG/rmm

**Interstate Commerce Commission**

Washington, D.C. 20423

9/26/91

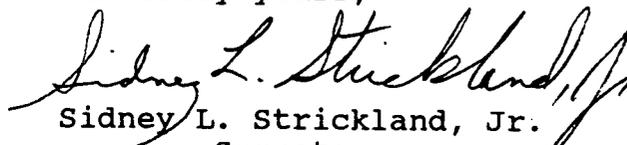
OFFICE OF THE SECRETARY

Andrew P. Goldstein  
McCarthy, Sweeney & Harkaway, P. C.  
1750 Pennsylvania Avenue, N. W.  
Washington, D. C. 20006

Dear Sirs:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/26/91 at 4:40PM, and assigned recordation number(s). 17542, 16002-A, 16001-A, and 17537-A.

Sincerely yours,

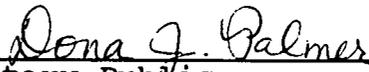
  
Sidney L. Strickland, Jr.  
Secretary

**CERTIFICATE**

I, Andrew P. Goldstein, hereby certify that I am an attorney duly admitted in the District of Columbia, and am a member in good standing of the Bar of the District of Columbia, and that I have, this 26th day of September 1991, compared the enclosed copy of a certain LEASE, dated June 27, 1991, between Louis Dreyfus Corporation and Kankakee, Beaverville, and Southern Railroad, with the original document and certify that it is complete and identical in all respects to the original document.

  
\_\_\_\_\_  
Andrew P. Goldstein

Sworn to and subscribed before me this 26th day of September 1991.

  
\_\_\_\_\_  
Notary Public  
My Commission expires: 3/14/93

17542  
SEP 26 1991 4:40 PM  
INTERSTATE COMMERCE COMMISSION

LOUIS DREYFUS CORPORATION

LEASE OF COVERED HOPPER CARS

THIS AGREEMENT is made and entered into this 27th day of June, 1991, by and between LOUIS DREYFUS CORPORATION, a New York Corporation, hereinafter called "LESSOR," and KANKAKEE, BEAVERVILLE AND SOUTHERN RAILROAD, a Illinois Corporation, hereinafter called "LESSEE."

WITNESSETH:

WHEREAS, LESSOR is willing to lease and LESSEE is desirous of leasing the railway covered hopper cars identified in Schedule A hereto, (the "CARS").

NOW THEREFORE, in consideration of the premises and of the covenants, promises, and undertakings of the parties, as hereinafter contained, it is agreed as follows:

SECTION 1. TERM. The term of this AGREEMENT shall be for the period specified in Schedule B hereto. Notwithstanding the actual EFFECTIVE DATE of this AGREEMENT for any of the CARS, this AGREEMENT shall terminate on the date ("TERMINATION DATE") set forth in Schedule B hereto for all CARS subject hereto.

SECTION 2. RENT. A. LESSEE will pay rent to LESSOR for the use of each of the CARS during the term of this AGREEMENT at the rate per CAR per month set forth in Schedule B hereto, until actual interchange of the CARS off the KBSR at a point designated by LESSOR. The per diem rental rate for a CAR for a given month shall be determined by prorating the monthly rate over the number of days in that month. Payments shall be due 60 days after the end of each month for the same month.

B. Each of the CARS shall be considered delivered to LESSEE upon the date of the arrival of each of the CARS at the point mutually agreed upon by LESSOR and LESSEE. Each of the CARS shall be subject to LESSEE'S inspection after delivery to LESSEE and prior to loading. The loading of each such CAR by or on behalf of LESSEE shall constitute acceptance thereof by LESSEE and shall be conclusive evidence of the fit and suitable condition of each such CAR for the purpose of transporting the commodities as allowed under Schedule A hereto.

C. Any payments not received within 30 days of due date will be subject to an interest rate of two percent (2%) over the prime interest rate as reported in the Wall Street Journal.

D. After the end of each year of this AGREEMENT following the EFFECTIVE DATE, LESSOR shall determine the total number of miles that each CAR traveled during such year, loaded and empty. If it is determined that any CAR traveled more than 40,000 miles during such year, LESSEE agrees to pay LESSOR as additional rent for such CAR for such year the sum of two cents (\$.02) multiplied by the number of miles in excess of 40,000 that each CAR traveled during such year. LESSEE promptly shall provide to LESSOR, upon request by LESSOR, all information and data necessary to implement the provisions of this paragraph. In the event that such information and data is not made available to LESSOR in a manner satisfactory to LESSOR, LESSOR may terminate this AGREEMENT upon sixty (60) days' notice in writing to LESSEE.

SECTION 3. USE. A. Subject to provisions of this AGREEMENT, LESSEE shall have exclusive use and control of the CARS during the term of this AGREEMENT, or extension thereof, provided, however, that said CARS shall be used only within the Continental limits of the United States of America.

B. LESSEE will preserve the CARS in good condition and will not alter the physical structure of any of the CARS or use the CARS for the transportation of corrosive lading without the prior approval in writing of LESSOR.

C. LESSEE shall use the CARS upon each railroad over which the CARS shall move in accordance with all governmental rules and regulations, interchange rules of the Association of American Railroads ("AAR"), and then prevailing tariffs and other applicable rules and regulations to which each said railroad shall be a party; and if the operation or movement of any of the CARS during the term of this AGREEMENT shall result in charges being made against the LESSOR by any railroad or association, LESSEE shall pay LESSOR for such charges within ten (10) days of receiving notice that such charges are due.

SECTION 4. MAINTENANCE. A. LESSOR shall be responsible for the cost of maintaining the CARS with the exception of the following:

LESSEE shall be responsible for the payment of all costs of repairs if any of said CARS are damaged due to carrying of corrosive or abrasive materials, spilling of damaging materials, or the carrying of any material or performing any act which would damage a CAR or any part of it, including, but not limited to, damage to outlet gates and other removable parts.

B. The LESSEE will cause the CARS or any of them, when in need of repair or maintenance, to be delivered without cost to

a mutually agreeable

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LESSEE to ~~LESSOR'S designated~~ repair shops, and to accept delivery of the CARS at that point when the repairs have been made. On any CAR needing such maintenance, rental shall abate three (3) days after the CAR is received in ~~LESSOR'S designated~~ shop, and until CAR is shipped from LESSOR'S designated shop. On any CAR repaired without prior notice by LESSEE to LESSOR, or any repair that is LESSEE responsibility, rental will not abate. If necessary, LESSEE will provide LESSOR or its Agent access to LESSEE's property to allow repair work to be performed on the premises.

C. LESSOR shall have the right by its authorized representatives to inspect the CARS at the sole cost and expense of LESSOR at such times as LESSOR deems necessary and LESSEE will cooperate with LESSOR in making the CARS available for such inspections upon reasonable notice and request at a limited number of locations and in reasonable quantities.

SECTION 5. DAMAGE OR DESTRUCTION. LESSEE promptly shall notify LESSOR of any damage to or destruction of the CARS. In the event any CAR is lost due to destruction or damage beyond economical repair in the sole judgment of LESSOR, LESSOR shall be entitled to all compensation by the responsible party for the loss of the CAR in accordance with applicable AAR Rules or otherwise. Upon confirmation that any CAR has been lost due to destruction or damage beyond economic repair, rental charges shall be abated and LESSOR shall issue credits to LESSEE for any and all rental payments made after the date of said destruction or damage. LESSOR, at its option, may or may not replace such destroyed or damaged CARS with cars of comparable size and capacity which, if so replaced, shall then be deemed a CAR subject to this AGREEMENT. The rental for such replacement CAR shall commence to accrue on the date of arrival of the replacement CAR at a point mutually agreed upon by LESSOR and LESSEE.

SECTION 6. LIABILITY. Except for acts of negligence attributable solely to LESSOR, LESSOR shall not be liable for (a) any loss of, or damage to, commodities or property, or any part thereof, loaded or shipped in the CARS, however such loss or damage may be caused or result, or (b) any loss or damage arising through injury to or death of persons or damage to any other property, however such loss or damage may be caused or result. LESSEE assumes responsibility for and agrees to indemnify LESSOR against the cost of defending any claims made against LESSOR and any judgments rendered against LESSOR for the events and occurrences described in this paragraph.

SECTION 7. TAXES. LESSOR shall pay all property taxes properly imposed or measured by such CARS on the mileage thereon, and will file all property tax reports relating thereto. LESSEE shall be responsible for all sales, and/or use taxes imposed by federal, state, municipal, and other governmental authority.

LESSEE agrees to cooperate fully and promptly with LESSOR in providing to LESSOR any information which LESSOR may deem necessary to fulfillment of its obligations under this paragraph.

SECTION 8. DELIVERY OF CARS UPON TERMINATION. By the TERMINATION DATE or upon failure of LESSEE to cure the breach of any conditions or covenant herein by it within ten (10) days after written notice thereof by LESSOR to LESSEE, LESSEE shall deliver the CARS with original equipment identification marks, free and clear of any and all transportation charges, to a point on the property of the KBSR or a KBSR interchange point designated by LESSOR. Each CAR shall be returned to LESSEE empty, free of residue and in the same good order and condition as it was delivered by LESSOR to LESSEE, ordinary wear and tear excepted. If LESSEE shall fail or refuse to deliver said CARS as aforesaid, LESSOR shall have the right, without further notice or demand, and in addition to and without constituting a waiver of any other remedy, claim or right hereunder or at law (i) if this AGREEMENT is terminated in accordance with provisions hereof, to take possession of said CARS wherever found, or (ii) either to take possession of said CARS wherever found without terminating this AGREEMENT, or to terminate this AGREEMENT and to take possession of said CARS wherever found, and in all cases with or without legal process, and remove them at LESSEE's expense, and for such purpose LESSEE authorizes LESSOR to enter any premises occupied by LESSEE or to issue such CAR relocation directives to railroads who may be in possession of the CARS. LESSEE agrees to indemnify and pay to the LESSOR reasonable attorney's fees and costs of repossession. Provided further that unless LESSEE delivers more than 90% of the CARS to a point on the property of the KBSR or KBSR interchange point designated by LESSOR within 30 days after the termination date of this AGREEMENT, LESSOR shall have the right to impose on LESSEE, (in addition to the monthly rental or pro-rata portion payable hereunder) a rental surcharge equal to two times the monthly rate, pro-rata for the number of days from (and including) the 15th day after the last day of the AGREEMENT to (but excluding) the date Lessee delivers a CAR or CARS to LESSOR's designated point, as described above.

SECTION 9. SUCCESSORS AND ASSIGNMENT. This AGREEMENT and the terms and provisions and covenants herein contained shall extend to and be binding upon and shall inure to the benefit of the respective successors and assigns of the respective parties hereto. Any sublease of the CARS by LESSEE shall be null and void unless (a) LESSOR is given actual notice of said sublease by LESSEE within 48 hours of LESSEE entering into a sublease agreement, such notice to include the identity of the sublessee, (b) such sublease is reduced to writing and is expressly subordinate to this AGREEMENT, and (c) LESSOR is provided a true and complete copy of said sublease within thirty (30) days of the date when LESSEE first entered into said sublease (even on a

verbal basis). Failure by LESSEE to observe any of these conditions shall entitle LESSOR to terminate this AGREEMENT and to take possession of the CARS at LESSEE's sole and full expense in addition to any other remedies available to LESSOR under this AGREEMENT or at law. LESSEE, however, shall not otherwise encumber their leasehold interest in any of the CARS or assign or use this AGREEMENT as security, without prior written consent of LESSOR. Notwithstanding any such sublease or written consent of LESSOR, LESSEE shall remain bound by all the terms, covenants and conditions of this AGREEMENT.

SECTION 10. MANDATORY CHANGES TO EQUIPMENT. At the time of delivery of the CARS by LESSOR to LESSEE, the CARS will conform to the applicable specifications and to all of the governmental laws, regulations, requirements and rules, and to all of the standards recommended by the Association of American Railroads interpreted as being applicable to railroad equipment of the character of the CARS as of the date of delivery to LESSEE. LESSEE agrees to comply with all governmental laws, regulations, requirements and rules and with the Code of Rules of the Association of American Railroads with respect to the use and operation of each of the cars during the term of this AGREEMENT. In case any equipment or appliance on any of the CARS shall be required to be changed or replaced or in case any additional or other equipment or appliance is required to be installed on any of the CARS during the term of this AGREEMENT in order to comply with such laws, regulations, requirements, rules and/or Code of Rules as a result of any changes or revisions made therein during the term of this AGREEMENT, LESSOR may elect to either (i) terminate this AGREEMENT, effective as of the date on which such change, replacement and/or installation is required to be made or (ii) make such change, replacement and or installation, pay the cost thereof, and recover from LESSEE a portion of such cost determined by dividing the total cost of such change, replacement and/or installation by the number of months of useful life of such CARS as determined from LESSOR'S books remaining on the date on which such work is completed and by multiplying such result by the number of months remaining in the term of this AGREEMENT as of such date. If LESSOR elects to make such change, replacement and/or installation, LESSEE may elect to pay its pro-rata share of such cost in cash on the date on which such work is completed or to pay such cost by increasing the monthly rental during the balance of the term of this AGREEMENT. Any part or parts changed, replaced and/or added to any of the CARS shall be considered to be accessions to such CARS and title thereto shall be immediately vesting in LESSOR.

SECTION 11. ENTIRE AGREEMENT. This instrument, including all Schedules and Riders hereto, contains the entire agreement of the parties. It may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement

or any waiver, change, modification, extension or discharge is sought.

SECTION 12. WAIVER. A waiver of a breach of any of the conditions, covenants or agreements in this lease by any party shall not be construed to be a waiver of any subsequent breach of any such conditions, covenant or other agreement.

SECTION 13. GOVERNING LAW. This AGREEMENT shall be subject to the laws of New York applicable to contracts to be performed entirely within that state.

SECTION 14. NOTICES. Any notices required or made hereunder in writing shall be provided by certified mail, return receipt requested, to:

For LESSOR: Louis Dreyfus Corporation

10 Westport Road, P. O. Box 810

Wilton, CT 06897-0810

ATTENTION: Lawrence J. Greenhall

For LESSEE: Kankakee, Beaverville & Southern Railroad

P. O. Box 136

Beaverville, Illinois 60912

ATTENTION: Fay Orr

IN WITNESS WHEREOF, LESSOR and LESSEE respectively, each pursuant to due corporate authority, have caused these presents to be executed and their respective corporate seals to be here onto affixed duly attested, as of the day and year first above written.

(CORPORATE SEAL)  
ATTEST:

By: *Cornelius F. Hill*

Date: 7/23/91

KANKAKEE, BEAVERVILLE & SOUTHERN  
RAILROAD (LESSEE)

By: *J. R. Or*

(CORPORATE SEAL)  
ATTEST:

By: *[Signature]*

Date: 6-27-91

LOUIS DREYFUS CORPORATION (LESSOR)

By: *[Signature]*

Lawrence J. Greenhall  
Director of Transportation

SCHEDULE A

Page 1 of Schedule A to Lease Agreement dated June 27, 1991 by and between LOUIS DREYFUS CORPORATION (LESSOR) and KANKAKEE, BEAVERVILLE & SOUTHERN RAILROAD (LESSEE).

TYPE AND DESCRIPTION OF CARS: 4750 cu. ft. 100-ton Covered Hopper Cars, equipped with trough hatches and gravity outlet gates

NUMBER OF CARS: Twenty Six (26)

INTERIOR EQUIPMENT: None

SPECIAL LININGS: None

PERMITTED LADING USE: Grain or Grain Products

REPORTING MARKS AND NUMBERS: As listed on page 2

(CORPORATE SEAL)

ATTEST:

By: *Cornelia F. Hill*

Date: 2/23/91

KANKAKEE, BEAVERVILLE & SOUTHERN RAILROAD (LESSEE)

By: *J. R. Orr*

(CORPORATE SEAL)

ATTEST:

By: *[Signature]*

Date: 6-27-91

LOUIS DREYFUS CORPORATION (LESSOR)

By: *[Signature]*  
Lawrence J. Greenhall  
Director of Transportation

1 LDCX020900	14 LDCX020921
2 LDCX020901	15 LDCX020922
3 LDCX020902	16 LDCX020923
4 LDCX020904	17 LDCX020926
5 LDCX020905	18 LDCX020929
6 LDCX020907	19 LDCX020930
7 LDCX020908	20 LDCX020932
8 LDCX020909	21 LDCX020935
9 LDCX020911	22 LDCX020937
10 LDCX020913	23 LDCX020940
11 LDCX020915	24 LDCX020941
12 LDCX020916	25 LDCX020944
13 LDCX020919	26 LDCX020952

The above listed cars will have the car marks changed from LDCX to KBSR, however, the car numbers will remain the same.

## SCHEDULE B

Page 1 of Schedule B to Lease Agreement dated June 27, 1991 by and between LOUIS DREYFUS CORPORATION (LESSOR) and KANKAKEE, BEAVERVILLE & SOUTHERN RAILROAD (LESSEE).

LEASE TERM: July 1, 1991 through June 30, 1992

RENEWAL OPTIONS AND NOTICE:

EFFECTIVE DATE: June 27, 1991

TERMINATION DATE: June 30, 1992

MONTHLY RENTAL: \$337.50 per Car

SPECIAL TERMS: LESSEE will be allowed to remark CARS to KBSR equipment identification marks retaining the original numbers. Any change in marks will be fully conveyed in writing to LESSEE upon remarking of said CARS. At the termination of this AGREEMENT the LESSEE will return original markings to the CARS. All costs associated with remarking shall be for the account of LESSEE. CARS will not go on rent until after the arrival of the first ten CARS to the KBSR. After the tenth CAR arrives, subsequent CARS will go on rent when they are interchanged to the KBSR. CARS will go off rent at the expiration of the agreement when CARS are interchanged off of the KBSR. LESSEE will allow LESSOR to load CARS on the property of the KBSR for a final loaded move at applicable tariff rates for the movement of loaded CARS.

LESSEE will send all maintenance bills pertaining to the CARS covered by this AGREEMENT to the LESSOR's Agent, Trailer Train Company, 101 North Wacker Drive, Chicago, Illinois 60606.

Upon request of LESSOR, LESSEE will provide LESSOR quarterly mileage information for each month for each CAR.

All per diem and mileage earnings will be for the account of LESSEE.

(CORPORATE SEAL)

ATTEST:

By: *Charles H. Hill*

Date: 7/23/91

KANKAKEE, BEAVERVILLE & SOUTHERN  
RAILROAD (LESSEE)

By: *J.R. Orr*

(CORPORATE SEAL)

ATTEST:

By: *[Signature]*

Date: 6-27-91

LOUIS DREYFUS CORPORATION (LESSOR)

By: *[Signature]*  
Lawrence J. Greenhall  
Director of Transportation