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JUN 06 1997

PERPETUAL EASEMENT

This perpetual easement, made and entered into by and between Northern Indiana Public Service Company, an Indiana Corporation, hereinafter referred to as "NIPSCO" or "GRANTOR," and Elgin, Joliet & Eastern Railway Company, a Delaware Corporation, having an office at 1141 Maple Road, Joliet, Illinois 60432, hereinafter referred to as "EJ&E" or "GRANTEE," *Attw: Gerald H. Adgehard*

**SAM ORLICH
AUDITOR LAKE COUNTY**

WITNESSETH

It is hereby agreed by and between Grantor and Grantee that for and in consideration of Ten (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, Grantor, to the extent its title permits, does hereby grant to grantee, but without warranty of any kind or nature, the right to install, construct, operate over, maintain, use, repair, renew and replace two railroad tracks, (the "Tracks") on the following described real estate situated in Lake County, Indiana ; see Exhibit A attached hereto and made a part hereof for location of the Tracks on Grantor's land hereinafter referred to as (the "Premises"). Together with the right and authority, solely during the initial construction and installation of said Tracks, to use such space on the additional real estate (the "Adjoining Property") of NIPSCO adjoining the Premises which may be reasonably necessary for the installation and construction of said Tracks. Further, Grantee is hereby granted the right of ingress and egress over the Adjoining Property of Grantor for such above described purposes.

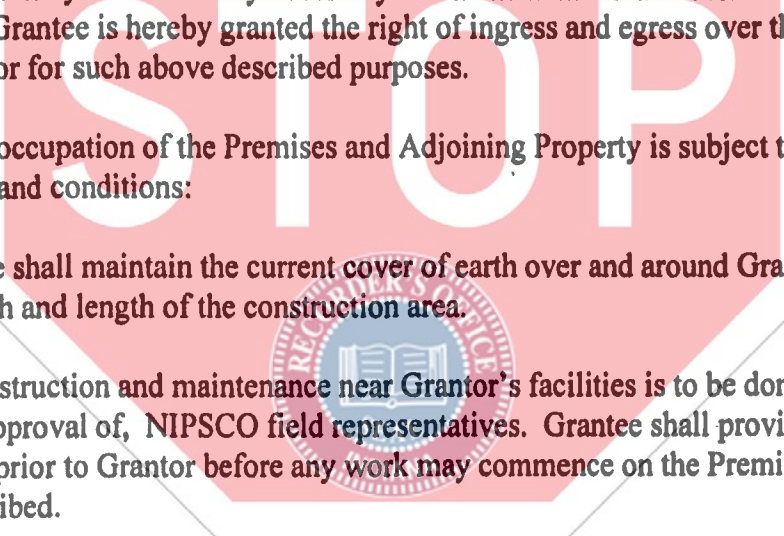
Grantee's occupation of the Premises and Adjoining Property is subject to the following terms, provisions and conditions:

1. Grantee shall maintain the current cover of earth over and around Grantor's pipeline for the entire width and length of the construction area.
2. All construction and maintenance near Grantor's facilities is to be done in the presence of, and with the approval of, NIPSCO field representatives. Grantee shall provide forty-eight (48) hours notice prior to Grantor before any work may commence on the Premises as hereinabove described.
3. Any relocation of electrical lines-either on the Premises or on property associated with the construction of the Tracks, or any additional encasement or protection required for the existing gas main, associated with the construction of the Tracks, will be at Grantee's expense.
4. The rights granted herein to Grantee, shall be at all times subservient and subordinate to the paramount rights of Grantor to use its property, including the Premises, for Corporate utility purposes.
5. Grantee shall, at its own expense, secure any permits or other consents required by law or ordinance of any municipality or other public body having jurisdiction over the construction, maintenance and operation of said Tracks, and shall at all times comply with all laws and

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regulations, which affect the construction, maintenance, operation over, repair or renewal of said Tracks.

6. Grantee shall not interfere with the towers, poles, electrical lines, gas mains, pipes and appurtenances thereto of Grantor now in existence or which may in the future be constructed in, over, upon, or under the property of Grantor or the Premises, or with the exercise of any rights, easements, leases, licenses or privileges heretofore granted by Grantor to third persons or reserved by third persons in grants to Grantor in or over said property of Grantor or Premises; and when, from time to time hereinafter, Grantor makes any excavations in its property or Premises for the purpose of the installation of any of its facilities or the repair thereof, Grantee shall, at its own cost and expense, take all steps and do such things which may be necessary to protect its Tracks and to keep its Tracks in place and prevent them from becoming displaced or moved as a result of any such excavations, and prevent its Tracks from causing any cave-ins in any such excavations.

7. It is expressly understood and agreed that Grantee shall be liable and responsible for any and all injury or damage to its property and employees of Grantor which may result directly or from the installation or maintenance of said Tracks; and under no circumstances shall Grantor be liable or responsible for any injury or loss attributable to the Tracks.

8. It is understood and agreed by the parties hereto that Grantor, prior to the execution hereof, may have granted to other persons certain rights and privileges in the property of Grantor or Premises herein involved, and this perpetual easement is made subject and subordinate to such rights and privileges as granted. It is also understood and agreed that Grantor may grant other rights and privileges in the future to other persons or corporations, and Grantee hereby agrees to execute upon demand by Grantor such consents as may be deemed necessary by Grantor for the use of said property of Grantor or Premises by other persons or corporations, provided that it shall not materially interfere with the maintenance, operation over, repair or renewal of said Tracks. However, this provision in no way gives Grantor the authority to permit third parties the right to maintain, operate over, repair or renew the Tracks.

9. Grantor and Grantee covenant and agree that neither this instrument nor any action taken hereunder by Grantee shall be held to confer upon Grantee any rights greater than those specifically set forth herein, and that no third persons shall have any rights hereunder or be entitled to assert or claim any right or privilege hereunder.

10. Grantee covenants and agrees to indemnify, protect and save harmless Grantor from and against all cost, expense or liability resulting from any damage to property of Grantee and from any and all injury or damage to persons, including loss of life, or property of any third persons, firm or corporation (including the officers, agents and employees of any party hereto) and from and against any and all claims, demands or actions for such loss, injury or damage caused by or growing out of the presence or use of the construction, maintenance, removal, change or relocation and subsequent removal of said Tracks.

11. Grantee further agrees to pay or reimburse Grantor for any general property taxes on special assessments for which it may become obligated as a result of the use or improvement of the aforementioned premises by Grantee under the terms of this grant.

This grant and the covenants set forth herein shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. This grant shall constitute a covenant running with the land for the benefit of the Grantee and its successors or assigns.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed on the 10th day of October, 1996.

NORTHERN INDIANA PUBLIC
SERVICE COMPANY

Document
NOT OFFICIAL

This Document is to be
the Lake County Recorder:

By:

Title:

Jerry M. Armitage
Vice President

ATTEST:

Vina M. Rawser

ELGIN, JOLIET AND EASTERN
RAILWAY COMPANY

By:

Title:

Paul Stephenson
Asst. V. P. - General Manager

ATTEST:

[Signature]



STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

BE IT REMEMBERED that on this 10th day of October, 1996, before me, a notary public in and for the County and State aforesaid, personally appeared Jerry M. Springer, Vice President, and Nina M. Rausch, Secretary, respectively, of Northern Indiana Public Service Company, and each acknowledged the execution of the above and foregoing instrument in behalf of said corporation as the voluntary act and deed of said corporation and of said officials for said corporation for the uses and purposes therein set forth.

WITNESS my hand and notarial seal the day and year first above written.

My Commission expires:
April 30, 1999

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

BE IT REMEMBERED that on this 16th day of September, 1996, before me, a notary public in and for the County and Commonwealth aforesaid, personally appeared P. D. Stephenson and C. F. Shotton respectively, at Elgin, Joliet and Eastern Railway Company and each acknowledged the execution of the above and foregoing instrument as their voluntary act and for the uses and purposes therein set forth.

WITNESS my hand and notarial seal the day and year first above written.

My Commission expires:
Oct. 17, 1998

Nancy A. Titov
Notary Public

Notarial Seal
Nancy A. Titov, Notary Public
Monroeville Boro, Allegheny County
My Commission Expires Oct. 17, 1998

