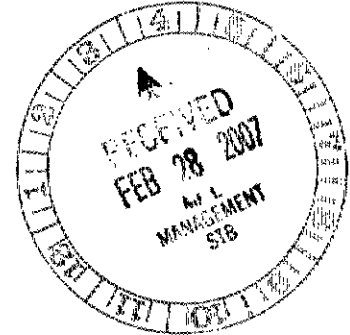


218754
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ORIGINAL



BY HAND

February 28, 2007

Honorable Vernon A. Williams
Surface Transportation Board
1925 k Street, N.W.
Washington, D.C.

**RE: STB DOCKET NO. AB-878, CITY OF PEORIA AND
THE VILLAGE OF PEORIA HEIGHTS, IL ADVERSE
DISCONTINUANCE—PIONEER INDUSTRIAL RAILWAY
COMPANY**

Dear Mr. Williams:

On February 22, 2007, I submitted Supplemental Evidence and Comments on behalf of Central Illinois Railway Company in the above-captioned proceeding. Inadvertently, I neglected to include a copy of the relevant three pages of the lease agreement between the City of Peoria and the Village of Peoria Heights and Central Illinois Railway Company referred to at page 4 of this filing. I am enclosing an "original" and ten copies of these pages for the record.

Please date stamp and return the one extra copy of this filing.

Sincerely yours,


John D. Heffner

Enclosure

Cc: all parties

RECEIVED
Office of Proceedings

MAR 7 2007

Public Record

AGREEMENT

This Agreement entered into this 10th day of July, 1984, by and between the CITY OF PEORIA, an Illinois Municipal Corporation, hereinafter referred to as "CITY", and the PEORIA AND PEKIN UNION RAILWAY COMPANY, an Illinois Corporation, hereinafter referred to as the "P&PU".

W I T N E S S E T H:

WHEREAS, the CITY has purchased the segment of track (8.9 miles plus industrial tracks) formerly known as the Kellar Branch line of the now bankrupt Chicago, Rock Island and Pacific Railroad, as shown on the map attached hereto as Exhibit "A" and legal description attached hereto as Exhibit "B" both incorporated herein; and,

WHEREAS, the CITY is not a railroad operator; and,

WHEREAS, industries now located on and adjacent to the Keller Branch track desire railroad service; and,

WHEREAS, the P&PU desires to provide railroad services to industries located on said track; and,

WHEREAS, the CITY is willing to enter into an agreement to grant trackage rights to the P&PU upon, and subject to, the terms and conditions herein set forth;

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND THE MUTUAL AND DEPENDENT COVENANTS HEREINAFTER SET FORTH, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS.

Whenever used in this Agreement, the following words shall have the following meanings:

- (a) "Right-of-Way" shall mean all that property owned by the CITY as described in Exhibit "B";
- (b) "Roadbed" shall mean all that property and appurtenances located within ten (10) feet of the center line of the track;

2. PUBLIC AUTHORITY APPROVAL.

The parties, or either as may be appropriate, shall make application to the Interstate Commerce Commission and any other public body for any necessary authority to carry out the transaction hereinafter described and the agreements herein are contingent upon the procurement of such public authority.

3. GRANT OF TRACKAGE RIGHTS.

- (a) The CITY hereby grants unto the P&PU the right to

8. ~~DEFINITION~~

The rights herein granted to the P&PU are expressly conditioned upon the performance by the P&PU of all and singular the covenants and agreements herein set forth to be performed by the P&PU. In the event the P&PU shall default in the performance of any of its obligations hereunder, and such default shall continue for a period of sixty (60) days after the receipt of written notice thereof by certified mail, return receipt requested, from the CITY, the CITY shall have the right at any time thereafter to terminate this agreement forthwith.

9. TERM OF AGREEMENT.

(a) This agreement shall remain in full force and effect for a minimum period of twenty (20) years unless and until terminated for cause as set forth above or by mutual consent.

(b) The P&PU shall, however, have the right to renegotiate the maintenance clause of this agreement after thirteen (13) years from the date hereof by serving written notice upon the CITY (and the Village of Peoria Heights if a portion of said tracks is transferred to the Village) of its desire to renegotiate said portion of the agreement.

10. RESERVED RIGHT OF ABANDONMENT.

This agreement shall in no way be construed as requiring or obligating the CITY to continue its ownership, maintenance, improvement or operation of said tracks, or the appurtenances thereto, nor in any way limit the CITY from disposing of, encumbering, or abandoning all or any part thereof, at any time it may see fit; provided, however, that in case the CITY shall desire to abandon all or any part thereof, it shall give the P&PU written notice at least ninety (90) days prior to such abandonment, and the P&PU shall have the right during such time to purchase any or all of the part to be abandoned, if and only if, the CITY does not plan to devote such part to another governmental use. Should the P&PU desire to purchase the right-of-way upon abandonment, the purchase price shall be equal to the salvage value of the material in said tracks, structures and appurtenances plus the fair market value of the right-of-way thereof.

11. NOTICE.

All notices required pursuant to this agreement to the City shall be addressed to the City Manager, City of Peoria, 419 Fulton, Room 207, Peoria, IL 61602. All notices to the P&PU shall be addressed to C.E. Mallums, Peoria & Pekin Union Railway, 101 Wesley Road, Creve Coeur, IL, 61611.

12. ASSIGNMENT.

The P&PU shall not transfer, assign or convey the rights granted hereunder without the written consent of the CITY, and only upon the condition that the assignee shall abide

~~City Clerk~~

PEORIA AND PEKIN UNION RAILWAY COMPANY.
By W. H. H. H.
President

ATTEST:

Paul D. Faberstein
Secretary

APPROVED

LEGAL DEPT.

By W. H. H. H.

CERTIFICATE OF SERVICE

I, John D. Heffner, certify that the foregoing document, Supplemental Evidence and Comments of Central Illinois Railroad Company, was served on February 28, 2007, by first-class mail, postage prepaid to the following:

William A. Mullins, Esq.
Baker & Miller, PLLC
2401 Pennsylvania Avenue, NW - Suite 300
Washington, DC 20037

Daniel A. LaKemper, Esq.
Pioneer Industrial Railway Company
1318 S. Johanson Road
Peoria, IL 61607

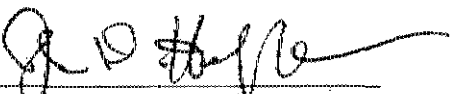
Thomas F. McFarland
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208 South LaSalle Street - Suite 1890
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John D. Heffner