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201004-002

**INDIANA'S INTERNATIONAL PORT/BURNS HARBOR
GENERAL CARGO TERMINAL OPERATING AGREEMENT
AMENDMENT NO. 2**

entered into between

INDIANA PORT COMMISSION
150 West Market Street - Suite 100
Indianapolis, Indiana 46204
(317) 232-9200

and

**INDIANA STEVEDORING AND
DISTRIBUTION CORPORATION**
6619 South Boundary Drive
Portage, IN 46368
(219) 787-9702

FMC Agreement No. 224-201004
Marine Terminal Operating Agreement
Agreement Effective: November 7, 1996
Current Expiration Date: December 31, 2008

January 24, 2001



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INDIANA PORT COMMISSION

**INDIANA'S INTERNATIONAL PORT/BURNS HARBOR
GENERAL CARGO TERMINAL OPERATING AGREEMENT**

AMENDMENT NO. 2

This Amendment No. 2 to the Indiana's International Port/Burns Harbor General Cargo Terminal Operating Agreement ("Amendment No. 2") is entered into this 24th day of January 2001, by and between the **INDIANA PORT COMMISSION**, a body corporate and politic existing under the laws of the State of Indiana, with its principal place of business at 150 W. Market Street - Suite 100, Indianapolis, IN 46204 (hereinafter referred to as "IPC" or the "Commission"), and **INDIANA STEVEDORING AND DISTRIBUTION CORPORATION**, a corporation organized and existing under the laws of the State of Indiana, with a place of business at 6619 South Boundary Drive, Portage, IN 46368 (hereinafter referred to as "ISD").

WHEREAS the Commission and ISD previously entered into an Agreement entitled the "Indiana's International Port/Burns Harbor General Cargo Terminal Operating Agreement" (the "Agreement"), which Agreement was duly filed with the Federal Maritime Commission ("FMC") and became effective on November 7, 1996, and which Agreement, as amended by Amendment No. 1, dated March 6, 2000 and effective June 5, 2000, is presently in effect through December 31, 2008; and

WHEREAS ISD, acting through its authorized marine terminal subcontractor Federal Marine Terminals, Inc. ("FMT"), assumed responsibility for, and started performing, General Cargo marine terminal operations at Indiana's International Port/Burns Harbor (the "Port") on January 1, 1999, in accordance with Articles 2.1 and 4.2 of the Agreement; and

WHEREAS the Commission and ISD previously agreed in Amendment No. 1, which was duly filed with the FMC and became effective on June 5, 2000, to amend the Agreement in various regards, including permitting ISD to partially exercise its first right of refusal pursuant to original Agreement Article 6.2 to add 2.14 acres of land at Parcel 15 to the General Cargo Facilities subject to the Agreement, and preserved ISD's right to later exercise a right of first refusal with respect to the balance of Parcel 15 on the stated terms and conditions; and

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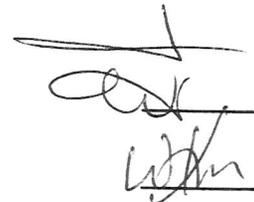
WHEREAS ISD applied to the Commission to add the remaining available portion of Parcel 15 to the Agreement Facilities, and in support thereof stated (1) that ISD has an immediate and anticipated continuing need for additional outside storage space for structural and semi-finished steel products, (2) that ISD will assume responsibility for preparation of the surface area sufficient to support the proposed cargo handling and storage operations, at an estimated cost in excess of \$100,000, and (3) that ISD will agree to be responsible for the maintenance and repair of the subject premises throughout the term of the Agreement, as well as any necessary paving repair or replacement should ISD subsequently decide to pave the area; and

WHEREAS the Commission, after careful consideration, determined that it is in the public interests of the Port, the Commission, and the State and citizens of Indiana, to grant ISD's request, and approved amending the Agreement to add the balance of Parcel 15 (other than the small portion previously taken and used by the Commission for the construction of Compass Drive) to the Agreement Facilities, on the terms and conditions set forth below, so as to provide the best possible facilities to accommodate the Port's general cargo storage and handling needs, and minimize the need to use more remote storage areas, thereby promoting operational efficiencies for both ISD and the Port, and reducing cargo handling costs;

WHEREAS the Commission and ISD therefore each desire to amend the Agreement to implement these changes and to make certain other minor changes in the Agreement to reflect interim personnel changes and improve and enhance the working of the Agreement;

NOW THEREFORE, in consideration of their respective undertakings and covenants, the Commission and ISD hereby agree as follows:

1. **Amendment; Incorporation by Reference:** The Agreement is hereby amended as set forth below and in the attached Revised and new Original Agreement Pages, which are hereby incorporated herein by reference and which form an integral part of this Amendment No. 2 and are to be inserted into the Agreement in place of the respective corresponding superseded pages, as of the effective date of this Amendment. All capitalized terms used in this Amendment shall have the meaning assigned to them in the Agreement unless otherwise specifically indicated herein. Specifically, the introductory paragraph and Preamble of the Agreement are hereby revised, as set forth on the attached Second Revised Pages 1 and 2, and First Revised Page 2A (which are to be inserted into the Agreement in lieu of the respective present versions of such pages), to reflect the fact and effect of this Amendment.



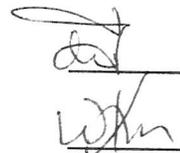
inserted into the Agreement in lieu of the respective present versions of such pages), to reflect the fact and effect of this Amendment.

2. Parcel 15 First Refusal Right Exercise: The Agreement is hereby amended, as set forth below, to permit ISD to exercise its remaining right of first refusal under Article 6.2 to add approximately 4.629 acres (depicted as "Parcel D" on the attached new Agreement Exhibit B-2) to the Agreement Facilities. ISD will compensate the Commission for the use of this additional 4.629 acres by means of an additional use fee, separate and apart from the previously committed Annual Fee (see Article 10.1) and other Use Fees (see Articles 10.11, 10.12 & 10.13), at an annual rate of \$7,500 (\$625/mo.) per acre starting as of the effective date of this Amendment, which rate shall remain constant throughout the remaining base term of the Agreement ending December 31, 2008 (see Article 2.1), but which rate shall be increased thereafter for each of the permitted five-year extension option periods (see Article 2.2) in accordance with the formula based upon the intervening percentage increases in the Producer Price Index, set forth in present Article 10.14 (renumbered by this Amendment as new Article 10.15). Specifically:

A. Article 6.1 of the Agreement, which prescribes the portions of the Port's General Cargo facilities which are subject to the Agreement, is hereby amended, as set forth below and on the attached Second Revised Page 13 and First Revised page 13A, to add the 4.629 acres described and depicted as "Parcel D" on the attached new Exhibit B-2, to the Agreement Facilities, by (i) reordering the second and third bulleted paragraphs on First Revised Page 13, (ii) inserting a semi-colon in lieu of a period after the reordered second bullet, and (iii) inserting immediately after the reordered third bulleted paragraph a new bullet, identifying the 4.629 acres being added to the Agreement Facilities, as follows:

- “● Approximately 4.629 acres of open storage area, located adjacent to the East of the open storage area between Transit Sheds 1 and 2, and directly South of Parcel C, which 4.629 acres are generally part of the area formerly described as Parcel 15 (see Exhibit C), and are specifically described and depicted on the attached Exhibit B-2, and are hereinafter referred to, as 'Parcel D.'”

B. Article 6.2 is amended as set forth below, and on the attached First Revised Page 13A, to reflect ISD's authorized exercise of ISD's first refusal right with respect to the identified portions of Parcel 15, and to delete any reference to any continuing first refusal right in ISD's favor,



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in view of the present implemented exercise, so as to make clear that the rights previously conferred upon ISD under Article 6.2 have been fully exercised, and that the continuing language is primarily historical in nature and creates or continues no rights or obligations on either party:

"**6.2 Parcel 15:** The Commission is the owner of a parcel of land, denominated 'Parcel 15,' which is located adjacent to the East of the open storage area between Transit Sheds 1 and 2, and which, as originally configured, is more fully described and depicted in the attached Exhibit C, which the IFP notified offerors could be made available for development and use as part of the subject Agreement Facilities under appropriate circumstances, terms and conditions. Pursuant to ISD's requests, approximately 2.14 acres of this area were added as 'Parcel C' to the Agreement Facilities by means of Amendment No. 1 to this Agreement, and an additional approximately 4.629 acres have been added as 'Parcel D' to the Agreement Facilities by means of Amendment No. 2 to this Agreement. The balance of the original Parcel 15 has been used by the Commission for its own purposes at the Port, and is no longer available for use under this Agreement. The right of first refusal granted to ISD in the original version of this Article is hereby expressly acknowledged by both the Commission and ISD as having been exercised and satisfied in full through the provisions of Amendments Nos. 1 and 2, and this Article contains no continuing right or obligation on either party."

C. Article 6 of the Agreement is further amended, as set forth on the attached Second Revised Page 16 and First Revised Page 16A, (i) by amending Article 6.8 to clarify that the "Final Environmental Study" shall include the environmental condition of the Property under the New Transit Shed, as well as Parcels B, C and D, (ii) by clarifying that the Amendment referenced in the fifth line of Article 6.9 is Amendment No. 1, and (ii) by inserting the following new Paragraph 6.10 as set forth below:

"**6.10 Parcel D Condition:** ISD agrees to accept possession and responsibility for Parcel D, as is, as of the effective date of Amendment No. 2. ISD reserves the right to conduct, through qualified environmental engineers mutually acceptable to both ISD and IPC, within six months of the effective date of Amendment No. 2, and at ISD's sole cost, Phase I and Phase II environmental assessments of the subsoil at Parcel D. ISD shall promptly deliver any reports of such assessments to IPC, and the conditions documented by such reports shall be deemed part of the 'Baseline Condition of the Facilities' as referenced in Articles 6.7

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and 6.8 above. If ISD does not conduct and complete such additional environmental assessments within the specified six months, or such longer period of time as may be agreed in writing by the Commission in its sole discretion, then the parties agree to assume, for purposes of the "Baseline Condition" of Parcel D, that the same conditions exist at Parcel D as have previously been documented by the Phase II environmental assessment soil sampling of the adjoining land at Parcel C. ISD HEREBY EXPRESSLY ACKNOWLEDGES THAT THE COMMISSION HAS MADE NO REPRESENTATIONS CONCERNING THE CONDITION OF PARCELS B, C AND D, OR THEIR SUITABILITY FOR ANY USE OR PURPOSE WHATSOEVER."

D. Article 7, entitled "Maintenance and Improvement of the Facilities," is hereby amended, as set forth on the attached First Revised Page 20, by adding the following new Article 7.9, addressing the maintenance of, and any paving or surface upgrading to, the surface conditions of Parcel D:

"7.9 **Parcel D:** ISD shall be fully responsible, at ISD's sole cost, for the preparation, maintenance and repair, and any upgrading of the surface area of Parcel D to support ISD's proposed cargo handling and storage operations. ISD's responsibility shall include ISD bearing the design and implementation responsibility, as well as the cost, of paving any part of Parcel D which ISD, with IPC's approval, may hereafter decide to pave. ISD also shall be responsible for any paving repair or replacement which may be necessary to maintain in good working order any paved areas which ISD may install at Parcel D."

E. Article 10 of the Agreement, pertaining to "Payment," is hereby amended, as set forth below and on the attached Second Revised Pages 22 and 24, and First Revised Pages 24A and 24B (with other language carrying over to First Revised page 24C), to reflect the additional payment, over and above the previously agreed Annual Fee, which ISD shall make for the use of the additional 4.629 acres of Parcel D. Specifically, Article 10.1 is amended, as set forth on the attached Second Page 22, to read as follows, to make clear that the previously agreed Annual Fee does not cover ISD's use of the additional area identified as Parcel D:

"10.1 **Annual Fee:** ISD shall pay to the Commission, starting January 1, 1999 and continuing thereafter throughout the remaining term of this Agreement, for use of the Facilities other than the areas added to the Agreement as Parcels B, C and



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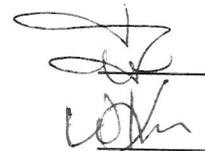
D, and the new Truck Staging Area and Marine Terminal Entrance constructed on Parcel C (see Articles 10.11, 10.12, 10.13 & 10.14 below), a fixed annual fee of \$300,000, which shall be payable in equal amounts of \$25,000 due on the 1st day of each month (the 'Annual Fee')."

Article 10 is further amended, as set forth on the attached Second Revised Page 24 and First Revised Pages 24A and 24B, (i) to renumber former Articles 10.11, 10.12 and 10.13 as new Articles 10.12, 10.13 & 10.11 respectively, (ii) to renumber former Article 10.14 as new Article 10.15, (iii) to make such text changes in the foregoing renumbered Articles as are necessary for correct cross-referencing as renumbered, and (iv) to add the following new Article 10.14, which sets forth the amount which ISD will pay for the use of the 4.629 acres of Parcel D, as follows:

"10.14 Parcel D Use Fee: In addition to the committed Annual Fee (see Article 10.1 above) and the other fees and charges set forth in this Article, ISD shall pay to the Commission, for the use of the 4.629 acres of land at Parcel D, starting, pro rata, on the effective date of Amendment No. 2, and on the first day of each month thereafter throughout the remaining term of this Agreement, a monthly use fee of \$625 per acre (an annual rate of \$7,500 per acre), or a total of \$2,893.13 per month for the 4.629 acres ($\$625 \times 4.629$), which rate shall remain constant throughout the remaining base term of the Agreement ending December 31, 2008 (see Article 2.1), but which rate shall be increased thereafter for each of the permitted five-year extension option periods in the event such extension options are exercised (see Article 2.2), in accordance with a formula based upon the intervening percentage increases in the Producer Price Index, as set forth in Article 10.15 below."

F. The Exhibits physically attached to the Agreement are hereby amended and supplemented to incorporate the attached new Exhibit B-2, which depicts, and provides a legal description of, the 4.629 acres at Parcel D which are being added to the Agreement Facilities by virtue of this Paragraph 2.. In addition, the List of Exhibits to the Agreement is hereby revised, as shown on the attached First Revised Page 49, to reflect the addition of Exhibit B-2, as well as the Exhibits previously added to the Agreement by means of Amendment No. 1.

3. **Acknowledgment of New Transit Shed Acceptance:** Article 7.6, entitled "New Transit Shed," is hereby amended, as set forth on the attached First Revised Page 19 (with carryover new Original Page 19A), by adding the following new sentence at the end of Article 7.6, to



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acknowledge that the Commission has constructed and delivered, and ISD has accepted, the New Transit Shed, for use under the Agreement as contemplated by this Article:

“Incident to Amendment No. 2, ISD hereby acknowledges that the Commission has newly constructed on Parcel B, and delivered to ISD, and ISD has accepted, for use under the Agreement, the New Transit Shed contemplated by this Article.”

4. **New IPC Executive Director:** Article 29.2 is hereby amended, as set forth on the attached Second Revised Page 44, by substituting (i) the name of IPC’s new Executive Director, and (ii) IPC’s new office suite number, in the Commission’s mailing address.

5. **Non-Collusion Affidavits:** Article 33 is amended by adding at the end of the existing language the additional language set forth below, and on the attached Second Revised Page 46 and Original Page 46A, to certify that none of ISD, Fednav and ADS, and none of their officers or any affiliated entities, has done anything to influence improperly the execution of this Amendment or the Agreement as amended hereby:

“ISD further hereby acknowledges and attests, under penalties of perjury, (i) that ISD is the contracting party, (ii) that the individual executing Amendment No. 2 and the Agreement as revised thereby, on behalf of ISD, is an officer of ISD, and (iii) that ISD has not, nor has any other member, employee, representative, agent or officer of ISD, Fednav, ADS, or any of their respective subsidiaries or affiliated companies, partnerships or other entities, directly or indirectly, to the best of ISD’s knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that ISD has not received or paid, any sum of money or other consideration for the execution of this Agreement other than that which appears on the face of the Agreement.”

6. **Conflict of Interest and Drug-Free Workplace Clauses:** The Agreement is hereby further amended to add two new clauses entitled “Conflict of Interest” and “Drug-Free Workplace,” as Articles 34 and 35 respectively, as set forth on the attached new Original Pages 46A and 46B. Former Article 34, entitled “Approval Required,” is hereby renumbered as new Article 36, as set forth on the attached new Original Page 46B.



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7. **Cover Page, Table of Contents and List of Exhibits:** The Cover Page of the Agreement, the Table of Contents and the List of Exhibits set forth at Original Page 49 are hereby revised and replaced, as set forth on the attached new replacement pages, to show and reflect the changes effected, and the new Exhibits added, by Amendments Nos. 1 and 2.

8. **Execution/Approval Pages:** First Revised Pages 47 and 48 are hereby revised and replaced by the attached new Second Revised Pages 47 and 48, to incorporate the new Agreement Pages and Exhibits and to reflect the entirety of the Agreement as amended by Amendment No. 2, and to update the Agreement signatories and approvals per Amendment No. 2.

9. **Agreement Continuity:** Other than as set forth above and in the Revised and new Original Agreement Pages attached hereto, the Agreement is reaffirmed and continued in its entirety as modified.

10. **Condition Precedent:** ISD affirms that both of its principals, Fednav Limited ("Fednav") and Alternative Distribution Systems, Inc. ("ADS"), are fully informed as to and support this Amendment, and, as a condition precedent to this Amendment becoming effective and being implemented, ISD will obtain, and provide to the Commission, their respective written acknowledgments (1) that execution of the Amendment will not in any way impair the respective obligations and undertakings of Fednav and ADS under the "Joint and Several Guaranty Agreement" executed by each of them with the Commission as of October 28, 1996, and (2) that the respective obligations and undertakings of Fednav and ADS under the foregoing "Joint and Several Guaranty Agreement" shall continue in full force and effect with respect to the Agreement as amended by this Amendment No. 2. ISD also has notified FMT of the terms of this Amendment, and FMT has agreed that it will comply with, and, through the terms of ISD's Subcontract with FMT, will be bound by, the terms of this Amendment and the Agreement as amended hereby.

11. **Effectivity:** This Amendment, and the attached Revised and new Original Agreement Pages, shall have no force and effect until approved by the Office of the Attorney General and the Governor of the State of Indiana, and shall not become effective or be implemented until filed with the Federal Maritime Commission in Washington, D.C.



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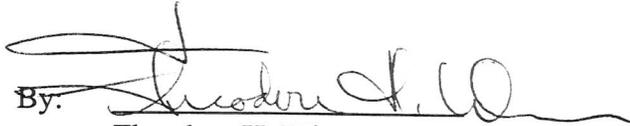
12. **Counterparts:** This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment, consisting of 10 pages, including the following approval page, plus 23 attached Revised and new Original Agreement Pages to be inserted into the Agreement, a new Exhibit B-2, consisting on one (1) page, and an updated Agreement Cover Page and Table of Contents, each of which pages (other than the Agreement Cover Page and Table of Contents) has been initialed or signed by both parties acting through their respective duly authorized representatives, as of the date first set forth above.

**INDIANA STEVEDORING AND
DISTRIBUTION CORPORATION**

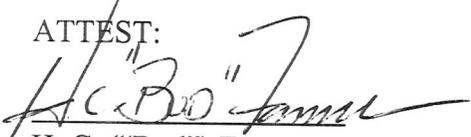
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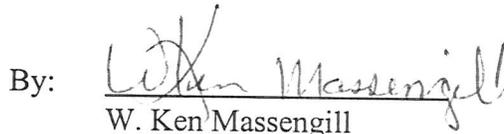

Kathy Das

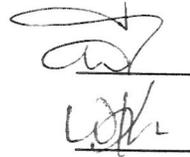
By: 
Theodore H. Winter
President

INDIANA PORT COMMISSION

ATTEST:


H. C. ("Bud") Farmer
Commission Secretary

By: 
W. Ken Massengill
Chairman



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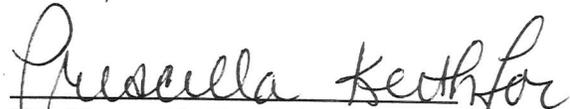
The foregoing Amendment No. 2 is
approved as to form and legality,
this 10th day of March, 2001.



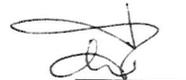
For Steven Carter
Attorney General of Indiana

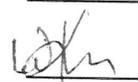
APPROVED:

This 14 day of March, 2001.



The Honorable Frank O'Bannon
Governor of the State of Indiana





**INDIANA'S INTERNATIONAL PORT/BURNS HARBOR
GENERAL CARGO TERMINAL OPERATING AGREEMENT,
AS AMENDED**

entered into between

INDIANA PORT COMMISSION
150 West Market Street - Suite 100
Indianapolis, Indiana 46204
(317) 232-9200

and

**INDIANA STEVEDORING AND
DISTRIBUTION CORPORATION**
6619 South Boundary Drive
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FMC Agreement No. 224-201004
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Agreement Effective: November 7, 1996
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**INDIANA'S INTERNATIONAL PORT/BURNS HARBOR
GENERAL CARGO TERMINAL OPERATING AGREEMENT**

THIS GENERAL CARGO TERMINAL OPERATING AGREEMENT ("Agreement") was originally made and entered into as of the 28th day of October, 1996, was amended as of the 6th day of March, 2000, and has been further amended as of the 24th day of January, 2001, by and between the **INDIANA PORT COMMISSION**, a body corporate and politic existing under the laws of the State of Indiana, with its principal place of business at 150 W. Market Street, Suite 100, Indianapolis, IN 46204 (hereinafter referred to as "IPC" or the "Commission"), and **INDIANA STEVEDORING AND DISTRIBUTION CORPORATION**, a corporation organized and existing under the laws of the State of Indiana, with a place of business at 6619 South Boundary Drive, Portage, IN 46368 (hereinafter referred to as "ISD"), each of said parties acting by and through its respective duly authorized officers.

PREAMBLE

WHEREAS the Commission is charged with the management and operation of the Ports of Indiana, including Indiana's International Port/Burns Harbor, located in Portage, Indiana (the "Port"); and

WHEREAS General Cargo operations generally have been conducted at the West Harbor Arm of the Port, while Bulk Cargo operations generally have been restricted to the East Harbor Arm, subject to the direction and authorization of the Port Director;

WHEREAS the Commission desires to enter into an agreement with a responsible, experienced company as an independent contractor to operate the Port's General Cargo terminal facilities described in this Agreement, and to provide a full scope of General Cargo terminal and stevedoring services at the Port on a cost-effective basis, both commencing as of January 1, 1999, so as to attract and retain potential users of the Port, and enhance the Port's status as the preeminent General Cargo port in the southern Lake Michigan marketplace; and

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WHEREAS the Commission issued an "Invitation for Proposals" (the "IFP" or the "Solicitation") soliciting competitive proposals to provide such services, and to build and operate a metals warehouse and distribution facility; and

WHEREAS ISD's principals, Fednav Limited ("Fednav") and Alternative Distribution Systems, Inc. ("ADS"), submitted a joint proposal for ISD, acting through a subcontract to Federal Marine Terminals, Inc. ("FMT"), an indirectly wholly-owned subsidiary of Fednav, to perform the subject services, and, acting through a separate subcontract to Roll & Hold Warehousing & Distribution Corp., a wholly-owned subsidiary of ADS ("Roll & Hold"), to build and operate a metals warehouse and distribution facility (the "MWDF"), and each agreed to jointly and severally guarantee the performance of ISD, FMT, and Roll & Hold"); and

WHEREAS the Commission selected the proposal submitted by ISD's principals ("ISD's Proposal") as offering the best value to the Commission, and desires to enter into this Agreement for General Cargo terminal and stevedoring services, and a separate "Lease and Metals Warehouse Development and Operating Agreement" (the "MWDF Agreement"), with ISD, as well as a "Joint and Several Guaranty Agreement" with ISD's principals under which each of such principals jointly and severally guarantees ISD's performance under this Agreement and the MWDF Agreement (the "Joint and Several Guaranty Agreement"); and

WHEREAS ISD desires, through the proposed subcontract to FMT, to perform General Cargo terminal and stevedoring services for the Commission on the bases set forth in the Solicitation and in ISD's Proposal, and to enter into this Agreement and the separate MWDF Agreement; and

WHEREAS the Commission and ISD amended this Agreement as set forth in Amendment No. 1, effective June 5, 2001, and on the Revised and new Original Pages which were made a part of, and inserted into, the Agreement, incident to such Amendment; and

WHEREAS, the Commission and ISD have further amended this Agreement as set forth in Amendment No. 2 and on the Revised and new Original pages which were made a part of, and to be inserted into, this Agreement, upon such Amendment being effective, subject to the express understanding and agreement that no obligation imposed under the Agreement shall apply to the new facilities being added to the Agreement premises pursuant to Amendment No. 2 until such Amendment becomes fully effective;

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used by ISD, at its election, for its proposed Maintenance Building per Paragraph 7.7 below;

- Approximately 9.4 acres of improved, open storage area, located to the south of the roadway right-of-way access to Berth 10, to the east of the Berthing Apron adjacent to Berths 11, 12, and 13, and to the west and north of the railroad track rights-of-way indicated on Exhibit B (which area, together with any additional open storage areas which hereafter may be added to the scope of this Agreement, is referred to as the "Outside Storage Areas");
- Approximately 2.54 acres of improved, open storage area, located to the north of the south side of the Joe Perez Drive right-of-way access to Berth 10, and to the East of the Berthing Apron adjacent to Berth 10 and to the west of the railroad track rights-of-way indicated on Exhibit B and Exhibit B-1, which area is described and depicted as "Parcel B" on Exhibit B-1, and upon which area the Commission is constructing a new 200' x 300' Transit Shed as contemplated in Article 7.6 below, which New Transit Shed will be delivered to ISD, ready for use, no later than April 1, 2000;
- Approximately 2.14 acres of improved land located adjacent to the East of the open storage area between Transit Sheds 1 and 2, which 2.14 acres are part of the area formerly described as Parcel 15 (see Exhibit C) and are specifically described and depicted on the attached new Exhibit B-1, and are hereinafter referred to, as "Parcel C," on part of which acreage the Commission has constructed a new Truck Staging Area and Marine Terminal Entrance (see Article 6.9 below); and
- Approximately 4.629 acres of open storage area, located adjacent to the East of the open storage area between Transit Sheds 1 and 2, and directly South of Parcel C, which 4.629 acres are generally part of the area formerly described as Parcel 15 (see Exhibit C), and are specifically described and depicted on the attached Exhibit B-2, and are hereinafter referred to, as "Parcel D."

These facilities, including any additional improvements thereto or thereon pursuant to this Agreement, and any additional areas which hereafter are included within the scope of this Agreement, are hereinafter collectively referred to as the "Facilities" and are illustrated (exclusive

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of said additional improvements and any future additions) in the attached Exhibit B, Exhibit B-1 and Exhibit B-2, which are hereby made a part of this Agreement. The Commission shall retain title to, and the right to enter, the Facilities at all times, and no vested interest in the Facilities is intended to be created in or transferred to ISD or FMT under or by virtue of this Agreement.

6.2 Parcel 15: The Commission is the owner of a parcel of land, denominated "Parcel 15," which is located adjacent to the East of the open storage area between Transit Sheds 1 and 2, and which, as originally configured, is more fully described and depicted in the attached Exhibit C, which the IFP notified offerors could be made available for development and use as part of the subject Agreement Facilities under appropriate circumstances, terms and conditions. Pursuant to ISD's requests, approximately 2.14 acres of this area were added as "Parcel C" to the Agreement Facilities by means of Amendment No. 1 to this Agreement, and an additional approximately 4.629 acres has been added as "Parcel D" to the Agreement Facilities by means of Amendment No. 2 to this Agreement. The balance of the original Parcel 15 has been used by the Commission for its own purposes at the Port, and is no longer available for use under this Agreement. The right of first refusal granted to ISD in the original version of this Article is hereby expressly acknowledged by both the Commission and ISD as having been exercised and satisfied in full through the provisions of Amendments Nos. 1 and 2, and this Article contains no continuing right or obligation on either party.

6.3 Negotiation Rights: In the event that the Commission determines (i) to use Berth 9 and the adjacent outside storage areas for other than public use, (ii) to proceed with the development of any portion of the area on the West Harbor Arm to the North of Berth 9 and the adjacent outside storage areas, and to the West of the present Cargill facilities, including the construction of any additional berths, Berthing Apron, or outside storage areas in such area, or (iii) that the then existing Transit Sheds capacity is inadequate for the then existing and reasonably foreseen General Cargo traffic at the Port, and determines to build or consider authorizing the

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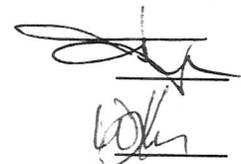



maintenance thereof, except for and subject to the Commission timely accomplishing the agreed repairs. ISD and Port Management shall document the making of the designated repairs, and the condition of the affected portions of the Facilities upon the completion of such repairs, and the condition of the Facilities as documented upon turnover and as improved by such repairs when completed shall be deemed "the Baseline Condition of the Facilities." **ISD HEREBY ACKNOWLEDGES THAT THE COMMISSION HAS MADE NO REPRESENTATIONS CONCERNING THE CONDITION OF THE FACILITIES OR THEIR SUITABILITY FOR ANY USE OR PURPOSE WHATSOEVER.**

6.8 Condition of Facilities Upon Termination: ISD shall vacate the Facilities promptly upon the expiration or earlier termination of this Agreement, and shall leave the same in good order (i.e., neat and cleared of all ISD/FMT personal property and trash), and in a state of repair and operating condition no less favorable than the Baseline Condition of the Facilities, subject to reasonable wear and tear and loss by casualty. The environmental condition of the Property under Transit Sheds 1 and 2, the New Transit Shed, the Outside Storage Areas, including Parcels B, C and D, and the ground water thereunder, at the time of such expiration or earlier termination, shall be determined by carrying out Phase I and Phase II environmental assessments thereof substantially in accordance with the terms and conditions of the Initial Environmental Study (the "Final Environmental Study"), which shall be carried out immediately before, or promptly after, the expiration or earlier termination of this Agreement. The costs of the Final Environmental Study shall be borne equally by the Commission and ISD.

6.9 Truck Staging Area and Marine Terminal Entrance: The Commission has constructed a new Truck Staging Area and Marine Terminal Entrance on Parcel C. ISD has inspected such Truck Staging Area and Marine Terminal Entrance, and agrees to accept possession and responsibility for the operation and management of such Truck Staging Area and Marine Terminal Entrance, as is, as of the effective date of Amendment No. 1. The Commission will retain title to and ownership of the Truck Staging Area and Marine Terminal Entrance. ISD shall be responsible for the maintenance and repair of the Truck Staging Area and Marine Terminal Entrance, including any necessary paving repair or replacement, throughout the term of this Agreement. ISD shall return the Truck Staging Area and Marine Terminal Entrance to the Commission, upon the expiration or earlier termination of this Agreement, in the same condition subject only to normal wear and tear.

6.10 Parcel D Condition: ISD agrees to accept possession and responsibility for Parcel D, as is, as of the effective date of Amendment No. 2. ISD reserves the right to conduct, through qualified environmental engineers mutually acceptable to both ISD and IPC, within six months

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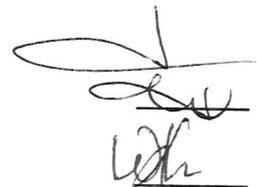
of the effective date of Amendment No. 2, and at ISD's sole cost, Phase I and Phase II environmental assessments of the subsoil at Parcel D. ISD shall promptly deliver any reports of such assessments to IPC, and the conditions documented by such reports shall be deemed part of the "Baseline Condition of the Facilities" as referenced in Articles 6.7 and 6.8 above. If ISD does not conduct and complete such additional environmental assessments within the specified six months, or such longer period of time as may be agreed in writing by the Commission in its sole discretion, then the parties agree to assume, for purposes of the "Baseline Condition" of Parcel D that the same conditions exist at that site as have previously been documented by the Phase II environmental assessment soil sampling of the adjoining land at Parcel C. ISD HEREBY EXPRESSLY ACKNOWLEDGES THAT THE COMMISSION HAS MADE NO REPRESENTATIONS CONCERNING THE CONDITION OF PARCELS B, C AND D, OR THEIR SUITABILITY FOR ANY USE OR PURPOSE WHATSOEVER.

ARTICLE 7. MAINTENANCE AND IMPROVEMENT OF THE FACILITIES.

7.1 ISD's Responsibilities: ISD shall keep in a clean and sightly condition, and shall maintain and repair, the Facilities, including all additions and improvements thereto and the interior portions of the Transit Sheds and any other buildings, but excluding those items identified and agreed to in writing based upon the parties' joint inspection of the Facilities as set forth in Paragraph 6.7 above until such items are repaired by the Commission, and excluding the exterior roof and any structural problems with respect to either of the Transit Sheds resulting from ordinary wear and tear, which shall remain the responsibility of the Commission throughout the term of this Agreement, in a safe and usable condition no less favorable than the Baseline Condition of the Facilities involved in the turnover per Paragraph 6.7 above, and in good condition as to any improvements or additions to the Facilities unless otherwise specifically provided in a written amendment to this Agreement, subject in all instances to reasonable wear and tear, and loss by casualty, throughout the term of this Agreement.

7.2 ISD Improvements: ISD may install equipment and fixtures, and construct such improvements to the Facilities, as ISD may reasonably deem necessary and convenient

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adjacent vicinity. Such New Transit Shed may be either new construction, as a stand-alone facility or as an addition to the existing Transit Sheds, or may be an existing building suitable for such purposes in the event such becomes available. The Commission, in deciding upon the location of the New Transit Shed or the possible use for this purpose of an existing building, will consult with ISD and take into consideration, ISD's reasonable requests and preferences. ISD agrees that the Commission may raze, at the Commission's expense, the existing Freezer Building adjacent to Transit Shed 1 in order to facilitate the construction of the New Transit Shed if the Commission determines that such is appropriate. In the event that the Commission makes an existing building outside the confines of the specified Facilities available for this purpose, the parties shall negotiate an appropriate increase to the Annual Fee to compensate the Commission for the additional acreage being made available, in an amount not less than the then current standard Commission rental rate for such property. ISD shall cooperate and coordinate with the Commission with respect to the scheduling of any construction by the Commission of the New Transit Shed, and shall make available for such purpose such portions of the Facilities as may be reasonably necessary. It is estimated that the cost of constructing the New Transit Shed will be approximately \$1.3 million. Title to the New Transit Shed shall immediately vest in and at all times belong to the Commission. Incident to Amendment No. 2, ISD hereby acknowledges that the Commission has newly constructed on Parcel B, and delivered to ISD, and ISD has accepted, for use under the Agreement, the New Transit Shed contemplated by this Article.

7.7 Maintenance Building: During calendar year 1999 ISD shall construct within the boundaries of the Facilities, at ISD's sole cost and expense, a maintenance building of at least 4,000 sq. ft (the "Maintenance Building"), which is to be utilized for the safe and proper maintenance of forklifts, cranes, and other equipment, and the storage of handling gear, relating to ISD's Terminal Operations. In the event that the Freezer Building is not to be razed as permitted in Article 7.6 above for the construction of the New Transit Shed area, then ISD may, at its sole election, determine to utilize and convert the Freezer Building into the Maintenance Building. In either event, the construction or conversion shall be deemed to be "Work" as defined in Article 7.2 above, and shall be subject to the terms and conditions of said Article 7.2. ISD has estimated that the cost of constructing the Maintenance Building will be approximately \$120,000 (4,000 sq. ft @ \$30). In the event that the total cost of such construction, or conversion of the Freezer Building if such is used, is less than \$110,000, ISD commits to invest during calendar years 1999 and 2000 a total amount equal to the difference between (i) the actual incurred costs of such construction or conversion, and (ii) \$110,000, in mutually agreed improvements to the



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Transit Sheds. Title to the Maintenance Building shall vest in the Commission immediately upon the completion of the construction thereof, and ISD shall execute any documents requested by the Commission to transfer title and effectuate said ownership by the Commission free and clear of any liens and encumbrances. The Commission thereafter shall have full title to and ownership of the Maintenance Building, and ISD shall be entitled to the free and exclusive use of the Maintenance Building as part of the Facilities during the remaining term of this Agreement. Any contrary term contained in this Agreement notwithstanding, during the

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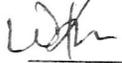
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term of this Agreement, ISD shall be responsible for all maintenance and repair, including external roof and any structural problems resulting from ordinary wear and tear, of the Maintenance Building.

7.8 Traffic Building: During calendar year 1999, ISD, at its sole expense, shall make such improvements and, at a site near the main entrance of the Facilities to be approved in writing by Port Management, install a modular facility to be utilized for FMT's Traffic Department (the "Traffic Building"). The improvements and installation of the modular facility identified in the preceding sentence shall be deemed to be "Work" as defined in Article 7.2 above, and shall be subject to the terms and conditions of such Article 7.2. Any contrary terms contained in this Agreement notwithstanding, ISD shall (a) own the Traffic Building (not including the land thereunder), and shall be permitted to remove said Traffic Building upon the expiration or termination of this Agreement, and (b) be responsible for all maintenance and repair, including external roof and any structural problems resulting from ordinary wear and tear, of the Traffic Building; provided, however, that ISD shall return the underlying land to a condition reasonably acceptable to the Commission upon the expiration or earlier termination of this Agreement.

7.9 Parcel D: ISD shall be fully responsible, at ISD's sole cost, for the preparation, maintenance and repair, and any upgrading of the surface area of Parcel D to support ISD's proposed cargo handling and storage operations. ISD's responsibility shall include ISD bearing the design and implementation responsibility, as well as the cost, of paving any part of Parcel D which ISD, with IPC's approval, may hereafter decide to pave. ISD also shall be responsible for any paving repair or replacement which may be necessary to maintain in good working order any paved areas which ISD may install at Parcel D.

ARTICLE 8. COMPLIANCE WITH LAWS AND REGULATIONS.

8.1 Laws and Regulations: ISD shall comply with all rules and regulations promulgated by the Commission for the operation of the Facilities and navigation in the Port, as the same may be amended from time to time, as well as with all laws, statutes, regulations, ordinances or rules of applicable local, state and federal governmental agencies. ISD further agrees to conform to all rules and regulations promulgated by the Indiana Department of Environmental Management, the U.S. Environmental Protection Agency, and any and all other government agencies whose jurisdiction may apply.



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ARTICLE 10. PAYMENT.

10.1 Annual Fee: ISD shall pay to the Commission, starting January 1, 1999 and continuing thereafter throughout the remaining term of this Agreement, for use of the Facilities other than the areas added to the Agreement as Parcels B, C and D, and the new Truck Staging Area and Marine Terminal Entrance constructed on Parcel C (see Articles 10.11, 10.12, 10.13 & 10.14 below), a fixed annual fee of \$300,000, which shall be payable in equal amounts of \$25,000 due on the 1st day of each month (the "Annual Fee").

10.2 Volume Sharing Fee: In addition, ISD shall pay to the Commission a volume sharing fee ("Volume Sharing Fee") for each ton of General Cargo handled by ISD across the docks at the Port over and above 300,000 Tons per year, which Fee shall be in addition to and separate from the standard wharfage fees assessed in accordance with the Port Tariff. This Volume Sharing Fee shall be in the amount of \$0.20 per Ton for each Ton over 300,000 Tons up to 500,000 Tons, \$0.25 per Ton for each Ton over 500,000 Tons up to 1,000,000 Tons, and \$0.40 per Ton for each Ton over 1,000,000 Tons.

10.3 Port Tariff Charges: In addition, ISD shall collect and pay to the Commission all charges applicable to vessels/barges served by ISD, including wharfage, dockage, and water connection fees, in accordance with the Port Tariff in effect when the services are rendered. All collections are the responsibility of ISD, and the payments due to the Commission under the Port Tariff are payable to the Commission by ISD regardless as to whether payment therefor has been received by ISD.

10.4 Guaranteed Minimum Wharfage: ISD guarantees minimum annual wharfage payments to the Commission, in accordance with the Port Tariff, equivalent to 300,000 Tons per annum, starting January 1, 1999 and continuing thereafter for the remaining term of this Agreement (the "Minimum Wharfage Guarantee"). Any shortfall between this minimum and the actual tonnage handled by ISD shall be calculated and payable at the conclusion of each year. No tonnage handled by ISD for the account of Port tenants or users which have agreements with the Commission containing minimum wharfage guarantees shall be counted towards the fulfillment of ISD's Minimum Wharfage Guarantee, except that all tonnage carried by FALLINE on liner terms and discharged at the Port shall be counted even if said tonnage is designated to a Port tenant, and further except that any cargo handled for the MWDF over and above ISD's separate minimum wharfage guarantee set forth in the MWDF Agreement shall be counted. All new tonnage handled by ISD which is subject to the New General Cargo Tonnage guarantee set forth in Article 7.6 above, other than tenant cargoes excluded under this paragraph, may be counted towards fulfillment of the Minimum Wharfage Guarantee. In the event of the termination of this Agreement in the middle of any calendar year, the Guaranteed Minimum Wharfage obligation for such year shall be prorated to the termination date.

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10.10 Adjustments: ISD shall pay any discrepancy found to be due to the Commission as the result of any inspection or audit within fifteen (15) days after ISD's receipt of notice of such discrepancy. In the event any discrepancy is found to be due to ISD as the result of any inspection or audit, or otherwise, the Commission shall credit such amount to ISD on the Commission's next subsequent billing to ISD in connection with this Agreement.

10.11 Parcel B Use Fee: In addition to the committed Annual Fee (see Article 10.1) and other fees and charges set forth in this Article, ISD shall pay to the Commission, for the use of the 2.54 acres of land at Parcel B, a monthly use fee of \$833.33 per acre (an annual rate of \$10,000 per acre), or a total of \$2,116.66 per month for the 2.54 acres ($2.54 \times \$833.33$), which rate shall remain constant throughout the remaining base term of the Agreement ending December 31, 2008 (see Article 2.1), but which rate shall be increased thereafter for each of the permitted five-year extension option periods (see Article 2.2) in accordance with a formula based upon the intervening percentage increases in the Producer Price Index, as set forth below in Article 10.15 below. This use fee shall be payable monthly, in advance, starting upon the Commission's delivery of the completed transit shed, ready for use, prorated for the balance of such month, and thereafter as of the first of each month.

10.12 Parcel C Use Fee: In addition to the committed Annual Fee (see Article 10.1 above) and the other fees and charges set forth in this Article, ISD shall pay to the Commission, for the use of the 2.14 acres of land at Parcel C, an initial amount of \$12,037.50 which shall be due and payable to the Commission on March 31, 2000, and starting April 1, 2000 and on the first day of each month thereafter throughout the remaining term of this Agreement, ISD shall pay to the Commission a monthly use fee of \$625 per acre (an annual rate of \$7,500 per acre), or a total of \$1,337.50 per month for the 2.14 acres ($\$625 \times 2.14$), which rate shall remain constant throughout the remaining base term of the Agreement ending December 31, 2008 (see Article 2.1), but which rate shall be increased thereafter for each of the permitted five-year extension option periods in the event such extension options are exercised (see Article 2.2), in accordance with a formula based upon the intervening percentage increases in the Producer Price Index, as set forth in Article 10.15 below.

10.13 Truck Staging Area and Marine Terminal Entrance Use Fee: ISD shall pay to the Commission, for the use of the Truck Staging Area and Marine Terminal Entrance (see Article 6.9 above), the initial amount of \$10,410.03, which amount shall be due and payable to

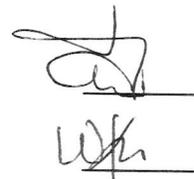



the Commission on March 31, 2000, and thereafter, starting April 1, 2000 and continuing on the first day of each month through the remaining portion of the maximum potential 20-year term of the Agreement ending December 31, 2018, at a rate of \$1,156.67 per month. [This amount has been calculated to amortize the sum of \$142,000 over a 234-month period ending December 31, 2018, at an annual interest rate of seven and one-half percent (7-1/2%).] In the event that ISD does not exercise either of the extension options (see Article 2.2 above), or in the event that the Agreement is earlier terminated for any reason, then ISD shall reimburse the Commission by paying the Commission, due on the Agreement termination date, the then unamortized balance of the \$142,000, plus any accrued interest. ISD shall have the right to prepay the then unamortized balance of the \$142,000, plus any accrued interest, at any time during the term of the Agreement, without any penalty, and, upon such payment, shall have no further payment obligation under this Article 10.13. The Commission will be solely responsible for the construction costs over and above the agreed \$142,000 reimbursement.

10.14 Parcel D Use Fee: In addition to the committed Annual Fee (see Article 10.1 above) and the other fees and charges set forth in this Article, ISD shall pay to the Commission, for the use of the 4.629 acres of land at Parcel D, starting, pro rata, on the effective date of Amendment No. 2, and on the first day of each month thereafter throughout the remaining term of this Agreement, a monthly use fee of \$625 per acre (an annual rate of \$7,500 per acre), or a total of \$2,893.13 per month for the 4.629 acres ($\$625 \times 4.629$), which rate shall remain constant throughout the remaining base term of the Agreement ending December 31, 2008 (see Article 2.1), but which rate shall be increased thereafter for each of the permitted five-year extension option periods in the event such extension options are exercised (see Article 2.2), in accordance with a formula based upon the intervening percentage increases in the Producer Price Index, as set forth in Article 10.15 below.

10.15 Economic Price Adjustment Formula: The annual land use rates set forth in Articles 10.11, 10.12 and 10.14 above shall be determined, for any option extension period (see Article 2.2), by application of the following formula:

The Producer Price Index, All Items (hereinafter referred to the "PPI" or "Index"), published by the Bureau of Labor Statistics ("BLS"), United States Department of Labor, which was last published as of July 1, 1999, shall be the "Base Index."

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Any increase or decrease in said Index from the Base Index to the Index last published preceding the first day of the extension option period for which the use rate is being determined shall be computed as a percentage, and such percentage shall be applied to the respective existing use rates then being paid by ISD as set forth in Articles 10.11, 11.12 and 10.14 of the Agreement, and the respective new use rates to be paid by ISD during the respective extension option period shall be the prior rates increased or decreased by such percentage.

If, during the term of this Agreement, or any extension thereof, the BLS shall discontinue publication of the PPI, or shall modify such Index without publishing or otherwise making available an appropriate method of adjusting said Index to the former Base Index, or shall otherwise change the method of computation in a manner which would make further use of such Index unfair or inconsistent with the intent of this provision, ISD and the Commission commit, in good faith, to agree upon a comparable substitute index or to make such adjustments as may be necessary or appropriate to carry out the intent of this provision.

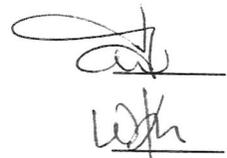
The maximum increase in the use rate for each five-year adjustment period will be limited to 30% of the previous rate.

ARTICLE 11. UTILITIES.

ISD agrees to pay all charges for sewer, water, gas, electricity, telephone, and all other utility services furnished to the Facilities during the term of this Agreement commencing January 1, 1999, including any and all tap-in fees, and all costs and expenses incurred in extending any utility service to the Facilities from the point provided by the Commission or the utility company, and ISD further agrees to indemnify and hold the Commission harmless from any and all liability resulting from any non-payment for any such services.

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requested, postage prepaid, or recognized overnight courier service, or receipted delivery by hand, addressed to the respective party as follows:

If to the Commission:

Indiana Port Commission
150 West Market Street - Suite 100
Indianapolis, IN 46204

Attention: William D. Friedman
Executive Director

with a copy to:

E. Peter McCarthy, Port Director
Indiana's International Port/Burns Harbor
6600 U.S. Highway 12
Portage, Indiana 46368

If to ISD:

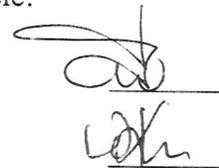
Indiana Stevedoring and Distribution Corp.
6619 South Boundary Drive
Portage, Indiana 46368

Attention: Ted H. Winter
President

with a copy to:

Georges H. Robichon
Sr. Vice-President & General Counsel
Fednav Limited
1000 de la Gauchetière Ouest, Suite 3500
Montreal, Quebec
Canada H3B 4W5

Either party may designate any further or different addresses or recipients to which subsequent notices shall be sent by like notice duly delivered in accordance with this Article.



therein shall in no way be held to expand, amplify, modify, or aid in the interpretation or construction of this Agreement.

30.6 Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ARTICLE 31. ENTIRE AGREEMENT.

This Agreement expresses the complete and final understandings of the parties with respect to the subject of the Agreement, and supersedes and cancels all previous understandings or agreements, whether written or oral, between the Commission and ISD with respect thereto.

ARTICLE 32. CHANGES.

This Agreement may not be changed except by a written modification mutually agreed to and executed by the respective duly authorized representatives of the parties, approved by the Office of the Attorney General and the Governor of the State of Indiana, and, if required, or otherwise deemed advisable by the parties, filed with the FMC.

ARTICLE 33. NON-COLLUSION AFFIDAVIT.

ISD hereby confirms and acknowledges that, incident to the execution of each of the original Agreement and Amendment No. 1, ISD delivered to the Commission three Non-Collusion Affidavits, each executed by a duly authorized officer on behalf of ISD, Fednav and ADS respectively, copies of which Affidavits are attached as Exhibit G and Exhibit G -1 to this Agreement, and which Affidavits are hereby made a part of the Agreement. ISD further hereby acknowledges and attests, under penalties of perjury, (i) that ISD is the contracting party, (ii) that the individual executing Amendment No. 2 and the Agreement as revised thereby, on behalf of ISD, is an officer of ISD, and (iii) that ISD has not, nor has any other member, employee, representative, agent or officer of ISD, Fednav, ADS, or any of their respective subsidiaries or affiliated companies, partnerships or other entities, directly or indirectly, to the best of ISD's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that ISD has not



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received or paid, any sum of money or other consideration for the execution of this Agreement other than that which appears on the face of the Agreement.

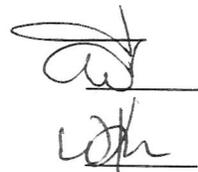
ARTICLE 34. CONFLICT OF INTEREST.

ISD hereby agrees to notify the Commission if any Interested Party (as hereinafter defined) is an employee of the State of Indiana, and further agrees that the Commission may cancel this Agreement upon such notification without recourse by ISD. For purposes of this Article, an "Interested Party" includes (i) the individual executing this Agreement, (ii) an individual who holds an interest of three percent (3%) or more in ISD, or (iii) any spouse or unemancipated child of an individual specified under the preceding subsections (i) and (ii). Provided, however, that the Commission will not exercise its right of cancellation under this Agreement if ISD gives the Commission an opinion by the State Ethics Commission indicating that the existence of this Agreement and the employment by the State of Indiana of the Interested Party does not violate any statute or code relating to ethical conduct of state employees. The Commission may take action, including the cancellation of this Agreement, consistent with an opinion of the State Ethics Commission obtained pursuant to the terms of this Agreement.

ARTICLE 35. DRUG-FREE WORKPLACE CERTIFICATION.

ISD hereby covenants and agrees to make a good faith effort to provide and maintain the Agreement Facilities as a drug-free workplace (the "workplace"). ISD will give written notice to the Commission within ten (10) days after receiving notice that an employee of ISD has been convicted of a criminal drug violation occurring in the workplace. A false certification or violation of this certification may result in sanctions including, but not limited to, termination of this Agreement and/or debarment from contracting opportunities with the Commission for up to three (3) years. Additionally, ISD certifies and agrees that it will provide a drug-free workplace by:

- (a) publishing and providing to all of ISD's and FMT's employees, a statement notifying the employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited at the workplace, specifying therein the actions that will be taken against employees for violating such prohibition;

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(b) establishing a drug-free awareness program to inform ISD's employees of (i) the dangers of drug abuse in the workplace, (ii) ISD's policy of maintaining a drug-free workplace, (iii) any available drug counseling, rehabilitation, and employee assistance programs, and (iv) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;

(c) notifying all of ISD's employees in the statement required by subparagraph (a) above that, as a condition of continued employment, the employee will abide by the terms of the statement and notify ISD of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;

(d) notifying in writing the Commission within ten (10) days after receiving notice from an employee under subparagraph (c) immediately above, or otherwise receiving actual notice of such conviction;

(e) within thirty (30) days after receiving notice under subdivision (c) above of a conviction, imposing the following sanctions or remedial measures on any employee of ISD who is convicted of drug abuse violations occurring in the workplace: (i) take appropriate personnel action against the employee, up to and including termination; or (ii) require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency; and

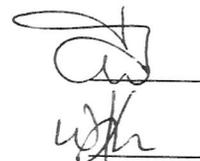
(f) making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (a) through (e) above.

ARTICLE 36. APPROVAL REQUIRED.

This Agreement shall have no force and effect until approved by the Office of the Attorney General and by the Governor of the State of Indiana, and shall not be implemented until filed with the Federal Maritime Commission pursuant to Section 5 of the Shipping Act of 1984, 46 U.S.C. App. § 1704, and the implementing regulations at 46 C.F.R. § 560.402(b).

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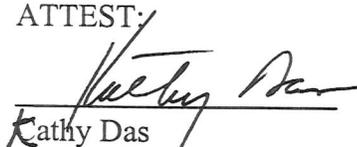
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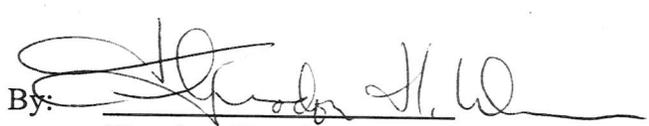
IN WITNESS WHEREOF, the parties hereto have executed this Agreement, consisting of a total of 59 pages, including ten (10) alphabetically labeled continuation pages and the following approval page and List of Exhibits, but not including the Cover Page and Table of Contents, plus attached Exhibits A (1 page), B (1 page), B-1 (1 page), B-2 (1 page), C (1 page), D (1 page), E (3 pages), F (6 pages), G (3 pages), and G-1 (3 pages), each page of which (other than the Cover Page and Table of Contents) has been initialed or signed by both parties through their duly authorized representatives, as of the date first set forth above or the respective dates of Amendments Nos. 1 and 2.

**INDIANA STEVEDORING AND
DISTRIBUTION CORPORATION**

ATTEST:


Kathy Das

By:

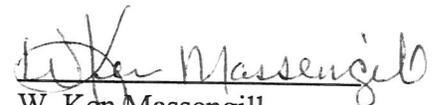

Theodore H. Winter
President

INDIANA PORT COMMISSION

ATTEST:


H. C. ("Bud") Farmer
Corporate Secretary

By:


W. Ken Massengill
Chairman

The foregoing Agreement as amended
is approved as to form and legality,
this 10th day of March, 2001.

Laura Rachell Hill
For Steven Carter
Attorney General of Indiana

APPROVED:

This 14 day of March, 2001.

Priscilla Keith for
The Honorable Frank O'Bannon
Governor of the State of Indiana

[Signature]
[Signature]

LIST OF EXHIBITS

Exh. No.	<u>Description of Exhibits</u>
A	Map - Port Premises, Indiana's International Port/Burns Harbor
B	Map - West Harbor Arm Operating Area
B-1	Map - Updated West Harbor Arm Operating Area, including Parcels B & C, with legal descriptions
B-2	Map - Parcel D Premises and Legal Description
C	Map and Legal Description - Parcel 15
D	FMT Personnel Positions
E	List of Equipment to be Maintained by ISD/FMT at the Port Facilities
F	Declaration of Restrictions
G	Non-Collusion Affidavits (3) - ISD, Fednav and ADS
G-1	Supplemental Non-Collusion Affidavits (3) - Amdmt No. 1 - ISD, ADS and Fednav

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