



Rex Railways, Inc.

*replied
HO*

EXECUTIVE OFFICES

616 PALISADE AVENUE
ENGLEWOOD CLIFFS, NEW JERSEY 07632
TELEPHONE: (201) 567-8300

RECORDATION NO. *9453-A* Filed 1425

FEB 26 1979 - 11 25 AM

INTERSTATE COMMERCE COMMISSION

March 5, 1979

Mrs. Mildred Lee
Recordation Department
Interstate Commerce Commission
12th and Constitution Ave., N.W.
Room 2227
Washington, D. C. 20423

Dear Mrs. Lee:

As per your request of today, enclosed please find two notarized copies of the Equipment Schedule on the Lease dated September 23, 1977 that was sent to you on February 13, 1979.

Please return our stamped copy.

Thanking you,

Most cordially yours,

Mark A. Salitan
Mark A. Salitan
Chairman

MAS:dln
Encl.



Interstate Commerce Commission
Washington, D.C. 20423

3/8/79

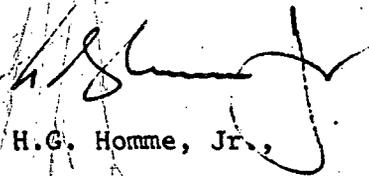
OFFICE OF THE SECRETARY

Mark A. Salitan, Chairman
Rex Railways, Inc.
616 Palisade Avenue
Englewood Cliffs, New Jersey 07632

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 2/26/79 at 11:25am, and assigned recordation number(s) 9453-A

Sincerely Yours,



H.G. Homme, Jr.,
Secretary

Enclosure(s)

SE-30-T
(2/78)

Rec # 10140
2/26/79 - 11:20 AM

RECORDATION NO 9453-A
filed 1425

FEB 26 1979 11 25 AM

INTERSTATE COMMERCE COMMISSION

February 13, 1979

Mrs. Mildred Lee
Recordation Department
Interstate Commerce Commission
12th and Constitution Ave., N.W.
Room 1227 2227
Washington, D. C. 20423

Dear Mrs. Lee:

On June 22, 1978 under recordation number 9453, we recorded a lease dated September 23, 1977 between Rex Railways, Inc. and Lenawee County Railroad Company, Inc.

At this time, we enclose and would like you to record an addendum to the September 23, 1977 lease. Said addendum (equipment schedule) involves 100 XM boxcars and is dated October 9, 1978 with Exhibit A attached thereto.

The addendum is enclosed in an original and two copies with the Exhibit A along with our check for \$50.00 payable to the Interstate Commerce Commission. Please record and return our stamped copy.

Thanking you for your cooperation,

Most cordially yours,

Mark A. Salitan
Chairman

MAS:d1m
Encl

EQUIPMENT SCHEDULE

RECORDATION No. 9534 filed 1425

FEB 26 1979 - 11 20 AM

REX RAILWAYS, INC. hereby leases the following Boxcars to Lenawee County Railroad Co., Inc. pursuant to that certain Lease Agreement dated as of Sept. 23, 1977.

INTERSTATE LEASE BOARD COMMISSION

A.A.R. Mech. Desig.	Description	Numbers	Dimensions			Doors Width	No. of Cars
			Length	Inside Width	Height		
XM BOXCARS	Boxcars	LCRC 2001-2100 incl.	50'6"	9'6"	11'3"	10'	100

This Equipment Schedule amends the Lease Agreement dated September 23, 1977 as amended on November 21, 1977 by and between Lenawee County Railroad Co., Inc. and Rex Railways, Inc. and incorporates as part of said Lease the fact that Lenawee County Railroad Co., Inc. has agreed to accept one hundred (100) new XM boxcars to be supplied by Rex Railways, Inc., the lessor therein during the first half of 1979. The original Lease Agreement and amendment referred to above covered 30 such boxcars and this amendatory Equipment Schedule now amends from thirty (30) XM boxcars to a total of one hundred and thirty (130) XM boxcars. For the purposes of this Equipment Schedule Amendment covering the additional one hundred (100) XM boxcars, it is understood that Rex Railways, Inc. is principal and/or agent for the parties named on the Schedule referred to in Section Paragraph 1A (Rex Railways, Inc. and such parties are herein collectively referred to as "RRI" except that, as to any particular Boxcar referred to in Section Paragraph 1A, only Rex Railways, Inc. and the party identified in the Schedule as owner/lessor of such Boxcar is referred to as "RRI") as Lessor and Lenawee County Railroad Company, Inc., Box 278, Adrian, Michigan, a Michigan corporation (The "Lessee"), as Lessee.

Further, the main Lease Agreement dated September 23, 1977 is amended so that this language is added at the end of Paragraph 1A:

"except that any Schedule may be amended by RRI alone from time to time, and which upon such amendment be a part of this Agreement, in order to identify (i) the principal for whom RRI is acting who owns any Boxcars and (ii) the Boxcars owned by such principal."

In addition it is agreed that Paragraph 6.A.(ii) is amended for the purpose of the one hundred (100) Boxcars subject to this Equipment Schedule Amendment to reflect that the utilization rate of rental charges as defined in the Lease up to and including 80% shall be for the account of RRI, a utilization rate of rental charges as defined in the Lease, above 80% through 90% shall be divided equally between RRI and the Lessee, and utilization rate of rental charges as defined in the Lease exceeding 90% shall be for the account of the Lessee.

Lessee has no knowledge of any circumstance or fact that would prevent or limit the use of incentive per diem funds for the purpose of leasing the subject Boxcars.

Lessee warrants herein that it now has only thirty (30) XM boxcars leased from RRI and has no other XM boxcars leased prior to the boxcars referred to herein. Notwithstanding the purchase of Boxcars by Lessee, or Lessee's leasing or direct interchange of Boxcars from other parties, Lessee shall give first preference to RRI and shall load the boxcars leased hereunder from RRI prior to loading other boxcars subject to loading rights given in prior leases provided, however, that in no event shall Lessee be prevented or prohibited from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor to shippers on its railroad tracks.

The parties agree to the terms and conditions imposed by the State of Michigan as set forth in Exhibit "A" attached hereto and made a part hereof also Appendix A-1. All other terms and conditions of the Lease Agreement and any amendment thereto shall remain in full force and effect.

REX RAILWAYS, INC.

LENAWEE COUNTY RAILROAD COMPANY, INC.

Robert W. Gruber
 (TITLE) PRESIDENT

John H. Marino
 (TITLE) PRESIDENT

DATE: October 4, 1978

DATE: October 9, 1978



E X H I B I T "A"

ONE: No director, officer, or employee of the HCRC during their tenure or for one (1) year thereafter shall have any interest, direct or indirect, in this lease or the proceeds thereof.

TWO: In connection with this lease, the parties hereto (hereinafter in Appendix "A" and A-1 referred to as the "Contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts," as set forth in Appendix A, attached hereto and made a part hereof. The parties hereto further covenant that they will comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241 as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d and 2000a-2000h-6.

THREE: HCRC and the Lessor shall make available to the auditors of the State of Michigan or of any governmental agency having jurisdiction over HCRC the records of revenues and costs related to this lease. All such records for each year will be kept for a period of at least four (4) years after the end of that particular year, and any such records that are the subject of an auditing dispute shall be kept for the term of that dispute. The parties hereto shall allow inspection of the above-described records by the authorized agents of the State of Michigan and the Federal Railroad Administration during regular business hours upon reasonable notice.

APPENDIX A AND APPENDIX A-1
IS ATTACHED HERETO AND MADE
A PART HEREOF

APPENDIX A
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

APRIL 1977

In connection with the performance of work under this contract, the contractor agrees as follows:

1. In accordance with Act No. 453, Public Acts of 1976, the contractor hereby agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status. Breach of this covenant may be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinbefore set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, national origin, age, sex, height, weight or marital status. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment advertising, layoff or termination; rates of pay or other forms of compensation, and selection for training, including apprenticeship.
4. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight or marital status.
5. The contractor or his collective bargaining representative will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments under this appendix.
6. The contractor will comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission which may be in effect prior to the taking of bids for any individual state project.
7. The contractor will furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission, said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor as well as the contractor himself, and said contractor will permit access to his books, records, and accounts by the Michigan Civil Rights Commission, and/or its agent, for purposes of investigation to ascertain compliance with this contract and relevant with rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Civil Rights Commission* finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this agreement, the Civil Rights Commission may, as part of its order based upon such findings, certify said findings to the Administrative Board of the State of Michigan, which Administrative Board may order the cancellation of the contract found to have been violated, and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, and including the governing boards of institutions of higher education, until the contractor complies with said order of the Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Civil Rights Commission to participate in such proceedings.
9. The contractor will include, or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by the rules, regulations or orders of the Michigan Civil Rights Commission, and will provide in every subcontract or purchase order that said provisions will be binding upon each subcontractor or seller.

APPENDIX A-1

Affirmative Action Requirements.

In connection with the performance of this Agreement, the contractor agrees as follows:

(a) The contractor shall comply with the Regulations relative to nondiscrimination in Federally-assisted programs of the Department of Transportation Title 49, C.F.R., Part 21, as they may be amended from time to time, (hereinafter referred to as "Regulations"), which are herein incorporated by reference and made a part of this Agreement.

(b) The contractor, with regard to the work performed by it under this Agreement, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21. of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

(c) In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of its obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

(d) The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the contract holder, the Michigan State Highway Commission or the Federal Railroad Administration (hereinafter referred to as the "FRA") be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of the contractor is in the exclusive possession of another who fails or refuses to furnish this information the contractor shall so certify to the contract holder or to the FRA whichever is appropriate, and shall set forth what efforts it has made to obtain the information.

(e) In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the contract holder shall impose such contract sanctions as it, the Michigan State Highway Commission, or the FRA may determine to be appropriate, including but not limited to:

(1) Withholding of payments to the contractor under this Agreement until it complies; and/or

(2) Cancellation, termination or suspension of this Agreement in whole or in part.

2. As a condition to the award of this Contract, Contractor hereby agrees to observe and comply with the following:

(i) No person in the United States shall on the ground of race, color, national origin or sex be excluded from participation in, or denied the benefits of, or be subjected to discrimination under, any Contract.

3. A Contractor under any Contract to which these clauses apply shall not, directly or through contractual or other arrangements, on the ground of race, color, national origin or sex:

(A) Deny a person any service, financial aid, or other benefit provided under such Contract;

(B) Provide any service, financial aid, or other benefit which is different, or is provided in a different manner, from that provided to others under such Contract;

(C) Subject a person to segregation or separate treatment in any matter related to his receipt of any service, financial aid or other benefit under such Contract;

(D) Restrict a person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service, financial aid or other benefit under such Contract; or

(E) Deny a person an opportunity to participate in such Contract through the provision of services or otherwise afford him an opportunity to do so which is different from that afforded others under such Contract.

4. A Contractor, in determining the types of services, financial aid, or other benefits, or facilities which will be provided under any such Contract or the class of persons to whom, or the situations to which such services, financial aid, other benefits, or facilities will be provided under any such Contract, or the class of persons to be afforded an opportunity to participate in any such Contract, shall not directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, national origin, or sex, or have the effect of defeating or substantially impairing accomplishment of the objectives of the Contract with respect to individuals of a particular race, color, national origin or sex.

5. In determining the site or location of facilities, a Contractor shall not make selections with the purpose or effect of excluding persons from, denying them the benefits of, or subjecting them to discrimination under any Contract to which these clauses apply on the grounds of race, color, national origin or sex, or with the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of these clauses.
6. The Contractor shall not discriminate against any employee or applicant for employment because of race, color, national origin or sex. Except as otherwise required by the regulations or orders of the Administrator, the Contractor shall take affirmative action to insure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, national origin or sex. Such action shall include, but not be limited to the following: employment, promotion, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency's representative setting forth the provisions of these nondiscrimination clauses. The Contractor understands and agrees that it shall not be an excuse for the Contractor's failure to provide affirmative action that the labor organizations with which the Contractor has a collective bargaining agreement failed or refused to admit or qualify minorities for admission to the union, or that the provisions of such agreements otherwise prevent Contractor from implementing its affirmative action program.
7. The Contractor shall not discriminate against any business organization in the award of any subcontract because of race, color, national origin or sex of its employees, managers or owners. Except as otherwise required by the regulations or orders of the Administrator, the Contractor shall take affirmative action to insure that business organizations are permitted to compete and are considered for awards of subcontracts without regard to race, color, national origin or sex.
- As used in these clauses, the services, financial aid, or other benefits provided under a Contract under the Rail Acts include any service, financial aid, or other benefit provided in or through a facility funded through financial assistance provided under the Rail Acts.
9. The enumeration of specific forms of prohibited discrimination does not limit the generality of the prohibition in paragraph (2)(i) of this appendix.

10. These clauses do not prohibit the consideration of race, color, national origin or sex if the purpose and effect are to remove or overcome the consequences of practices or impediments which have restricted the availability of, or participation in Contractor's operations or activities on the grounds of race, color, national origin or sex. Where prior discriminatory or other practice or usage tends, on the grounds of race, color, national origin or sex, to exclude individuals or businesses from participation in, to deny them the benefits of, or to subject them to discrimination under any Contract to which these clauses apply, the Contractor must take affirmative action to remove or overcome the effects of the prior discriminatory practice or usage. Even in the absence of prior discriminatory practice or usage to which 49 CFR Part 265 applies, the Contractor is expected to take affirmative action to insure that no person is excluded from participation in or denied the benefits of the Contract on the grounds of race, color, national origin or sex, and that minorities and minority businesses are afforded a reasonable opportunity to participate in employment and procurement opportunities that will result from financial assistance provided under the Rail Acts.
11. The Contractor agrees to take such actions as are necessary to monitor its activities and those of its subcontractors who will be paid in whole or in part with funds provided by the Rail Acts or from obligations guaranteed by the Administrator pursuant to the Rail Acts in order to carry out affirmatively the purposes of paragraph (2) above, and to implement the affirmative action program developed and implemented pursuant to 49 CFR 265.
12. The Contractor shall, in all advertisements for employees, or solicitations for services or materials from business organizations placed by or on behalf of the Contractor in connection with any Contract funded in whole or in part with financial assistance under the Rail Acts, state that all applicants for employment will receive consideration for employment, and all business organizations will receive consideration for an award of a subcontract, without regard to race, color, national origin or sex.
13. The Contractor shall send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by the Agency's representative, advising the labor organization or workers' representative of the Contractor's commitments under section 905 of the Act, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
14. The Contractor shall comply with all provisions of section 905 of the Act, the Civil Rights Act of 1964, any other Federal civil rights act, and with the rules, regulations and orders issued under such acts.

15. The Contractor shall furnish all information and reports required by the rules, regulations and orders of the Administrator, and will permit access to its books, records, and accounts by the Administrator for purposes of investigation to ascertain compliance with rules, regulations and orders referred to in paragraph 14 hereof.
16. The Contractor shall furnish such relevant procurement information as may be requested by the Minority Business Resource Center of the Agency. Upon the request of the Contractor, the Center shall keep such information confidential to the extent necessary to protect commercial or financial information or trade secrets to the extent permitted by law.
17. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this agreement, or with the provisions of section 905 of the Act, the Civil Rights Act of 1964, or with any other Federal civil rights act, or with any rules, regulations, or orders issued under such acts, this contract will, after notice of such noncompliance, and after affording a reasonable opportunity for compliance, be cancelled, terminated, or suspended in whole or in part.
18. The Contractor shall not enter into any subcontract or subcontract modification whether for the furnishing of supplies or services or for the use of real or personal property, including lease arrangements, or for construction, in connection with a Contract, with a subcontractor debarred from or who has not demonstrated eligibility for Federal or federally assisted contracts, and will carry out such sanctions and penalties for violation of this part as may be imposed upon contractors and subcontractors by the Administration or any other authorized Federal official. The Contractor shall insure that the clauses required by 41 CFR Sec. 60-1.4b implementing Executive Order No. 11246 will be placed in each non-exempt federally assisted construction contract.
19. The Contractor agrees to comply with and implement the written affirmative action program established pursuant to section 265.11 of Title 49 CFR.
20. The Contractor agrees to notify the Administrator promptly of any law suit or complaint filed against the Contractor alleging discrimination on the basis of race, color, national origin or sex.
21. The Contractor shall include the preceding provisions of paragraphs (1) through (20) in every subcontract or purchase order, whether for the furnishing of supplies or services or for the use of real or personal property, including lease arrangements, or for construction relating to this Contract.

The Contractor will take such action with respect to any such subcontract or purchase order as the Administrator may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the Administrator, the Contractor may request the United States to enter into such litigation.