

RECORDATION NO. 10131 - D Filed 1425

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MAR 15 1979 - 11 40 AM

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INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

March 15, 1979

RECORDATION NO. 10131 - B ✓ Filed 1425

MAR 15 1979 - 11 40 AM

INTERSTATE COMMERCE COMMISSION

Secretary of the
Interstate Commerce Commission
Washington, D.C. 20423

9-074 A040
Date MAR 15 1979
Fee \$ 50.00
ICC Washington, D. C.

Dear Sir:

Enclosed for recordation in the order listed below pursuant to 49 U.S.C. 11303 under I.C.C. Recordation No. 10131, please find the original and three counterparts of each of the following documents:

- (1) Amendment Agreement #1 dated as of February 13, 1979 among Twitter, Inc., as Vendor, Skiva International, Inc., as Vendee, and Rex Railways, Inc., as Manager, to a Conditional Sale Agreement between the same parties filed with the Interstate Commerce Commission on February 22, 1979, at 4:40 P.M., Recordation No. 10131.
- (2) Agreement and Assignment dated as of February 13, 1979 between Twitter, Inc., as Vendor, and The Provident Bank, as Lender.
- (3) Bill of Sale dated March 15, 1979 from Twitter, Inc., as Vendor, and the Provident Bank, as Lender.
- (4) Guaranty and Agreement dated as of February 13, 1979 between Rex-Noreco, Inc., as Guarantor, and The Provident Bank, as Lender.
- (5) Assignment dated March 15, 1979 between Skiva International, Inc., as Owner and C & H Railways, Ltd., as Assignee.

Also enclosed is a check for \$50.00 payable to Interstate Commerce Commission in payment of the fee for recording the above documents.

The names and addresses of the parties to these documents are as follows:

- 1. Twitter, Inc.
616 Palisade Avenue
Englewood Cliffs, New Jersey 07632
- 2. Skiva International, Inc.
1350 Broadway
New York, New York 10018

RECORDATION NO. 10131 - E Filed 1425

MAR 15 1979 - 11 40 AM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 10131 - F Filed 1425

MAR 15 1979 - 11 40 AM

INTERSTATE COMMERCE COMMISSION

Counterpart - Peter Schen

April 17, 1971

Enclosed for the
Investigative Committee
are the following documents:

1. A copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971, and a copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971.

2. A copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971, and a copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971.

3. A copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971, and a copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971.

4. A copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971, and a copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971.

5. A copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971, and a copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971.

6. A copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971, and a copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971.

7. A copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971, and a copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971.

8. A copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971, and a copy of the letterhead memorandum dated and captioned as above, which was received from the New York Office on April 14, 1971.

Very truly yours,
Special Agent in Charge

Enclosure
New York Office
April 17, 1971

3. Rex Railways, Inc.
616 Palisade Avenue
Englewood Cliffs, New Jersey 07632
4. The Provident Bank
One East Fourth Street
Cincinnati, Ohio 45202
5. Rex-Noreco, Inc.
616 Palisade Avenue
Englewood Cliffs, New Jersey 07632
6. C & H Railways, Ltd.
1350 Broadway
New York, New York 10018

The equipment covered by the above documents consists of 100 70-ton 50'6" XM boxcars, having identifying marks of LCRC 2001 through and including 2100.

The 100 boxcars referred to above are subject, along with other boxcars, to a lease with Lenawee County Railroad Company, Inc., Box 278, Adrian, Michigan 49221, a Michigan Corporation, as Lessee. The lease bears ICC Recordation No. 9453 and was recorded at 9:20 A.M. on June 22, 1978.

Please return three stamped copies of each of the enclosed documents to:

Battle, Fowler, Jaffin,
Pierce & Kheel
280 Park Avenue
New York, N. Y. 10017

Attention: Thomas E. Kruger

Yours truly,

Twitter, Inc.

By 

Interstate Commerce Commission
Washington, D.C. 20423

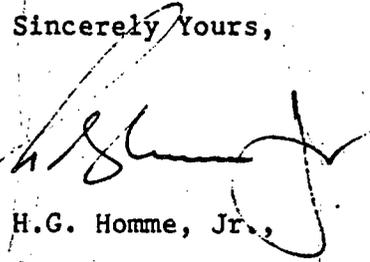
OFFICE OF THE SECRETARY

Thomas E. Kruger
Battle, Fowler, Jaffin, Pierce & Kheel
280 Park Avenue
New York, NY 10017

Dear Mr. Kruger:

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 March 15, 1979 at 11:40 am , and assigned recordation number(s) 10131-B, 10131-C, 10131-D, 10131-E and 10131-F

Sincerely Yours,



H.G. Homme, Jr.,
Secretary

Enclosure(s)

SE-30-T
(2/78)

AMENDMENT AGREEMENT #1

55E
B ✓
RECORDATION NO. 10131-B Filed 1425

MAR 15 1979 - 11 40 AM

INTERSTATE COMMERCE COMMISSION

DATED AS OF FEBRUARY 13, 1979

AMONG

TWITTER, INC.,
VENDOR

SKIVA INTERNATIONAL, INC.,
VENDEE

AND

REX RAILWAYS, INC.,
MANAGER

(Covering up to 100 General Purpose Boxcars).

Filed and recorded with the Interstate Commerce Commission
pursuant to 49 U.S.C. 11303 (formerly Section 20c of the
Interstate Commerce Act) on _____, 1979, at
_____, Recordation No. _____.

AMENDMENT AGREEMENT #1 dated as of February 13, 1979, among TWITTER, INC., a Delaware corporation (hereinafter called the "Vendor"), SKIVA INTERNATIONAL, INC., a New York corporation (hereinafter called the "Vendee"), and REX RAILWAYS, INC., a New Jersey corporation (hereinafter called the "Manager").

W I T N E S S E T H:

WHEREAS, the Vendor, the Vendee, and the Manager are parties to a Conditional Sale Agreement dated as of February 13, 1979, (hereinafter referred to as the "Conditional Sale Agreement"); and

WHEREAS, the parties have agreed, subject to the terms and conditions hereof, to amend the Conditional Sale Agreement as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned parties do hereby agree as follows:

(1) The fourth paragraph of Article 4 of the Conditional Sale Agreement is hereby amended and shall hereafter read as follows:

"The portion of the Invoiced Purchase Price payable pursuant to subparagraph (b) of the preceding paragraph (herein called the "Conditional Sale Indebtedness") shall be payable as follows: (i) on May 31, 1979, Vendee shall pay interest on the Conditional Sale Indebtedness at the interest rate hereinafter set forth from the Closing Date to and including May 31, 1979; and (ii) Vendee shall pay, starting on June 30, 1979, and on the last day of each month thereafter, to and including February 28, 1994, equal payments of Conditional Sale Indebtedness principal and interest, with interest payable monthly in arrears, each such payment to be an amount equal to 1.2723% of the Conditional Sale Indebtedness which amount is calculated so as to repay all principal and interest due and owing upon the last such monthly payment. Conditional Sale

Indebtedness shall bear interest at the rate of 13% per annum from the Closing Date on which such funds are disbursed. The installments due under subparagraph (b) of the preceding paragraph shall completely amortize the Conditional Sale Indebtedness and all interest with respect to such indebtedness."

(2) The tenth paragraph of Article 4 of the Conditional Sale Agreement is hereby amended and shall hereafter read as follows:

"There shall be no voluntary prepayment of the Conditional Sale Indebtedness during the first seven (7) years of the term thereof from and after the Closing Date. In the event of an involuntary prepayment of the Conditional Sale Indebtedness during the first seven (7) years of the term thereof, excluding prepayment in the event of a Casualty Occurrence (as hereinafter defined), Vendee shall pay a prepayment premium of Five Per Cent (5%) of the principal amount so prepaid. Vendee shall have the right to prepay the Conditional Sale Indebtedness at any time after the first seven (7) years of the term thereof, in whole at any time or from time to time in part, provided, however, that each partial prepayment shall be in the principal amount of at least One Hundred Thousand Dollars (\$100,000) or an integral multiple thereof, and further provided, that Vendee shall pay a prepayment premium at Two and One-Half Per Cent (2-1/2%) of the principal amount so prepaid. All prepayments made pursuant to the provisions of this paragraph shall be applied to prepay ratably, in accordance with the unpaid balance of each installment, the Conditional Sale Indebtedness and the Vendor will promptly furnish to the Vendee a revised schedule of payments of principal and interest thereafter to be made, in such number of counterparts as the Vendee may request, calculated as provided in this Article 4 hereof. Notwithstanding the foregoing, there shall be no prepayment penalty in the event of a Casualty Occurrence regardless of when it occurs. Subject to Article 25 hereof, and notwithstanding the preceding

provisions of this subparagraph for prepayment, Vendee shall, during the period commencing six (6) months after the Closing Date and ending Twenty-Four (24) months after the Closing Date, have the right, but not the obligation, to prepay the Conditional Sale Indebtedness without prepayment premium plus all other amounts due and owing in whole but not in part."

(3) The third paragraph of Article 13 of the Conditional Sale Agreement is hereby amended and shall hereafter read as follows:

"Unless Vendor elects to exercise its rights and remedies against Builder under the Purchase Order and Bills of Sale, and so long as no Event of Default has occurred and is continuing hereunder, Vendor hereby authorizes the Vendee, to the exclusion of the Vendor, to exercise in Vendor's name, all rights and powers of the Vendor under the Purchase Order and the Bills of Sale executed pursuant thereto and to retain any recovery or benefit resulting from the enforcement of any warranty or indemnity under the Purchase Order in respect of the Equipment, except that the Vendee shall not enter into any change order, amendment, modification or supplement to the Purchase Order without the prior written consent or counter signature of the Vendor. VENDOR IS NOT A MANUFACTURER OF THE EQUIPMENT, AND HAS NOT MADE AND DOES NOT HEREBY MAKE ANY REPRESENTATION, WARRANTY OR COVENANT WITH RESPECT TO MERCHANTABILITY, FITNESS FOR ANY PURPOSE, CONDITION, QUALITY, DURABILITY OR SUITABILITY OF THE EQUIPMENT IN ANY RESEPECT OR IN CONNECTION WITH, OR FOR THE PURPOSES OR USES OF VENDEE, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR ANY CHARACTER EXPRESSED OR IMPLIED, WITH RESPECT THERETO. However, each of the Vendor and Rex does hereby represent and warrant that it has not taken any action resulting in the creation of any claim, lien or other encumbrance on title to the Equipment, and that effective upon the Closing Date, it will have conveyed to Vendee, subject to the terms and conditions hereof and the retention of Security Title hereunder, the titled conveyed to it by the Builder."

(4) The first paragraph of Article 14 of the Conditional Sale Agreement is hereby amended and shall hereafter read as follows:

"The Vendee will not (a) except as provided in Article 11 hereof, transfer the right to possession of any Unit of the Equipment or (b) sell, assign, transfer or otherwise dispose of its rights under this Agreement without the prior written consent of the Vendor; provided, however, Vendee shall have the right to transfer and assign its rights and delegate all of its duties hereunder to a wholly-owned subsidiary of Vendee, provided such subsidiary assumes the duties and obligations of Vendee hereunder, and under any other documents or agreements relating hereto, or to the Equipment. In the event of such an assignment and delegation hereunder, Vendee will be released from any and all obligations hereunder and under the Promissory Note evidencing this indebtedness, it being intended that such assignment act as a novation. The Vendee, or upon assignment hereunder, any assignee, shall at all times maintain its corporate existence, and it shall not consolidate with or merge into any other corporation or convey, transfer or lease substantially all of its assets as an entirety to any other Person (which means any individual, corporation, partnership, joint venture, association, trust, unincorporated organization or government or agency thereof), without the prior written consent of Vendor."

(5) A new Article 25 of the Conditional Sale Agreement is hereby added and shall read as follows:

"Article 25. Lender's Election. (a) Lender shall have the right to make an Election (the "Election"), in accordance with the procedures set forth in paragraph (d) of this Article 25, to remain Lender under the Finance Agreement for the full term of the Conditional Sale Indebtedness, pursuant to the terms and provisions of this Agreement."

(b) If Lender shall make the Election, Vendee's prepayment right under the sixth sentence of the tenth paragraph of Article 4 of this Agreement shall terminate on the Termination Date (as defined in paragraph (d)(3) of this Article 25).

(c) If Lender shall not make the Election, Vendee's prepayment right under the sixth sentence of the tenth paragraph of Article 4 of the Conditional Sale Agreement shall continue unaffected by this Article 25.

(d) Lender shall make the Election as follows:

(1) Not later than 15 days prior to the date six months after the Closing Date, Lender shall deliver to Guarantor and Vendee written notice (the "Notice of Intention") of its intention to make the Election.

(2) Not later than 15 days after receipt of the Notice of Intention, Vendee shall deliver to Lender (A) an officer's certificate from Vendee certifying that no Event of Default or event which with the giving of notice or the lapse of time, or both, would constitute an Event of Default has occurred and is continuing under this Agreement and containing representations and warranties to the effect set forth in section 6(d) of the Assignment, or, if any such Event of Default or event has occurred and is continuing, describing such Event of Default or event in reasonable detail and, to the extent necessary, setting forth exceptions to such representations; (B) an opinion of counsel for Vendee substantially to the effect set forth in section 6(d) of the Assignment and; (C) an opinion of special counsel substantially to the effect set forth in section 6(j) of the Assignment as of such date.

(3) Upon receipt by Lender of the certificate referred to in paragraph (d)(2)(A) of this Article 25, the opinions referred to in paragraphs (d)(2)(B) and (d)(2)(C) of this Article 25 and the certificate referred to in section 3(d)(2) of the Guarantee, all in form and substance satisfactory to Lender, or, if Lender decides to waive any requirement relating to such certificates and opinions, then, upon such waiver, but in no event after the date

45 days after receipt by Guarantor of the Notice of Intention, Lender may deliver written notice (the "Notice of Election") to Guarantor and Vendee that it has made the Election. In any such case, the date of delivery of the Notice of Election to Guarantor shall be the Termination Date. If Lender fails timely so to deliver the Notice of Election, Lender shall be deemed not to have made the Election.

(e) If the Termination Date shall occur, the Guarantor shall have delivered its certificate referred to in section 3(d)(2) of the Guarantee and special counsel shall have delivered its opinion referred to in paragraph (d)(2)(C) of this Article 25 and Vendee shall not have delivered the certificate referred to in paragraph (d)(2)(A) of this Article 25 and the opinion referred to in section (d)(2)(B) of this Article 25, then, from the Termination Date to the date such certificate and opinion are delivered, Vendee shall pay to Lender on each date specified for payments of the Conditional Sale Indebtedness supplemental interest in an amount equal to two per cent (2%) of the then unamortized portion of the Conditional Sale Indebtedness.

(f) The Election, Notice of Intention, Notice of Election and Termination Date referred to in this Article 25 are the same as the Election, Notice of Intention, Notice of Election and Termination Date referred to in section 3 of the Guarantee.

(6) Article 15 of the Conditional Sale Agreement is hereby amended by adding thereto a new subparagraph as follows:

"(h) Vendee shall fail timely to deliver the certificate an opinion referred to in Article 25 hereof."

(7) A copy of the Assignment referred to in the fourth premise of the Conditional Sale Agreement is attached hereto as Annex B to the Conditional Sale Agreement.

(8) A copy of the Management Agreement referred to in the fifth premise of the Conditional Sale Agreement is attached hereto as Annex C to the Conditional Sale Agreement.

(9) A copy of the Lease, as amended, referred to in the seventh premise of the Conditional Sale Agreement is attached hereto as Annex D to the Conditional Sale Agreement.

(10) A copy of the Management Agreement Assignment referred to in the second paragraph of Article 1 of the Conditional Sale Agreement is attached hereto as Annex E to the Conditional Sale Agreement.

(11) A copy of the Lease Agreement Assignment referred to in the second paragraph of Article 1 of the Conditional Sale Agreement is attached hereto as Annex F to the Conditional Sale Agreement.

(12) The parties hereto hereby acknowledge and consent to each and every amendment to the Conditional Sale Agreement set forth herein.

(13) This Agreement shall be filed and recorded in accordance with the provisions of Article 19 of the Conditional Sale Agreement.

(14) Except as expressly amended hereby, the Conditional Sale Agreement is hereby affirmed and ratified by the respective parties thereto and shall remain in full force and effect in all other respects and references to such instrument shall hereinafter mean such instrument as amended hereby.

(15) This Agreement may be executed in any number of counterparts, but the counterpart delivered to the Interstate Commerce Commission for recordation and subsequently redelivered to the Vendor, shall be deemed the original counterpart and all other counterparts shall be deemed duplicates thereof. Although for convenience this Agreement is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates dated in the acknowledgements hereto annexed.

(16) The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. 11303 (formerly Section 20c of the Interstate Commerce Act).

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed all as of the date first above written.

WITNESS:

TWITTER, INC.

Paul V. Murphy

BY: Mark A. Salitan, Pres

SKIVA INTERNATIONAL, INC.

Martin S. Summan

BY: Robert W. Gruber

REX RAILWAYS, INC.

(for the limited purposes of consenting to the inclusion of Annexes B, C, D, E and F as part of the Conditional Sale Agreement and consenting to Section 10 hereof)

Paul V. Murphy

BY: Robert W. Gruber, Pres.

STATE OF New York
County of New York

ss

On this 14th day of March, 1979, before me personally appeared Mark A. Salitan, to me personally known, who being by me duly sworn, says that he is the President of Twitter, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(seal)

Esther S. Brower
(Title of Officer)

My commission expires _____

ESTHER S. BROWER
NOTARY PUBLIC, State of New York
No. 31-4606145
Qualified in New York County
Commission Expires March 30, 1981

STATE OF New York
County of New York SS

On this 14 day of March, 1979, before me personally appeared Albert Chehebar, to me personally known, who being by me duly sworn, says that he is the President of Skiva International, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(seal)

Martin S. Sussman
(Title of Officer)

By commission expires _____

MARTIN S. SUSSMAN
Notary Public, State of New York
No. 30-450064D
Qualified in Nassau County
Commission Expires March 30, 1979

STATE OF New York
County of New York SS

On this 14th day of March, 1979, before me personally appeared ~~Mark A. Salitan~~ ^{ROBERT W. GRUBER}, to me personally known, who being by me duly sworn, says that he is the ~~Executive Vice-President~~ of Rex Railways, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(seal)

Esther S. Brower
(Title of Officer)

My commission expires _____

ESTHER S. BROWER
NOTARY PUBLIC, State of New York
No. 31-4606145
Qualified in New York County
Commission Expires March 30, 1981

CONSENT

The undersigned, The Provident Bank, as Assignee of the rights of the Vendor under the Conditional Sale Agreement, hereby waives notice of this Amendment to the Conditional Sale Agreement and consents to same.

THE PROVIDENT BANK

BY:

 _____

AGREEMENT AND ASSIGNMENT

DATED AS OF FEBRUARY 13, 1979

BETWEEN

TWITTER, INC.
VENDOR

AND

THE PROVIDENT BANK
CINCINNATI, OHIO
LENDER

(COVERING UP TO 100 GENERAL PURPOSE BOX CARS)

Filed and recorded with the Interstate Commerce Commission
pursuant to 49 U.S.C. 11303 (formerly Section 20c of the
Interstate Commerce Act) on _____, at
_____, Recordation No. _____

238307

030279

THIS AGREEMENT AND ASSIGNMENT (hereinafter called the "Assignment") dated as of February 13, 1979 between TWITTER, INC., a Delaware corporation (hereinafter called the "Vendor"), and THE PROVIDENT BANK, an Ohio banking corporation (hereinafter called the "Lender" or "Assignee").

WHEREAS, the Vendor and Skiva International, Inc., a New York corporation (hereinafter called the "Vendee" or "Owner"), have entered into a conditional sale agreement dated as of the date hereof (hereinafter called the "Conditional Sale Agreement"), covering the sale and delivery, on the conditions therein set forth, by the Vendor and the purchase by the Vendee of the railroad equipment described in Annex A to the Conditional Sale Agreement (said equipment being hereinafter called the "Equipment" or "Units" collectively and a "Unit" individually), certain obligations of the Vendee under the Conditional Sale Agreement being guaranteed by Rex-Noreco, Inc. (hereinafter called the "Guarantor"); and

WHEREAS, the Vendee is contracting with Rex Railways, Inc., a New Jersey corporation (hereinafter in such capacity called the "Manager") to manage and maintain the Equipment pursuant to a Management Agreement dated as of the date hereof (hereinafter called the "Management Agreement");

WHEREAS, the Manager has entered into an equipment schedule (hereinafter "Equipment Schedule") with Lenawee County Railroad Company, Inc. (hereinafter "Lessee") signed on behalf of the Manager on October 4, 1978, and signed on behalf of the Lessee on October 9, 1978, which Equipment Schedule (1) is attached to and amends a Lease Agreement made as of September 23, 1977, between the Manager and the Lessee, and (2) provides that the Manager entered into the Equipment Schedule as principal or agent for parties to be named in an amendment (hereinafter "Designating Amendment") to the Equipment Schedule to be delivered to the Lessee in accordance with the provisions of Section 1(a) of the Lease, as amended by the Equipment Schedule; and

WHEREAS, the Manager and the Owner will deliver to the Lessee a Designating Amendment identifying (1) the Owner as the principal for whom the Manager is acting with respect to and as the owner of, the Equipment (or so much thereof as is delivered on or prior to April 30, 1979) and (2) the Equipment (such Lease Agreement, Equipment Schedule and Designating Amendment being hereinafter referred to as the "Lease"); and

WHEREAS, the Vendee is willing to assign to the Lender for security, pursuant to a Lease Agreement Assignment (hereinafter the "Lease Agreement Assignment") and Management

Agreement Assignment (hereinafter "Management Agreement Assignment"), dated as of the date hereof, all the right, title and interest of the Vendee under the Lease and Management Agreement, respectively.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Vendor, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained, the parties hereby agree as follows:

SECTION 1. This Assignment is a part of arrangements for the purchase by the Vendee from the Vendor of the Equipment to the extent delivered prior to April 30, 1979, such Equipment to be financed pursuant to that certain Finance Agreement among the Assignee, the Vendor, the Vendee, the Manager and the Guarantor dated as of the date hereof. Payment for such Equipment is to be made in accordance with the provisions of Article 4 of the Conditional Sale Agreement.

SECTION 2. The Vendor hereby assigns, transfers, and sets over unto the Assignee, its successors and assigns:

(a) All its right, title and interest in and to the Equipment retained as security under the Conditional Sale Agreement, therein and herein referred to as the "Security Title";

(b) All the right, title and interest of the Vendor in and to the Conditional Sale Agreement (except the right to acquire and deliver the Equipment and the right to receive the payments specified in subparagraph (a) of the 3rd paragraph of Article 4 thereof and reimbursement for taxes paid or incurred by the Vendor pursuant to Article 6 thereof), and, except as aforesaid, in and to any and all amounts which may be or become due or owing to the Vendor under the Conditional Sale Agreement on account of the Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement) and interest thereon, and in and to any other sums becoming due from the Vendee under the Conditional Sale Agreement, other than those hereinabove excluded; and

(c) Except as limited by subparagraph (b) of this paragraph, all the Vendor's rights, titles, powers, privileges and remedies under the Conditional Sale Agreement; and

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(d) All its right, title and interest in, to and under the Letter of Assignment (as defined in the Conditional Sale Agreement) and the bill of sale of the Builder delivered under subparagraph (a) of the eleventh paragraph of Article 4 of the Conditional Sale Agreement;

without any recourse hereunder, however, against the Vendor for or on account of the failure of the Vendee or the Guarantor to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the Conditional Sale Agreement and without any requirement that Vendor take any action under the Conditional Sale Agreement to enforce its rights or the rights of any assignee hereunder upon the occurrence of an Event of Default; provided, however, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the obligations of the Vendor to deliver the Equipment in accordance with the Conditional Sale Agreement or with respect to its warranties and agreements contained in Article 13 of the Conditional Sale Agreement or relieve the Vendee from its obligations to the Vendor contained in the Conditional Sale Agreement, it being understood and agreed that, notwithstanding this Assignment, or any subsequent assignment of the Vendor's interest pursuant to the provisions of Article 14 of the Conditional Sale Agreement, all obligations of the Vendor to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee, its successors and assigns, against and only against the Vendor. In furtherance of the foregoing assignment and transfer, the Vendor hereby authorizes and empowers the Assignee in the Assignee's own name, or in the name of the Assignee's nominee, or in the name of and as attorney, hereby irrevocably constituted, for the Vendor, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Vendee and the Guarantor with the terms and agreements on their part to be performed under the Conditional Sale Agreement, but at the expense and liability of and for the sole benefit of the Assignee.

SECTION 3. The Vendor agrees that it will deliver the Equipment to the Vendee in accordance with the provisions of the Conditional Sale Agreement; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the Conditional Sale Agreement set forth to be performed and complied with by the Vendor. The Vendor further agrees that it will warrant to the Assignee and the Vendee that at the Closing Date (as defined in the Conditional Sale Agreement), it had legal title to such Unit and good

and lawful right to sell each Unit, and that title to each Unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the Conditional Sale Agreement, the rights of the Manager under the Management Agreement and the rights of the Lessee under the Lease Agreement and the rights of the Assignee under this Assignment and the Vendor further agrees that it will defend the title to each such Unit against the demands of all persons whomsoever based on claims arising by, through or under the Vendor prior to the Closing Date other than claims of the Vendee under the Conditional Sale Agreement. The Vendor will not deliver any of the Equipment to the Vendee under the Conditional Sale Agreement until the Conditional Sale Agreement shall have been filed and recorded in accordance with 49 U.S.C. 11303 (the Vendor and its counsel being entitled to rely on advice from counsel delivering the opinion referred to in Section 6(j) hereof that such filing and recordation have occurred).

SECTION 4. The Vendor agrees with the Assignee that, in any suit, proceeding or action brought by the Assignee under the Conditional Sale Agreement for any installment of, or interest on, the Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement) or to enforce any provision of the Conditional Sale Agreement, the Vendor will indemnify, protect and hold harmless the Assignee from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, or recoupment whatsoever claimed by the Vendee arising out of a breach by the Vendor of any obligation with respect to the Equipment or the delivery or warranty thereof, or by reason of any defense, setoff, counterclaim, or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee by the Vendor. The Vendor's obligation so to indemnify, protect and hold harmless the Assignee is conditional upon (a) the Assignee's timely motion or other appropriate action, on the basis of Article 14 of the Conditional Sale Agreement, to strike any defense, setoff, counterclaim or recoupment asserted by the Vendee in any suit, proceeding or action and (b) if the court or other body having jurisdiction in such suit, proceeding, or action denies such motion or other action and accepts such defense, setoff, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee's prompt notification to the Vendor of any such asserted defense, setoff, counterclaim or recoupment and the Assignee's giving the Vendor and Builder (as defined in the Conditional Sale Agreement) the right, at the Vendor's expense, to compromise, settle or defend against such defense, setoff, counterclaim or recoupment. Assignee hereby agrees to give Vendor notice as soon as practicable of any defense, setoff, counterclaim or recoupment asserted by Vendee hereunder.

SECTION 5. The Vendor will cause to be plainly, distinctly, permanently and conspicuously marked on both sides of each Unit, at the time of delivery thereof to the Vendee, in letters not less than one inch in height, the following legend:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED UNDER THE INTERSTATE COMMERCE ACT"

SECTION 6. On the Closing Date as defined and fixed as provided in Article 4 of the Conditional Sale Agreement, the Assignee shall pay to the Builder, on behalf of the Vendor, in immediately available funds, by wire transfer to the Builder's Account No. 76 38809 at Continental Illinois National Bank an amount equal to the Assignee's commitment (as defined in the Finance Agreement), provided that there shall have been delivered to the Assignee (with an executed counterpart to the Vendee and, in the case of legal opinions, an executed counterpart addressed to Vendee) on the Closing Date, the following documents, in form and substance satisfactory to it and to its counsel, in such number of counterparts as may be reasonably requested by said counsel:

(a) A bill of sale from the Vendor to the Assignee transferring to the Assignee Security Title to the Units warranting to the Assignee and to the Vendee that, at the Closing Date (i) the Vendor had legal title to such Units and good and lawful right to sell such Units, and (ii) title to such Units was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the Conditional Sale Agreement, the rights of Lessee under the Lease Agreement, the rights of the Assignee under this Assignment and the rights of the Manager under the Management Agreement and covenanting to defend the title to such Units against the demands of all persons whomsoever based on claims arising by, through or under the Vendor based on claims originating prior to the Closing Date other than claims of the Vendee under the Conditional Sale Agreement;

(b) A Certificate or Certificates of Acceptance with respect to the Units as contemplated by Article 3 of the Conditional Sale Agreement;

(c) An invoice of the Builder addressed to the Vendor for the Units accompanied by or having endorsed thereon a certification by the Vendor and Vendee as to the correctness of the prices of such Units:

(d) An opinion of counsel for the Vendee dated as of the Closing Date, stating that (i) the Vendee is a corporation duly organized and existing under the laws of its jurisdiction of incorporation and has the corporate power and authority to own its properties and to carry on its business as presently conducted, (ii) the Finance Agreement, the Conditional Sale Agreement, the Lease Agreement, the Management Agreement, and the Management Agreement Assignment and the Lease Agreement Assignment have been duly authorized, executed and delivered (except that in the case of the Lease Agreement, only the Designating Amendment was executed and delivered by or on behalf of the Vendee) by or on behalf of the Vendee, (iii) the Finance Agreement, the Conditional Sale Agreement, the Lease Agreement (to the extent of the Equipment) the Management Agreement, the Management Agreement Assignment and the Lease Agreement Assignment are legal and valid instruments binding upon the Vendee and enforceable against the Vendee in accordance with their terms, (iv) notice of this Assignment has been duly acknowledged by the Vendee, (v) assuming the Assignee has been duly authorized to execute and has duly executed the Management Agreement Assignment and the Lease Agreement Assignment and is authorized to act thereunder, the Assignee is vested with all the right, title, interests, powers, privileges, and remedies purported to be assigned by the Management Agreement Assignment and the Lease Agreement Assignment, and (vi) such other matters as the Assignee shall reasonably request;

(e) An opinion of counsel for the Manager dated as of the Closing Date and addressed to the Vendee as well as the Assignee, stating that (i) the Manager is a corporation duly organized and existing under the laws of its jurisdiction of incorporation and has the corporate power to own its properties and carry its business as presently conducted, (ii) assuming that this Assignment has been duly authorized, executed and delivered by the Vendor and is a legal and valid instrument binding upon the Vendor, as of the date of such opinion the Units are free from all claims, liens, security interests and other encumbrances arising by, through or under the Manager at any time on or after the date on which the Manager has accepted delivery of such Units pursuant to Section 3 of the Management Agreement other than those created by the Conditional Sale Agreement and any other related documents, the rights of the Manager under the

Management Agreement, the rights of the Lessee under the Lease Agreement, (iii) no approval, order or license of the Interstate Commerce Commission or any other governmental authority, federal, state or local corporation is presently necessary for the valid execution and delivery by the Manager of the Management Agreement or its performance of its obligations contained therein or if any authority is necessary, it has been obtained, (except that such opinion need not cover, and may take an exception for, any such approval, order or license required under Federal or state securities or blue sky laws), (iv) the Management Agreement and the Consent and Agreement to the Management Agreement Assignment have been duly authorized, executed and delivered by the Manager and are legal and valid instruments binding upon the Manager and enforceable against the Manager in accordance with their terms, (v) notice of the Management Agreement Assignment and the Lease Agreement Assignment have been duly acknowledged by the Manager, and (vi) such other matters as the Assignee shall reasonably request;

(f) An opinion or counsel for the Lessee dated the Closing Date and addressed to the Vendee as well as the Assignee, stating that (i) the Lessee is a corporation duly organized and existing under the laws of its jurisdiction of incorporation and has the corporate power to own its properties and carry its business as presently conducted, (ii) assuming that this Assignment has been duly authorized, executed and delivered by the Vendor and is a legal and valid instrument binding upon the Vendor, as of the date of such opinion the Units are free from all claims, liens, security interests and other encumbrances arising by, through or under the Lessee at any time on or after the date on which the Lessee has accepted delivery of such Units other than those created by the Conditional Sale Agreement and any other related documents, the rights of the Manager under the Management Agreement, and the rights of the Lessee under the Lease Agreement, (iii) no approval, order or license of the Interstate Commerce Commission or, to his actual knowledge any other governmental authority, federal, state or local corporation is presently necessary for the valid execution and delivery by the Lessee of the Lease Agreement or its performance of its obligations contained therein or if any authority is necessary, it has been obtained other than those approvals, order or licenses, if any, discussed therein (iv) the Lease Agreement and the Consent and Agreement to the Lease Agreement Assignment have been duly authorized,

executed and delivered by the Lessee and are legal and valid instruments binding upon the Lessee and enforceable against the Lessee in accordance with their terms, (v) notice of the Management Agreement Assignment and Lease Agreement Assignment has been duly acknowledged by the Lessee, and (vi) such other matters as the Assignee shall reasonably request;

(g) An opinion of counsel for the Vendor dated as of the Closing Date, to the effect that (i) the Vendor is a corporation duly organized and existing under the laws of its jurisdiction of incorporation, and has the corporate power and authority to own its property and to carry on its business as presently conducted, (ii) the Finance Agreement, the Conditional Sale Agreement and this Assignment have been duly authorized, executed and delivered by the Vendor and are legal and valid instruments binding upon the Vendor and enforceable against the Vendor in accordance with their respective terms, (iii) the Assignee is vested with all the rights, titles, interests, powers, privileges and remedies purported to be assigned to it by this Assignment, (iv) Security Title to the Units is validly vested in the Assignee to the full extent provided in the Conditional Sale Agreement, legal title to the Equipment has been validly vested in the Vendor, and the Units are free of all claims, liens, security interests and other encumbrances arising by, through or under the Vendor except only the rights of the Vendee under the Conditional Sale Agreement, the rights of the Lessee under the Lease Agreement, and the rights of the Manager under the Management Agreement, and (v) such other matters as the Assignee reasonably shall request;

(h) An opinion of counsel for the Builder dated the Closing Date, stating that the bill of sale referred to in Article 4 of the Conditional Sale Agreement has been duly authorized, executed and delivered by the Builder, and is valid and enforceable to transfer all right, title and interest of the Builder in and to the Equipment to the Vendor, free of all claims, liens and encumbrances of any nature arising from, through or under the Builder.

(i) An opinion of counsel for the Guarantor dated the Closing Date, stating that (i) the Guarantor is a corporation duly organized and existing under the laws of its jurisdiction of incorporation and has the corporate power and authority to own its properties and carry on its

business as presently conducted, (ii) the Guaranty and Agreement of the Conditional Sale Agreement dated as of the date hereof between the Guarantor and the Assignee has been duly authorized, executed, and delivered by the Guarantor, and constitutes a legal and binding instrument upon the Guarantor enforceable against the Guarantor in accordance with its terms, (iii) notice of this Assignment has been duly acknowledged by the Guarantor, and (iv) such other matters as the Assignee shall reasonably request;

(j) An opinion of counsel from Messrs. Morgan, Lewis & Bockius or other special counsel acceptable to the Assignee dated the Closing Date, to the effect that (i) the Conditional Sale Agreement, this Assignment, the Management Agreement, the Lease Agreement, the Management Agreement Assignment and the Lease Agreement Assignment have been duly filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. 11303, and the Conditional Sale Agreement and this Agreement have created a first priority lien on and security interest in the Units in favor of the Assignee and the Lease Agreement Assignment and the Management Agreement Assignment, respectively, have created a first lien in favor of the Assignee on the Manager's rights under the Management Agreement and the Lessee's rights under the Lease, (ii) the Assignee is vested with all the rights, titles, interests, powers, privileges and remedies purported to be assigned to it by this Assignment, (iii) Security Title to the Units is validly vested in the Assignee, legal title to the Equipment has been validly vested in the Vendee, and the Units at the time of delivery thereof under the Conditional Sale Agreement, were free of all claims, liens, security interests and encumbrances except only the rights of the Vendee under the Conditional Sale Agreement, the rights of the Lessee under the Lease Agreement and the rights of the Manager under the Management Agreement, (iv) the Assignee is vested with all the right, title, interests, powers, privileges and remedies purported to be assigned to it by the Management Agreement Assignment and the Lease Agreement Assignment, and (v) no other filing or recording is necessary for protection of the rights of the Assignee in any state of the United States of America or in the District of Columbia. In rendering the foregoing opinion with respect to matters set forth in clauses (ii), (iii), and (iv) such counsel may rely upon the opinions of counsel for the Vendee, Manager, Lessee, Vendor, Builder and Guarantor required under Subparagraphs (d), (e), (f), (g), (h) and (i) of this Section 6; and

(k) Delivery to the Assignee of all documents required pursuant to Article 4 of the Conditional Sale Agreement, and such other documents, instruments, certificates or evidence as Assignee may reasonably request.

In giving the opinions specified in this Section 6, counsel may qualify any opinion to the effect that any agreement is a legal, valid and binding instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by a reference to the availability of equitable remedies.

The Assignee shall not be obligated to make any above-mentioned payment at any time while an Event of Default, or any event which with the lapse of time and/or the making of any demand would constitute an Event of Default under the Conditional Sale Agreement or the Lease Agreement or while a default under the Management Agreement shall have occurred and be continuing. In the event that the Assignee shall not pay the amount of its Commitment, the Assignee shall reassign to the Vendor, without recourse to the Assignee, (i) the Security Title of the Assignee in and to the Unit with respect to which payment has not been made by the Assignee, and (ii) all other right, title, interest, powers, privileges and remedies assigned, transferred and set over to Assignee by Vendor pursuant to Section 2 hereof as to any Unit with respect to which payment has not been made by the Assignee and, if so requested by Vendor, shall, at the expense of the Vendor execute a bill or bills of sale for such Units transferring its Security Title thereto and property therein to the Vendor, or upon its order, free of all liens, security interests and other encumbrances created or retained hereby and deliver such bill or bills of sale to the Vendor at its address referred to in Article 22 of the Conditional Sale Agreement and shall execute for filing or recording all such documents or instruments as Vendor may reasonably request to make clear upon the public records the Security Title of the Vendor to the Equipment.

SECTION 7. The Assignee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 14 of the Conditional Sale Agreement, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 8. The Vendor hereby:

(a) represents and warrants to the Assignee, its successors or assigns, that the Conditional Sale Agreement was duly authorized by it and lawfully executed and delivered by it for a valid consideration, that, assuming due authorization, execution and delivery by the Vendee, the Conditional Sale Agreement is a legal, valid and existing agreement binding upon the Vendor in accordance with its terms and that it is now in force without amendment thereto;

(b) agrees that it will from time to time and at all times, at the request of the Assignee or its successors or assigns, make, execute, and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee or intended so to be; and

(c) agrees that, upon request of the Assignee, its successors and assigns, it will execute any and all instruments which may be necessary or proper in order to discharge of record the Conditional Sale Agreement or any other instrument evidencing any interest of the Vendor therein or in the Equipment.

SECTION 9. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of New York; provided, however, that the parties shall be entitled to all the rights conferred by 49 U.S.C. 11303, such additional rights arising out of the filing, recording, or depositing of the Conditional Sale Agreement and this Agreement as shall be conferred by the laws of the several jurisdictions in which the Conditional Sale Agreement or this Assignment shall be filed, recorded or deposited, or in which any Unit shall be located, and any rights arising out of the marking on the Units.

SECTION 10. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Interstate Commerce Commission for recording and subsequently redelivered to the Assignee shall be deemed to be the original counterpart and all other counterparts shall be deemed duplicates thereof. Although this Assignment is dated as of the date first written, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the dates stated in the acknowledgments hereto annexed.

SECTION 11. This Assignment shall take effect immediately upon the execution hereof and the powers and authorities granted to the Assignee, its successors and assigns herein, having been given for valuable consideration, are hereby declared to be irrevocable; provided, however, that when all of the Conditional Sale Indebtedness and all other sums payable under the Conditional Sale Agreement (whether owing to Assignee or any successor or assign of Assignee and/or to the Guarantor or any successor or assign of Guarantor by operation of subrogation or assignment) have been paid or discharged in accordance with the terms thereof, and all other covenants and agreements contained therein shall have been performed, all right, title and interest herein assigned shall revert to the Vendor and this Assignment shall terminate and the Assignee agrees to execute, if requested by the Vendor, at the expense of the Vendor and without liability to the Assignee, an appropriate instrument confirming the termination of this Assignment. This Assignment shall terminate as to any Unit suffering a Casualty Occurrence (as defined in the Conditional Sale Agreement) following the payment by the Vendee to the Vendor of the Casualty Value (as defined in the Conditional Sale Agreement) of the Unit as required by Section 7 of the Conditional Sale Agreement.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officials, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

TWITTER, INC., Vendor

Attest:

BY: _____

THE PROVIDENT BANK, Assignee

Attest:

BY: _____

STATE OF
COUNTY OF

ss

On this _____ day of _____, 1979, before me, personally appeared Mark A. Salitan, to me personally known, who being by me duly sworn, says that he is the President of Twitter, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my Notarial Seal this 12th day of March, 1979.

seal)

Notary Public

My commission expires _____

STATE OF
COUNTY OF

SS.

BEFORE ME, the Subscriber, a Notary Public in and for said County and State, personally appeared Robert C. Lintz, Executive Vice President of THE PROVIDENT BANK, the corporation which executed the foregoing instrument, who acknowledged he did sign said instrument as such officer on behalf of said corporation, and by authority of its Board of Directors, and that the execution of said instrument is his free and voluntary act and deed individually and as such officer, and the free and voluntary act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my Notarial Seal this 12th day of March, 1979.

(seal)

Notary Public

ACKNOWLEDGMENT OF NOTICE

OF

ASSIGNMENT

Receipt of a copy of, and due notice of the Assignment made by, the foregoing Agreement and Assignment between Twitter, Inc. and The Provident Bank, Cincinnati, Ohio, dated as of February 13, 1979, is hereby acknowledged as of such date.

SKIVA INTERNATIONAL, INC.
Vendee

BY: _____

REX RAILWAYS, INC.
Manager

BY: _____

REX-NORECO, INC.
Guarantor

BY: _____

LENAWEE COUNTY RAILROAD CO., INC.
Lessee

BY: _____

MANAGEMENT AGREEMENT

THIS AGREEMENT, dated as of February 13, 1979, by and between REX Railways, Inc., a New Jersey corporation (hereinafter called REX) and Skiva International, Inc., a New York corporation (hereinafter called Owner).

WHEREAS, Owner will, pursuant to a conditional sale agreement (the Conditional Sale Agreement) with REX, agree to purchase the boxcars identified and to be identified in schedule 1 attached thereto and incorporated herein by reference (such boxcar or boxcars purchased by Owner being hereinafter referred to as the Cars);

WHEREAS, REX engages in the business of managing railcars for railcar owners, and Owner desires to retain REX as agent for the purpose of managing the Cars on Owner's behalf, collecting amounts due to or on behalf of Owner with respect to the Cars and disbursing funds of Owner to pay costs, expenses and obligations of Owner with respect to the Cars, all on the terms and conditions set forth herein; and

WHEREAS, the Cars, upon their acceptance by the lessee, will be subject to a Lease Agreement dated September 23, 1977 and amended by amendments thereto dated November 21, 1977 and October 9, 1978 (as so amended, the Lease), between REX, as agent for lessor Owner, and Lenawee County Railroad Company, Inc. (the Lessee), as lessee;

NOW, THEREFORE, in consideration of the mutual promises made herein, Owner and REX, intending to be legally bound, hereby agree as follows:

1. Engagement of REX.

Owner hereby engages REX as agent of Owner to manage the Cars, collect amounts due to or on behalf of Owner with respect to the Cars and disburse funds of Owner to pay costs, expenses and obligations of Owner with respect to the Cars, all on the terms and conditions set forth herein, and REX accepts such engagement and agrees to act as agent for Owner and perform in accordance with the terms and conditions hereof.

2. Term.

The term of this Agreement and the agency created hereby shall commence as of the date of this Agreement. Each Car

managed by REX on Owner's behalf hereunder shall become subject to this Agreement on the date of delivery of such Car under the Lease as set forth in section 3A thereof and the term of this Agreement with respect to each such Car shall continue for a period of fifteen years thereafter; provided, however, that, except for Sections 8 and 10, which shall, notwithstanding this proviso, remain in effect, this Agreement shall terminate with respect to any Car which is withdrawn pursuant to Section 12 hereof, sold, lost or totally destroyed as of the date that such withdrawal is effective, such sale is consummated, or such Car is lost or destroyed; provided further, however, that notwithstanding any termination of this Agreement with respect to any Car, whether upon the expiration of fifteen years after the date of delivery of such Car under the Lease as set forth in section 3A thereof or upon the withdrawal, sale, loss or total destruction of any Car, REX shall continue to be obligated to collect all rental payments, car hire charges and other sums (including insurance benefits or lessee or railroad indemnity payments payable in connection with any damage to or loss or total destruction of a Car), and to pay or arrange for payment of all expenses, taxes and other charges on Cars, due for or with respect to periods prior to such termination of this Agreement.

3. Duties of REX.

In consideration of the compensation to be paid to REX by Owner pursuant to Section 6 hereof, and subject to the agreement of Owner to reimburse REX pursuant to Section 7 hereof, REX shall provide and perform the services on behalf of Owner set forth below during the term of this Agreement:

(a) Immediately upon execution of this Agreement, or as soon thereafter as reasonably practicable, take possession of the Cars as agent for Owner for the purpose of managing and operating the Cars, as herein provided.

(b) Use its best efforts to keep such Cars under lease for the term of this Agreement, entering into, as agent for Owner, lease agreements providing for the lease of the Cars to railroads, shippers or other financially responsible parties for that purpose on terms and conditions which are customary in the industry and taking such steps as may be required to insure that all obligations and duties arising under such leases, whether of lessor or lessees, are performed or complied with in an orderly and timely fashion. The Owner ratifies, confirms and approves REX's execution and delivery as agent for the Owner of that certain Equipment Schedule signed on behalf

of the Lessee on October 9, 1978 covering 100 XM boxcars, which schedule amends the Lease Agreement dated September 23, 1977 between REX and the Lessee as amended on November 21, 1977.

(c) In the event that the Cars are not leased to a railroad, use its best efforts to insure that all steps are taken which may be necessary to have the Cars registered and accepted by all hauling carriers under the Association of American Railroads (AAR) as required by the terms of any lease or otherwise.

Wanted
(d) Collect or cause to be collected all rental payments and car hire charges due with respect to the Cars, identifying itself as agent for that purpose, and account for and remit all sums due to Owner as hereinafter provided.

(e) Terminate leases and recover possession of Cars and enforce all rights of Owner with respect thereto, including the payment of all amounts owed under the leases or otherwise with respect to the Cars as shall be appropriate or necessary in the judgment of REX exercised in good faith; and institute and prosecute legal proceedings in the name of Owner as is permitted by applicable laws in order to terminate such leases and/or recover possession of the Cars; and, when expedient, settle, compromise and/or release such action or suits or reinstate such leases.

(f) Review all maintenance and repair costs incurred or to be incurred by the Cars so that only necessary or appropriate maintenance or repair work at the proper charges therefor is performed and cause the Cars to be maintained in good condition, which shall be equal to or greater than the higher of (i) any standard required or set forth for the Cars or cars of a similar class by the AAR, Interstate Commerce Commission (ICC) or U.S. Department of Transportation (DOT), (ii) any standard set by a lessee, whether by terms of a lease or by other understanding or agreement between lessee and REX, as agent for Owner, and (iii) any standard set by any insurance policy under which the Cars or any of them shall from time to time be insured, and to arrange for all alterations, modifications, improvements or additions to the Cars to comply with applicable laws or regulations; provided, however, that no alterations, modifications, improvements or additions of the type referred to in Section 7(d) shall be made without the consent of Owner, which consent will be deemed to have been granted if Owner shall not have objected thereto in writing within 30 days after notice to Owner thereof and of the estimated cost thereof.

(g) Use its best efforts to place in Owner's name such insurance as shall be reasonably available to protect the interest of Owner in the Cars, including, without limitation, insurance against (i) personal liability, including property damage and personal injury in the face amount of \$2,500,000 and (ii) loss of or damage to the Cars; provided, however, that if REX effects such insurance under a blanket insurance policy, or insurance policy covering Owner's Cars and other cars of other owners, such insurance need not be placed in Owner's name so long as Owner is named as an insured; and, provided, further, however, that, if REX determines that the cost of insurance described above is unreasonably high, REX shall so notify Owner and shall use its best efforts to obtain such insurance as is available and Owner directs; and provided further that, if REX determines that such insurance cannot be obtained, REX shall so notify Owner.

(h) Pay in Owner's name all personal property taxes and other taxes, charges, assessments, or levies imposed upon or against the Cars of whatever kind or nature and, in REX's discretion, defend against any such charges and seek revision of or appeal from any assessment or charge deemed improper, all such actions to be in the name of the Owner.

(i) Monitor and record, and, in the case of Cars used on or off the line of a railroad lessee of the Cars, cause such lessee to monitor and record, movement of the Cars.

(j) Maintain, and, with respect to use of the Cars on or off the line of a railroad lessee of the Cars, cause such lessee to maintain, complete and accurate records of all transactions relating to the Cars and make such records available for inspection by Owner or any of Owner's representatives (including REX, in the case of records maintained by a railroad lessee of the Cars) during reasonable business hours.

(k) Paint the Cars such colors and with such designs as REX may from time to time approve, and place reporting marks or such other marks, legends or placards on the Cars as shall be appropriate or necessary to comply with any regulation imposed by the ICC or the AAR.

(l) Provide Owner with advice and recommendations concerning the sale of the Cars.

(m) Use its best efforts to collect all sums due Owner, including, without limitation, insurance benefits or railroad or lessee indemnity payments, in the event of damage to, or loss or total destruction of, a Car during the term of this Agreement and to remit all sums due Owner as hereinafter provided.

(n) Furnish factual information reasonably requested by Owner in connection with Federal, State, Canadian, Provincial and Mexican tax returns.

(o) Perform for Owner such other services incidental to the foregoing as may from time to time be reasonably necessary in connection with the leasing and operation of the Cars.

(p) REX will use its best efforts on behalf of Owner to monitor Owner's compliance with the Conditional Sales Agreement and to notify Owner of any instance of non-compliance or pending non-compliance of which REX is aware and, subject to directions from Owner, to take such steps as are necessary and appropriate to enable Owner to comply with the provisions of any agreements pursuant to which Owner acquired financing for the Cars; provided, however, that REX's obligations hereunder are limited to assisting Owner as Owner's agent and REX shall not be obligated by virtue of this section 3(p) to become a co-obligor with Owner.

4. Authority, and Limitations on Authority, of REX.

(a) It is expressly understood that any actions taken by REX on behalf of Owner will be taken as agent for Owner, either naming such Owner or naming REX as agent for Owner. The parties hereto expressly recognize and acknowledge that this Agreement is not intended to create a partnership, joint venture or other entity among Owner and REX. REX shall not take any action or engage in any course of dealing which would suggest or create an inference that there is any such understanding or agreement between Owner and REX; and REX shall use its best efforts to assure that no silence or failure to act on its part creates or sustains any such suggestion or inference.

(b) REX shall not have any authority to (i) offer for sale, contract or agree to sell or sell any Cars except as Owner may from time to time hereafter expressly request or direct; (ii) extend, or permit the automatic extension of, the term of the Lease without the prior written consent of Owner; (iii) make any alterations, modifications, improvements or additions to the Cars of the type referred to in Section 7(d) without the consent (either express or inferred, as provided in Section 3(f)) of Owner or (iv) cause the Cars to be reclassified as XF boxcars, without the consent of Owner (which consent may be express or will be deemed to have been granted if Owner shall not have objected in writing to such reclassification within 30 days after notice thereof to Owner).

5. Owner's Revenues, Expenses and Net Earnings.

(a) As used in this Agreement, the term "Gross Revenues" shall mean all income to Owner (unreduced by any expenses or costs) derived from the ownership, use and/or operation of the Cars, including, but not limited to, rentals under leases and car hire charges payable or creditable to a person which is not a railroad. "Operating Expenses" shall mean all expenses and costs incurred in connection with the ownership, management, use and/or operation of Cars, including, but not limited to maintenance; repairs, except to the extent that the cost of such repairs is the responsibility of Owner under Section 7(f); painting; costs of modifications and improvements which are not alterations, modifications, improvements or additions of the type described in Section 7(d); legal fees incurred in connection with enforcing lease rights or repossessing Cars; insurance (and, if such insurance has been effected under a blanket insurance policy, or insurance policy covering Owner's Cars and other cars of other owners, Owner's pro rata share of such insurance cost, it being understood that REX will use its best efforts to allocate to Owner's Cars only such portion of such insurance cost as is attributable to such Cars); charges, assessments or levies imposed upon or against or in connection with Cars of whatever kind or nature, including transit and storage fees; losses from liabilities which are not the responsibility of Owner under Section 7(g); and ad valorem, gross receipts and other property taxes which are determined by REX to be due on such Cars. Gross Revenues and/or Operating Expenses attributable to a fiscal quarter (based on a February 28 or 29 fiscal year) which are received or paid after the date of payment for such quarter shall be included in subsequent quarterly distributions and accounted for as Gross Revenues or Operating Expenses of that subsequent quarter.

(b) As used in this Agreement, the term "Net Earnings" shall mean the Gross Revenues attributable to the Cars less the sum of (i) the amount of the Operating Expenses attributable to the Cars; (ii) all compensation due and payable to REX under Section 6 not theretofore paid; (iii) such reserves as REX shall, in its sole discretion, have reasonably created to provide for the efficient administration of this Agreement, for payment of accrued expenses not yet due, for the management of the Cars, or for expenses relating to the Cars arising or payable after the termination or expiration of this Agreement; (iv) any amount due and payable from Owner pursuant to Section 7(c) and not theretofore paid; (v) any storage and transit costs payable by Owner and not theretofore reimbursed to REX; and (vi) amounts deposited in escrow for maintenance as required under the Conditional Sale Agreement.

6. Compensation.

As compensation to REX for the performance of services hereunder, Owner shall pay to REX a management fee equal to (i) \$60 per Car per month commencing with the day on which such Car becomes subject to this Agreement and ending on the day five years after the day on which such Car became subject to this Agreement; (ii) \$40 per Car per month commencing with the day five years after the day on which such Car became subject to this Agreement and ending on the day ten years after the day on which such Car became subject to this Agreement; and (iii) thereafter \$30 per month per car. Such fee shall be payable monthly in arrears and shall be prorated on a daily basis whenever the calculation of such fee is based on a partial month or a rate in effect for only part of a month. The fee provided for in this section 6 with respect to any Car shall be deferred until, and the deferred portion paid at, such time as Net Earnings (calculated without deduction pursuant section 5(b)(ii) hereof), less payments theretofore required to be made by Owner under the Conditional Sale Agreement and less Operating Expenses theretofore paid by or on behalf of Owner otherwise than from Gross Revenues shall first be sufficient to pay such fee. Such fee shall be deferred only until the first point in time at which such fees become payable under the preceding sentence and not thereafter. If the term of this agreement terminates with respect to any Car, the management fee with respect to such Car shall cease to accrue as of the date of such termination.

7. Distribution to Owner of Net Earnings; Payment of Costs and Expenses.

(a) Debt Service. Payments required to be made by Owner under the Conditional Sales Agreement shall be made in accordance with the provisions thereof.

(b) Regular Distributions of Net Earnings. Within thirty (30) days after the end of each fiscal quarter, REX shall distribute to Owner the excess of (i) the Net Earnings attributable to the operation of the Cars during each quarter over (ii) the amount required to be paid by Owner under the Conditional Sale Agreement during that quarter.

(c) Payment of Operating Deficits. Within ten (10) days of receipt of notice and demand from REX, Owner shall pay to REX the amount by which the Net Earnings for a fiscal quarter, reduced by the amount required to be paid by or on account of Owner under the Conditional Sales Agreement during that quarter, shall be less than zero.

(d) Payment for Special Improvements. The cost of any alterations, modifications, improvements or additions which are required by the AAR, ICC or DOT or other regulatory agency or are otherwise required to comply with applicable laws, regulations or requirements and are consented to by Owner shall be the sole responsibility of Owner. REX shall have the right to require Owner to pay the approximate cost thereof to REX, upon ten (10) days prior written notice. Upon completion, REX shall notify Owner of the exact amount of such costs and, in the event that Owner has already paid more than such cost, REX shall refund the difference to Owner. If the amount already paid by Owner is less than the exact amount of such costs, Owner shall promptly pay to REX the amount of such difference. REX will, prior to requiring Owner to pay such costs, use its best efforts to obtain any requisite consents, under the Conditional Sales Agreement to permit such costs to be defrayed out of any funds escrowed for maintenance purposes required to be maintained under the Conditional Sales Agreement.

(e) Payment for Additional Insurance. The cost of insurance is the sole responsibility of Owner. Within ten (10) days of receipt of notice and demand from REX, Owner shall, to the extent cash flow from the operation of the Cars is not timely available therefor, pay to REX the cost of any such insurance placed or purchased by Owner through REX. Owner shall also pay to REX in the same manner the cost of any insurance against loss of revenues with respect to the Cars which Owner has elected to place or purchase through REX.

(f) Payment for Certain Property Damage. The cost of repair of damage to any Car (other than the costs of repairs which REX determines constitute maintenance of such Cars) is the sole responsibility of Owner. Any payments, including, without limitation, insurance benefits or railroad or lessee indemnity payments, received to cover the damage to such Car (but not to cover loss of rental payments) shall be solely for the account and benefit of Owner (and shall not be included within the term Gross Revenues). REX shall have the right to require Owner to pay to REX, upon ten (10) days prior written notice and demand therefor, to the extent cash flow from the operation of the Cars is not timely available therefor, the approximate cost of the repairs which are the responsibility of Owner or, at REX's election, such portion of such cost as REX believes will not be covered by any such payments

which may be received by REX (as co-insured or additional insured) to cover the cost of such damage (it being understood that REX may apply to such cost of such repair any payments so received by REX to cover the cost of damage to such Car). Upon completion of such repairs and determination of the payments received by REX and applied to payment of the cost of such damage, REX shall notify Owner of the exact amount of such costs and payments, and in the event that Owner has already paid more than the amount of such costs not paid from such payments received and applied by REX to such repair, REX shall refund the difference to Owner. If the amount already paid by Owner is less than the amount of such costs not paid from such payments received and applied by REX to such repairs, Owner shall promptly pay to REX the amount of such difference. REX shall promptly remit to Owner any payments to cover such damage to such Car which are received by REX and not applied to payment of the cost of repair of such damage. REX will, prior to requiring Owner to pay such costs, use its best efforts to obtain any required consents under the Conditional Sales Agreement to permit such costs to be defrayed out of any funds escrowed for maintenance purposes required to be maintained under the Conditional Sales Agreement.

(g) Payment of Uninsured Losses. Losses from third-party liability for bodily injury or property damage caused by any Car which are (i) not covered by insurance and (ii) are in excess of the amount of the deductible(s) under any liability insurance for bodily injury and property damage on the Car are the sole responsibility of Owner. Within ten (10) days of receipt of notice and demand from REX, Owner shall, to the extent cash flow from the operation of the Cars is not timely available therefor, pay to REX the amount of such liability.

(h) Receipts and Payments as Acts of Owner; Obligations of Owner. In collecting or receiving any Gross Revenues and in paying or disbursing any Operating Expenses, REX is acting solely as agent for Owner. The provisions of Sections 3, 5 and 7 of this Agreement shall not be understood to diminish or modify the rights of Owner to receive Gross Revenues or the obligation of Owner to pay Operating Expenses or amounts required to be paid by Owner under the Conditional Sales Agreement.

8. Indemnification.

Owner shall defend (if such defense is tendered to Owner), indemnify and hold REX harmless from and against any and all claims, actions, damages, expenses (including reasonable at-

torneys' fees), losses or liabilities incurred by or asserted against REX as a result of the use, operation, possession, control, maintenance, repair or storage of the Cars; provided, however, that Owner shall not defend, indemnify or hold REX harmless from and against, and REX shall not be exculpated from, any claim, action, damage, expense, loss or liability directly or indirectly caused by or arising from the gross negligence, bad faith or willful misconduct of REX.

9. Exclusive Sales Agency.

During the term of this Agreement, REX shall have the exclusive right to sell the Cars. The period of exclusivity with respect to any Car shall be nine (9) months from the date of receipt by REX by certified mail of written notice from Owner advising REX that Owner wishes to sell such Car. If a Car made the subject of such a notice is not sold within such 9-month period, Owner may make other arrangements not inconsistent herewith to sell the Cars through other agents or directly. Except in case of any sale or other disposition of a Car to REX or any of its affiliates (that is, any company, person or firm controlling, controlled by, or under common control with, REX) or upon or in connection with foreclosure, loss or destruction of a Car, Owner shall pay to REX upon the sale of a Car during the exclusive period, and shall pay to REX upon the sale of a Car arranged by REX during the term of this agreement, a sales commission equal to 10% of the sale price.

10. Subordination.

This Agreement and REX's authority and rights hereunder are subject to the Conditional Sale Agreement and to the lien and security interest upon the Lease and the revenues generated by the Cars contemplated by the Conditional Sale Agreement; provided, however, that all such liens and security interests are subject to any lease entered into during the term of the Agreement (including any rights of the Lessee under the Lease) and to REX's right to collect Gross Revenues accruing during the term of this Agreement until such time as sums due REX hereunder as of the later of the date of default under the terms of any security agreement or the date of repossession of the cars pursuant to such security agreement are paid.

11. Dealings With Lessees.

The Cars will initially be leased under the Lease, which may be terminated as to one or more such cars upon the terms

and conditions set forth in the Lease. REX shall notify Owner of the occurrence of an event which permits such termination of the Lease with respect to one or more of the Cars within three days after receipt of notice of such occurrence and shall advise Owner of its recommendations as to the exercise of such right of termination with respect to the Cars. REX shall exercise due diligence in keeping itself apprised of the occurrence of such events. Within 20 days after the giving of such notice by REX, Owner shall notify REX of its determination whether or not to terminate the Lease with respect to one or more Cars, and REX, if Owner has elected to so terminate the Lease, shall effect such termination on behalf of Owner under the Lease. Subject to the terms and conditions of this Agreement, REX, on behalf of Owner, shall exercise all other rights of the lessor of the Cars under the Lease without being required to seek or receive the consent of or instructions from Owner.

12. Withdrawal in Case of Special Improvements.

In the event that any alterations, modifications, improvements or additions of the type referred to in Section 7(d) shall be required and Owner shall not have consented to the making thereof, Owner may terminate this Agreement with respect to the Cars requiring said alteration, modification, improvement or addition. In the event that Owner shall not have consented to the making of any such alteration, modification, improvement or addition and shall not have terminated this Agreement, from and after the effective date of any law, regulation or requirement prohibiting, limiting or otherwise affecting the leasing, use, ownership, operation or maintenance of railway boxcars, such as the Cars, which have not been so altered, modified, improved or added to, the Cars will be deemed to have been withdrawn from this Agreement and all costs associated therewith (including maintenance and storage costs) will be the sole responsibility of Owner and Owner shall receive only Gross Revenues and Net Earnings directly and actually derived from or attributed to the Cars.

13. Reports; Examination of REX's Books and Records.

(a) Not later than 40 days after the end of each month during the first year of this agreement (other than the month of February) and not later than 40 days after the end of each fiscal quarter thereafter (based on a fiscal year ending February 28 or 29) other than the fourth fiscal quarter, REX will distribute to Owner an unaudited report showing, on a cash basis, in reasonable detail, the Gross Revenues, Operating Expenses and Net Earnings for such quarter, including the computation and the allocation of any property taxes and the computation of Owner's pro rata share of any items.

Such reports shall also show the amount of payments (including a breakdown between principal and interest, but only if the interest rate is fixed at 13% per annum and not if the interest rate is floating), if any, for such quarter made for the benefit of Owner pursuant to Section 7(a). No such report need show interest expense for any period in which the interest rate is not fixed at 13% per annum.

(b) Within 60 days after the close of each fiscal year, (based on a fiscal year ending February 28 or 29) REX will distribute to Owner a report showing for the fourth fiscal quarter and such year (stated separately) the same information reported on the quarterly report distributed pursuant to Section 13(a).

(c) Owner shall have the right to have an agent or employee of its choice examine, at its sole expense and during normal business hours, the books and records of REX relating to the transactions contemplated hereby.

(d) After receipt of instructions from Owner containing all information required to be given by Owner (such as useful life and method in the case of depreciation), REX will, within 60 days after the close of Owner's taxable year (which is the last day of February), deliver to Owner a statement setting forth all information (including computation of depreciation and amortization deductions) necessary in connection with the preparation of Owner's Federal income tax returns.

14. Use of Cars.

REX shall use its best efforts to cause any railroad lessee of the Cars under a lease (including the Lease) pursuant to which the Cars are expected to be used off the line of such lessee to prevent the Cars from being used predominantly outside the United States within the meaning of Section 48(a)(2)(A) of the Internal Revenue Code, as amended, or any successor provision thereof, and the regulations thereunder. REX shall cause each lease for the Cars entered into, or arrangements for the use of the Cars made by, a railroad which expects to use the Cars on its own line or a person which is not a railroad to contain provisions regarding the identify of the lessees or sublessees of the Cars and the locations of use of the Cars so as to avoid recapture of any allowable investment tax credit claimed with respect to the Cars.

15. Termination.

If this Agreement terminates as an entirety for any reason (including a default by Owner under the Conditional Sale Agreement resulting in a loss by Owner of its rights thereunder) other than a breach of this Agreement by REX or an assignment of this agreement by Owner with the consent of REX as contemplated by section 17(e)(ii) hereof, Owner shall pay to REX a termination fee equal to \$200,000 if termination occurs within the first five years from the date hereof, \$100,000 if termination occurs within the second five years from the date hereof, and \$50,000 if termination occurs thereafter during the term of this Agreement. If this Agreement so terminates with respect to one or more Cars, such termination fee shall be so payable on an appropriately prorated basis; provided, however, that, if this agreement terminates with respect to any Car that is (a) subject to a casualty loss or (b) withdrawn from this agreement pursuant to section 12 in lieu of making alterations, modifications, improvements or additions of the type referred to in Section 7(d) costing in excess of 15% of the then existing AAR depreciated value of the Car, no such termination fee will be payable. Upon payment by Owner of the termination fee, Owner shall be released from any further obligation hereunder or with respect to such Car or Cars, as the case may be, other than its obligations under sections 8 and 9 hereof. Termination hereunder shall not affect Owner's rights and obligations under any other agreement.

16. Notices.

Any notice required or permitted hereunder shall be in writing and shall be valid and sufficient if delivered personally or dispatched in any post office of the United States by registered or certified mail, postage prepaid, addressed to the other party as follows,

If to REX: Rex Railways, Inc.
616 Palisade Avenue
Englewood Cliffs, New Jersey 07632
Attn: Robert W. Gruber

If to Owner: Skiva International, Inc.
1350 Broadway
New York, N.Y. 10018
Attn: Isaac Chehebar

and any party may change such address by notice given to the other party in the manner set forth above.

17. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed under the laws of the State of New Jersey.

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

(c) Headings. Titles and headings of the Sections and Subsections of this Agreement are for the convenience of reference only and do not form a part of this Agreement and shall not in any way affect the interpretation hereof.

(d) Amendment. No explanation or information by either of the parties hereto shall alter or affect the meaning or interpretation of this Agreement and no modification or amendment to this Agreement shall be valid unless in writing and executed by both parties hereto.

(e) Successors and Assigns. (i) The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto; provided, however, that no assignment hereof by Owner or transfer of any of the Owner's rights hereunder, whether by operation of law or otherwise, shall be valid and effective as against REX without the prior written consent of REX and, provided, further, that no delegation by REX of its duties hereunder (otherwise than by assignment of this agreement in connection with a merger of REX or a sale or lease by REX of all or substantially all of its assets), whether by operation of law or otherwise, shall be valid and effective as against Owner without the prior written consent of Owner. Notwithstanding the foregoing sentence, Skiva International, Inc. shall have the right to assign its rights hereunder to a wholly-owned subsidiary which owns the Cars (though subject to the Conditional Sale Agreement), without the consent of, but with notice in writing to, REX and, in the event of such an assignment, Skiva International, Inc. will no longer be bound under the terms of this Agreement.

(ii) Anything herein to the contrary notwithstanding, Owner may assign all of its rights hereunder to any individual or entity to whom it has conveyed its entire interest in all of the Cars then subject to this agreement whereupon Owner shall be relieved of all of its duties and obligations hereunder; provided that REX shall have consented in writing in advance to such assignment, which consent REX may withhold in its absolute discretion and with no requirement of reasonableness.

(f) Force Majeure. Neither party hereto shall be deemed to be in breach or in violation of this Agreement if either is prevented from performing any of its obligations hereunder for any reason beyond its reasonable control including and without limitation acts of God, riots, strikes, fires, storms, public disturbances, or any regulation of any federal, state or local government or any agency thereof.

(g) Other Cars Owned or Managed by REX. It is expressly understood and agreed that nothing herein contained shall be construed to prevent or prohibit REX from providing the same or similar services to any person or organization not a party to this Agreement. In particular, REX shall be entitled to own and operate for its own account identical cars not managed under this Agreement and/or to manage such cars under a similar management agreement with another owner, subject to the following conditions:

(i) in the event that railroad cars similar to or competitive with the Cars, but owned by REX, its affiliates or any officers or directors of REX or its affiliates, are available for leasing at the same time the Cars are so available, REX shall, subject to the needs of prospective lessees and all applicable regulations of the AAR, ICC and DOT, remarket the Cars before it remarkets any such similar or competitive railroad cars; and

(ii) in the event REX manages railroad cars similar to or competitive with the Cars and not owned by REX, its affiliates or any officers or directors of REX or its affiliates and the number of such railroad cars exceeds the demand therefor, REX shall, subject to the business needs of prospective lessees and all applicable regulations of the AAR, ICC and DOT, generally remarket first those railroad cars (including the Cars) which have been off lease and available for the longest period of time.

(h) Waiver. The waiver of any breach of any term or condition hereof shall not be deemed a waiver of any other or subsequent breach, whether of like or different nature.

(i) Severability. If any term or provision of this Agreement or the performance thereof shall to any extent be invalid or unenforceable, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement, and this Agreement shall be valid and enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set forth below.

[SEAL]

REX RAILWAYS, INC.

By Robert W. Gruber
Robert W. Gruber, President

[SEAL]

SKIVA INTERNATIONAL, INC.

By Stuart M. [Signature]

Dated: February 13, 1979

SCHEDULE I

(Reference: first whereas clause)

All or such portion described below of 100 XM boxcars
(i) manufactured by Pullman-Standard division of Pullman
Incorporated under Lot and Specification No. 1018, (2) leased
or to be leased to Lenawee County Railroad Company, Inc.
(Lenawee Railroad) pursuant to a lease dated September 23,
1977 as amended by Equipment Schedule executed on behalf
of REX on October 4, 1978 and on behalf of Lenawee Railroad
on October 9, 1978 and (3) bearing or to bear designations
running from LCRC 2001 through and including LCRC 2100.

Boxcars subject to this agreement shall include only
that portion of those boxcars described above acquired by
Owner on or prior to April 30, 1979.

966-7231

THIS LEASE AGREEMENT, made as of this 23rd day of September, 1977 between Rex Railways, Inc., a New Jersey corporation, 616 Palisade Avenue, Englewood Cliffs, New Jersey 07632 ("RRI") as Lessor and Lenawee County Railroad Company, Inc., Box 278, Adrian, Michigan 49221 a Michigan corporation (The "Lessee"), as Lessee.

1. Scope of Agreement

A. RRI agrees to lease to Lessee, and Lessee agrees to lease from RRI a minimum of ten (10) boxcars of the types and descriptions as set forth in any lease schedules executed by the parties concurrently herewith or from time to time hereafter and made a part of this Agreement. The scheduled items of equipment are hereinafter called collectively the "Boxcars". The word "Schedule" as used herein includes the Schedule executed concurrently herewith and all additional Schedules and amendments thereto whether for boxcars or other railroad equipment, each of which when signed by both parties shall be a part of this Agreement.

B. It is the intent of the parties of this Agreement that RRI shall at all times be and remain the lessor of all scheduled boxcars. Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and that it will take such action and execute such documents as may be necessary to accomplish this intent.

2. Term

A. This Agreement shall remain in full force until it shall have been terminated as to all of the boxcars. The term of a lease with respect to each boxcar shall be for fifteen (15) years commencing upon the date of delivery of such boxcar as set forth in Section 3A hereof.

B. If this Agreement has not been earlier terminated and no default has occurred and is continuing, the lease term with respect to each boxcar shall be automatically extended for not more than five consecutive periods of twelve months, provided, however, that RRI or Lessee may by written notice delivered to the other not less than twelve months prior to the end of the initial lease term or any extended lease term for any scheduled boxcar terminate this Agreement. — et seq. to

3. Supply Provisions

A. RRI will inspect each boxcar tendered by the manufacturer for delivery to Lessee. If the boxcar conforms to the specifications of the equipment ordered by RRI, and to all applicable governmental regulatory specifications, and this Agreement has not been terminated, RRI will accept delivery thereof at the manufacturer's facility and shall notify Lessee in writing of such acceptance. The boxcars shall be deemed delivered to Lessee upon acceptance by RRI. The boxcars shall be moved to Lessee's railroad line at no cost to Lessee as soon after acceptance by RRI as is consistent with mutual convenience and economy. Due to the nature of railroad operations in the United States, RRI can neither control nor determine when the boxcars leased hereunder will actually be available to Lessee for its use on its railroad tracks. Notwithstanding that Lessee may not have immediate physical possession of the boxcars leased hereunder, Lessee agrees to pay to RRI the rental charges set forth in this Agreement. To move the boxcars to Lessee's railroad line and insure optimal use of the boxcars after the first loading of freight for each boxcar on the railroad line of Lessee (the "initial loading"), RRI agrees to assist Lessee in monitoring boxcar movements and, when deemed necessary by Lessee

...to issue movement orders with respect to such Boxcars to other railroad lines in accordance with ICC and AAR interchange agreements and rules.

B. Lessee agrees that so long as it shall have on lease one or more type of Boxcar, it shall not lease boxcars from any other party unless it shall have leased the minimum () Boxcars required by this Agreement. Once the minimum () Boxcars shall have been leased by Lessee, it shall then not lease boxcars from any other party unless it shall have given RRI at least three (3) months' prior written notice of its desire to lease boxcars similar to the type on lease and RRI shall then have the opportunity to lease such boxcars to Lessee subject to the terms and conditions of this Agreement and manufacturer's delivery schedules and at terms not less favorable to Lessee than that offered by such other parties. The foregoing, however, shall not be deemed to prohibit Lessee from leasing from other parties if RRI cannot equal the lease terms offered by such other parties. Notwithstanding the purchase of boxcars or the leasing or direct interchange of boxcars from other parties, Lessee shall give preference to RRI and shall load the Boxcars leased from RRI prior to loading boxcars purchased by Lessee subsequent to the date of this Agreement or leased from such other parties or interchanged with railroads; provided, however, that this shall in no event prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor to shippers on its railroad tracks.

C. Additional Boxcars may be leased from RRI by Lessee only upon the mutual agreement of the parties hereto. Upon such agreement, such additional Boxcars shall be identified in Schedules to this Agreement and shall benefit from and be subject to this Agreement upon execution of the Schedules by RRI and Lessee.

4. Railroad Markings and Record Keeping

A. RRI agrees that on or before delivery of the Boxcars to Lessee, the Boxcars may be lettered, in addition to ~~the~~ the railroad markings of Lessee, with the name and/or other insignia used by Lessee. Such name or insignia shall comply with all applicable regulations and shall be affixed to the Boxcars in the space directly above Lessee's reporting marks, with a width not greater than seven feet.

B. RRI shall during the term of this Agreement prepare all documents for Lessee's signature and filing relating to the registration, maintenance and record keeping functions normally performed by Lessee with respect to the Boxcars. Such matters shall include but are not limited to the preparation of the following documents: (i) appropriate AAR interchange agreements with respect to the Boxcars including an application for relief from AAR Car Service Rules 1 and 2; (ii) registration for each Boxcar in the Official Railway Equipment Register and the Universal Machine Language Equipment Register, and (iii) such reports as may be required from time to time by the ICC and/or other regulatory agencies with respect to the Boxcars.

C. Each and every Boxcar leased hereunder shall be registered at no cost to Lessee in the Official Railway Equipment Register and the Universal Machine Language Equipment Register. RRI shall, on behalf of Lessee, perform all record keeping functions related to the use of the Boxcars by Lessee and other railroads in accordance with AAR railroad interchange agreements and rules, such as car hire reconciliation. Correspondence from railroads using such Boxcars shall be addressed to Lessee at such address as RRI shall select.

D. All record keeping performed by RRI hereunder and all record of payments, charges and correspondence related to Scheduled Boxcars shall be separately recorded and maintained by RRI in a form suitable for reasonable inspection by Lessee from time to time during regular RRI business hours. Lessee shall supply RRI with such reports regarding the use of Boxcars by Lessee on its railroad line as RRI may reasonably request.

5. Maintenance, Taxes and Insurance

A. RRI will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each Boxcar during its lease term and any extension thereof, including but not limited

to repairs, maintenance and servicing unless the same was occasioned by the fault of Lessee while a Boxcar was in the physical possession of Lessee. Lessee shall be responsible to inspect all Boxcars interchanged to it to insure that such Boxcars are in good working order and condition and shall be liable to RRI for any repairs required for damage not noted at the time of interchange. Lessee hereby transfers and assigns to RRI for and during the lease term of each Boxcar all of its right, title and interest in any warranty in respect to the Boxcars. All claims or actions on any warranty so assigned shall be made and prosecuted by RRI at its sole expense and Lessee shall have no obligation to make any claim on such warranty. Any recovery under such warranty shall be made payable to RRI. All proceeds from such recovery shall be used to repair or replace the Boxcars.

B. Lessee may make running repairs to facilitate continued immediate use of a Boxcar, but shall not otherwise make any repairs, alterations, improvements or additions to the Boxcars without RRI's prior written consent. If Lessee makes an alteration to any Boxcar without RRI's prior written consent, Lessee shall be liable to RRI for any revenues lost due to such alteration. Title to any such alteration, improvement or addition occurring in the course of or as a result of normal and customary maintenance shall be and remain with RRI.

C. RRI shall make or cause to be made such inspections of, and maintenance and repairs to, the Boxcars as may be required. Upon request of RRI, Lessee shall perform any necessary maintenance and repairs to Boxcars on Lessee's railroad tracks as may be reasonably requested by RRI. RRI shall also make, at its expense, all alterations, modifications or replacement of parts, as shall be necessary to maintain the Boxcars in good operating condition throughout the term of the lease of such Boxcars.

D. Lessee will at all times while this Agreement is in effect be responsible for the Boxcars while they are on Lessee's railroad tracks in the same manner that Lessee is responsible under Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Service Rules—Freight for cars not owned by Lessee which are operating on Lessee's railroad tracks. Lessee shall protect against the consequences of an event of loss involving the Boxcars by either obtaining insurance or maintaining a self insurance program which conforms to sound actuarial principles. If Lessee elects to carry insurance, it shall furnish RRI concurrently with the execution hereof and thereafter at intervals of not more than 12 calendar months, with a certificate of insurance signed by an independent insurance broker with respect to the insurance carried on the Boxcars. All insurance shall be taken out in the name of Lessee and RRI (or its assignee) as their interests may appear.

E. RRI agrees to reimburse Lessee for all taxes, assessments and other governmental charges of whatsoever kind or character paid by Lessee relating to each Boxcar and on the lease, delivery or operation thereof which may be accrued, levied, assessed or imposed during the lease term or which remains unpaid as of the date of delivery of such Boxcar to Lessee, except taxes on net income imposed on Lessee and sales or use taxes imposed on the mileage charges and/or car hire revenues. RRI shall forward to Lessee all sales and use taxes received by it on behalf of Lessee. RRI and Lessee will comply with all state and local laws requiring the filing of ad valorem tax returns on the Boxcars. RRI shall review all tax returns prior to filing.

6. Rental Charges

A. Lessee agrees to pay the following rental charges to RRI for the use of RRI's Boxcars:

(i) RRI shall receive all of the mileage charges and car hire revenues (including both straight and incentive per diem) payable to Lessee by other railroad companies if the utilization of all of the Boxcars on an aggregate basis for each calendar year shall be equal to or less than 85 per cent. For the purpose of this Agreement, utilization of the Boxcars shall be determined by a fraction, the numerator of which is the aggregate number of days in each calendar year that per diem is earned on the Boxcars, commencing from the initial loading, and the denominator of which is the aggregate number of days in each year that the Boxcars are on lease to Lessee, commencing from the initial loading. In addition, RRI will receive, as additional rental, all revenues earned by the Boxcars prior to their initial loading.

(ii) In the event the utilization exceeds 85 per cent in any calendar year, RRI shall receive an amount equal to the RRI Base Rental plus an amount equal to one-half of the revenues earned in excess of the RRI Base Rental. For the purpose of this Agreement, RRI Base Rental shall be an amount equal to the total mileage charges and car hire revenues for the calendar year multiplied by a fraction, the numerator of which is 85 per cent and the denominator of which is the utilization for such calendar year.

(iii) The rental charges payable to RRI by Lessee shall be paid from the monies received by Lessee in the following order until RRI receives the amounts due it pursuant to this Section 6: (1) incentive car hire payments; (2) straight car hire payments and (3) mileage charges.

(iv) In the event damage or destruction of a Boxcar has been reported in accordance with Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Hire Rules—Freight and the appropriate amount due as a result thereof is received by RRI, said damaged or destroyed Boxcar will be removed from this Agreement as of the date that payment of car hire revenues ceased.

B. The calculations required above shall be made within three months after the end of each calendar year. However, to enable RRI to meet its financial commitments, RRI may, prior to such calculations retain 93 per cent of the revenues received by it on behalf of Lessee. However, since the parties desire to determine on a quarterly basis the approximate amount of the rental payment due RRI, RRI shall within three months after the end of each calendar quarter, calculate on a quarterly basis rather than a yearly basis, the amount due it pursuant to this section. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculation, provided, however, that following the yearly calculation, any amount paid to either party in excess of the amounts required by the yearly calculation shall be promptly refunded to the appropriate party.

C. In the event the utilization in any calendar quarter is less than 80 per cent, RRI may, at its option and upon not less than 30 days prior written notice to Lessee, terminate this Agreement as to such number of Boxcars as RRI shall determine.

D. RRI may, at its option, terminate this Agreement if the ICC shall, at any time, (1) issue an order reducing incentive per diem for Boxcars on an annual basis to three months or less without a corresponding increase in straight per diem or other revenues available to both RRI and Lessee at least equal in amount to such reduction or (2) determine that Lessee may not apply its net credit balance from incentive per diem settlements in payment of the rental charges set forth in this section.

E. If any Boxcar remains on Lessee's railroad tracks for more than seven days, RRI may, at its option and upon not less than 24 hours prior written notice, terminate this Agreement as to such Boxcar and withdraw such Boxcar from Lessee's railroad tracks, except when such Boxcar is awaiting its initial loading. If any such Boxcar remains on Lessee's railroad tracks more than seven days because Lessee has not given preference to RRI's Boxcars as specified in Section 3B, Lessee shall be liable to RRI for an amount equal to the car hire revenues Lessee would have earned if such Boxcars were in the physical possession and use of another railroad for the entire period after the expiration of seven days.

7. Possession and Use

A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Boxcars in accordance with the terms of this Agree-

(v) Lessee has during the years 1951-1953 neither leased nor purchased any boxes.

(iv) There is no fact which Lessee has not disclosed to RRI in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligations under this Agreement.

(iii) There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessee.

(ii) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the boxes pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority and is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Agreement.

11. Warranties and Covenants

Lessee represents, warrants and covenants that:

RRI will defend, indemnify and hold harmless Lessee from and against (1) any and all loss or damage of or to the boxes, usual wear and tear excepted, unless occurring through the fault of Lessee while Lessee has physical possession of boxes and (2) any claim, cause of action, damage, liability, cost or expense (including legal fees and costs) to which the boxes may be subject or which may be incurred in any manner by or for the account of any such boxcar (unless occurring through the fault of Lessee) relating to the boxes or any part thereof, including without limitation the construction, purchase, delivery of the boxes to Lessee's railroad line, ownership, leasing or return of the boxes, or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects, if any, are latent or are discoverable by RRI or Lessee).

10. Indemnities

(ii) If such boxes are not on the railroad line of Lessee upon termination, all costs of assembling, delivering, storing, and transporting such boxes, except as provided above, to Lessee's railroad line or the railroad line of a subsequent lessee shall be borne by RRI.

(i) If such boxes are on the railroad line of Lessee upon such expiration or termination or are subsequently returned to Lessee's railroad line, Lessee shall at RRI's expense within five working days remove Lessee's railroad markings from the boxes and place thereon such markings as may be designated by RRI. After the removal and replacement of markings, Lessee shall use its best efforts to load such boxes with freight and deliver them to a connecting carrier for shipment. Lessee shall provide up to ten days free storage on its railroad tracks for RRI or the subsequent lessee of any terminated boxcar.

Lessee's railroad line subsequent to termination of such boxes' lease term or (2) removal and replacement of the markings by another railroad line which has physical possession of the boxcar at the time of or subsequent to termination of the lease term as to such boxcar.

ment and in the manner and to the extent Boxcars are customarily used in the railroad freight business. Lessee agrees that to the extent it has physical possession and can control use of the Boxcars, the Boxcars will at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either RRI or Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at the expense of the contesting party.

B. Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Boxcars or any interest therein or in this Agreement or Schedule thereto. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrances, security interest, or claim if the same shall arise at any time.

S. Default Remedies Upon Default

A. The occurrence of any of the following events shall be events of default:

(i) The nonpayment by Lessee of any sum required hereunder to be paid by Lessee within ten days after notice thereof;

(ii) The default by Lessee under any other term, covenant, or condition of this Agreement which is not cured within ten days after notice thereof from RRI.

(iii) Any affirmative act of insolvency by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy reorganization, insolvency or moratorium law against Lessee that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, under such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment.

(v) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency.

B. Upon the occurrence of any event of default, RRI may, at its option, terminate this Agreement and may

(i) Proceed by appropriate court action to enforce performance by Lessee of this Agreement or to recover damages for a breach thereof (and Lessee agrees to bear RRI costs and expenses, including reasonable attorneys' fees, in securing such enforcement), or -

(ii) By notice in writing to Lessee, terminate Lessee's right of possession of the Boxcars, whereupon all right and interest of Lessee in the Boxcars shall terminate; and thereupon RRI may by its agents enter upon any premises where the Boxcars may be located and take possession of them and henceforth hold, possess and enjoy the same free from any right of Lessee. RRI shall nevertheless have a right to recover from Lessee any and all rental amounts which under the terms of this Agreement may then be due or which may have accrued to that date.

9. Termination

At the expiration or termination of this Agreement as to any Boxcars set forth on a Schedule attached hereto, Lessee will surrender possession of such Boxcars to RRI by delivering the same to RRI. The assembling, delivery, storage and transporting of the Boxcars shall be at the expense and risk of RRI. A Boxcar shall be deemed terminated and no longer subject to this Agreement upon the removal of Lessee's railroad markings from the Boxcar and the placing thereon of such markings

12. Inspection

RRI shall at any time during normal business hours have the right to enter the premises where the Boxcars may be located for the purpose of inspecting and examining the Boxcars to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify RRI of any accident connected with the malfunctioning or operation of the Boxcars including in such report the time, place and nature of the accident and the damage caused to property, the names and addresses of any persons injured and of witnesses and other information pertinent to Lessee's investigation of the accident. Lessee shall also notify RRI in writing within five (5) days after any attachment, tax lien or other judicial process shall attach to any Boxcar. Lessee shall furnish to RRI promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other income or balance sheet statements required to be submitted to the ICC.

13. Miscellaneous

A. This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not without the prior written consent of RRI assign this Agreement or any of its rights hereunder or sublease the Boxcars to any party, and any purported assignment or sublease in violation hereof shall be void.

B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of this Agreement.

C. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Boxcars only and no joint venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Boxcars except as a lessee only.

D. No failure or delay by RRI shall constitute a waiver or otherwise affect or impair any right, power or remedy available to RRI nor shall any waiver or indulgence by RRI or any partial or single exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

E. This Agreement shall be governed by and construed according to the laws of the State of New Jersey.

F. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States Mail, postage prepaid, certified or registered, addressed to the president of the other party at the address set forth above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the year and date first above written.

LENAWEE RAILROAD COMPANY, INC.

Julius H. Martin

PRESIDENT

(TITLE)

REX RAILWAYS, INC.

Thomas J. ... Chairman

(TITLE)

DATE

9/23/77

DATE

September 23, 1977

ADDENDUM VALUATION AGREEMENT

Notwithstanding anything herein to the contrary, whenever an Insurance Carrier must honor a claim herein submitted by the Lessor, the value of the railcars referred to in this Lease shall be as follows:

1st	year	value	of	car	is	110%	of	purchase	price.
2nd	"	"	"	"	"	109%	"	"	"
3rd	"	"	"	"	"	108%	"	"	"
4th	"	"	"	"	"	107%	"	"	"
5th	"	"	"	"	"	106%	"	"	"
6th	"	"	"	"	"	105%	"	"	"
7th	"	"	"	"	"	104%	"	"	"
8th	"	"	"	"	"	103%	"	"	"
9th	"	"	"	"	"	102%	"	"	"
10th	"	"	"	"	"	101%	"	"	"
11th	"	"	"	"	"	100%	"	"	"
12th	"	"	"	"	"	99%	"	"	"

OR

Depreciated value, whichever is higher.

REX RAILWAYS, INC.

Frank A. Salita, Chairman
Lessor

LENAWEE COUNTY RAILROAD COMPANY

John H. Warren
Lessee

Dated: September 23, 1977

MANAGEMENT AGREEMENT ASSIGNMENT

DATED AS OF FEBRUARY 13, 1979

FROM

SKIVA INTERNATIONAL, INC.
VENDEE

TO

THE PROVIDENT BANK,
CINCINNATI, OHIO
ASSIGNEE

(COVERING UP TO 100 GENERAL PURPOSE BOX CARS)

Filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. 11303 (formerly Section 20c of the Interstate Commerce Act) on _____, 1979, at _____, Recordation No. _____.

MANAGEMENT AGREEMENT ASSIGNMENT dated as of February 13, 1979 given by SKIVA INTERNATIONAL, INC., a New York corporation (hereinafter called the "Vendee"), to THE PROVIDENT BANK, an Ohio banking corporation (hereinafter called the "Assignee").

WHEREAS, TWITTER, INC. a Delaware corporation (hereinafter called the "Vendor"), REX RAILWAYS, INC., a New Jersey corporation (hereinafter called "Manager"), and the Vendee have entered into a conditional sale agreement dated as of the date hereof (hereinafter called the "Conditional Sale Agreement") guaranteed by REX-NORECO, INC., a New Jersey corporation (hereinafter called the "Guarantor") covering the sale and delivery, on the conditions therein set forth, by the Vendor and the purchase by the Vendee of the railroad equipment described in Annex A to the Conditional Sale Agreement (said equipment being hereinafter called collectively the "Equipment" or "Units" and individually a "Unit");

WHEREAS, the Vendee is agreeing with the Manager to manage and maintain the Equipment pursuant to a Management Agreement dated as of the date hereof (hereinafter called the "Management Agreement");

WHEREAS, concurrently with execution of this Management Agreement Assignment, the Assignee is acquiring, pursuant to an agreement and assignment dated as of the date hereof (hereinafter called the "Assignment") the security title, rights, and interests of the Vendor under the Conditional Sale Agreement in the Units, all upon and subject to the terms and conditions of a finance agreement dated as of the date hereof among the Assignee, the Vendor, the Manager, the Vendee and the Guarantor (hereinafter called the "Finance Agreement"); and

WHEREAS, the Vendee has agreed to assign its right, title and interest in, to and under the Management Agreement to Assignee as collateral security for the performance of its duties and obligations under the Conditional Sale Agreement.

NOW, THEREFORE, WITNESSETH:

That in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Vendee, the receipt of which is hereby acknowledged, and the mutual covenants herein contained, the parties hereby agree as follows:

SECTION 1. The Vendee hereby assigns, transfers, and sets over unto the Assignee, as collateral security for the payment and performance of the obligations of the Vendee under the Conditional Sale Agreement and the Finance Agreement, the Management Agreement and all of its rights, powers, privileges, and

remedies thereunder; provided, however, so long as no Event of Default (as defined in the Conditional Sale Agreement) under the Conditional Sale Agreement has occurred and is continuing, the Vendee is empowered to give any notice of a default under the Management Agreement to the Manager and/or to terminate said Management Agreement pursuant to its terms subject to the terms and provisions of Articles 11 and 15 of the Conditional Sale Agreement.

SECTION 2. Anything herein contained to the contrary notwithstanding, the Vendee shall, so long as there is no existing Event of Default under the Conditional Sale Agreement, be entitled to exercise all of the rights of the Vendee under the Management Agreement, subject to the terms and provisions of Articles 11 and 15 of the Conditional Sale Agreement.

SECTION 3. Anything herein contained to the contrary notwithstanding, the Vendee shall remain fully liable under the Management Agreement to perform all of its obligations thereunder, and the Assignee, its successors or assigns, shall have no obligation or liability under the Management Agreement by reason of or arising out of this Management Agreement Assignment, nor shall the Assignee, its successors, or assigns, be required or obligated in any manner to perform or fulfill any obligation of the Vendee under or pursuant to the Management Agreement, or to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, its successors or assigns, or to press or file any claim or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it, its successors or assigns, or to which it, its successors or assigns, may have been entitled at any time or times, provided that the Assignee shall, as soon as practicable, fully inform the Vendee promptly in writing of any such matters of which it has knowledge.

SECTION 4. The obligations of the Vendee under the Management Agreement may be performed by the Assignee or its successors or assigns, without releasing the Vendee therefrom provided that any subsequent assignee is a bank or trust company of the United States with assets of at least \$35,000,000.

SECTION 5. The Vendee does hereby constitute the Assignee, its successors or assigns, its true and lawful attorney with full power (in the name of the Vendee or otherwise) to ask, require, demand, receive, compound, and give acquittance for any and all

moneys and claims for moneys resulting from the ownership, management, use, lease, or other operation of the Equipment, except such moneys paid by Assignee to the Manager under Section 6(a)(1)(F) of the Finance Agreement, and in connection therewith to draw any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Assignee, its successors, or assigns, may deem to be necessary or advisable.

SECTION 6. All moneys resulting from the ownership, management, use, lease, or other operation of the Equipment, whether as rental payments, mileage charges, straight car hire payments or otherwise, shall be paid directly to the Assignee, its successors or assigns. All sums paid to the Assignee, its successors or assigns, shall be held or applied by the Assignee, its successors or assigns, in accordance with the applicable provisions of the Finance Agreement and Conditional Sale Agreement to satisfy the obligations of the Vendee; provided, that the Assignee shall promptly forward to the Vendee all sums expressly payable to the Vendee under such agreements.

SECTION 7. The Vendee agrees, that any time and from time to time, upon the written request of the Assignee, its successors or assigns, the Vendee will promptly and duly execute and deliver any and all such further instruments and documents as the Assignee, its successors or assigns, may reasonably request to enable the Assignee to obtain the full benefits of this Management Agreement Assignment and the rights and powers herein granted.

SECTION 8. The Vendee does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as this Management Agreement Assignment shall remain in effect, any of its rights, title or interest in or to the Management Agreement to anyone other than the Assignee, its successors or assigns and that it will not take or omit to take any action, the taking or omission of which might result in the alteration, amendment, modification, or impairment of the Management Agreement or this Management Agreement Assignment or of any of the rights created by either of such instruments except as expressly provided in the Management Agreement. Anything to the contrary herein notwithstanding, the Vendee may assign all of its rights under the Lease and delegate all its duties thereunder to a wholly owned subsidiary provided such subsidiary assumes the duties and obligations of the Vendee thereunder, and under the Conditional Sale Agreement, and under any other documents or agreements relating to the Equipment. In the event of such an assignment and delegation, the Vendee will be released from any and all obligations thereunder, it being intended that such an assignment and delegation act as a novation with the Assignee. The Vendee does hereby ratify and confirm the Manage-

ment Agreement and does warrant and represent that such Management Agreement is in full force and effect as to it, and that the Vendee is not in default thereunder.

SECTION 9. The terms of this Management Agreement Assignment and all the rights and obligations hereunder shall be governed by the laws of the State of New York; provided, however, that the parties shall be entitled to all the rights conferred by 49 U.S.C. 11303 (formerly Section 20c of the Interstate Commerce Act), such additional rights arising out of the filing, recording, or depositing of the Management Agreement and this Management Agreement Assignment as shall be conferred by the laws of the several jurisdictions in which the Management Agreement or this Management Agreement Assignment shall be filed, recorded, or deposited, or in which any Unit shall be located, and any rights arising out of the markings on the Units.

SECTION 10. This Management Agreement Assignment may be executed in any number of counterparts, but the counterpart delivered to the Interstate Commerce Commission for recording and subsequently redelivered to the Assignee shall be deemed to be the original counterpart and all other counterparts shall be deemed duplicates thereof. Although this Management Agreement Assignment is dated as of the date first above written for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

SECTION 11. This Management Agreement Assignment shall take effect immediately upon the execution hereof and the powers and authorities granted to the Assignee, its successors or assigns, herein, having been given for valuable consideration, are hereby declared to be irrevocable; provided, however, that when all of the Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement) and all other sums payable under the Conditional Sale Agreement (whether owing to Assignee or any successor or assign of Assignee and/or to the Guarantor or any successor or assign of Guarantor by operation of subrogation or assignment) have been paid or discharged in accordance with the terms thereof, and all other covenants and agreements contained therein shall have been performed, all right, title and interest herein assigned shall revert to the Vendee and this Management Agreement Assignment shall terminate, and the Assignee agrees to execute, if requested by the Vendee, at the expense of the Vendee and without liability to the Assignee, an appropriate instrument in recordable form confirming the termination of this Management Agreement Assignment.

SECTION 12. In the event that the Assignee has actual notice of a default under the Management Agreement, the Assignee will give prompt notice thereof to the Vendee.

SECTION 13. The Vendee agrees to furnish to the Assignee copies of all notices, statements, documents, or schedules received by it under the Management Agreement, the Management Agreement Assignment, or the Conditional Sale Agreement and the Assignee shall cause similar copies to be delivered to the Vendee if received by the Assignee.

SECTION 14. It is expressly agreed by the parties that the Management Agreement is subordinate and junior in rank to the Conditional Sale Agreement and shall be subject to the remedies of the Vendor under the Conditional Sale Agreement as assigned by the Vendor to the Assignee pursuant to the Agreement and Assignment. The rights of the Vendor to the entire unpaid Conditional Sale Indebtedness, the payments required to be made into the Maintenance Escrow Account, and any other payments to be made to the Vendor under the Conditional Sale Agreement shall not be subject to any defense, setoff, counterclaim, or recoupment whatsoever arising out of any breach of any obligation of the Vendor with respect to the equipment nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee by the Vendor and any and all such obligations howsoever arising shall be and remain enforceable by the Vendee against and only against the Vendor, and not the Assignee.

IN WITNESS WHEREOF, the parties hereto, pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officials, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

SKIVA INTERNATIONAL, INC., Vendee

Witness:

BY: _____

THE PROVIDENT BANK, Assignee

Witness:

BY: _____

STATE OF)
 : SS
COUNTY OF)

On this _____ day of _____, 1979, before me personally appeared Albert Chehebar, to me personally known, who being by me duly sworn, says that he is the President of Skiva International, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(seal)

(Title of Officer)

My commission expires _____

STATE OF)
 :SS
COUNTY OF)

On this _____ day of _____, 1979, before me personally appeared Robert C. Lintz, to me personally known, who being by me duly sworn, says that he is the Executive Vice-President of The Provident Bank, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(seal)

(Title of Officer)

My Commission expires _____

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CONSENT AND AGREEMENT

The undersigned, REX RAILWAYS, INC., a New Jersey corporation (hereinafter called the "Manager"), the Manager named in the Management Agreement referred to in the foregoing Management Agreement Assignment (hereinafter called the "Management Agreement Assignment"), hereby (a) acknowledges receipt of a copy of the Management Agreement Assignment and (b) consents to all the terms and conditions of the Management Agreement Assignment and agrees that during the term of the Management Agreement Assignment:

(1) it will pay or cause to be paid all moneys resulting from the ownership, management, use, lease, or operation of the Equipment except such moneys paid by the Assignee to the Manager under Section 6(a)(1)(F) of the Finance Agreement (which moneys are hereinafter called the "Payments") due and to become due under the Management Agreement or otherwise in respect of the Units, directly to The Provident Bank, as the Assignee named in the Management Agreement Assignment at its main office at One East Fourth Street, Cincinnati, Ohio 45202, Attention: J. Lynn Brewbaker (or at such other address as may be furnished in writing to the Manager by the Assignee);

(2) the Assignee shall not, by virtue of the Management Agreement Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Management Agreement or otherwise; and

(3) the Management Agreement shall not, without the prior written consent of the Assignee, be terminated or modified, nor shall any action be taken or omitted by the Manager, the taking or omission of which might result in an alteration or impairment of the Management Agreement or the Management Agreement Assignment or this Consent and Agreement or of any of the rights created by any thereof.

(4) the rights of the parties to and under the Management Agreement shall be subordinate to and junior in rank to the rights of the Vendor under the Conditional Sale Agreement and to the rights of the Assignee, as assignee of the Vendor's rights.

This Consent and Agreement, when accepted by the Assignee by signing the acceptance at the end hereof, shall be deemed to be a contract, effective as of the date of acceptance, under the laws

of the State of New York and, for all purposes, shall be construed in accordance with the laws of said State.

REX RAILWAYS, INC.

(Corporate Seal)

BY: _____

Attest:

The foregoing Consent and Agreement is hereby accepted as of the ___ day of _____, 1979.

THE PROVIDENT BANK, as Assignee

BY: _____

LEASE AGREEMENT ASSIGNMENT

DATED AS OF FEBRUARY 13, 1979

FROM

SKIVA INTERNATIONAL, INC.
VENDEE

TO

THE PROVIDENT BANK, CINCINNATI, OHIO
ASSIGNEE

(COVERING UP TO 100 GENERAL PURPOSE BOX CARS)

Filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. 11303 (formerly Section 20c of the Interstate Commerce Act) on _____, 1979 at _____, recordation number _____.

LEASE AGREEMENT ASSIGNMENT dated as of February 13, 1979 given by SKIVA INTERNATIONAL, INC., a New York corporation (hereinafter called the "Vendee"), to THE PROVIDENT BANK, an Ohio banking corporation, (hereinafter called the "Assignee").

WHEREAS, TWITTER, INC., a Delaware corporation, (hereinafter called the "Vendor"), REX RAILWAYS, INC., a New Jersey corporation (hereinafter called "Rex" or the "Manager") and the Vendee, have entered into a conditional sale agreement dated as of the date hereof (hereinafter called the "Conditional Sale Agreement") covering the sale and delivery, on the conditions therein set forth, by the Vendor and the purchase by the Vendee of the railroad equipment described in Annex A to the Conditional Sale Agreement (said equipment being hereinafter called collectively the "Equipment" or "Units" and individually a "Unit"); certain obligations of the Vendee under the Conditional Sale Agreement being guaranteed by Rex-Noreco, Inc., a New Jersey corporation (hereinafter called the "Guarantor"); and

WHEREAS, the Manager has entered into an equipment schedule (hereinafter "Equipment Schedule") with Lenawee County Railroad Company, Inc. (hereinafter "Lessee") signed on behalf of the Manager on October 4, 1978, and signed on behalf of the Lessee on October 9, 1978, which Equipment Schedule (1) is attached to and amends a Lease Agreement made as of September 23, 1977, between the Manager and the Lessee, and (2) provides that the Manager entered into the Equipment Schedule as principal or agent for parties to be named in an amendment (hereinafter called the "Designating Amendment") to the Equipment Schedule to be delivered to the Lessee in accordance with the provisions of Section 1(a) of the Lease, as amended by the Equipment Schedule; and

WHEREAS, the Manager and the Vendee will deliver to the Lessee a Designating Amendment identifying (1) the Vendee as the principal for whom the Manager is acting with respect to, and as the owner of, the Equipment (or so much thereof as is delivered on or prior to April 30, 1979) and (2) the Equipment (such Lease Agreement, Equipment Schedule and Designating Amendment being hereinafter referred to as the "Lease"); and

WHEREAS, concurrently with execution of this Lease Agreement Assignment, the Assignee is acquiring, pursuant to an agreement and assignment dated as of the date hereof (hereinafter called the "Assignment"), the security title, rights, and interests of the Vendor under the Conditional Sale Agreement in the Units, all upon and subject to the terms and conditions of a finance agree-

ment (hereinafter called the "Finance Agreement") dated as of the date hereof among the Assignee, the Vendor, the Manager, the Vendee and the Guarantor:

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Vendee, the receipt of which is hereby acknowledged, and the mutual covenants herein contained, the parties hereby agree as follows:

SECTION 1. The Vendee hereby assigns, transfers, and sets over unto the Assignee, as collateral security for the payment and performance of the obligations of the Vendee under the Conditional Sale Agreement and the Finance Agreement, the Lease Agreement and all of its rights, powers, privileges, and remedies thereunder; provided, however, so long as no Event of Default (as defined in the Conditional Sale Agreement) under the Conditional Sale Agreement nor Default (as defined in the Lease Agreement) under the Lease Agreement has occurred and is continuing, the Vendee is empowered to give any notice of an Event of Default under the Lease Agreement to the Lessee and/or to terminate said Lease Agreement pursuant to its terms; subject to the provisions of Sections 11 and 15 of the Conditional Sale Agreement.

SECTION 2. Subject to the provisions of Section 1 hereof, the Vendee and the Assignee shall, at all times, be entitled to exercise all of the rights under the Lease Agreement to enforce the obligations of the Lessee.

SECTION 3. Anything herein contained to the contrary notwithstanding, the Vendee shall remain fully liable under the Lease Agreement to perform all of the obligations thereunder, and the Assignee its successors or assigns, shall have no obligation or liability under the Lease Agreement by reason of or arising out of this Lease Agreement Assignment, nor shall the Assignee, its successors, or assigns, be required or obligated in any manner to perform or fulfill any obligation of the Vendee under or pursuant to the Lease Agreement, or to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, its successors or assigns, or to press or file any claim or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it, its successors or assigns, or to which it, its successors or assigns, may have been entitled at any time or times, provided that the Assignee shall, as soon as practicable, fully inform the Vendee promptly in writing of any such matters of which it has knowledge.

SECTION 4. The obligations of the Vendee under the Lease Agreement may be performed by the Assignee or its successors or assigns, without releasing the Vendee therefrom provided that any subsequent assignee is a bank or trust company of the United States with assets of at least Thirty-Five Million Dollars (\$35,000,000).

SECTION 5. The Vendee does hereby constitute the Assignee, its successors or assigns, its true and lawful attorney with full power (in the name of the Vendee or otherwise) to ask, require, demand, receive, compound, and give acquittance for any and all moneys and claims for moneys generated by the Equipment except such moneys paid by the Assignee to the Manager under Section 6(a)(1)(F) of the Finance Agreement, to draw any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Assignee, its successors or assigns, may deem to be necessary or advisable. All moneys received pursuant to this Lease Agreement Assignment shall be applied as herein provided.

SECTION 6. All moneys resulting from the ownership, management, use, lease or other operation of the Equipment, whether as rental payments, mileage charges, straight car hire payments or otherwise, shall be paid directly to the Assignee, its successors or assigns. All sums paid to the Assignee, its successors or assigns, by the Lessee by virtue of this Lease Agreement Assignment shall be held or applied by the Assignee, its successors or assigns, in accordance with the applicable provisions of the Finance Agreement and Conditional Sale Agreement to satisfy the obligations of the Vendee; provided, that the Assignee shall promptly forward to the Vendee all sums expressly payable to the Vendee under such agreements.

SECTION 7. The Vendee agrees, that any time and from time to time, upon the written request of the Assignee, its successors or assigns, the Vendee will promptly and duly execute and deliver any and all such further instruments and documents as the Assignee, its successors or assigns, may reasonably request to enable the Assignee to obtain the full benefits of this Lease Agreement Assignment and the rights and powers herein granted.

SECTION 8. The Vendee does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as this Lease Agreement Assignment shall remain in effect, any of its rights, title or interest in or to the Lease to anyone other than the Assignee, its suc-

cessors or assigns and that it will not take or omit to take any action, the taking or omission of which might result in the alteration, amendment, modification, or impairment of the Lease Agreement or this Lease Agreement Assignment or of any of the rights created by any of such instruments except as expressly provided in the Lease Agreement. Anything to the contrary herein notwithstanding, the Vendee may assign all of its rights under the Lease and delegate all its duties thereunder to a wholly owned subsidiary provided such subsidiary assumes the duties and obligations of the Vendee thereunder, and under the Conditional Sale Agreement, and under any other documents or agreements relating to the Equipment. In the event of such an assignment and delegation, the Vendee will be released from any and all obligations thereunder, it being intended that such an assignment and delegation act as a novation with the Assignee. The Vendee does hereby ratify and confirm the Lease and does warrant and represent that such Lease is in full force and effect as to it, and that the Vendee is not default thereunder.

SECTION 9. The terms of this Lease Agreement Assignment and all the rights and obligations hereunder shall be governed by the laws of the State of New York provided, however, that the parties shall be entitled to all the rights conferred by 49 U.S.C. 11303 (formerly Section 20c of the Interstate Commerce Act), such additional rights arising out of the filing, recording, or depositing of the Lease Agreement and this Lease Agreement Assignment as shall be conferred by the laws of the several jurisdictions in which the Lease Agreement or this Lease Agreement Assignment shall be filed, recorded, or deposited, or in which any Unit shall be located, and any rights arising out of the markings on the Units.

SECTION 10. This Lease Agreement Assignment may be executed in any number of counterparts, but the counterpart delivered to the Interstate Commerce Commission for recording and subsequently redelivered to the Assignee shall be deemed to be the original counterpart and all other counterparts shall be deemed duplicates thereof. Although this Lease Agreement Assignment is dated as of the date first above written for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

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SECTION 11. This Lease Agreement Assignment shall take effect immediately upon the execution hereof and the powers and authorities granted to the Assignee, its successors or assigns, herein, having been given for valuable consideration, are hereby declared to be irrevocable; provided, however, that when all of the Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement) and all other sums payable under the Conditional Sale Agreement (whether owing to the Assignee or any successor or assign of Assignee and/or to the Guarantor or any successor or assign of the Guarantor by operation of subrogation or assignment) have been paid or discharged in accordance with the terms thereof, and all other covenants and agreements contained therein shall have been performed, all right, title and interest herein assigned shall revert to the Vendee and this Lease Agreement Assignment shall terminate and the Assignee agrees to execute, if requested by the Vendee, at the expense of the Vendee and without liability to the Assignee, an appropriate instrument in recordable form confirming the termination of the Lease Agreement Assignment.

SECTION 12. In the event that the Assignee has actual notice of an event of default under the Lease Agreement, the Assignee will give prompt notice thereof to the Vendee.

SECTION 13. The Vendee agrees to furnish to the Assignee copies of all notices, statements, documents, or schedules received by it under the Lease Agreement, the Lease Agreement Assignment, or the Conditional Sale Agreement and the Assignee shall cause similar copies to be delivered to the Vendee if received by the Assignee.

SECTION 14. The Vendee, and the Lessee by its Consent hereto, specifically hereby agree as follows: (a) this Lease Agreement Assignment shall not relieve the Vendee of its obligations under the Lease Agreement, or be construed to be an assumption by the Assignee of such obligations; (b) the Lessee shall make all payments and amounts due under the Lease Agreement directly to the Assignee, at Assignee's address as provided in Section 22(c) of the Conditional Sale Agreement or at such other address or account as the Assignee may direct; (c) the Lessee's obligations under the Lease Agreement, including without limitation, its obligation to pay the rental charges described in Section (6) thereof, shall not be subject to any reduction, abatement, defense, setoff, counterclaim or recoupment for any reason whatsoever, which however, shall not prevent the Lessee from asserting any claims separately against the Vendee; (d) the Lessee will not consent to any modification or amendment of the Lease Agreement without the consent of the Assignee; and (e) the

Lessee shall provide to the Assignee such certificates, statements or other information as the Assignee may reasonably request, including without limitation, copies of all information and reports provided to the Vendee under the Lease Agreement.

The rights of the parties to and under the Lease Agreement shall be subordinate and junior in rank to the rights of the Vendor under the Conditional Sale Agreement and to the rights of the Assignee, as assignee of the Vendor's rights.

IN WITNESS WHEREOF, the parties hereto, pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officials, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

WITNESSES:

SKIVA INTERNATIONAL, INC, Vendee

BY: _____

THE PROVIDENT BANK, Assignee

BY: _____

STATE OF)
)
:SS:
)
COUNTY OF

On this _____ day of _____, 1979, before me personally appeared Albert Chehebar, to me personally known, who being by me duly sworn, says that he is the President of Skiva International, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(seal)

(Title of officer)

My commission expires _____

STATE OF)
)
: SS:
)
COUNTY OF

On this _____ day of _____, 1979, before me personally appeared Robert C. Lintz, to me personally known, who being by me duly sworn, says that he is the Executive Vice-President of The Provident Bank that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(seal)

(Title of officer)

My commission expires _____

CONSENT AND AGREEMENT

The undersigned, LENAWEE COUNTY RAILROAD CO., INC., a Michigan corporation (hereinafter called the "Lessee"), the lessee named in the Lease Agreement referred to in the foregoing Lease Agreement Assignment (hereinafter called the Lease Agreement Assignment), hereby (a) acknowledges receipt of a copy of the Lease Agreement Assignment and (b) consents to all the terms and conditions of the Lease Agreement Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease Agreement (which moneys are hereinafter called the "Payments") due and to become due under the Lease Agreement or otherwise in respect of the Units leased thereunder, directly to The Provident Bank, as the assignee named in the Management Agreement Assignment at its main office at One East Fourth Street, Cincinnati, Ohio, 45202, Attention: J. Lynn Brewbaker (or at such other address as may be furnished in writing to the Lessee by the Assignee);

(2) the Assignee shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Assignee were named therein as the Lessor;

(3) the Assignee shall not, by virtue of the Lease Agreement Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease Agreement or otherwise; and

(4) the Lease Agreement shall not, without the prior written consent of the Assignee, be terminated or modified, nor shall any action be taken or omitted by the Lessee, the taking or omission of which might result in an alteration or impairment of the Lease Agreement or the Lease Agreement Assignment or this Consent and Agreement or of any of the rights created by any thereof.

(5) the rights of the parties to and under the Lease Agreement shall be subordinate to and junior in rank to the rights of the Vendor under the Conditional Sale Agreement and to the rights of the Assignee, as assignee of the Vendor's rights.

This Consent and Agreement, when accepted by the Assignee by signing the acceptance at the end hereof, shall be deemed to be a contract, effective as of the date of acceptance, under the laws of the State of New York and, for all purposes, shall be construed in accordance with the laws of said State.

LENAWEE COUNTY RAILROAD CO., INC.

(Corporate Seal)

Attest:

BY: _____

The foregoing Consent and Agreement is hereby accepted as of the _____ day of _____, 1979.

THE PROVIDENT BANK, Assignee

BY: _____

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CERTIFICATE OF INSPECTION AND ACCEPTANCE

THE UNDERSIGNED, BEING THE DULY AUTHORIZED REPRESENTATIVE OF THE REX RAILWAYS (HEREINAFTER REFERRED TO AS THE "BUYER"), HEREBY CERTIFIES THAT THE FOLLOWING RAILROAD EQUIPMENT BUILT BY PULLMAN INCORPORATED (PULLMAN STANDARD DIVISION), (HEREINAFTER REFERRED TO AS THE "BUILDER"), HAS BEEN INSPECTED AND FOUND TO BE IN GOOD ORDER AND RUNNING CONDITION AND TO BE COMPLETED IN ACCORDANCE WITH THE BUILDER'S SPECIFICATION NO. 3722 DATED SEPTEMBER 15, 1977, AND HAS BEEN ACCEPTED ON BEHALF OF THE BUYER:

<u>DESCRIPTION</u>	<u>QUANTITY</u>	<u>CAR NUMBERS</u>	<u>ACCEPTANCE DATE & TIME</u>
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70-ton 50'6" Box Cars			
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The cars have been stenciled with the following legend:
"Ownership subject to a Security Agreement filed under the Interstate Commerce Act."

DATE AT BESSEMER, ALABAMA

THIS _____ DAY OF _____, 1979 AT
_____, E.S.T.

AUTHORIZED REPRESENTATIVE OF
REX RAILWAYS, INC.