



**CROSSROADS**

**BANK**

*Check*  
9-114-A030

TRANSMITTAL LETTER

RECORDATION NO **15319** FILED 1423

March 21, 1989

MAY 5 1989 -11 05 AM

Interstate Commerce Commission  
12th & Constitution Ave., Northwest, Room 2303  
Washington D.C. 20423  
ATTEN: Mildred Lee

No. INTERSTATE COMMERCE COMMISSION

Date .....

Fee \$ .....

MAY 5 1989 -11 05 AM

ICC Washington, D. C.

Dear Ms. Lee:

INTERSTATE COMMERCE COMMISSION

Effective March 21, 1989, Crossroads Bank, Victoria, Texas has taken a security interest in the following described railroad cars owned by ITG, INC. of Victoria, Texas.

8 100 TON AIR OPERATED SIDE DUMP CARS - Identification Numbers:  
ITGX #1901, 1902, 1904, 1905, 1906, 1907, 1908 and 1909

In addition, we have an assignment of a Lease Agreement wherein ITG, INC. has leased the above referenced cars to NEW JERSEY TRANSIT RAIL OPERATIONS, INC.

The Secured Party is: CROSSROADS BANK  
1501 MOCKINGBIRD/P. O. BOX 4025  
VICTORIA, TEXAS 77903

The Debtor is: ITG, INC.  
P. O. BOX 1777  
VICTORIA, TEXAS 77902

Crossroads Bank herein requests that the enclosed duplicate be acknowledged and recorded by the Interstate Commerce Commission and returned to: P. O. Box 4025, Victoria, Texas 77903.

Sincerely,

*Thomas H. Aughinbaugh III*  
Thomas H. Aughinbaugh III  
President & Chief Executive Officer

THE STATE OF TEXAS  
COUNTY OF VICTORIA

This instrument was acknowledged before me on the 21st day of March, 1989, by Thomas H. Aughinbaugh III, President of Crossroads Bank.

*Debbie Young*  
Debbie Young, Notary Public

I



May 2, 1989

Interstate Commerce Commission  
12th & Constitution Ave., Northwest  
Room 2303  
Washington D.C. 20423  
ATTEN: Mildred Lee

RE: ITG, INC.

Dear Mrs. Lee:

In follow-up to our recent telephone conversation, you will find enclosed an original Security Agreement together with a certified copy, in order to complete the ICC filing and recording previously requested regarding our lien on ITG, INC.'s railroad cars and their lease with New Jersey Transit.

If you are in need of any additional information, please do not hesitate to contact me.

Sincerely,

*Debbie Young*  
Debbie Young  
Administrative Asst.

Interstate Commerce Commission  
Washington, D.C. 20423

6.  
5.9.89

OFFICE OF THE SECRETARY

Thomas H. Aughinbaugh III  
CrossRoads Bank  
1501 Mockingbird At Sam Houston  
P.O.Box 4025  
Victoria, Texas 77903

Dear: Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5.5.89, at 11:05am, and assigned recordation number(s). 16319 & 16319-A

Sincerely yours,



Noreta R. McGee  
Secretary

Enclosure(s)

LEASE CONTRACT

(Bid No.)

FY88J-076

RECORDATION NO

16319-A

FILED 1423

MAY 5 1989 -11 05 AM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT made June, 1988 between New Jersey Transit Rail Operations, Inc., a wholly owned subsidiary of the New Jersey Transit Corporation (a public instrumentality of the State of New Jersey), having its principal office at 1160 Raymond Boulevard, Newark, New Jersey 07102, and ITG, INC., P. O. Box 1777, 106 North Main Street, Suite 200, Victoria, Texas 77902

hereinafter referred to as the Contractor includes three parts namely: a) General Provisions, b) Specifications, and c) Exhibits as set forth in IFB.

1. The Contractor, for and in consideration of the payments hereinafter specified and agreed to be made by New Jersey Transit Rail, agrees to lease the equipment and perform the services set forth in the specifications included hereinafter.

The Contractor hereby warrants that he has good title to the equipment which is the subject of this lease or that he has been expressly authorized by the person who has such title to lease this equipment to New Jersey Transit Rail.

2. Quantities and Unit Price

The Contractor agrees that the prices hereinafter set forth in its bid shall remain firm for the period of the contract. The contractor also agrees that the amount of equipment and services noted in the Specification hereinafter is approximate and subject to increase or decrease at the sole option of New Jersey Transit Rail. New Jersey Transit Rail is obligated to pay for only that equipment leased to it and services performed in accordance with this contract.

3. Proper Payments

The Contractor agrees to make payment of all proper charges for labor and materials required to provide New Jersey Transit Rail the aforementioned equipment and services.

4. Non Restrictive Clause

Wherever brand names may appear in this contract, they are included for the purposes of establishing identification and a general description of the item. Wherever such names may appear, the term "or approved equal" is considered to follow. The decision on the approved equal will be rendered by New Jersey Transit Rail.

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Payment

New Jersey Transit Rail agrees to pay the Contractor upon submission of proper invoices for the services performed and accepted by New Jersey Transit Rail, in accordance with unit prices agreed to, within a mutually acceptable time period either at the gross or discounted rate.

New Jersey Transit Rail shall lease equipment and order services by use of a New Jersey Transit Rail Purchase Order Number referencing this contract, and such purchase order number shall be the only authorization the Contractor shall use to provide such equipment and services and invoice New Jersey Transit Rail.

6. Release of Claims

It is agreed the Contractor's acceptance of final payment from New Jersey Transit Rail shall release in full all claims against New Jersey Transit Rail under this contract.

7. Assignment

This Agreement shall not be assigned by the Contractor without the written consent of New Jersey Transit Rail.

8. Subcontracting

The Contractor shall not subcontract any portion of this contract without the written consent of New Jersey Transit Rail. Utilization of independent delivery services and other similar activities are acceptable.

9. Taxes and Applicable Laws

The Contractor agrees to comply with all applicable local, state and federal laws, rules and regulations. The Contractor also agrees that any taxes to be paid as a result of this Agreement will be paid by the Contractor and that New Jersey Transit Rail's obligation is limited to payment for the product and/or services in accordance with the unit prices stated herein. New Jersey Transit Rail is exempt from State use & sales tax and Federal Excise tax. They must not be included in the contractor's price quotations for invoices. The State of New Jersey's Federal Excise Tax Exemption Number is 22-75-0050K and the State of New Jersey's State Excise Tax Exemption Number is 21-60000928.

10. Succession

This contract is to be binding upon New Jersey Transit Rail, its successor or successors, and upon the Contractor, its successor or successors.

11. Changes

Any proposed change in this contract shall be submitted to New Jersey Transit Rail for its prior approval and New Jersey Transit Rail will make the change by a contract modification. Oral change orders are not permitted. The Contractor shall be liable for all costs resulting from and/or for satisfactorily correcting any specification change not proven ordered by written modification to the contract signed by the Contracting Officer.

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New Jersey Transit Rail may at any time, by a written order, and without notice to the sureties, make changes, within the general scope of this contract, in any one or more of the following: (I) Drawings, designs, or specifications; (II) method of shipment or packing; and (III) place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this contract, whether changed or not changed by any such order, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly.

Within five (5) calendar days after receipt of the written change order to modify the contract, the Contractor shall provide the Contracting Officer a detailed price and schedule proposal for the work to be performed. This proposal shall be accepted or modified by negotiations between the Contractor and the Contracting Officer. At that time, a detailed modification shall be executed in writing by both parties. Disagreements that cannot be resolved within negotiations shall be resolved in accordance with the contract disputes clause. Regardless of any disputes the Contractor shall proceed with the work ordered.

If price adjustment is indicated either upward or downward, it shall be negotiated between New Jersey Transit Rail and the Contractor for changes that are mandatory as a result of legislation or regulation that are promulgated and become effective between the date of the bid opening and the date of manufacture. Such price adjustment may be audited where required.

## 12. Delays

If performance under this contract should be unavoidably delayed, the Contracting Officer shall extend the time for completion of the contract for the determined number of days of excusable delay. A delay is unavoidable only if the delay was not reasonably expected to occur in connection with or during the Contractor's performance, and was not caused directly or substantially by acts, omissions, negligence, or mistakes of the Contractor, the Contractor's suppliers, or their agents, and was substantial and in fact caused the Contractor to miss delivery dates, and could not adequately have been guarded against by contractual or legal means.

The Contractor shall notify the Contracting Officer as soon as the Contractor has, or should have, knowledge that an event has occurred which will delay deliveries. Within five (5) days, the Contractor shall confirm such notice in writing furnishing as much detail as is available.

The Contractor agrees to supply, as soon as such data is available, any reasonable proofs that are required by the Contracting Officer to make a decision on any request for extension. The Contracting Officer shall examine the request and any documents supplied by the Contractor and shall determine if the Contractor is entitled to an extension and the duration of such extension. The Contracting Officer shall notify the Contractor of his decision in writing.

It is expressly understood and agreed that the Contractor shall not be entitled to damages or compensation, and shall not be reimbursed for losses on account of delays resulting from any cause under this provision.

Failure of the Contractor to so notify the contracting officer shall result in a waiver of any rights that the Contractor has under this contract for an extension of time.

### 13. Indemnification

The Contractor agrees to defend, indemnify, protect and save harmless the State of New Jersey, U.S Department of Transportation, New Jersey Transit Corporation and New Jersey Transit Rail and their agents, servants and employees from and against any and all suits, claims, demands or damages of whatsoever kind or nature arising out of any act, error or omission, or failure to exercise good faith or such standard of care as is customary in the business of the Contractor, its agents, servants and employees in the performance of its obligations under this Agreement, including but not limited to expenditures for and costs of investigations, hiring of expert witnesses, court costs, counsel fees, settlements, judgments of otherwise; provided, however, that this paragraph shall not apply when the fault or negligence of an agent or employee of New Jersey Transit Rail is the sole cause. New Jersey Transit Corporation and New Jersey Transit Rail shall, as soon as practicable, after a claim has been made against it, give written notice thereof to the Contractor along with full and complete particulars of the claim. If the suit is brought against New Jersey Transit Rail, New Jersey Transit Rail shall immediately forward to the Contractor every demand, complaint, notice, summons, pleading, or other process received by New Jersey Transit Rail or its representatives.

### 14. Termination for Convenience

Contractor's performance under this agreement may be terminated by New Jersey Transit Rail in accordance with this clause in whole, or in part, whenever the Contracting Officer shall determine that such termination is in the best interest of New Jersey Transit Rail. Any such termination shall be effected by delivery to the Contractor of a notice of termination specifying the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective.

After receipt of notice of termination, and except as otherwise directed by the Contracting Officer, the Contractor shall: stop work under the contract on the date and to the extent specified in the notice of termination; take no further action except as may be necessary for completion of such portion of the work under the contract as is not terminated; and terminate all orders and/or subcontracts to the extent that they relate to the performance of work terminated by the notice of termination. Settlement of claims by the Contractor under this termination for convenience clause shall be accordance with the provisions set forth in Federal Acquisition Regulations (FAR) 52.249-2 (a) through (m).

## 15. Termination for Default

New Jersey Transit Rail may, by written notice of default to the Contractor, terminate the whole or any part of this contract if the Contractor fails to deliver the product or to perform the services within the time specified herein or any extension thereof; or if the Contractor fails to perform any of the other provisions of the contract, so as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.

If the contract is terminated in whole or in part for default, New Jersey Transit Rail may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, products or services similar to those so terminated. The Contractor shall be liable to New Jersey Transit Rail for any excess costs for such similar products or service, and shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform, unless the products or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to termination for convenience of New Jersey Transit Rail.

The rights and remedies of New Jersey Transit Rail provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

16. Disputes

Disputes arising in the performance of this Agreement which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of the Contracting Officer. This decision shall be final and conclusive unless within ten (10) days from the date of receipt of its copy, the Contractor/Consultant mails or otherwise furnishes a written appeal to the Contracting Officer. In connection with any such appeal, the Contractor/Consultant shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the Contracting Officer shall be binding upon the Contractor/Consultant and the Contractor/Consultant shall abide by the decision. The New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq., shall govern any action which may be brought by the Contractor/Consultant as a result of NJ Transit's decision.

17. Corporation Representative

The individuals authorized by New Jersey Transit Rail to order materials in the Specification and to act for New Jersey Transit Rail are: The Director of Purchasing and Materials, his superiors, and his designees.

The Vice President and General Manager New Jersey Transit Rail or his designee, shall be the Contracting Officer.

18. Contractor Representative

The individual(s) authorized by the Contractor to act on its behalf are:

Name	<u>Michael Sagebiel</u>
Title	<u>President</u>
Address	<u>P. O. Box 1777</u>
	<u>Victoria, Texas 77902</u>
Phone	<u>512-573-4378</u>

19. Communications

Communications in connection with this contract shall be in writing and shall be delivered personally, or by telex, telegram, or by regular, registered, or certified mail addressed to the officer(s) or employee(s) of New Jersey Transit Rail and of the Contractor designated to receive such communications. Telephone calls may be used to expedite communications but shall not be official communication unless confirmed in writing.

Communications shall be considered received at the time actually received by the addressee or designated agent.

20. Equal Employment Opportunity

The parties to this contract do hereby agree that the provisions of N.J.S.A. 10:2-1 through 10:2-4 and N.J.S.A. 10:5-31 et seq. (P.L. 1975, c.127) as amended and supplemented and the rules and regulations promulgated pursuant thereto, and the provisions set forth in Exhibit 6, annexed hereto, are hereby made a part of this Agreement.

In connection with the execution of this contract, the Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin. The Contractor shall take affirmative action to insure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color sex or national origin. Such actions shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff, or termination; rates of pay, or other forms of compensation; and selection for training, including apprenticeship.

21. Disadvantaged Business Enterprise

It is the policy of New Jersey Transit Rail that Disadvantaged Business Enterprise's (DBEs) and Women Business Enterprise's (WBEs) as defined in the Department of Transportation Regulations 49 CFR Part 23 have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal Funds under the agreement.

New Jersey Transit Rail requires that the Contractor shall agree to insure that DBEs and WBEs have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this agreement.

In this regard the Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to insure that DBEs and WBEs have the maximum opportunity to compete for and perform contracts. The Contractor shall not discriminate on the basis of race, color, national origin or sex in the awarding and performance of such contracts. If subcontracting goals have been established by New Jersey Transit Rail for this contract the contractor shall comply with the provisions of Exhibit 8.

22. Restriction of Gifts

The Contractor, its, his or their officers, representatives, agents, subcontractors or employees also agree(s) not to give any present nor make any gift of money or any other gift or gratuity in any form whatsoever to any employee of New Jersey Transit Rail, his or her relatives or agents.

23. Covenant Against Contingent Fees

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty New Jersey Transit Rail shall have the right to annul this contract without liability or at its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

24. Audit

The Contractor shall permit the authorized representative of New Jersey Transit Rail, The U.S. Department of Transportation and the Comptroller General of the United States to inspect and audit all data and records of the Contractor relating to its performance and its subcontractors under this contract from the date of the contract through and until the expiration of three (3) years after completion of the contract.

25. Interest of Members of or Delegates to Congress

No member of, or delegate to the Congress of the United States shall be admitted to any share or part of this contract or to any benefit arising therefrom.

26. Prohibited Interest

No member, officer, or employee of the New Jersey Transit Corporation or its subsidiaries (including New Jersey Transit Rail) or of a local public body during his tenure or one year thereafter shall have any interest direct or indirect, in this contract or the proceeds thereof.

27. Ineligible Contractors

The Contractor ITG, INC. hereby certifies that it is not included on the U.S. Comptroller General's Consolidated List of Persons or Firms Currently Debarred for Violations of Various Public Contracts Incorporating Labor Standards Provisions. It further certifies that it is not listed on the "Record of Suspensions, Debarments and Disqualifications" published by the State of New Jersey Department of the Treasury in accordance with New Jersey Executive Order No. 34.

28. Air Pollution

The contractors and suppliers must submit evidence to New Jersey Transit Rail that the governing air pollution criteria will be met. This evidence and related documents will be retained by New Jersey Transit Rail for on-site examination by the Urban Mass Transportation Administration.

## 29. Buy America

Pursuant to Section 165 of the Surface Transportation Assistance Act of 1982 (P.L. 97-424) and the regulations found at 49 CFR Part 661, the recipient agrees that all steel, and manufactured products purchased or used as a result of this contract must be of domestic manufacture or origin unless a waiver of these provisions is granted.

There are four exemptions to this otherwise universal mandate:

1. that their application would be inconsistent with the public interest;
2. that such materials and products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality;
3. in the case of the procurement of bus and other rolling stock (including train control, communication and traction power equipment) under the Urban Mass Transportation Act of 1964, that (A) the cost of components which were produced in the United States in more than 50 percentum of the cost of all components of the vehicle or equipment described in this paragraph, and (B) final assembly of the vehicle or equipment described in this paragraph has taken place in the United States;
4. that inclusion of domestic material will increase the cost of the overall project contract by more than 10 per centum in the case of projects for the acquisition of rolling stock, and 25 per centum in the case of all other projects.

## 30. Cargo Preference-Use of U.S. Flag Vessels

The Contractor agrees:

(1) To utilize privately owned United States - flag commercial vessels to ship at least fifty (50) percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, materials, or commodities pursuant to this section, to extent such vessels are available at fair and reasonable rates for United States - flag commercial vessels.

(2) To furnish within 30 days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipment originating outside the United States, a legible copy of a rated "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (1) above to the Recipient (through the prime contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, D.C. 20230, marked with appropriate identification of the Project.

(3) To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this contract.

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31. Additional Exhibits

The Exhibits as set forth in the IFB are incorporated into this contract.

32. Insurance

A. The Contractor shall maintain the following level of insurance:  
Comprehensive General Liability \$1,000,000 per occurrence for  
bodily injury and property  
damage.

Comprehensive Automobile \$300,000 per person, \$500,000  
per accident for bodily injury,  
and \$200,000 for property  
damage.

Workers' Compensation As required by law

Contractor to provide New Jersey Transit Rail with proof of the policy if requested.

33. Labor Disputes

Whenever the Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Contract, the Contractor shall immediately give notice thereof, including all relevant information to New Jersey Transit Rail.

34. Clean Water And Clean Air Act

If this contract shall be in an amount greater than \$100,000 the Contractor shall comply with section 306 of the Clean Air Act (42 USC 1857 (h)), section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR Part 15).

35. Energy Efficiency

The Contractor shall comply with the mandatory energy efficiency standards and policies contained in the State of New Jersey Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act. (P.L. 94-163).

36. Labor Provisions - Non Construction Contract

(1) Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of eight hours in any calendar day or in excess of forty hours in such work week unless such laborer or mechanic receives compensation at rate not less than one and one-half times the basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of forty hours in such work week, whichever is greater.

(2) Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in subparagraph (b) (1) of 29 CFR Section 5.5, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages.

(3) Withholding for Unpaid Wages and Liquidated Damages. New Jersey Transit Rail shall, upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages as provided in the clause set forth in subparagraph (b) (2) of 29 CFR Section 5.5.

(4) Nonconstruction Grants. The contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of DOT and the Department of Labor, and the Contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

(5) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (5) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraph (1) through (5) of this paragraph.

### 37. Title VI Compliance

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

(1) Compliance with Regulations: The contractor shall comply with the Regulations relative to nondiscrimination in federally-assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

(2) Nondiscrimination: The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, religion, color, sex, age, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when contract covers a program set for in Appendix B of the Regulations.

(3) Solicitations for Subcontracts: Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age, or national origin.

(4) Information and Reports: The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or New Jersey Transit Rail or the Urban Mass Transportation Administration (UMTA) to be pertinent to ascertain compliance with such Regulations, orders and instruction. Where any information is required or a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to New Jersey Transit Rail, or the Urban Mass Transportation Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

(5) Sanctions for Noncompliance: In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, New Jersey Transit Rail shall impose such contract sanctions as it or the Urban Mass Transportation Administration may determine to be appropriate, including but not limited to:

- (a) Withholding of payments to the contractor under the contract until the contractor complies, and/or,
- (b) Cancellation, termination or suspension of the contract, in whole or in part.

(6) Incorporation of Provisions: The contractor shall include the provisions of paragraph (1) through (6) of this section in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as New Jersey Transit Rail or the Urban Mass Transportation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance: provided, however, that, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request New Jersey Transit Rail to enter into such litigation to protect the interests of the recipient, and, in addition, the contractor may request New Jersey Transit Rail to enter into such litigation to protect the interest of the United States.

38. Contract Cost Principles and Procedures

Part 31 of the Federal Acquisition Regulations entitled "Contract Cost Principles and Procedures" is incorporated by reference in this contract.

WITNESS WHEREOF, the parties have caused this Agreement to be executed effective the date set forth above.

FOR THE CONTRACTOR:

ITG, INC.  
Contractor Name

ATTEST:

Deborah Clarke 6-1-88  
Signature Date

BY: Michael Sagebiel 6-2-88  
Signature Date

Deborah Clarke  
Typed Name

Michael Sagebiel  
Typed Name

Office Manager  
Typed Title

President  
Typed Title

NJ TRANSIT RAIL OPERATIONS, INC.

ATTEST:

Shirley J. ... 7/13/88  
Director Purchasing & Materials Date

BY: ... 7/12/88  
Vice President-General Manager Date

This Agreement has been reviewed and approved as to form by the office of the Attorney General of New Jersey.

W. Cary Edwards  
Attorney General of New Jersey

BY: ... 7/6/88  
Deputy Attorney General Date



# AMWEST SURETY INSURANCE COMPANY

LOS ANGELES, CALIFORNIA

## BID BOND

PREMIUM: BBSU

BOND NUMBER: 1151084

BID DATE: June 16, 1988

KNOW ALL MEN BY THESE PRESENTS, That we, ITG, INC.

\_\_\_\_\_ (hereinafter called the Principal), as Principal, and AMWEST SURETY INSURANCE COMPANY, a corporation, organized and existing under the laws of the State of California and authorized to transact a general surety business in the State of NEW JERSEY (hereinafter called the Surety), as Surety, are held and firmly bound unto \_\_\_\_\_

NEW JERSEY TRANSIT RAIL OPERATIONS, INC. (hereinafter called the Oblige) in the penal sum of FIFTY percent (50 %) of the amount bid, the penalty of this bond not to exceed SIXTY NINE THOUSAND THREE HUNDRED Dollars (\$ 69,300.00 ) for the payment of which the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, That, whereas the Principal has submitted or is about to submit a proposal to the Oblige on a contract for \_\_\_\_\_

Furnish and lease 12 each all steel air operated side dump cars to New Jersey Transit Rail Operations, Inc.

NOW, THEREFORE, if the said contract be awarded to the Principal and the Principal shall, within such time as may be specified, enter into the contract in writing, and give bond, with surety acceptable to the Oblige for the faithful performance of the said contract; or if the Principal shall fail to do so, pay to the Oblige the damages which the obligee may suffer by reason of such failure, not exceeding the penalty of this bond, then this obligation shall be void; otherwise remain in full force and effect; provided however, that this bond is only valid and effective for a period of 60 days from the above bid date.

SIGNED, SEALED AND DATED this 14 day of June, 19 88.

ITG, INC.  
PRINCIPAL

By: \_\_\_\_\_

AMWEST SURETY INSURANCE COMPANY  
By: Wallace N. Fairbank  
Wallace N. Fairbank ATTORNEY-IN-FACT

**AMWEST SURETY INSURANCE CO.**

**P.O. Box 4500**

**Woodland Hills, CA 91365**

**(818) 704-1111**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, That AMWEST SURETY INSURANCE COMPANY, A CALIFORNIA CORPORATION does hereby make, constitute and appoint

**Wallace N. Fairbank, Houston, Texas**

its true and lawful Attorney(s)-in-Fact, with full power and authority for and on behalf of the company as surety, to execute and deliver and affix the seal of the company thereto if a seal is required, bonds, undertakings, recognizances or other written obligations in the nature thereof, as follows:

**Unlimited**

and to bind AMWEST SURETY INSURANCE COMPANY thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are hereby ratified and confirmed. This appointment is made under and by authority of the following provisions of the By-Laws of the company, which are now in full force and effect:

Article III, Section 7 of the By-Laws of AMWEST SURETY INSURANCE COMPANY

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of AMWEST SURETY INSURANCE COMPANY at a meeting duly held on December 15, 1975.

RESOLVED that the president or any vice-president, in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds; and said officers may remove any such attorney-in-fact or agent and revoke any power of attorney previously granted to such person.

RESOLVED FURTHER that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the company

(i) when signed by the president or any vice-president and attested and sealed (if a seal be required) by any secretary or assistant secretary; or

(ii) when signed by the president or any vice-president or secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or

(iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the power of attorney issued by the company to such person or persons.

RESOLVED FURTHER that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any power of attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company; and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, AMWEST SURETY INSURANCE COMPANY has caused these presents to be signed by its proper officer, and its corporate seal to be hereunto affixed this 23rd day of February 19 88



**AMWEST SURETY INSURANCE COMPANY**

*G. J. Sanden*  
G. J. Sanden Vice President  
*Allen H. Coker*



# AMWEST SURETY INSURANCE COMPANY

June 14, 1988

Date

ITG, Inc.

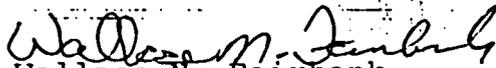
RE: Bid bond for June 16, 1988

Gentlemen:

We enclose herewith the bid bond for this project.

As agreed, should your company be successful bidder on this project and are awarded the contract, it is understood and agreed that Amwest will be furnished with collateral in the form of Irrevocable Letter of Credit or CD in the amount of \$ 75,000.00. This collateral must be deposited with Amwest prior to the execution of the Performance and/or Payment Bonds required.

Regards,

  
Wallace N. Fairbank  
Amwest Surety Insurance Company  
Houston Branch

Acknowledgement

Title



# NJ TRANSIT

RAIL OPERATIONS INC.  
1160 RAYMOND BLVD.  
NEWARK, NJ 07102

## PURCHASE ORDER

INSTRUCTIONS:  
ALL PACKAGES MUST BE ACCOMPANIED BY A PACKING SLIP  
REFERENCE PURCHASE ORDER NUMBER AND N.J.T. CATALOG NUMBER ON ALL INVOICES, PACKING SLIPS AND BILLS OF LADING  
ADDRESS ALL INVOICES TO N.J. TRANSIT RAIL OPERATIONS, INC. ACCOUNTS PAYABLE DEPARTMENT, 1160 RAYMOND BLVD., NEWARK, NJ 07102

PURCHASE ORDER & RELEASE NO. C-89075		REV. NO. 0
VENDOR NO. 70012127	ISSUE DATE 03/02/89	
DATE CHANGED	PAGE NO. 1	

VENDOR: ITG, INC.  
106 NORTH MAIN STREET  
P.O. BOX 1777  
VICTORIA, TX 77901

SHIP TO: SEE SHIPPING INSTRUCTIONS IN  
DESCRIPTION FIELD BELOW

TERMS NET 30 D	FREIGHT TERMS FOB DESTINATION	SHIP VIA BEST WAY	BUYER NO. 001	TAX EXEMPTION NUMBER NJ 21-60000928 FED. 22-75-0050K
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ITEM	QUANTITY	UNIT OF MEASURE	N.J.T. CATALOG NUMBER	DESCRIPTION	UNIT PRICE	AMOUNT
				<p>***** SERVICE ORDER *****</p> <p>*VENDOR MUST SIGN/RETURN ACKNOWLEDGEMNT*</p> <p>*BUYER LESLEY JENKINS 201-468-8098*</p> <p>*VENDOR MUST SIGN/RETURN ACKNOWLEDGEMNT*</p> <p>&lt;&lt; DELIVERY ACCEPTED 8 AM TO 3 PM ONLY &gt;&gt;</p> <p>&lt;&lt; UNLESS PRIOR APPROVAL BY CONSIGNEE.&gt;&gt;</p> <p>REQ # 022606</p> <p>CONSIGNEE J. INGERSOLL HOBOKEN MATERIAL YARD HENDERSON STREET HOBOKEN, NJ 07030</p> <p>VENDOR CONTACT MICHEAL SAGEBIEL 512-573-4378 ACCOUNTS PAYABLE MR. CRISTALDI 468-8270 RE: FY88J-076</p>		

CONTINUE

WHEN BOX IS CHECKED, THE TERMS AND CONDITIONS OF THE ATTACHED CONTRACT  
REPLACE THOSE SHOWN ON THE REVERSE SIDE OF THIS PURCHASE ORDER.

AUTHORIZED NJ TRANSIT SIGNATURE / DATE

# NJ TRANSIT

RAIL OPERATIONS INC.  
1160 RAYMOND BLVD.  
NEWARK, NJ 07102

## PURCHASE ORDER

### INSTRUCTIONS:

ALL PACKAGES MUST BE ACCOMPANIED BY A PACKING SLIP  
REFERENCE PURCHASE ORDER NUMBER AND N.J.T. CATALOG NUMBER ON ALL INVOICES, PACKING SLIPS AND BILLS OF LADING  
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PURCHASE ORDER & RELEASE NO. C-89075		REV. NO. 0
VENDOR NO. 70012127	ISSUE DATE 03/02/89	
DATE CHANGED	PAGE NO. 2	

VENDOR: ITG, INC.  
106 NORTH MAIN STREET  
P.O. BOX 1777  
VICTORIA, TX

77901

SHIP TO: SEE SHIPPING INSTRUCTIONS IN  
DESCRIPTION FIELD BELOW

TERMS NET 30 D	FREIGHT TERMS FOB DESTINATION	SHIP VIA BEST WAY	BUYER NO. 001	TAX EXEMPTION NUMBER NJ 21-6000928 FED. 22-75-0050K
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ITEM	QUANTITY	UNITS OF MEASURE	N.J.T. CATALOG NUMBER	DESCRIPTION	UNIT PRICE	AMOUNT
1	115,200.00	EA	310065100	<p>MR#8904-80020 PROM DATE: 03/02/89 GL#5220 62251203 180813</p> <p>EQUIP LEASE AS SPEC NOT WITH OPER EQUIP RENT/LEASE-CONSTR/MAINT SERVICE TO COMMENCE MARCH 8, 1989 THROUGH MARCH 7, 1990 FOR THE CONTRACTOR TO LEASE EIGHT (8) AIR SIDE DUMP CARS, 100 TON CAPACITY, 50 CYD.</p> <p>LOCATION: NJ TRANSIT RAIL OPERATIONS HOBOKEN MATERIAL YARD HENDERSON STREET HOBOKEN, NJ 07030 RATE: \$1200.00 PER MONTH PER CAR PRICE PER WRITTEN QUOTE ON 6/16/88 BY M. SAGEBIEL TOTAL VALUE NOT TO EXCEED \$84,000.00 RE: BID NO. FY88J-076 NJ TRANSIT IS EXERCISING THE 1ST OPTION PERIOD.</p>	1.0000	115,200.0000

*Begin* 3-89  
2-90

CONTINUE

WHEN BOX IS CHECKED, THE TERMS AND CONDITIONS OF THE ATTACHED CONTRACT  
REPLACE THOSE SHOWN ON THE REVERSE SIDE OF THIS PURCHASE ORDER.

AUTHORIZED NJ TRANSIT SIGNATURE / DATE



RAIL OPERATIONS INC.  
1160 RAYMOND BLVD.  
NEWARK, NJ 07102

**PURCHASE ORDER**  
INSTRUCTIONS:  
ALL PACKAGES MUST BE ACCOMPANIED BY A PACKING SLIP  
REFERENCE PURCHASE ORDER NUMBER AND N.J.T. CATALOG NUMBER ON ALL INVOICES, PACKING SLIPS AND BILLS OF LADING  
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PURCHASE ORDER & RELEASE NO. C-89075		REV. NO. 0
VENDOR NO. 70012127	ISSUE DATE 03/02/89	
DATE CHANGED	PAGE NO. 3	

VENDOR: ITG, INC.  
106 NORTH MAIN STREET  
P.O. BOX 1777  
VICTORIA, TX 77901

SHIP TO: SEE SHIPPING INSTRUCTIONS IN DESCRIPTION FIELD BELOW

TERMS NET 30 D	FREIGHT TERMS FOB DESTINATION	SHIP VIA BEST WAY	BUYER NO. 001	TAX EXEMPTION NUMBER NJ 21-6000928 FED. 22-75-0050K
-------------------	----------------------------------	----------------------	------------------	---

ITEM	QUANTITY	UNIT OF MEASURE	N.J.T. CATALOG NUMBER	DESCRIPTION	UNIT PRICE	AMOUNT
				*BUYER LESLEY JENKINS 201-468-8098* *VENDOR MUST SIGN/RETURN ACKNOWLEDGEMNT* << DELIVERY ACCEPTED 8 AM TO 3 PM ONLY >> << UNLESS PRIOR APPROVAL BY CONSIGNEE.>>  *VENDOR MUST SUPPLY ORIGINAL INVOICE TO ACCUNTS PAYABLE WITH COPY TO CONSIGNEE*  ** VENDOR-READ MESSAGE STAMPED IN RED **		
<i>SMC 3/6/89</i>					** TOTAL:	\$115,200.0000

WHEN BOX IS CHECKED, THE TERMS AND CONDITIONS OF THE ATTACHED CONTRACT REPLACE THOSE SHOWN ON THE REVERSE SIDE OF THIS PURCHASE ORDER.

AUTHORIZED NJ TRANSIT SIGNATURE /DATE

*2 mw 3/6/89*

VENDOR COPY



BID NO. FY88J-076  
LEASE OF P.U.M., VIBRATORY ROLLER, FRONT & SIDE LOADERS,  
GENERATOR SETS, SIDE DUMPS AND TRACK UNDERCUTTER  
ADDENDUM #1

To all bidders:

The aforementioned bid opening has been rescheduled from June 9, 1988 at 2:30 PM to June 16, 1988 at 4:00 PM.

Revise the following:

- I. Exhibit I - Bid Price Form  
Item G - Track Undercutter  
Contractors should bid with and without operator.

Additionally, pricing for the first year should be based on seven (7) months. Pricing for option years 2 and 3 should be based on twelve months.

Include the following:

- I. Equipment To Be Leased

Item F - see attached page for additional specifications.

**BIDDERS ARE REMINDED THAT A SIGNED COPY OF THIS ADDENDUM MUST BE INCLUDED WITH THEIR BID SUBMISSION.**

Sincerely,

E. Kuszmar  
Manager - NJT Rail Purchasing

70012127

ITG, Inc.  
Company

June 8, 1988  
Date

[Handwritten Signature]  
Signature

President  
Title

Attachment





# AMWEST SURETY INSURANCE COMPANY

LOS ANGELES, CALIFORNIA

## BID BOND

PREMIUM: BBSU

BOND NUMBER: 1151084

BID DATE: June 16, 1988

KNOW ALL MEN BY THESE PRESENTS, That we, ITG, INC.

\_\_\_\_\_ (hereinafter called the Principal), as Principal, and AMWEST SURETY INSURANCE COMPANY, a corporation, organized and existing under the laws of the State of California and authorized to transact a general surety business in the State of NEW JERSEY

(hereinafter called the Surety), as Surety, are held and firmly bound unto \_\_\_\_\_  
NEW JERSEY TRANSIT RAIL OPERATIONS, INC.

(hereinafter called the Oblige) in the penal sum of FIFTY percent (50 %) of the amount bid, the penalty of this bond not to exceed SIXTY NINE THOUSAND THREE HUNDRED Dollars (\$ 69,300.00 ) for the payment of which the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, That, whereas the Principal has submitted or is about to submit a proposal to the Oblige on a contract for \_\_\_\_\_  
Furnish and lease 12 each all steel air operated side dump  
cars to New Jersey Transit Rail Operations, Inc.

NOW, THEREFORE, if the said contract be awarded to the Principal and the Principal shall, within such time as may be specified, enter into the contract in writing, and give bond, with surety acceptable to the Oblige for the faithful performance of the said contract; or if the Principal shall fail to do so, pay to the Oblige the damages which the obligee may suffer by reason of such failure, not exceeding the penalty of this bond, then this obligation shall be void; otherwise remain in full force and effect; provided however, that this bond is only valid and effective for a period of 60 days from the above bid date.

SIGNED, SEALED AND DATED this 14 day of June, 19 88

ITG, INC.

By: Michael Segebiel / by dele <sup>PRINCIPAL</sup>

AMWEST SURETY INSURANCE COMPANY

By: Wallace N. Fairbank  
Wallace N. Fairbank <sup>ATTORNEY-IN-FACT</sup>

AMWEST SURETY INSURANCE CO.  
P.O. Box 4500  
Woodland Hills, CA 91365  
(818) 704-1111

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that AMWEST SURETY INSURANCE COMPANY, A CALIFORNIA CORPORATION, does hereby make, constitute and appoint

Wallace W. Fairbank, Houston, Texas

its true and lawful Attorney(s)-in-Fact, with full power and authority for and on behalf of the company as surety, to execute and deliver and affix the seal of the company thereto, a seal to collect, bond, underwrite, recognize or other written obligations in the nature thereof, as follows:

Unlimited

and to bind AMWEST SURETY INSURANCE COMPANY thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are hereby ratified and confirmed. This appointment is made under and by authority of the following provisions of the By-Laws of the company, which are now in full force and effect:

Article III, Section 7 of the By-Laws of AMWEST SURETY INSURANCE COMPANY.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of AMWEST SURETY INSURANCE COMPANY at a meeting duly held on December 15, 1975:

RESOLVED that the president or any vice-president, in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds, and said officers may remove any such attorney-in-fact or agent and revoke any power of attorney previously granted to such person.

RESOLVED FURTHER that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the company:

(i) when signed by the president or any vice-president and attested and sealed (if a seal be required) by any secretary or assistant secretary; or

(ii) when signed by the president or any vice-president or secretary or assistant secretary and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or

(iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the power of attorney issued by the company to such person or persons.

RESOLVED FURTHER that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any power of attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company; and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, AMWEST SURETY INSURANCE COMPANY has caused these presents to be signed by its proper officer, and its corporate seal to be hereunto affixed this 23rd day of February 1988

NON-COLLUSION AFFIDAVIT

STATE OF TEXAS :

:SS

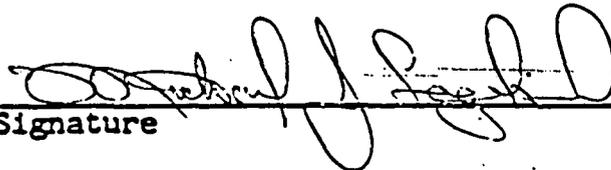
COUNTY OF VICTORIA :

I, Michael J. Sagebiel of the City of Victoria in the County of Victoria and the State of Texas of full age, being duly sworn according to law on my oath depose and say that:

I am Michael J. Sagebiel of the firm of ITG, INC. the Bidder making the Proposal for the above named project, and that I executed the Proposal with full authority so to do; that said Bidder has not, directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free, competitive bidding in connection with the above named project; and that all statements contained in said Proposal and in this affidavit are true and correct, and made with full knowledge that the State of New Jersey and NJTRail rely upon truth of the statements contained in said Proposal and in the statements contained in this affidavit in awarding the Contract for the said project.

I further warrant that no person or selling agency has been employed or retained to solicit or secure such Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by N/A

(Name of Contractor)

  
Signature

MICHAEL J. SAGEBIEL  
Type or Print Name

Subscribed and sworn to before me this

1 day of June, 1988

Connie S. Perkins CONNIE L. PERKINS  
Notary Public of Victoria, TX

My commission expires 6/8, 1988

INELIGIBLE CONTRACTORS CERTIFICATE

ITG, INC. (name of Company) hereby certifies that it is not included on the U.S. Comptroller General's Consolidated List of Persons or Firms Currently Debarred for Violations of Various Public Contracts Incorporating Labor Standards Provisions. It further certifies that it is not listed on the "Record of Suspensions, Debarments and Disqualifications" published by the N.J. State Treasury in accordance with New Jersey Executive Order No. 34.

ITG, INC.  
Company

By: Michael J. Fogel

PRESIDENT  
Title

Date: JUNE 1, 1988

EXHIBIT 5

REQUEST FOR CHANGE FORM

BID NO.

Company Name: ITG, INC. Date: 6-1-88

Page & Paragraph: NO PAGE NUMBER-PAGE TITLED "BID NO. FY88J-076"  
(Copy attached)

**Request:**

The only specification provided to bidder is "12 each side dumps, 100-ton capacity, 50 cubic yard and air operated."

ITG formally requests authorization to bid 1969 through 1975 built 40 cubic yard Difco Air Operated side dump cars. We authorize and warrant that the cars may be operated with 100-ton of cargo. If a car fails under a 100-ton load, ITG accepts full responsibility for said failure.

Our lease rental rates include our prepayment of freight charges to and from NJ Transit as so stipulated in the delivery point.

At the current time ITG has twenty-four of these cars in a full reconditioning program with one of our contract shops--namely, American Allied Railroad Car Company in Peoria, Illinois. All structural and mechanical repairs are being performed and finished cars being painted and stencilled to ITG's specifications.

All cars intended to be delivered will be made available for your inspection prior to shipment should you so desire to do so.

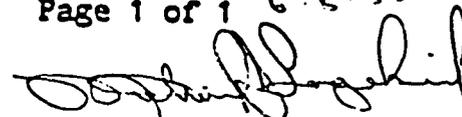
**MAINTENANCE OPTIONS:**

- A. Exhibit No. 1, Bid Price Form, provides net lease rates with NJT being responsible for maintenance costs after receipt of equipment.
- B. ITG will provide Full Service and Maintenance on each car during the duration of the lease for an additional \$150.00 per car per month during the life of the lease agreement. Under this provision ITG will furnish any parts which might fail, excluding operator abuse, free of charge to NJT. ITG will reimburse NJT AAR published time factors to change out any specific part. Such time factors are to be reimbursed to New Jersey Transit by ITG within 20 days of receipt of NJT's invoice itemizing repair times at the rate of \$30.00 per man hour.

EX-5 RFC

1/86

Page 1 of 1

6.5.88  


BID NO. FY88J-07  
LEASE OF P.U.M., VIBRATORY ROLLER, FRONT AND SIDE LOADERS,  
GENERATOR SETS, SIDE DUMPS AND TRACK UNDERCUTTER  
SPECIFICATIONS

I. EQUIPMENT TO BE LEASED

- A. Contractor shall lease two (2) front end loaders as per attached specifications. Service period shall be for seven (7) months from date of delivery.
- B. Contractor shall lease two (2) side loaders as per specification for Item A with the exception that loader must have side dump capabilities. Service period shall be for seven (7) months from date of delivery.
- C. Contractor shall lease twelve (12) side dumps, 100 ton capacity, 50 cu. yd. and air operated. Service period shall be for seven (7) months from date of delivery.
- D. Contractor shall lease one (1) vibratory roller as per attached specification. Service period shall be for seven (7) months from date of delivery.
- E. Contractor shall lease ten (10) sets of P. J.M. as per attached specification. Service period shall be for seven (7) months from date of delivery.
- F. Contractor shall lease four (4) generator sets as per attached specification. Service period shall be for seven (7) months from date of delivery.
- G. Contractor shall lease one (1) track undercutter as per attached specification. Service period shall be for seven (7) months from date of delivery.

II. LOCATION

Delivery:  
F.O.B. Destination  
NJ Transit Rail System  
East Orange Viaduct and Bergen Tunnel  
Morristown Line

III. CONDITIONS

- A. All pricing shall be submitted on a monthly lease basis.
- B. Award will be based on an item-by-item basis.
- C. At its sole option, NJ Transit Rail Operations shall have the right to extend this contract for two (2) additional one (1) year periods from the date of expiration of the first contract year upon the same terms and conditions. All bidders should provide prices for each of the three (3) contract periods. Failure to do so may not result in rejection of a bid. Award of the contract will be based upon the price for the first year only. Thereafter, New Jersey Transit will exercise its option to extend the contract not later than ninety (90) days before the expiration of each contract period by mailing a notice to the Contractor. New Jersey Transit is under no obligation to extend the contract beyond the first or second year.

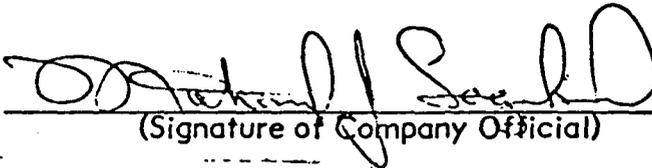
EXHIBIT 10

BUY AMERICA CERTIFICATION

1) Certificate of Compliance with Section 165

The ITG, INC. hereby certifies that it complies  
(Name of Bidder)

with all requirements of Section 165 (a) of the Surface Transportation Assistance Act of 1982 and the regulations promulgated at 49 CFR Part 661.

By:   
(Signature of Company Official)

PRESIDENT  
Official's Title)

June 1, 1988  
(Date)

2) Certificate for Non-Compliance with Section 165

The bidder hereby certifies that it cannot comply with the requirements of Section 165 of the Surface Transportation Assistance Act of 1982, but it may qualify for an exception to the requirement pursuant to Section 165 (b) of the Act and regulations promulgated at 49 CFR 661.7

By: \_\_\_\_\_  
(Signature of Company Official)

\_\_\_\_\_  
(Official's Title)

\_\_\_\_\_  
(Date)