

NEW NUMBER
810

LAW OFFICES

ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D.C.

20006-2273

RECORDATION NO. 14756 FILED 1985

OF COUNSEL
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AREA CODE 202
393-2266

JUL 26 1985 -2 35 PM

INTERSTATE COMMERCE COMMISSION TELEX 440367 A AND A

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD*
CARL C. DAVIS*
CHARLES T. KAPPLER
JOHN H. DOYLE*
GEORGE JOHN KETO*
MILTON C. GRACE*
JAMES C. MARTIN, JR.*

*NOT A MEMBER OF D.C. BAR
*ALSO ADMITTED IN NEW YORK
*ALSO ADMITTED IN OHIO
*ALSO ADMITTED IN MARYLAND

July 25, 1985

BY HAND DELIVERY

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are two copies of a Locomotive Lease (No. 905) dated April 18, 1985, 1985, a "primary document" as defined in the Commission's Rules for the Recordation of Documents.

A description of the railroad equipment covered by the enclosed document is:

One (1) EMD SW-9, 1200 horsepower locomotive bearing Serial Number 1132-4.

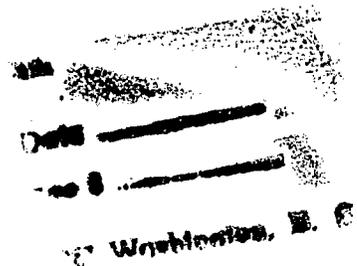
Loco #905

The names and addresses of the parties to the enclosed document are:

Lessor: Inman Service Company, Inc.
115 North Main
Baytown, Texas 77520

Lessee: EMPAK, Inc.
2000 West Loop South
Houston, Texas 77027

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 200 World Center Building, 918 16th Street, N.W., Washington, D.C., 20006.



Mr. James H. Bayne
Page Two
July 25, 1985

Also enclosed is a check in the amount of \$10.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

A short summary of the enclosed primary document to appear in the Commission's Index is:

Locomotive Lease (No. 905) dated April 18, 1985, between Inman Service Company, Inc., Lessor, and EMPAK, Inc., Lessee, covering one EMD SW-9, 1200 horsepower locomotive bearing Serial Number 1132-4.

Very truly yours,



Charles T. Kappler
Attorney for the purpose of
this filing for:

Inman Service Company, Inc.

CTK/mlt
Enclosures



Inman Service Company Inc.

RECORDATION NO. 14756 Filed 1425 11/19

Diesel-Electric
LOCOMOTIVES

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LOCOMOTIVE LEASE

INTERSTATE COMMERCE COMMISSION

Lease No. 905

April 18, 1985

Date

LESSOR: INMAN SERVICE COMPANY, INC.
115 North Main
Baytown, Texas 77520
(713) 427-6677

LESSEE: EMPAK, INC.
2000 W. Loop S.-Suite 1800
Houston, Texas 77027
(713) 623-0000

LOCOMOTIVE DESCRIPTION: One (1) EMD SW-9, 1200 horsepower

SERIAL NUMBER: 1132-4

LEASED EQUIPMENT LOCATION: 2759 Battleground Rd., Deer Park, TX 77536

TERM OF LEASE: Termination of this lease April 31, 1986.

RENTAL CHARGES: \$2,200.00 per month each, including maintenance payment will be due within (10) ten days of invoice receipt.

1. LEASE. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the above described Locomotive(s) (all locomotives are hereinafter referred to as "Leased Equipment"), pursuant to the terms contained herein for the consideration set out above. All payments to Lessor shall be made at the above address.

2. OPERATORS. Lessee shall supply its own operators for the Leased Equipment and Lessee agrees all operators using such Leased Equipment shall be competent and qualified.

3. DELIVERY AND ACCEPTANCE. All Leased Equipment shall be delivered to the Leased Equipment Location as set out above. Such Leased Equipment shall not be removed from such location except with written consent from Lessor. By accepting delivery of the Leased Equipment, Lessee acknowledges that said Leased Equipment is in good condition.

4. LESSOR'S MAINTENANCE DUTIES. Lessor agrees to provide maintenance service and keep the Leased Equipment in good working condition. Additionally, Lessor shall provide a Monthly or Bi-Monthly maintenance inspection at periods deemed most appropriate by Lessor and Lessee.

5. LESSEE'S DUTIES OF CARE AND MAINTENANCE. Lessee shall be obligated to exercise a reasonable degree of care in its use of the Leased Equipment and to perform the daily fluid and maintenance checklist pursuant to the guidelines that may be established from time-to-time by Lessor. Lessee shall not allow the vehicle to be used in an unlawful manner, not in any manner that would result in or cause the suspension or cancellation of insurance coverage on the Leased Equipment.

Phone: Office: 713/427-6677 / 115 N. Main / Baytown, Texas 77520

6. LESSOR'S INSURANCE COVERAGE. Lessor agrees to provide the insurance coverages shown in Exhibit "A" attached hereto and incorporated herein.

7. LESSEE'S INSURANCE COVERAGE. Lessee agrees to provide the insurance coverages shown in Exhibit "A" attached hereto and incorporated herein.

8. LESSEE'S INDEMNITY. The Lessee further agrees, as part consideration of this Lease, to forever indemnify and save harmless the Lessee, and its successors and assigns, from and against any and all loss, damage, injury, death, claims, demands and liability of every nature arising directly or indirectly in connection with the use or handling of said Locomotive by the Lessee and its employees.

9. LESSOR'S INDEMNITY. The Lessor further agrees, as part consideration of this Lease, to forever indemnify and save harmless the Lessee, and its successors and assigns, from and against any and all loss, damage, injury, death, claims, demands and liability in connection with employees and agents of Lessor in their activities in the plant where the equipment is kept. Lessor further indemnifies and holds Lessee harmless from and against any and all loss in the event any of the Leased Equipment which may not be wholly owned is repossessed or foreclosed upon.

10. INSPECTION. Lessor shall have the right to inspect said Locomotive at any time on reasonable notice to Lessee.

11. FUELS AND OTHER FLUIDS. This lease carries no obligation on the part of Lessor to furnish any fuel, water, filters or other thing required for the operation of said Locomotive, or any of it, by Lessee.

12. ACCIDENTS AND DAMAGE. The Lessee shall notify the Lessor of each accident or other occurrence which causes damage to each vehicle within (72) hours thereafter, give all information and cooperation which the Lessor may reasonably request in connection therewith, promptly advise the Lessor of all claims and demands relating to any vehicle or the use, operation, or possession thereof, and aid in the investigation and defense of all such claims arising out of each accident or occurrence.

13. TITLE TO LEASED EQUIPMENT. Title to all Leased Equipment shall be and remain in the Lessor and the Lessee shall acquire no right, title or interest except the leasehold interest created herein. Lessee agrees to execute a UCC-1 Financing Statement evidencing this Lease Agreement.

14. RISK OF LOSS. Lessee shall bear all risk of loss, damage, theft and destruction, of the Leased Equipment while in the control and possession of said Lessee hereunder. At the end of the lease term, possession of the Leased Equipment shall be returned to Lessor at the Leased Equipment location in good condition, normal wear accepted. Any repairs necessitated by damage(s) caused by Lessee; and/or peculiar chemical reaction causing contamination/deterioration (necessitating replacement of parts/components and resultant repairs in order to restore locomotive unit, normal wear accepted, to compliance with AAR and FRA Regulations*, at the time the unit was placed in service, will be so invoiced.

15. TAXES. Lessor shall be responsible for all personal property taxes that may accrue in connection with the Leased Equipment. Any other taxes, license charges or regulation fees levied against the Leased Equipment or its use, except taxes based on Lessor's Net Income, shall be paid by Lessee.

* REFER ADDENDUM PAGE ONE (1)

16. POSSESSION AFTER TERM. Any holding over at the end of the term thereof without entering into a new lease shall create a month-to-month lease cancellable by either party on thirty (30) days notice. The rent during any such holdover period shall continue at the above stated monthly charges.

17. ALTERATIONS AND REPAIRS. Without the prior written consent of Lessor, the Lessee shall not make any alterations, addition or improvements to the Leased Equipment. All approved additions and improvements shall belong to and become the property of Lessor on termination of this lease. Lessee, except for the daily maintenance and fuel checks set out above, shall not allow the Leased Equipment to be serviced, maintained or repaired by any company other than Lessor.

18. BREAKDOWN. The Lessee has selected the Leased Equipment for its own operation. The Lessor shall not be responsible for any loss of time or any other loss resulting from any breakdown or other failure of the Leased Equipment. The Lessor will repair any inoperative Leased Equipment within a reasonable time of being notified of the breakdown. Lessee shall be entitled to a prorated abatement of rent for any downtime as a result of breakdown. Such abatement shall commence when Lessee notifies Lessor of the breakdown. Lessor will use Lessor's best efforts to supply an alternate Locomotive at Lessee's plant.

19. NO WARRANTY. THE LESSOR MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, OR ITS FITNESS FOR ANY PARTICULAR PURPOSE.

20. TERMINATION UPON DEFAULT. This Lease may be terminated by the Lessor prior to the expiration date set forth herein on the (10) days' written notice delivered or mailed to the Lessee at its address as set forth above in the event that the Lessee:

- (a) Fails to pay the rental charges within the time specified herein;
- (b) Makes any breach or default under this Agreement.
- (c) Discontinues operation, abandons, or permits Leased Equipment to be subjected to unreasonable hazards or risks.

Such termination of the Lease by the Lessor or the taking or recovery of the Leased Equipment shall not deprive the Lessor of any of its rights, remedies, or actions against the Lessee for rents or damages or affect the Lessee's obligation to make payments provided hereunder. On termination of this Lease for whatever reason, the Lessee agrees that the Lessor may immediately take possession of the Leased Equipment covered hereby and remove it from the Lessee's premises without the necessity of resorting to any legal process, or, at the Lessor's option. This Lease may be terminated by the Lessee prior to the expiration date set forth herein on ten (10) days' written notice delivered or mailed to the Lessor at its address set forth above in the event the Lessor makes any breach or default under this Agreement (including, without limitation, any breach of Lessor's obligation to provide maintenance and to keep the Leased Equipment in good working condition), unless any such breach or default is cured within said ten (10) day period. Upon any such termination by Lessee, (i) the rent shall cease as of the effective date of termination and Lessee shall be relieved of all its

obligations under this Agreement and (ii) Lessee, shall, at Lessee's premises, make the Leased Equipment available for Lessor's removal. Any such termination of the Lease by Lessee shall not deprive Lessee of any of its rights, remedies or actions against the Lessor for damages or other legal redress.

21. USE OF MAINTENANCE FACILITIES. Lessee hereby consents to Lessor's use of Lessee's Locomotive maintenance facilities and fluid containers for Lessor's performance of its maintenance duties. Lessor and its employees shall, during its use, keep all of Lessee's maintenance facilities free of debris and fluids.

22. Lessee hereby agrees and consents to the use of said Locomotive No. 905 on its plant facilities and will not operate, sublease or permit the usage of said Locomotive outside the EMPAK, INC. premises without the expressed written consent of authorized personnel in ISC management.

23. RADIO INSTALLATION. Lessor hereby consents to the installation of two way radios on the Leased Equipment and such radios shall remain Lessee's property and shall be returned to Lessee upon termination of this Lease. Lessee shall not damage the Leased Equipment in the installation or removal of the radios.

24. MISCELLANEOUS.

(a) Time is of the essence in this Agreement.

(b) The Lessee shall not, in whole or in part, assign or sublet this lease, or any of said Locomotive, or any rights hereunder, without the written consent of Lessor. No rights of Lessee under this lease shall pass to any successor or assignee of Lessee by operation of Law without the written consent of Lessor.

(c) This lease constitutes the entire and final Agreement between the parties and may not be amended except by agreement in writing.

LESSOR:

INMAN SERVICE COMPANY, INC.

By: _____

LESSEE:

EMPAK, INC.

By: _____

Roy E. Wamath
President

ADDENDUM TO PAGE TWO (2)

The following is a list of AAR and FRA Requirements ISC is required to meet in order for our switch engines to be transported on Line-Haul Carriers rails.

EMPAK AAR AND FRA REQUIREMENTS

ADDENDA - *Referred to on page two (2) item (14) of the Empak Contract.

All window glass in unit

Front and Rear headlights must be working

The window wiper must be operating if (installed)

Horn must be operable

Emergency brake system functional according to FRA safety standards

Brake rigging cannot be bent or damaged

Train line hoses and angle cock-valve must be functioning

Pilot Plates (front and rear) intact

All hand rails are required

Coupling levers must be functioning

Wheels must be at least 3/4" thick

Flanges at least 1" thick

Knuckle on front and rear coupling functioning properly

Limit blocks must prevent locomotive frame from touching truck assembly

Broken springs in truck assembly are not allowed

All steps must be complete

Permanent lids on battery boxes required

I hereby certify the above stated are those Requirements as specified in the translation of the terms "FRA" "AAR" Requirements listed in item (14) of the Empak Contract.

Corporate Seal -

Empak

ISC Authorized Signature

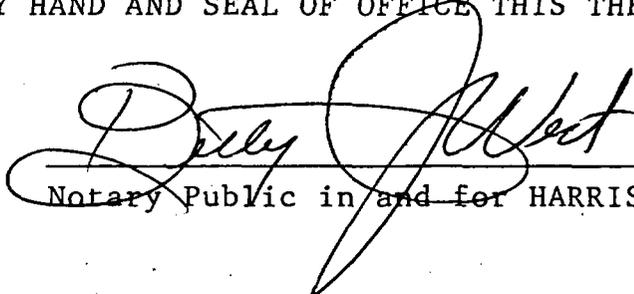
THE STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Vince Inman AND Roy E. Wansik known to me to be the persons whose name subscribed to the foregoing instrument and acknowledged to me that executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 18th day of April, A.D. 1985

(L.S.)



Notary Public in and for HARRIS COUNTY, TEXAS