

Craig Friemel
Senior Vice President



June 24, 1996

RECORDATION NO. 20164
JUL - 1 1996 - 3:17 PM
INTERSTATE COMMERCE COMMISSION

RECEIVED
SURFACE TRANSPORTATION
BOARD
JUL 1 3 10 PM '96

Secretary, Interstate Commerce Commission
12th and Constitution Avenue NW
Room 2303
Washington, D.C. 20423

Dear Secretary:

I have enclosed an original and one certified copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is a railroad car lease agreement, a primary document, dated the 31st day of July, 1990.

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

Lessor: ITG, Inc.
106 North Main
Victoria, Texas 77901

Lessee: Econo-Rail Corporation
11811 I-10 East, Suite 630
Houston, Texas 77229

A description of the equipment covered by the document is as follows: 120 HK H330 100-ton, 4040 cu. ft. railway cars, as more particularly described on the list attached hereto as Exhibit A.

A fee of \$21.00 is enclosed. Please return the original and any extra copies not needed by the commission for recordation to Craig G. Friemel at First Victoria National Bank, P. O. Box 1338, Victoria, Texas 77902.

A short summary of the document to appear in the index follows: Railroad Car Lease Agreement between ITG, Inc., 106 North Main, Victoria, Texas, and Econo-Rail Corporation, 11811 I-10 East, Suite 630, Houston, Texas 77229, dated July 31, 1990, and covering 120 HK H330 100-ton, 4040 cu. ft. railway cars, initial numbers 9000 through 9119.

One DeLeon Plaza
P.O. Box 1338
Victoria, Texas 77902
512/573-6321

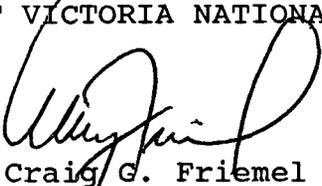
Colony Creek Branch
1206 N John Stockbauer
Victoria, Texas 77901
512/573-1088

North Branch
7001 N E Zac Lentz Pkwy.
Victoria, Texas 77904
512/573-1993

Secretary, Interstate Commerce Commission
Page 2
June 24, 1996

Very truly yours,

FIRST VICTORIA NATIONAL BANK

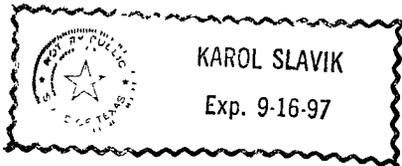


By: Craig G. Friemel
Its Senior Vice President

STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on June 24, 1996, by Craig G. Friemel, as Senior Vice President of First Victoria National Bank, on behalf of said corporation.



Karol Slavik
Notary Public, State of Texas

EXHIBIT A

Car Initial Numbers:	9000 through 9119
Car Owner Marks:	ITGX
Class of Car:	HK H330
Number of Cars:	One Hundred Twenty (120)
Capacity of Carss:	100-ton, 4040 cu. ft.

SURFACE TRANSPORTATION BOARD

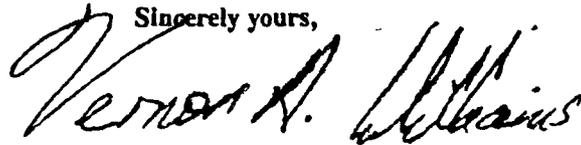
7/1/96

Craig Friemel
Senior Vice President
First Victoria National Bank
One DeLeon Plaza
P. O. Box 1338
Victoria, Texas 77902

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 7/1/96 at 3:15PM, and assigned recordation number(s). 20164.

Sincerely yours,

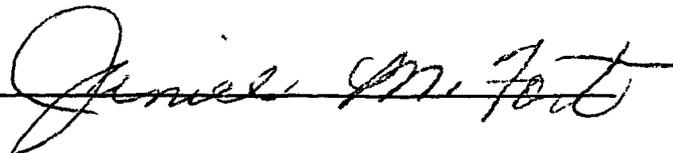


Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



RAILROAD CAR LEASE AGREEMENT

20164
JUL 21 1996 3:26 PM
STATE COMMERCE COMMISSION

This agreement, No. ITG-2357, made and entered into July 31, 1990, by and between ITG, INC., a Texas corporation with its principal office and place of business in Victoria, TX (herein called "LESSOR") and ECONO-RAIL CORPORATION, a Texas corporation, (herein called "LESSEE").

WITNESSETH:

Description of Leased Cars: 1. LESSOR agrees to furnish to LESSEE, and LESSEE agrees to rent from LESSOR, the railroad cars shown on the Rider No. 1 attached hereto and made a part of hereof, and such additional Riders as may be added to hereto from time to time by mutual agreement of the parties and signed by each their duly authorized representatives. Each Rider shall set forth a brief description of the car, or cars, car initials and numbers, the Association of American Railroads ("AAR") or Interstate Commerce Commission ("ICC") specifications, cubic capacity, truck capacity, delivery point, rental, term throughout which the cars shall remain in LESSEE's service, and other pertinent information that may be desired by both parties.

Use of cars: 2. LESSEE agrees to use said cars under the following restrictions:

())

(a) The cars will be delivered to LESSEE, freight prepaid by LESSOR on P.T.R.A. lines, Pasadena, Texas and LESSEE agrees such cars shall be used and operated at all times in compliance with all lawful acts, rules, regulations and orders issued by the railroads on which the cars are operated and government agencies.

(b) At the expiration or termination of the rental term of the particular Rider applicable to each such car described in such Rider, LESSEE shall cause said cars to be returned to LESSOR at Victoria, TX. freight prepaid by LESSEE.

(c) With the exception of the air cylinders, LESSEE has inspected the subject cars in Camden, Arkansas and has noted no defects therein. The execution of this agreement by LESSEE constitutes written acceptance of such cars. LESSOR will deliver the subject cars to LESSEE in Pasadena, Texas, in substantially the same condition as they were at the time of the inspection with ordinary wear and tear of the delivery being excepted. Any repairs required to return such cars to their condition at the time of inspection shall be

made by LESSOR at its expense prior to or at the time of delivery. At the termination of this lease the cars covered hereby shall be returned to LESSOR in condition such that the cars are able to load transport and discharge commodities for which they were initially designed and are acceptable for transit through interchange by the servicing railroads. Any dispute on car condition will be resolved through binding arbitration. Each party shall choose an independent arbitrator who shall be a qualified rail car inspector. If these arbitrators fail to agree they shall choose a third arbitrator who shall be mutually agreeable to both parties. The cost of any arbitrator shall be equally borne by LESSOR and LESSEE.

(d) LESSEE agrees the cars will not be altered or modified and no advertising or logos shall be applied to any such car without the approval of LESSOR.

(e) LESSEE agrees the cars are intended only for use in transporting the following commodities:

- (1) Petroleum coke- run of coker;
- (2) Coal; and

- (3) Aggregate less than two inches in diameter.

The use of these cars for any other purpose is not permitted without prior written approval of LESSOR, which will not be unreasonably withheld.

(f) LESSEE agrees that the cars will be operated only within the confines of the appropriate market area in the United States for the listed commodities in paragraph 2(e).

Rent:

3. LESSEE agrees to pay LESSOR 30 days monthly in advance each and every month beginning October 1, 1990, a monthly rental of THREE HUNDRED THIRTY-SEVEN and NO/100 DOLLARS (\$337.00) per car per month. Such rentals shall be paid monthly to LESSOR in Victoria, Texas, or in such other place as LESSOR may hereafter direct in writing. Notwithstanding the foregoing, monthly rental on each car shall commence on the later of October 1, 1990, or the date of delivery of each car, provided that in any event all cars shall be delivered by December 31, 1990, or this Lease shall terminate and all cars shall be returned to LESSOR.

Term of Lease: 4. The term of this Lease shall extend from the date determined by Paragraph 3 above to the end of the term of that Bulk Marine Terminal Agreement between LESSEE and Lyondell Petrochemical Company which shall occur no earlier than sixty (60) months nor later than sixty-three (63) months from October 1, 1990, unless this contract is extended or renewed in writing by mutual agreement, or a new contract is executed. Each car not returned to LESSOR within fifteen (15) days next following the expiration date of this Lease, LESSEE shall pay to LESSOR a penalty charge of Twenty-Five and No/100 Dollars, (\$25.00), per day in addition to the monthly rental.

Repair and Maintenance: 5. After delivery of cars to LESSEE, LESSEE agrees to maintain all cars in accordance with the mechanical requirements specified in the Field Manual published by the AMERICAN ASSOCIATION OF RAILROADS, and to pay all costs of such maintenance and repair as the cars may from time to time require including all costs of repairing damages while such cars are in the possession of LESSEE, shipper, consignee, or agent. LESSEE shall make all contractual arrangements for all repairs notwithstanding who is responsible for the costs thereof. LESSEE shall notify LESSOR within three

(3) full business days following knowledge of any damage to any of the cars.

If any car, while under the control of the LESSEE, is completely destroyed or, in the opinion of LESSEE AND LESSOR, such car's physical condition is such that it cannot be economically repaired to be operated in railroad service, LESSEE will pay LESSOR full settlement value. The term "settlement value" as used herein shall mean the valuation of such cars as set forth in the Rider No. 2 attached hereto and made a part hereof. Upon payment of "settlement value" this lease will terminate with respect to that car. If the parties are unable to agree regarding the repair or regarding the destruction they shall utilize the same procedures set forth in Paragraph 2(c) hereof regarding arbitration by independent railroad inspectors. However, the rental shall not abate during the resolution of any such dispute or any repairs being made.

Indemnity:

6. LESSEE will indemnify LESSOR against any loss, damage, claim, expense (including attorneys' fees and expenses of litigation) or injury imposed on, incurred by, or asserted against LESSOR arising directly or indirectly out of LESSEE's, its consignee's agents, or shippers' use, lease

possession or operation of the cars during the term of the Lease, or by the contents of such cars, however occurring except any loss, liability, claim, damage or expense for which a railroad or railroads have assumed full responsibility and have satisfied such responsibility. All indemnities contained in the Agreement shall survive the termination hereof, however same shall occur. Nothing herein shall be construed as an indemnification against LESSOR's negligence.

Insurance:

7. LESSEE shall, at its own cost and expense, at all times, maintain and furnish LESSOR with evidence of insurance as follows:

(a) General Liability Insurance in the amount of One Million Dollars (\$1,000,000.00) covering any loss or claim for damage arising out of or incurred in connection with the use, maintenance or operation of the cars covered by this Agreement.

(b) All risk insurance covering physical damage to cars to the full amount of the value of each car according to Rider #2. LESSEE will effect physical loss insurance coverage prior to the release of the cars from Camden, Arkansas.

All such insurance shall name LESSOR and First Victoria National Bank or any other lien holder designated by LESSOR as a Co-insured. LESSEE's obligation to maintain insurance with respect to each car shall continue until the lease thereof is terminated and, if such car is required hereunder to be returned to LESSOR, until such return. LESSEE shall cooperate and, to the extent possible, cause insurance companies providing such insurance to cooperate with LESSOR in naming LESSOR and its bank as co-insured with respect to the cars.

**Additional
Charges by
Railroad:**

8. Aside from paying the cost of delivery of the subject cars to LESSEE, all freight or demurrage or other charges made by the Railroad on account of such cars during the term of this lease after such cars have been delivered to LESSEE pursuant to paragraph two hereof, shall be paid by LESSEE.

**Right of
Entry:**

9. LESSOR shall have the same rights as LESSEE to enter the property where the cars are used or stored, at LESSOR's own cost and at all reasonable times, for the purpose of making car inspections. LESSOR will provide LESSEE 48 hours advance notice for any planned inspection.

**Payment
of Taxes:**

10. During the term of this Agreement, LESSEE shall promptly pay, when due, all sales, use, rental, and excise taxes, personal property taxes,

assessment and other governmental charges, whatsoever, whether payable by LESSOR or LESSEE, on or relating to the cars leased hereunder prorated to the actual time covered by this lease or extensions thereof. If for any reason LESSEE fails to make full and prompt payment of any such charges, LESSOR may, at its option, pay such charges and charge the amount so paid to LESSEE. Any expense incurred by the LESSEE with respect to contesting the applicability of such sales tax, rental tax and use tax to this Agreement shall be payable by LESSEE. LESSOR specifically warrants and represents that as of the date of delivery of each and every car all sales, use, rental and excise taxes, personal property taxes assessments and other governmental charges due on such cars have been paid in full and LESSOR agrees to indemnify and hold harmless LESSEE from any obligations for such taxes.

Liens:

11. LESSEE shall not cause or allow any encumbrances or liens to attach to any of such cars or otherwise permit a cloud on LESSORS title thereto.

**Marking
of Cars:**

12. Other than LESSOR'S markings, LESSEE shall keep all cars subject to this lease free of any markings which might be interpreted as a claim of ownership.

Remedies:

13. Upon the happening of any of the events of default as hereinafter defined, the LESSOR or its assignee may then, or at any time thereafter, without notice, take possession of the cars and any accessions thereto, wherever same may be found, and remove, keep or dispose of the same and the balance of unpaid rentals shall become due and payable in full. To the extent that any car is re-leased LESSEE shall only be responsible for paying any net rental deficiency during the remaining term of this lease including the cost incurred in obtaining such re-lease. If any step is taken by legal action or otherwise by LESSOR to recover possession of equipment or otherwise enforce this Agreement or to collect moneys due hereunder, LESSEE shall pay LESSOR the equivalent of the moneys so expended or charges thus incurred in such behalf including all reasonable costs and attorneys fees.

Default:

14. The happening of any of the following events shall be considered an "event of default":

(a) Nonpayment by LESSEE, within thirty (30) days after the same becomes due, of any installment of rental.

(b) Failure of LESSEE to comply with, or perform, any of the other terms and conditions of this Agreement within thirty (30) days

after receipt of written notice from LESSOR demanding compliance therewith and performance thereof.

(c) The appointment of a receiver or trustee in bankruptcy for LESSEE or any of its property and the failure by such receiver or trustee to adopt and assume and agree to perform the obligations of LESSEE hereunder within thirty (30) days after such appointment.

(d) Notwithstanding anything contained herein, if for any reason LESSEE is unable to repair a car within 30 days after written notice, it shall not be an event of default so long as monthly payments due on that car are paid during the term of such repairs and repair is completed within ninety (90) days.

Filing:

15. LESSOR intends to cause this Lease to be filed and recorded with the ICC in accordance with Section 1103 of the Interstate Commerce Commission Act. LESSEE shall from time to time do and perform any other act, and execute, acknowledge, deliver, file, register, and record any and all further instruments required by law, or requested by LESSOR, for the purpose of protecting its title and rights, or the purpose of carrying out the

intention of this Agreement, and LESSEE will promptly furnish to LESSOR certificates or other evidences of all such filing, registering, and recording in form satisfactory to LESSOR.

**Inspection
of Cars:**

16. Acceptance of each of the cars that is the subject of an inspection by the LESSEE shall be conclusive evidence (i) of the fit and suitable condition of such car for the purpose of transporting any commodities then and thereafter loaded therein, and (ii) that it is one of the cars described in the Rider(s). Provided, however such inspection shall not relate to the air cylinders which are specifically provided for in Paragraph 22 of this Lease.

At termination of Lease, a joint inspection will be made; and acceptance thereof by the LESSOR shall be conclusive evidence (i) of the fit and suitable condition of such car as required by Paragraph 2(c) hereof; and (ii) that it is one of the cars described in the Rider(s).

**Car
Monitoring:**

17. LESSOR will have the right to obtain information from LESSEE concerning the location, status, and movement of cars subject to this Agreement.

Notice:

18. All notices provided for herein shall be given in writing and delivered personally, or sent by

registered or certified mail, return receipt requested. The effective date of the notice shall be the date personally delivered, or date of delivery shown on the return receipt. The respective addresses for notice shall be the addresses of the parties given in writing at the execution of the Agreement. Such addresses may be changed by either party giving written notice thereof to the other.

Governing

Law:

19. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Texas, in which state it has been executed and delivered.

Option to

Extend:

20. In the event LESSEE has fully and faithfully performed its obligations under this lease, then LESSEE shall have the option to renew and extend this lease for five (5) one-year (1 yr.) periods by notifying LESSOR in writing at least One Hundred Eighty (180) days prior to the end of the original term or within One Hundred Eighty (180) days prior to the end of each one (1) year extension thereof.

Assignment:

21. LESSOR shall have the right at any time to sell, assign, pledge or transfer all or any part of this lease and/or the equipment covered thereby. LESSEE shall not have the right to assign its interest in this lease or sub-lease the equipment

covered thereby without the prior written consent of LESSOR.

**Air
Cylinders:**

22. LESSOR acknowledges that the air cylinders contained in each car have not been tested or inspected by LESSEE. As a result LESSOR specifically warrants that such air cylinders are in working order and agrees to repair or pay for any repairs to such air cylinders required within the first three (3) months following date of first use by LESSEE, provided that such repairs are not required as a result of the negligence of LESSEE.

**Entire
Agreement**

23. No other representations, warranties, promises, guarantees, or agreements, oral or written, expressed or implied, have been made by either party hereto with respect to this Agreement, except as expressly provided herein or executed by Letter Agreement contemporaneously herewith. This Agreement constitutes the entire Agreement between the parties hereto with respect to the leasing of the rail cars. Any change or modification of this Agreement must be in writing and signed by both parties hereto.

Waiver

24. Failure of either Party to require performance of any provision of this Agreement shall not affect either Party's right to require full performance thereof at any time thereafter, and the waiver by

either Party of a breach of any provisions hereof shall not constitute a waiver of a similar breach in the future or of any other breach or nullify the effectiveness of such provision.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers and duly attested, as to the date first above whiten.

(Corporate Seal)

I T G, INC. (LESSOR)

ATTEST:

By: *Connie Perkins*
Its: Secretary

By: *Arthur J. Segel*
Its: President

Address:
106 N. Main, Suite 200
P.O. Box 1777
Victoria, Texas 77902

(Corporate Seal)

ECONO-RAIL CORPORATION

ATTEST:

By: *Dorothy Scott*
Its: Secretary

By: *Nita Scott*
Its: President

Address:
11811 I-10 East, Suite 630
Houston, Texas 77229

For the purposes of the Bulk Marine Terminal Agreement between Lyondell Petrochemical Company and Econo-Rail Corporation on the _____ day of August 1990, this lease is satisfactory and the rail cars covered hereby are acceptable to Lyondell Petrochemical Company.

LYONDELL PETROCHEMICAL COMPANY

By: Stephen B. Traicoff DSH
Its: Sales Manager for Petroleum Coke

RIDER NO. 1

To Master Agreement No. ITG-2357

It is hereby agreed that effective July 31, 1990, this Rider shall become a part of Master Car Agreement No. ITG-2357, between ECONO-RAIL CORPORATION and ITG, INC., dated July 31, 1990, and the cars described herein shall be placed in service subject to the terms set forth below:

CARS INITIAL NUMBERS: 9000 - 9119
CAR OWNER MARKS: ITGX
CLASS OF CAR: HK H330
NUMBER OF CARS: One Hundred Twenty (120)
CAPACITY OF CARS: 100-Ton 4040 cu. ft.
COMMODITY LIMITATION: Free Flowing Bulk
DELIVERY POINT: Pasadena, Texas
TERMS OF RENT: \$337.00 per car per month payable monthly in advance as provided for in Paragraphs 3 and 4 of Lease ITG-2357.
TERM: October 1, 1990, for a minimum of 60 months as defined in Paragraph 4 of Lease ITG-2357.

(Corporate Seal)

ATTEST:

By: *Cornie Puhon*
Its: Secretary

(Corporate Seal)

By: *Dorothy Scott*
Its: Secretary

I T G, INC.

By: *Richard Seng*
Its: President

ECONO-RAIL CORPORATION

By: *Nita Scott*
Its: President

RIDER NO. 2

To Master Agreement No. ITG-2357

It is hereby agreed that effective July 31, 1990, this Rider shall become a part of Master Car Agreement No. ITG-2357, between ECONO-RAIL CORPORATION and ITG, INC., dated July 31, 1990. In the event any car (s) is damaged or destroyed by ECONO-RAIL CORPORATION, its agents, or material suppliers, and the car(s) is beyond economical repair, the settlement value for such destroyed car(s) payable to ITG, with ECONO-RAIL CORPORATION to retain the destroyed unit for their disposition is:

ITGX 9000 SERIES: \$30,000.00 Per Car

(Corporate Seal)

ATTEST:

By: *Conni Pichini*
Its: Secretary

I T G, INC.

By: *[Signature]*
Its: President

(Corporate Seal)

By: *Deanna Scott*
Its: Secretary

ECONO-RAIL CORPORATION

By: *Nita Scott*
Its: President

RIDER NO. 03

To Master Agreement No. ITG-2357

It is hereby agreed that effective July 31, 1995, this Rider shall become a part of Master Car Agreement No. ITG-2357, between ECONO-RAIL CORPORATION and ITG, INC., dated July 31, 1990, and the cars described herein shall be extended in service subject to the terms set forth below:

CAR INITIAL NUMBERS: 9000 - 9119
CAR OWNER MARKS: ITGX
CLASS OF CAR: HK H330
NUMBER OF CARS: One Hundred Twenty (120)
CAPACITY OF CARS: 100-ton, 4040 cu. ft.
COMMODITY LIMITATION: Free Flowing Bulk
DELIVERY POINT: Pasadena, Texas
TERMS OF RENT: \$225.00 Per Car Per Month
Payable Monthly in Advance as provided for in Paragraphs 3 & 4 of Lease ITG-2357
TERM: October 1, 1995 and continuing for a minimum of 60 months as defined in Paragraph 4 of Lease ITG-2357

(Corporate Seal)

I T G, INC.

ATTEST:

By: Connie Pedrin
Its: Secretary

By: Joseph S. Sogard
Its: President

(Corporate Seal)

ECONO-RAIL CORPORATION

By: _____
Its: _____

By: Nita Scott
Its: President

RIDER NO. 04

To Master Agreement No. ITG-2357

It is hereby agreed that effective July 31, 1995 this Rider shall become a part of Master Car Agreement No. ITG-2357, between ECONO-RAIL CORPORATION and ITG, INC., dated July 31, 1990. In the event any car(s) are damaged or destroyed by ECONO-RAIL CORPORATION, its agents, or material suppliers and the car(s) are beyond economical repair, the settlement value for such destroyed car(s) payable to ITG, Inc., with ECONO-RAIL CORPORATION to retain the destroyed unit for their disposition is:

ITGX 9000 SERIES

\$20,000.00 Per Car

(Corporate Seal)

ATTEST:

I T G, INC.

By: Conner Pedrin
Its: Secretary

By: [Signature]
Its: President

(Corporate Seal)

ECONO-RAIL CORPORATION

By: _____
Its: _____

By: Nita Scott
Its: President

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

KNOW ALL MEN BY THESE PRESENTS:

I, the undersigned Notary Public, hereby certify that the attached and foregoing 20 pages are a true, correct and authentic copy of the original Railroad Car Lease Agreement #ITG-2357.

SIGNED the 24th day of June, 1996.



Doris J. Rohan

Notary Public in and for the State of Texas

Doris J. Rohan

SURFACE TRANSPORTATION BOARD

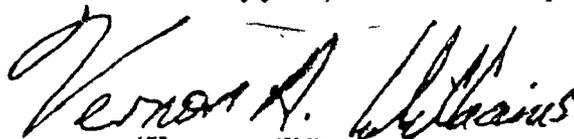
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Craig Friemel
Senior Vice President
First Victoria National Bank
One DeLeon Plaza
P. O. Box 1338
Victoria, Texas 77902

Dear Sir:

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Vernon A. Williams
Secretary

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\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

