

RECORDATION NO 14742-F Filed & Recorded

ORIGINAL
14742-F

DEC 31 1986 10-45 AM

INTERSTATE COMMERCE COMMISSION

MODIFICATION AND REINSTATEMENT AGREEMENT

This Modification and Reinstatement Agreement is made and entered into effective the 5th day of November, 1986, by and between INMAN SERVICE COMPANY, INC., a Texas corporation ("Borrower"), R. C. INMAN, of Harris County, Texas ("Guarantor") and WESTINGHOUSE CREDIT CORPORATION ("Lender"):

W I T N E S S E T H:

WHEREAS, Lender is the owner and holder of two (2) certain Promissory Notes (hereinafter collectively referred to as the "Notes") dated March 1, 1985, executed by Borrower in the original principal amount of SIX HUNDRED THOUSAND AND NO/100 (\$600,000.00) DOLLARS and FIVE HUNDRED THOUSAND AND NO/100 (\$500,000.00) DOLLARS, respectively, bearing interest and being payable as therein provided to the order of Lender; and

WHEREAS, payment of the Notes is secured, among other security, by a UCC Security Agreement-Inventory (Limited Ability to Lease) (the "Security Agreement") of even date with the Notes covering the collateral described on Exhibit "A" attached hereto and made a part hereof for all purposes; and

WHEREAS, payment of the Notes has been absolutely and unconditionally guaranteed by Guarantor; and

WHEREAS, Borrower has defaulted under the terms of the Notes and Lender has exercised the option contained therein to accelerate the maturity of the Notes; and

WHEREAS, Lender and Borrower have agreed to reinstate the Notes and to modify certain terms and provisions of the Notes; and

WHEREAS, Borrower has agreed to grant a security interest in certain other collateral to further secure payment of the Notes;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein contained, Borrower, Guarantor and Lender hereby covenant and agree as follows:

1. Lender hereby waives and rescinds the acceleration of the maturity of the Notes. It is expressly agreed and stipulated that the rescission of the acceleration of the maturity of the Notes shall not, in any manner, alter, affect or impair the rights of Lender to accelerate maturity of the Notes in the event of any continuing or future defaults under the terms of the Notes or under the terms of this Agreement.

2. The Notes are hereby modified to provide that during the period from November 5, 1986 to April 5, 1987, inclusive, (the "Reduction Period") the amount of the regular monthly installments due under the provisions of the Note shall be reduced to the aggregate amount of TWELVE THOUSAND SIX HUNDRED AND NO/100 (\$12,600.00) DOLLARS, which shall be applied to the sums due or becoming due under the terms of the Notes, pro rata. Upon the expiration of the Reduction Period, all regular monthly installments becoming due under the terms of the Notes shall be in the amounts set forth in the Notes, without deduction or set off.

3. Nothing herein contained shall be construed to be a reduction of the principal amount of the Notes, the rate of interest accruing on the Notes, or a waiver or discharge of any amounts due or to become due under the terms of the Note. All installments paid hereunder shall be applied first to the payment of accrued interest, if any, and the balance, if any, to the reduction of the principal balance of the Notes.

4. Borrower does hereby grant to Lender a security interest in the following described collateral (the "Additional

Collateral") together with all rentals, lease payments, proceeds and products of the Additional Collateral:

<u>Locomotive Unit No.</u>	<u>Model No.</u>	<u>Serial No.</u>
1216	EMD SW9	4114-4
1236	EMD SW9	6288-24

It is stipulated, covenanted and agreed that the security interest in the Additional Collateral granted to Lender shall be second and inferior to the security interest previously granted to CIT Corporation. Borrower expressly covenants and agrees that should default be made in the payment of the indebtedness owed to CIT Corporation, or any part thereof, principal or interest, as the same shall become due and payable, the Notes, at the option of Lender, shall at once become due and payable.

5. Borrower and Guarantor represent and warrant the following:

- A. All terms and conditions set forth in that certain letter agreement (the "Letter Agreement") dated October 13, 1986 between Borrower, Guarantor and Lender, a true copy of which is attached hereto as Exhibit "B" and made a part hereof for all purposes, have been fully satisfied. Borrower and Guarantor agree to provide satisfactory written confirmation of same to Lender.
- B. Borrower is the owner of the Collateral and the Additional Collateral free from any adverse claim, security interest or encumbrance, except the security interest of CIT Corporation in the Additional Collateral and that certain Federal Tax Lien dated August 15, 1986 in the amount of \$129,699.06.
- C. There is no Financing Statement now on file in any public office covering any part of the Collateral. Subject to receipt by Borrower and Guarantor of a lien search conducted of the records of the Interstate Commerce Commission, there is no Financing Statement now on file in any public office covering any part of the Additional Collateral, except for the Financing Statement in favor of CIT Corporation. Borrower will not execute and there will not be on file in any public office any such Financing Statements except in favor of Lender.
- D. All information, reports, statements and other data furnished by Borrower and Guarantor to Lender prior to, contemporaneous with or subsequent to the execution of this Agreement, are and shall be true, correct and complete.

6. Borrower and Guarantor shall furnish to Lender all documents and information required under the terms of the Letter Agreement, when and as often as required by Lender.

7. Borrower hereby reaffirms the Notes and Security Agreement and agrees to pay both principal and interest as same become due and payable under the Notes as modified hereby. Borrower hereby acknowledges that the Notes are in all things legal, valid and binding obligations of Borrower, enforceable in accordance with their terms. Further, Borrower agrees that this Agreement shall not affect or impair the Notes or the Security Agreement or the security interests securing the Notes and that the security interests shall not in any manner be waived, released or extinguished. All of the security interests granted in the Security Agreement are hereby acknowledged to be valid and subsisting and are hereby renewed to secure payment of the Notes and all other indebtedness of Borrower to Lender.

8. Guarantor hereby reaffirms the Guaranty and acknowledges that the Guaranty is in all things a legal, valid and binding obligation of Guarantor, enforceable in accordance with its terms.

9. Borrower and Guarantor hereby agree that all provisions of the Notes and Security Agreement shall be and remain in full force and affect and therein written, except as otherwise expressly provided herein.

10. Borrower and Guarantor agree to execute any and all document required by Lender to effectuate the intent of this Agreement.

11. This Agreement shall be binding upon and inure to the benefit of Borrower, Guarantor and Lender, and their respective heirs, executors, administrators, successors and assigns.

EXECUTED on this the 18th day of December,
1986, but effective as of the day and year first above written.

BORROWER:

INMAN SERVICE COMPANY, INC.

By: R.C. Inman
Name: R.C. INMAN
Title: Pres.

GUARANTOR:

R.C. Inman
R. C. INMAN

LENDER:

WESTINGHOUSE CREDIT CORPORATION

By: Robert R. O'Connor
Name: ROBERT R. O'CONNOR
Title: REGIONAL CREDIT MANAGER

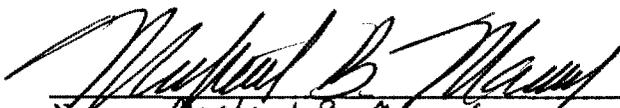
THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 18th
day of December, 1986, by R.C. INMAN,
President of INMAN SERVICE COMPANY, INC., a Texas
corporation, on behalf of said Corporation.

Michael B. Massey
Name: Michael B. Massey
Notary Public, State of Texas
My Commission Expires: 6-9-90

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 18th
day of December, 1986, by R.C. INMAN,
President of R. C. INMAN.


Name: Michael B. Messer
Notary Public, State of Texas
My Commission Expires: 6-9-90

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 18th
day of December, 1986, by ROBERT R. O'CONNOR,
REGION CREDIT MANAGER ~~President~~ of WESTINGHOUSE CREDIT CORPORATION, on
behalf of said Corporation.

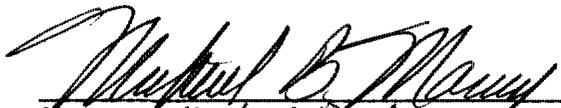

Name: Michael B. Messer
Notary Public, State of Texas
My Commission Expires: 6-9-90

EXHIBIT "A"

LOCOMOTIVES OWNED BY INMAN SERVICE COMPANY, INC.

<u>UNIT NO.</u>	<u>MODEL NO.</u>	<u>SERIAL NO.</u>
129	EMD SW9	4002-5
135	EMD SW9	6182-3
137	EMD SW9	6182-4
146	EMD SW9	6182-13
149	EMD SW9	6182-16
159	EMD SW9	4098-6
160	EMD SW9	4098-7
168	EMD SW9	4098-15
174	EMD SW9	4098-21
177	EMD SW9	4098-24
187	EMD SW9	4098-34
904	EMD SW9	E-1132-3
905	EMD SW9	E-1132-4
907	EMD SW9	6346-2



Westinghouse
Credit
Corporation

Central Region
P. O. Box 795005
Dallas, TX 75379
(214) 248-4065

October 13, 1986

Mr. R.C. Inman
Inman Service Company, Inc.
115 N.Main
Baytown, Texas 77520

Re: Account Numbers #46872 & #46873

Dear Mr. Inman,

It was a pleasure meeting with you on Monday, October 6, 1986. During our meeting, we discussed the possibility of working with you to resolve the seriously delinquent condition of your accounts.

Westinghouse Credit Corporation is willing to accept, from you, one half of your regularly scheduled payments for a six month period of time beginning November 5, 1986. The amount due monthly will be \$12,600.00. At the end of the six month period, so long as all payments have been paid on or before the due date monthly, we will consider additional relief if warranted and so long as you are not in default to any other secured creditors.

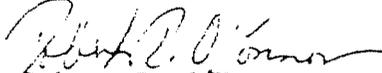
Our approval and commitment is subject to the following terms and conditions:

1. You will secure written approval from
 - A. ITT Credit Corporation
 - B. M-Bank
 - C. CIT Corporationthat each of them will accept no more than one half of their regularly scheduled payments during the next six month period of time.
2. Leases and/or Rental Agreements on each of the units we are financing for you will be assigned to Westinghouse Credit Corporation. Payments may continue to be paid directly to you unless you default in any of your payments to us.
3. You will provide monthly to Westinghouse Credit Corporation:
 - A. Balance Sheets
 - B. Profit and Loss Statements
 - C. Schedule of date of payments and amounts paid to all secured creditors.

- 4. Confirmation from the Internal Revenue Service that they have agreed to place your delinquent tax amount on an installment basis.
- 5. You will provide us with a second lien on the units being financed by CIT Corporation.

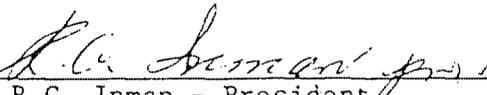
Your acceptance of this approval must be received in our office by October 17, 1986 and all of the terms and conditions complied with no later than October 24, 1986.

Sincerely,


 Robert R. O'Connor
 Region Credit Manager

The above terms and conditions are agreed to.

Inman Service Company, Inc.

BY  Date: _____
 R.C. Inman - President

BY  Date: _____
 R.C. Inman - Personal Guarantor



Westinghouse Central Region
 Credit P. O. Box 795005
 Corporation Dallas, TX 75379
 (214) 248-4065

October 15, 1986

Mr. R. C. Inman
 Inman Service Company, Inc.
 115 N. Main
 Baytown, TX 77520

Re: Account Numbers 46872 & 46873
 Our Letter dated Oct. 13, 1986
 Your Letter of Oct. 14, 1986

Dear Mr. Inman,

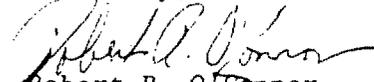
This letter will confirm our telephone conversation of today relative to the above letters.

We are agreeable to ammending our requirement that CIT Corporation was to agree to accept half payments only for the next six month period of time.

All of the remaining terms and conditions outlined in our letter dated October 13, 1986 remain as outlined.

In order for our commitment to be effective, we must have a signed copy of that letter along with a signed copy of this letter returned to us no later than October 17, 1986. Both letters must be signed by you in your capacity as President as well as Personal Guarantor.

Sincerely,

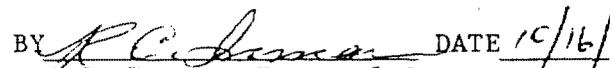

 Robert R. O'Connor
 Region Credit Manager

The above modification as well as the terms and conditions outlined in your letter of October 13, 1986 are hereby agreed to.

Inman Service Company, Inc.

BY 
 R.C. Inman - President

DATE 10/16/86

BY 
 R.C. Inman - Personal Guarantor

Memorandum

TO : The Commission

DATE: MAR 21 1985

FROM : Martin E. Foley
Managing Director

M.E.F.

SUBJECT : HOUSE SUBCOMMITTEE MARKUP OF THE FY 1985 SUPPLEMENTAL

The House Appropriations Subcommittee met today and marked up our FY 1985 supplemental budget request. They will recommend to the full Committee a supplemental amount of \$3.15 million, which, if approved, would bring our budget to \$51.15 million.

The intent of the Subcommittee is to fund fully the 914 full-time staff-years included in the Conference Report, as reprogrammed in our supplemental request. The Subcommittee also indicated that \$3.09 million of the additional amount is to be used for personnel costs, and that, if furloughs are still necessary, these should begin with Commissioners' immediate staffs and work downward. These provisions, however, are subject to full committee action and could, therefore, change.

Specific bill and report language should be available next week, after the full Committee takes up the matter tomorrow.

cc: Heads of Bureaus and Offices