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October 25, 1988

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RECORDATION NO. 5892

OCT 26 1988 - 11 57 AM

INTERSTATE COMMERCE COMMISSION

3-300A080
No. OCT 26 1988

Date

HAND DELIVERED Fee \$ 26.00

ICC Washington

NOTICE OPERATIONS UNIT
OCT 26 11 33 AM '88
THE OFFICE OF THE SECRETARY FOR THE INTERSTATE COMMERCE COMMISSION

OCT 26 1988 - 11 40 AM
INTERSTATE COMMERCE COMMISSION

*NOT ADMITTED IN MD.
**ADMITTED IN MD.

Ms. Noretta R. McGee
Secretary
Interstate Commerce Commission
12th Street and Constitution Ave., N.W.
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed please find an original and one counterpart of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code:

1. Security Agreement, a primary document, dated October 24, 1988, and effective as of September 1, 1988, and Exhibit A thereto.
2. Bill of Sale, a primary document, dated October 20, 1988, and Exhibit A thereto.

The status, name and address of each party to the above-referenced documents are as follows:

Secured Party:

G. Lynn Hagen
c/o Credit Card Keys Co.
2906 S. 52nd Street
Tempe, Arizona 85282

Ms. Noreta McGee

-2-

October 25, 1988

Debtor:

Inman Service Company, Inc.
115 North Maine Street
Baytown, Texas 77520

Descriptions of the equipment covered by the Security Agreement and Bill of Sale are in the respective Exhibits A to the documents.

A short summary of the documents to be entered into the index follows:

A Security Agreement, dated October 24, 1988, by and between G. Lynn Hatch (Secured Party) and Inman Service Company, Inc. (Debtor). Exhibit A, listing the covered equipment, is attached thereto. A corresponding Bill of Sale, dated October 20, 1988, by and between the same parties. Exhibit A, listing the covered equipment, is attached thereto.

A check in the amount of \$26.00 is enclosed for fees. Please return one set of the original documents to me at the address at the top of the first page of this letter.

Respectfully submitted,



Kevin M. Sheys
Attorney for G. Lynn Hagen

Enclosure

KMS/cab/8853F/8154

Interstate Commerce Commission
Washington, D.C. 20423

10/26/88

OFFICE OF THE SECRETARY

Kevin M. Sheys
Weiner McCaffrey Brodsky & Kaplan
1350 New York Avenue N.W.
Washington, D.C. 20005-4797

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 10/26/88 at 11:40am, and assigned recordation number(s). 15892 & 15892-A

Sincerely yours,

Norita L. McLee
Secretary

Enclosure(s)

OCT 26 1988 - 11 40 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

1. Parties. The parties to this agreement are G. Lynn Hagen, an individual with offices located at Credit Card Keys Co., 2906 S. 52nd Street, Tempe, Arizona 85282 ("Secured Party") and Inman Service Company, Inc., a Texas corporation with offices located at 115 North Main Street, Baytown, Texas ("Debtor").

R.D.D

2. Security Agreement. For value received, the Debtor hereby grants to the Secured Party a purchase money security interest in the property described in Exhibit "A" (the "Collateral"), which Exhibit is attached to this Security Agreement and incorporated herein for all purposes, to secure Debtor's note to the Secured Party dated September, 1988, in the original principal amount of \$450,583.65 (the "Note").

3. Obligation. The security interest hereby granted secures payment of the Note and all extensions and renewals thereof and interest accruing pursuant to the Note.

4. Protection of Collateral and Security Interests. The Debtor will keep the Collateral in good order and repair and will pay all costs necessary to preserve the Collateral including, but not limited to, taxes, assessments, insurance premiums, and repairs. The Debtor will not use the Collateral in violation of any statute or ordinance, and the Secured Party will have the right to examine and inspect the Collateral and inspect and copy all records relating to the Collateral and the Note. Debtor will furnish the Secured Party with any information on the Collateral reasonably requested by the Secured Party and notify the Secured Party of any change occurring in or to the Collateral or in any fact or circumstance warranted or represented by the Debtor in this Security Agreement.

5. Location, Identification, Sale, Lease, or Disposition of Collateral. Debtor will keep the Collateral separate and identifiable and may not sell same; but Debtor may lease the Collateral in the ordinary course of its business. The Debtor may not otherwise part with possession of or encumber any of the Collateral without the Secured Party's prior written consent.

6. Title. Except for the security interest granted hereby, Debtor has full and complete title to the Collateral free from any lien, security interest, encumbrance, or lien, and Debtor will, at Debtor's cost and expense, defend any action which may affect Secured Party's security interest in or Debtor's title to the Collateral except to the extent that the action may result from a breach of representations of title made by the Secured Party contained in the Full and Final Settlement and Release executed by the parties contemporaneously with this Security Agreement.

7. Financing Statement. The Debtor will join with the Secured Party in executing all necessary financing statements in form satisfactory to the Secured Party.

8. Reimbursement of Expenses. At the Secured Party's option, the Secured Party may discharge taxes, liens, or other interests, or perform or cause to be performed for and in behalf of the Debtor any actions and conditions, obligations or covenants which Debtor has failed or refused to perform and may pay for the repair, maintenance, and preservation of the Collateral and all sums so expended shall be payable at the place designated in the Note and shall be secured by this Security Agreement.

9. Payment. Debtor will pay the Note and any renewal or extension thereof in accordance with the terms and provisions thereof and will repay immediately all sums expended by the Secured Party in accordance with the terms and provisions of this Security Agreement.

10. Change of Residence or Place of Business. The Debtor will promptly notify the Secured Party of any change of the Debtor's chief place of business or place where records concerning the Collateral are kept.

11. Time-Waiver. Debtor agrees that in performing any act under this Security Agreement and the Note that time shall be of the essence and that the Secured Party's acceptance of partial or delinquent payments, or failure of the Secured Party to exercise any right or remedy shall not be a waiver of any obligation of the Debtor or right of the Secured Party or constitute a waiver of any other similar defaults subsequently occurring.

12. Default. The Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions: a. default in the payment or performance of any Note obligation, or of any covenant or liability contained or referred to herein; b. any warranty, representation or statement made or furnished to the Secured Party by or on behalf of the Debtor proves to have been false in any material respect when made or furnished; c. any event which results in the acceleration of the maturity of the Note; or d. any default or breach by Debtor of any of the terms of the Full and Final Settlement and Release specified by the Parties contemporaneously herewith.

13. Remedies. Upon the occurrence of any such event of default, the Secured Party may declare a default by providing written notice of such default to the Debtor. The Debtor shall have thirty (30) days from the date of receipt of such notice of default to cure such default. If the default is not cured within such thirty (30) day cure period, the Secured Party may declare all obligations secured hereby immediately due and payable and may proceed to enforce payment of the same and exercise any and all of the rights and remedies provided by the Uniform Commercial Code as well as all other rights and remedies possessed by the Secured Party. The Secured Party may require the Debtor to assemble the Collateral and make it available to the Secured Party at any place to be designated by the Secured Party which is reasonably convenient to both parties. The Secured Party will give the

Debtor notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. Debtor shall be credited with the net proceeds from any such sale when proceeds are actually received by Secured Party. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of the Debtor contained in paragraph 1 of this Security Agreement at least thirty (30) days before the time of the sale or disposition. Expenses of retaking (including attorney's fees), holding, preparing for sale, selling or the like shall be first deducted from the proceeds of the sale.

Debtor shall remain fully liable for payment of any deficiency remaining in the Note after application of the available proceeds of foreclosure of the collateral as provided for herein.

Debtor and Secured Party agree that the Collateral shall secure all of the Obligations herein and it is intended that the Secured Party shall retain the security interest in the Collateral hereunder to secure all said obligations. All of Secured Parties rights hereunder are cumulative and non-exclusive. In the event of default, Debtor waives and releases (a) any and all causes of action and claims which it may now or ever have against Secured Party as a result of any possession, collection or sale by Secured Party of any of the Collateral, notwithstanding the effect of such possession, collection or sale upon the business of Debtor; and (b) all rights of redemption from any such sale. Secured Party may postpone or adjourn any such sale from time to time by announcement at the time and place of sale stated in the notice of sale or by announcement at any adjourned sale, without being required to give new notice of sale.

The note and security interest granted by this Security Agreement are issued pursuant to Debtor's Plan of Reorganization which was confirmed on August 16, 1988. Debtor agrees during the term of the Note and any renewals and extensions thereof that no subsequent bankruptcy proceeding shall be instituted by the Debtor to prevent Secured Party from foreclosing its security interest against any of his collateral or enforcing any of his state law rights and remedies in the event of default. In the event Debtor files or has filed against it a subsequent bankruptcy petition, Debtor agrees not to attempt in any way to prevent and further, hereby agrees to consent to, Secured Party obtaining of a lifting of the automatic stay under Section 362 of the Bankruptcy Code, or any similar statute which might then be in effect, in order to allow Secured Party to foreclose its security interest against the Collateral and enforce any other state law rights and remedies he may have in the event of default.

14. Termination Statement. Upon payment in full, the Secured Party shall furnish any legally required termination statement within ten (10) working days of a written request for same from the Debtor.

15. Modification. This Security Agreement is an integrated writing and cannot be changed by conduct or spoken words, but only by

a writing signed by the party to be charged. No modification of this Agreement shall be valid unless confirmed in writing by the Secured Party and the Debtor.

16. Applicable Law. This Security Agreement will be construed and enforced according to the applicable laws of the State of Texas. Venue for any suit brought to construe or enforce the provisions of this Security Agreement shall be in Harris County, Texas.

17. Successors and Assigns. All rights of the Secured Party under this Security Agreement shall inure to the benefit of its successors and assigns and all obligations of the Debtor shall be binding on its successors and assigns, and vice versa.

18. Financial Statements. Debtor agrees to provide Secured Party, no less than quarterly, unaudited financial statements which accurately reflect the financial condition of the Debtor. These financial statements shall at least consist of a balance sheet and current income statement for the most recently completed fiscal quarter.

19. Identification of Collateral. Secured Party may at its sole discretion cause any or all of the collateral to be marked or otherwise identified as being pledged as security by having a statement stenciled thereon to the effect that the ownership is subject to a Security Agreement filed with the Interstate Commerce Commission.

EXECUTED on this 24 day of OCT, 1988 to be effective on September 1, 1988.

Debtor:

INMAN SERVICE COMPANY, INC.

By: R.C. Inman
R. C. Inman, President

Secured Party:

By: G. Lynn Hagen
G. Lynn Hagen

INMAN SERVICE COMPANY, INC.
 LOCOMOTIVES FLEDGED TO HAGEN

LOCOMOTIVE# =====	SERIAL#	DESCRIPTION	PRESENT LOCATION
186	4098-33	12-567 SW-9 1200 HP EMD DIESEL ELECTRIC LOCOMOTIVE	NORTH STAR STEEL BEAUMONT, TX
565	19C565	16-567 GP-7 EMD 1850 HP DIESEL ELECTRIC LOCOMOTIVE	ROHM & HAAS, TEXAS DEER PARK, TX
1222	4062-4	12-567 SW-9 1200 HP EMD DIESEL ELECTRIC LOCOMOTIVE	EXXON CHEMICAL CO. BATON ROUGE, LA.
1227	6288-4	12-567 SW-9 1200 HP EMD DIESEL ELECTRIC LOCOMOTIVE	OCCIDENTAL CHEMICAL X HAHNVILLE, LA.
1939	1537-0	6-567 SW-1 600 HP EMD DIESEL ELECTRIC LOCOMOTIVE	HOECHST CELANESE C Y PASADENA, TX

INMAN SERVICE COMPANY, INC.
LIST OF VEHICLES PLEDGED TO HAGEN

YEAR	DESCRIPTION	SERIAL #
=====	=====	=====
1.	1959 HAMILTON LOWBOY TRAILER	#812783
2.	* 1975 SHOPMADE FLAT TRAILER	#TR135826
3.	* 1974 BROCKWAY TRACTOR TRUCK	#K361TL84401H
4.	* 1973 FONTAINE JEEP TRAILER, <i>and Jeep Semi Truck</i>	#9763D
5.	1973 FONTAINE TRAILER	#17434
6.	1983 CHEVROLET SILVERADO PICKUP UNIT 2	#1GCCC14D705145716
7.	* 1984 HOME REBUILT UTILITY TRAILER W/AIR COMP	#0015
8.	* 1967 FORD WINCH TRUCK	#F60CKB06246

* Scrap possibly

INMAN SERVICE COMPANY, INC.
LIST OF EQUIPMENT PLEDGED TO G.L. HAGEN

DESCRIPTION =====	SERIAL # =====
1. JOHNSON 600-TON HEAVY DUTY RAILROAD TYPE WHEEL & AXLE PRESS	
2. BETTS-NEWTON RAILROAD AXLE LATHE	#E-6445-2
3. HYSTER FORKLIFT (DIESEL) MODEL #H400A	#ABP-1578
4. MITSUBISHI FORKLIFT, MODEL#2M40C45	#F1900495
5. PETTIBONE CHERRY PICKER, MODEL #30	#27-3H-4
6. SANYUEN ENGINE LATHE, MODEL SY-SAG 3500	#205-1977
7. ALCODA TRAILER MOUNTED HIGH-PRESSURE WASHER MODEL 9600	
8. (NILES) BALDWIN-LIMA VERTICAL BORING MILL, MODEL FF1H	#24249
9. LINCOLD (DIESEL) TRAILER MOUNTED WELDING MACHINE	#MD1283
10. ⚡ WILLIAMS & WHITE HYDRAULIC PRESS, 450-TON, "C" FRAME	#C1781
11. ⚡ MODERN LABORATORY EQUIP. CO. TRACTION MOTOR OVEN, MODEL 1035-25KW	
12. ⚡ AMERICAN GEARED HEAD ENGINE LATHE 42"	#46365
13. CHAMBER HORIZONTAL 500-TON WHEEL & AXLE PRESS	#MDL1851
14. INDEX VERTICAL MILLING MACHINE	#15521
15. ⚡ BULLARD VERTICAL TURRET LATHE - 54' SWING	
16. PEERLESS HORIZONTAL POWER HACKSAW	#V6-106-2

* Scrap possibly