

*Counterpart - Betty Gorman*

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
918 SIXTEENTH STREET, N.W.  
SUITE 200  
WASHINGTON, D.C.

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

20006-2973  
(202) 393-2266  
FAX (202) 393-2156

OF COUNSEL  
URBAN A. LESTER

*19698-C, D*

MAR 15 2 02 PM '96

March 15, 1996

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies each of the following documents, all dated March 13, 1996: Supplemental Security Agreement No. Two and Amendment No. Two, both secondary documents.

The enclosed documents relate to the Loan and Security Agreement previously filed with the Commission under Recordation Number 19698.

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

Lender: MetLife Capital Corporation  
10900 N.E. 4th Street, Suite 500  
Bellevue, Washington 98009

Borrowers: WATCO, Inc.  
315 West Third Street  
Pittsburg, Kansas 66762

Inman Service Company, Inc.  
315 West Third Street  
Pittsburg, Kansas 66762

Mr. Vernon A. Williams  
March 15, 1996  
Page 2

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

Thirty-one (31) used hopper cars bearing KMGX reporting marks and road numbers set forth on Exhibit A attached to Supplement No. Two.

Also enclosed is a check in the amount of \$42.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. W. Alvord".

Robert W. Alvord

RWA/bg  
Enclosures

17698-C

**SUPPLEMENTAL SECURITY AGREEMENT NO. Two**  
**LOAN #2023195-002**

This Supplemental Security Agreement is executed by **WATCO, Inc., Co-Borrower and Inman Service Company, Inc., Co-Borrower** ("Borrower") pursuant to the terms of a Loan and Security Agreement dated **October 24, 1995** between Borrower and MetLife Capital Corporation ("Lender"). All capitalized terms used herein that are not otherwise defined herein shall have the respective meanings given to such terms in the Loan and Security Agreement.

In order to provide security for the payment and performance of Borrower's obligations under the Loan Documents, Borrower has granted to Lender a first priority security interest in the Collateral. In addition to said grant, Borrower intends by this Supplemental Security Agreement to grant to Lender a first priority security interest in the items of Equipment identified herein.

1. To further secure the payment and performance of all of Borrower's obligations to lender under the Loan Documents, Borrower hereby grants to Lender a first priority security interest in the items of Collateral described below, including all present and future additions, attachments and accessories thereto, all substitutions therefor and replacements thereof and all proceeds thereof, including all proceeds of insurance:

Qty.	Model/Mfr.	Description	Serial No.	Cost or Appraised Value
See the attached exhibit "A" herein incorporated by this reference				
<b>TOTAL</b>				<b>\$496,000.00</b>

2. Borrower hereby (a) affirms that the representations and warranties set forth in Section 5 of the Loan and Security Agreement are true and correct as of the date hereof; (b) represents and warrants that Lender has a first priority security interest in the Collateral; and (c) represents and warrants that the above described equipment will be maintained at the following location(s):

**315 West Third Street**  
**Pittsburg, KS 66762**

3. The Loan Amount for loans to be made pursuant to this Supplemental Security Agreement is **\$496,000.00**.

4. The Commitment Expiration Date for loans to be made pursuant to this Supplemental Security Agreement is **February 28, 1997**.

5. The amount of liability insurance required to be maintained by Borrower pursuant to Section 6(d) of the Loan and Security Agreement is **\$2,000,000.00**.

6. All of the terms and provisions of the Loan and Security Agreement are hereby incorporated in and made a part of this Supplemental Security Agreement to the same extent as if fully set forth herein.

In witness whereof, Borrower has executed and delivered this Supplemental Security Agreement this 13 day of March, 1996.

Borrower: WATCO, Inc., Co-Borrower

By: Charles R. Webb

(Print Name) President Charles R. Webb

Title: President

Borrower: Inman Service Company, Inc., Co-Borrower

By: Donald D. Orender

(Print Name): Controller CFO

Title: Donald D. Orender



This exhibit "A" is attached to and made a part of that certain Supplemental Security Agreement No. Two between MetLife Capital Corporation as Lender and Watco, Inc., Co-Borrower and Inman Service Company, Inc. Co-Borrower.

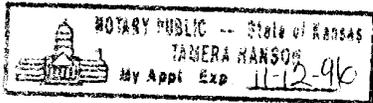
57-0402	Used Greenville Hopper Car, S/N KMGX57402	\$	16,000
57-0403	Used Greenville Hopper Car, S/N KMGX57403	\$	16,000
57-0404	Used Greenville Hopper Car, S/N KMGX57404	\$	16,000
57-0405	Used Greenville Hopper Car, S/N KMGX57405	\$	16,000
57-0406	Used Greenville Hopper Car, S/N KMGX57406	\$	16,000
57-0407	Used Greenville Hopper Car, S/N KMGX57407	\$	16,000
57-0408	Used Greenville Hopper Car, S/N KMGX57408	\$	16,000
57-0409	Used Greenville Hopper Car, S/N KMGX57409	\$	16,000
57-0410	Used Greenville Hopper Car, S/N KMGX57410	\$	16,000
57-0411	Used Greenville Hopper Car, S/N KMGX57411	\$	16,000
57-0412	Used Greenville Hopper Car, S/N KMGX57412	\$	16,000
57-0413	Used Greenville Hopper Car, S/N KMGX57413	\$	16,000
57-0414	Used Greenville Hopper Car, S/N KMGX57414	\$	16,000
57-0415	Used Greenville Hopper Car, S/N KMGX57415	\$	16,000
57-0416	Used Greenville Hopper Car, S/N KMGX57416	\$	16,000
57-0417	Used Greenville Hopper Car, S/N KMGX57417	\$	16,000
57-0419	Used Greenville Hopper Car, S/N KMGX57419	\$	16,000
57-0420	Used Greenville Hopper Car, S/N KMGX57420	\$	16,000
57-0421	Used Greenville Hopper Car, S/N KMGX57421	\$	16,000
57-0422	Used Greenville Hopper Car, S/N KMGX57422	\$	16,000
57-0423	Used Greenville Hopper Car, S/N KMGX57423	\$	16,000
57-0424	Used Greenville Hopper Car, S/N KMGX57424	\$	16,000
57-0425	Used Greenville Hopper Car, S/N KMGX57425	\$	16,000
57-0426	Used Greenville Hopper Car, S/N KMGX57426	\$	16,000
57-0428	Used Greenville Hopper Car, S/N KMGX57428	\$	16,000
57-0429	Used Greenville Hopper Car, S/N KMGX57429	\$	16,000
57-0430	Used Greenville Hopper Car, S/N KMGX57430	\$	16,000
57-0431	Used Greenville Hopper Car, S/N KMGX57431	\$	16,000
57-0432	Used Greenville Hopper Car, S/N KMGX57432	\$	16,000
57-0433	Used Greenville Hopper Car, S/N KMGX57433	\$	16,000
57-0434	Used Greenville Hopper Car, S/N KMGX57434	\$	16,000
TOTAL		=====	\$ 496,000

ACKNOWLEDGEMENT

State of Kansas )

County of Crawford )

On this 13<sup>th</sup> day of March, 1996, before me, a Notary Public, personally appeared Charles R. Webb, President ~~\_\_\_\_\_~~ respectively of **WATCO, Inc.** who executed the foregoing instrument and acknowledged that said instrument was the free and voluntary act, for the uses and purposes therein mentioned.



[NOTARIAL SEAL]

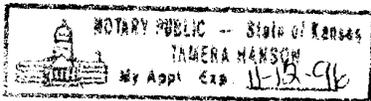
Jamera Hanson  
NOTARY PUBLIC  
My commission expires:  
Nov. 12, 1996

ACKNOWLEDGEMENT

State of Kansas )

County of Crawford )

On this 13<sup>th</sup> day of March, 1996, before me, a Notary Public, personally appeared Donald D. Orender, Controller ~~\_\_\_\_\_~~ CFO respectively of **Inman Services Company, Inc.** who executed the foregoing instrument and acknowledged that said instrument was the free and voluntary act, for the uses and purposes therein mentioned.



[NOTARIAL SEAL]

Jamera Hanson  
NOTARY PUBLIC  
My commission expires:  
Nov. 12, 1996

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20425-0001

3/15/96

Robert W. Alvord  
Alvord And Alvord  
918 Sixteenth Street, NW., Ste. 200  
Washington, DC., 20006-2973

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 3/15/96 at 2:05PM, and assigned recordation number(s). 19698- C 19698-D, 19699-A and 19753-A.

Sincerely yours,

  
Vernon A. Williams  
Secretary

Enclosure(s)

\$ 84.00 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

