

#15  
New Number

LAW OFFICES

ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N W

WASHINGTON, D.C.

20006-2973

(202) 393-2266

OF COUNSEL  
URBAN A LESTER

TELEX  
440367 A AND A

TELEFAX  
(202) 393-2156

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

ROBERT W. ALVORD\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE\*  
JAMES C. MARTIN, JR.\*

\*ALSO ADMITTED IN NEW YORK  
\*ALSO ADMITTED IN MARYLAND

1-190A023

July 8, 1991

17423  
RECORDATION (C) FILED 1425

JUL 9 1 54 PM '91

Mr. Sidney L. Strickland, Jr.  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

JUL 9 1991 - 1 55 PM  
INTERSTATE COMMERCE COMMISSION

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two copies of a Security Agreement dated June 28, 1991, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

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

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

Secured Party: R.C. Inman, Trustee of The Inman Service Company, Inc. Voting Trust  
R.C. Inman, Individually  
L. Maxine Inman, Individually  
706 Danubina  
Baytown, Texas 77520

A description of the railroad equipment covered by the enclosed document is set forth in Exhibit A attached hereto and made a part hereof.

Also enclosed is a check in the amount of \$15 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

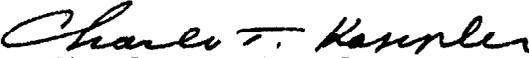
*Cover to parts - C.T. Kappler*

Mr. Sidney L. Strickland, Jr.  
July 8, 1991  
Page Two

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

Security Agreement dated June 28, 1991 between Inman Service Company, Inc., Debtor, and R.C. Inman, Trustee of The Inman Service Company, Inc. Voting Trustee, R.C. Inman, Individually, and L. Maxine Inman, Individually, Secured Party, covering railroad locomotives.

Very truly yours,

  
Charles T. Kappler

CTK/bg  
Enclosures

EXHIBIT A  
LOCOMOTIVES

LOCOMOTIVE ROAD NUMBER	SERIAL NO.
40	6198-1
129	4002-5
134	6182-1
135	6182-3
137	6182-4
145	6182-12
146	6182-13
149	6182-16
159	4098-6
160	4098-7
163	4098-10
168	4098-15
174	4098-21
177	4098-24
178	4098-25
182	4098-29
186	4098-33
187	4098-34
195	4098-42
509	3291-0
565	GP-7
904	E1132-3
905	E1132-4
907	6346-2
1016	4114-4
1222	4062-4
1223	4062-5
1227	6288-4
1229	6288-6
1230	6288-7
1236	6288-24
1247	4074-16
1276	7127689
1939	1537-0
1326	1045-4
7310	E-385
9140	901

SECURITY AGREEMENT

JUL 9 1991 - 1 35 PM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT is made by and among INMAN SERVICE COMPANY, INC., a Texas corporation with its principal offices located at 115 North Main, Baytown, Harris County, Texas 77520 ("Debtor"), R. C. INMAN, TRUSTEE OF THE INMAN SERVICE COMPANY, INC. VOTING TRUST, an individual and resident of Harris County, Texas whose address is 706 Danubina, Baytown, Texas 77520 ("Voting Trustee"), and R. C. INMAN, INDIVIDUALLY, and L. MAXINE INMAN, INDIVIDUALLY, both individuals and residents of Harris County, Texas whose address is 706 Danubina, Baytown, Texas 77520 (jointly, the "Individuals"). Voting Trustee and the Individuals hereinafter sometimes are referred to collectively as the "Secured Party."

WITNESSETH:

WHEREAS, Voting Trustee has sold 2,100 shares of Class B common stock of Debtor to WATCO, INC., a Kansas corporation with its principal offices located in Coffeyville, Montgomery County, Kansas ("Borrower") in exchange for a promissory note in the original principal amount of \$1,075,000.00 executed by Borrower and delivered to Voting Trustee (the "Note"), and the Individuals have executed a Covenant Not to Compete for the benefit of Borrower and Debtor (the "Covenant"), which Covenant requires Borrower to pay a certain sum of money to the Individuals as provided in the Covenant;

WHEREAS, payment of the amounts due and to become due under the Note and the Covenant are secured by a deed of trust and other security documents in favor of Lender (such deed of trust, together with any other pledges, assignments, security agreements and other agreements made by Borrower to secure payment of the Note and the Covenant, other than this Agreement, being herein collectively called the "Security Documents");

WHEREAS, Debtor has guaranteed all obligations of Borrower under the Note, the Covenant, the Security Documents and this Agreement as provided in a Guaranty Agreement of even date herewith (the "Guaranty");

WHEREAS, Guarantor is now a wholly owned subsidiary of Borrower and a beneficiary of the Covenant;

WHEREAS, Lender made it a condition of accepting the Note and the promises of payment in the Covenant from Borrower that Debtor execute this Agreement, the Security Documents and the Guaranty;

NOW, THEREFORE, (i) in consideration of Voting Trustee's conveyance of 2,100 shares of Class B common stock of Debtor to Borrower in exchange for the Note, the Security Documents and the Guaranty; (ii) in further consideration of the Individuals' execution of the Covenant in exchange for the promises of payment contained in the Covenant, the Security Documents and the Guaranty; (iii) at the special insistence and request of Lender; (iv) in further consideration of the covenants and promises exchanged herein; and (v) for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Debtor and Secured Party hereby agree as follows:

1. Secured Indebtedness.

This Agreement is made to secure and enforce the payment and performance of all debts, obligations and liabilities of every kind and character of Borrower and/or Debtor now or hereafter existing in favor of Secured Party, whether such debts, obligations or liabilities be direct or indirect, primary or secondary, joint or several, fixed or contingent, and whether payable to Secured Party or to a third party and subsequently acquired by Secured Party and whether such debts, obligations and liabilities are evidenced by note, open account, overdraft, endorsement, surety agreement, guaranty or otherwise, it being contemplated that Borrower and/or Debtor may hereafter become indebted to Secured Party in further sum or sums, and all modifications, renewals or extensions of or substitutions for any of the foregoing, including, but not limited to, the indebtedness to Voting Trustee evidenced by the Note and the Security Documents, the amounts due and to become due to the Individuals as provided in the Covenant and the Security Documents, and the amounts due and to become due to Secured Party as provided in the Guaranty. All such indebtedness is hereinafter sometimes called the "Secured Indebtedness."

2. Security Interest.

In order to secure the prompt and unconditional payment of the Secured Indebtedness and the performance of the obligations, covenants, agreements and undertakings of Debtor herein described, Debtor hereby grants to Secured Party a security interest in the following types (or items) of property now owned or hereafter acquired by Debtor and all accessions or substitutions therefor and all products or proceeds thereof:

A. All equipment of Debtor, including, but not limited to, the equipment listed on Exhibit A attached hereto, whether held for sale or lease or furnished or to be furnished under contracts of service or used or consumed in Debtor's business, and all accessions and appurtenances thereto, and all renewals or replacements of or substitutions of any of the foregoing (the "Equipment") and all accounts, chattel paper and general intangibles for any of the foregoing;

B. All leases, rents, profits, revenues, income or other benefits derived from the Equipment, inclusive of the locomotive lease portion of any rail car switching agreement between Debtor and its customers and including, without limitation, cash or securities deposited pursuant to leases to secure performance by lessees of their obligations thereunder;

C. All leases covering any of the Equipment, whether written or verbal, now existing or hereafter made, and all renewals, extensions, amendments and modifications thereof, including, without limitation, the leases identified on Exhibit B attached hereto;

D. All amounts due to Debtor on all rail car switching agreements to which Debtor is a party, and all renewals, extensions, amendments and modifications thereof, including, without limitation, the rail car switching agreements identified on Exhibit C attached hereto;

E. All inventory of Debtor, whether held for sale or lease or furnished or to be furnished under contracts of service or used or consumed in Debtor's business, and all accessions and appurtenances thereto, and all renewals or replacements of or substitutions of any of the foregoing (the "Inventory"), and all accounts, chattel paper and general intangibles for any of the foregoing;

F. All other goods of Debtor, as the term "goods" is defined in Section 9.105(a)(8) of the Texas Business and Commerce Code (the "Code"), including, but not limited to, all of Debtor's fixtures, as the term "fixtures" is defined in Section 9.313(a)(1) of the Code, whether held for sale or lease or furnished or to be furnished under contracts of service or used or consumed in Debtor's business, and all accessions and appurtenances thereto, and all renewals or replacements of or substitutions of any of the foregoing (the "Other Goods") and all accounts, chattel paper and general intangibles for any of the foregoing;

G. All accounts of Debtor, as the term "account" is defined in Section 9.106 of the Code, and all renewals or replacements of or substitutions of any of the foregoing (the "Accounts");

H. All general intangibles of Debtor, as the term "general intangibles" is defined in Section 9.106 of the Code, and all renewals or replacements of or substitutions of any of the foregoing (the "General Intangibles");

I. All cash and cash equivalents of Debtor, including, but not limited to, all instruments of the Debtor, as the term "instruments" is defined in Section 9.105(a)(9) of the Code, and all renewals or replacements of or substitutions of any of the foregoing (the "Cash");

J. All chattel paper of Debtor, as the term "chattel paper" is defined in Section 9.105(a)(2) of the Code, and all renewals or replacements of or substitutions of any of the foregoing (the "Chattel Paper");

K. All documents of Debtor, as the term "document" is defined in Section 9.105(a)(6) of the Code, and all renewals or replacements of or substitutions of any of the foregoing (the "Documents");

L. All other property of Debtor, whether tangible or intangible, and all renewals or replacements of or substitutions of any of the foregoing (the "Other Property");

M. All proceeds arising from or by virtue of the sale or other disposition of any of the foregoing; and

N. All proceeds arising from or by virtue of any policies of insurance insuring the Collateral,

hereinafter collectively called the "Collateral." Provided, however, that the security interest granted in this Agreement shall not attach to any property of Debtor in which ITT Commercial Finance Corp. has a security interest.

3. Debtor's Representations and Warranties.

Debtor represents, warrants and covenants that all locomotives which are part of the Collateral do and shall comply with FRA standards; that all information, reports, statements and other data furnished by Debtor to Secured Party, contemporaneously with or subsequent to the execution of this Agreement or in connection with the Secured Indebtedness are and shall be true, correct and complete and do not and will not omit to state any fact or circumstance necessary to make the statements contained therein not misleading; that Debtor is the lawful owner of good right and authority to grant a security interest in the Collateral; that the Collateral is free and clear from all security interests and encumbrances except the security interest evidenced hereby and liens for taxes not yet due; that the Collateral and the intended use thereof by Debtor comply with all applicable laws, rules and regulations; that the Collateral is free from damage caused by fire or other casualty; that this Agreement constitutes the legal, valid and binding obligation of Debtor enforceable against Debtor in accordance with its terms; that the execution, delivery and performance of this Agreement does not and will not contravene or violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect and applicable to Debtor or result in a breach of or constitute a default (with or without the giving of notice or the lapse of time or both) under any indenture or any loan, credit or other agreement to which Debtor is a party or by which Debtor may be bound or affected; that the execution, delivery and performance of this Agreement does not require the consent or approval of any person, including, without limitation, any regulatory body or governmental authority; and that Debtor will warrant and forever defend the title to the Collateral and its proceeds against the claims and demands of all persons whomsoever claiming or to claim the same or any part thereof.

4. Notification to Lessees and Switching Customers.

In the event of a default by the Debtor as set forth in paragraph 6 of this Agreement, which remains uncured for a period of ten (10) days after receipt by Debtor of written notice thereof, Debtor authorizes Secured Party to notify each lessee under any of the leases which are a part of the Collateral, and each customer of Debtor who is a party to a rail car switching contract which is a part of the Collateral, to pay directly to Secured Party (1) rental payments (2) payments for rail car switching services; or (3) if the lease which is part of the Collateral is combined with a contract between the Debtor and its customers for rail car switching services other than the lease of the locomotive, those portions of each account payable which represent the rental payment pursuant to the contract and the payment for rail car switching services pursuant to the contract. Debtor waives all rights to claim damage by reason of such notification.

5. Debtor's Covenants and Agreements.

So long as the Secured Indebtedness or any part thereof remains unpaid, Debtor covenants and agrees with Secured Party as follows:

- a. Debtor shall make prompt payment, as the same becomes due, of all

of the Secured Indebtedness in accordance with the terms and provisions of the agreements evidencing such indebtedness.

b. Debtor will continuously maintain Debtor's corporate existence.

c. Debtor will use its best efforts to cause the Collateral to be maintained and, where applicable, operated in a good and workmanlike manner and in accordance with all applicable laws and rules, regulations and orders promulgated by all duly constituted authorities. Debtor will not use, or allow the use of, any portion of the Collateral in any manner which constitutes a public or private nuisance or which makes void, voidable or cancellable, or increases the premium of, any insurance then in force with respect thereto. Other than regular use, Debtor will not do or suffer to be done any act whereby the value of any part of the Collateral may be lessened. Upon reasonable notice, Debtor will allow Secured Party or its authorized representative to inspect the Collateral and Debtor's books and records pertaining thereto and Debtor will assist Secured Party or said representative in whatever way necessary to make such inspection. Debtor also shall:

1. furnish Secured Party quarterly financial statements of Debtor within sixty (60) days of the end of each calendar quarter; and
2. disclose to Secured Party, each quarter, any lawsuits against Borrower or Debtor which are not fully covered by liability insurance and any judgments rendered against Borrower or Debtor which are not fully covered by liability insurance.

d. If Debtor receives notice from any federal, state or other governmental entity that the Collateral is not in compliance with any applicable law, rule, regulation or order, Debtor will promptly furnish a copy of such notice to Secured Party.

e. Debtor will cause all debts and liabilities of any character, including, without limitation, all debts and liabilities for labor, material and equipment, incurred in the installation, maintenance and operation of the Collateral, to be promptly paid.

f. Debtor will cause to be paid prior to delinquency all taxes, charges, liens and assessments hereafter levied or assessed against the Collateral, or any part thereof, or against Secured Party for or on account of the Secured Indebtedness or the interest created by this Agreement, and will furnish Secured Party upon demand with receipts or other satisfactory evidence showing either payment of such taxes and assessments or that such taxes and assessments have been protested by Debtor. Debtor will defend the Collateral against all claims and demands adverse to Secured Party's interest in it and will keep it free from all liens except those for taxes not yet due and from all security interests other than the security interest granted in this Agreement.

g. Debtor will keep the Collateral in good order, repair and operating condition, causing all necessary repairs, renewals, replacements, additions and improvements to be promptly made, and will not allow the Collateral to be

misused, abused or wasted, or to deteriorate, except for the ordinary wear and tear of its intended primary use.

h. Debtor will keep the Collateral insured in an amount equal to the full insurable value thereof against loss or damage by fire, theft, collision and other hazards as may be reasonably required by Secured Party by policies of fire, extended coverage and other insurance in such company or companies, in such amounts, upon such terms and provisions, and with such endorsement, all as may be reasonably acceptable to Secured Party. Such insurance policies shall also contain a standard mortgagee's endorsement providing for payment of any loss to Secured Party. All policies of insurance shall provide for a written minimum cancellation notice of ten (10) days to Secured Party. No such policies shall be payable to any party other than Secured Party and Debtor. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions. Duplicate originals of all policies, verifications, binders and cover notes covering any of the Collateral shall be delivered to Secured Party upon demand. Secured Party may act as attorney for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts drawn by insurers of the Collateral. Secured Party may apply any proceeds of such insurance which may be received by it in payment on account of the Secured Indebtedness, whether due or not.

i. Debtor will, on request of Secured Party, (i) promptly correct any defect, error or omission which may be discovered in the contents of this Agreement or in any other instrument executed in connection herewith or in the execution or acknowledgment thereof; (ii) execute and acknowledge such further instruments (including, without limitation, further security agreements, financing statements and continuation statements) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Agreement and such other instruments, and to subject to the security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby including specifically, but without limitation, any renewals, additions, substitutions, replacements or appurtenances to the then Collateral; and (iii) execute and acknowledge any document or instrument (including specifically any financing statement) deemed advisable by Secured Party to protect the security interest hereunder against the rights or interests of third persons.

j. Debtor shall account fully and faithfully for the Collateral. Debtor shall at all times keep accurate and complete records of the Collateral and its proceeds and allow Secured Party to inspect such records at reasonable times.

k. Debtor shall furnish Secured Party all such information as Secured Party may reasonably request with respect to the Collateral.

l. So long as Debtor is not in default on any obligation to Secured Party, Debtor may not sell, but may lease the Equipment to certain lessees as evidenced by locomotive leases assigned to Secured Party in the ordinary course of business; Debtor may not otherwise lease or encumber any item of the Collateral without Secured Party's prior written consent. Provided, however, that Debtor is expressly authorized to grant a second lien on the Collateral to BANK IV Pittsburg, N. A.

m. Promptly after each item of Equipment is leased, Debtor will deliver the original lease document to Secured Party or will immediately stamp on the lease account card, "PLEGGED TO R. C. INMAN, TRUSTEE OF THE INMAN SERVICE COMPANY, INC. VOTING TRUST, R. C. INMAN, INDIVIDUALLY, AND L. MAXINE INMAN, INDIVIDUALLY." Secured Party will have no duties under any lease regardless of the wording of any document.

n. Debtor will promptly notify Secured Party of any change in the location of each item of the Collateral that differs from the location specified in any lease of any of the Collateral.

#### 6. Defaults and Remedies.

In the event of (a) default in the timely payment or performance of any of the obligations or of any covenant or liability contained or referred to in the Note, the Covenant, the Guaranty, the Security Documents or any other portion of the Secured Indebtedness; (b) loss, theft, destruction, sale or encumbrance of or to the Collateral; (c) dissolution, termination of existence, insolvency, business failure, appointment of a receiver of Borrower, Debtor or the Collateral, an assignment for the benefit of creditors by Borrower or Debtor or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Borrower or Debtor; (d) any default under the terms hereof; or (e) any warranty, covenant or representation made to Secured Party by or on behalf of Borrower or Debtor being false in any material respect when made; and if such event, condition or default remains uncured for a period of ten (10) days after receipt by Debtor of a written notice thereof, then Secured Party shall have the right and option, at any time after the end of that ten (10) day period, and without further notice, to exercise all remedies available under the Code, the Guaranty and/or any of the Security Documents, including, but not limited to, the following:

a. require Debtor to deliver to Secured Party all books and records relating to the Collateral;

b. require Debtor to assemble the Collateral and make it available to Secured Party at a place reasonably convenient to both parties;

c. take possession of any of the Collateral and for this purpose enter any premises where it is located if this can be done without breach of the peace;

d. sell, lease, or otherwise dispose of any of the Collateral in accord with the rights, remedies, and duties of a secured party under chapters 2 and 9 of the Code after giving notice as required by those chapters; unless the Collateral threatens to decline speedily in value, is perishable or would typically be sold on a recognized market, Secured Party will give Debtor reasonable notice of any public sale of the Collateral or of a time after which it may be otherwise disposed of without further notice to Debtor; in this event, notice will be deemed reasonable if it is mailed, postage prepaid, to Debtor at the address specified in this Agreement at least ten (10) days before any public sale or ten (10) days before the time when the Collateral may be otherwise disposed of without further notice to Debtor;

e. surrender any insurance policies covering the Collateral and receive the unearned premium; and

f. apply any proceeds from disposition of the Collateral after default in the manner specified in chapter 9 of the Code, including payment of Secured Party's reasonable attorney's fees and other collection expenses.

To the extent not prohibited by law, Debtor waives all valuation and exemption laws sufficient to cover all of its obligations to Secured Party.

7. Waiver.

Time is of the essence of Debtor's duties, but Secured Party's failure to insist upon strict compliance with this Agreement shall not be deemed a waiver of any of Secured Party's rights. As further assurance of this, Debtor agrees to waive any claim or defense that might be or become available to it under Section 1-201 (3), Section 1-201 (11) or Section 1-205 of the Code.

8. Termination Statement.

Upon payment of the Secured Indebtedness in full and after receiving Debtor's written request, Secured Party shall have fifteen (15) working days in which to furnish any legally required termination statement. Provided, however, that a portion of the Equipment shall be released from the operation of the security interest provided for in this Agreement in accordance with the schedule attached hereto as Exhibit "D."

9. Modification.

This 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 representatives of Debtor and Secured Party who have actual authority to approve such modification.

10. Binding Effect.

This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns. Provided, however, that nothing in this paragraph shall authorize an assignment by Debtor in violation of the terms of this Agreement.

11. Reimbursement.

If Debtor fails to perform any of Debtor's obligations, Secured Party may perform those obligations and be reimbursed by Debtor on demand at the place where the Note is payable for any sums so paid, including attorney's fees and other legal expenses, plus interest on those sums from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The sum to be reimbursed shall become a part of the Secured Indebtedness.

12. Interest Rate.

Interest included in the Secured Indebtedness shall not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of that maximum amount shall be credited to the principal of the Secured Indebtedness or, if that has been paid, refunded. On any acceleration or required or permitted prepayment of the Secured Party, any such excess shall be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal amount of the Secured Indebtedness or, if the principal amount has been paid, refunded.

13. Severability.

The unenforceability of any provision of this Agreement will not affect the enforceability or validity of any other provision.

14. Governing Law and Venue.

This Agreement shall be construed and enforced in accordance with the laws of the State of Texas. Venue for any suit brought to construe or enforce the provisions of this Agreement shall be in Harris County, Texas.

15. Financing Statement.

A carbon, photographic, or other reproduction of this Agreement or any financing statement covering the Collateral is sufficient as a financing statement.

16. Presumption of Truth and Validity.

If the Collateral is sold after default, recitals in the bill of sale or transfer will be prima facie evidence of their truth, and all prerequisites to the sale specified by this Agreement and by the Code will be presumed satisfied.

17. Singular and Plural.

When the context requires, singular nouns and pronouns include the plural.

18. Priority of Security Interest.

This security interest shall neither affect nor be affected by any other security for any of the Secured Indebtedness. Neither extensions of any of the Secured Indebtedness nor releases of any of the Collateral will affect the priority or validity of this security interest with reference to any third person.

19. Cumulative Remedies.

Foreclosure of this security interest by suit does not limit Secured Party's remedies, including the right to sell the Collateral under the terms of this Agreement. All remedies of Secured Party may be exercised at the same or

different times, and no remedy shall be a defense to any other. Secured Party's rights and remedies include all those granted by law or otherwise in the Guaranty and the Security Documents, in addition to those specified in this Agreement.

20. Security Documents. This Agreement is not one of the Security Documents as defined herein, but it is one of the Security Documents as such term is defined in any other documents executed contemporaneously herewith.

DEBTOR ACKNOWLEDGES RECEIPT OF A COPY OF THIS SECURITY AGREEMENT.

EXECUTED on this 28<sup>th</sup> day of June, 1991.

DEBTOR:

INMAN SERVICE COMPANY, INC.

By: Charles R. Webb  
(Signature)

CHARLES R. WEBB  
(Typed or Printed Name)

PRESIDENT  
(Title or Office)

SECURED PARTY:

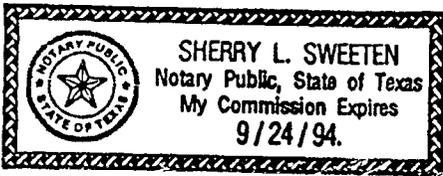
R. C. Inman  
R. C. INMAN, TRUSTEE OF THE  
INMAN SERVICE COMPANY, INC.  
VOTING TRUST ("Voting Trustee")

R. C. Inman  
R. C. INMAN, INDIVIDUALLY  
(an "Individual")

L. Maxine Inman  
L. MAXINE INMAN, INDIVIDUALLY  
(an "Individual")

THE STATE OF TEXAS     S  
                                      S  
COUNTY OF HARRIS     S

On this 28th day of June, 1991, before me personally appeared Charles R. Webb, to me personally known, who, being by me first duly sworn, said that he is the President of Inman Service Company, Inc., that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

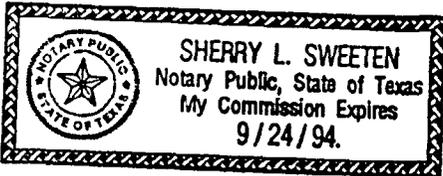


Sherry L. Sweeten  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS  
My Commission Expires: 9-24-94  
Printed Name of Notary:

Sherry L. Sweeten

THE STATE OF TEXAS     S  
                                      S  
COUNTY OF HARRIS     S

On this 28th day of June, 1991, before me personally appeared R. C. Inman, Individually, and as Trustee of the Inman Service Company, Inc. Voting Trust, to me personally known, who, being by me first duly sworn, said that he is an individual and the Voting Trustee of the Inman Service Company, Inc. Voting Trust, that the foregoing instrument was signed on his own behalf and on behalf of said Voting Trust, and he acknowledged that the execution of the foregoing instrument was his free act and deed and the free act and deed of said Voting Trust.

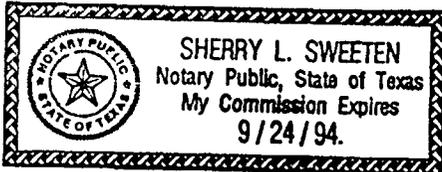


Sherry L. Sweeten  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS  
My Commission Expires: 9-24-94  
Printed Name of Notary:

Sherry L. Sweeten

THE STATE OF TEXAS     §  
  §  
COUNTY OF HARRIS     §

On this 28th day of June, 1991, before me personally appeared L. Maxine Inman, to me personally known, who, being by me first duly sworn, that she is an individual, that the foregoing instrument was signed on her own behalf, and she acknowledged that the execution of the foregoing instrument was her free act and deed.



Sherry L. Sweeten  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS  
My Commission Expires: 9-24-94  
Printed Name of Notary:

Sherry L. Sweeten

EXHIBIT A

LOCOMOTIVES

LOCOMOTIVE ROAD NUMBER	SERIAL NO.
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1939	1537-0
1326	1045-4
7310	E-385
9140	901

**EXHIBIT B**

**LOCOMOTIVE LEASES**

LOCO.	CUSTOMER/LOCATION	SERIAL NO.	LEASE BEGAN	LEASE EXPIRES
40	INTERCONTINENTAL TERMINALS- PORT ALLEN, LA	6198-1	02-01-88	01-31-90
129	AMOCO-CHOCOLATE BAYOU	4002-5	TEMPORARY	09-10-92
134	PD GLYCOL-BEAUMONT	6182-1	08-16-85	08-31-91
135	MONSANTO-CHOCOLATE BAYOU	6182-3	08-15-88	OPEN ENDED
137	FERRUZZI GRAIN-BELLCHASE LA.	6182-4	07-15-88	07-15-90
145	NORTH STAR STEEL-BEAUMONT	6182-12	11-21-85	04-01-92
146	CHEVRON-USA-BAYTOWN	6182-13	01-91	12-91
149	PAKTANK-DEER PARK	6182-16	1-84	03-31-93
159	CHEVRON USA-BAYTOWN	4098-6	5-1-85	06-30-90
160	MOBAY CHEMICAL-BAYTOWN	4098-7	7-17-85	11-01-94
163	MOBAY CHEMICAL-BAYTOWN	4098-10	7-17-85	11-01-94
168	OXY PETROCHEM-BAY CITY	4098-15	3-1-88	02-29-92
174	ROHM & HAAS-DEER PARK	4098-21	6-1-85	05-31-92
177	CF INDUSTRIES-DONALDSONVILLE, LA.	4098-24	10-00-88	MONTHLY
178	DOW CHEMICAL-LAPORTE	4098-25	10-08-90	09-30-92
182	BF GOODRICH-LAPORTE	4098-29	07-01-85	06-30-93
186	NORTH STAR STEEL-BEAUMONT	4098-33	11-21-85	04-01-92
187	SIMPSON PAPER-PASADENA	4098-34	3-84	09-01-91
195	VISTRON CHEM.-SEADRIFT	4098-42	8-85	10-31-91
509	CONTINENTAL GRAIN-BEAUMONT	3291-0	7-85	03-00-91
565	OCCIDENTAL CHEMICAL- MATAGORDA PLANT	GP-7	SPARE	00-00-00
904	EMPAK-DEER PARK	E1132-3	3-84	02-28-93
905	SIMPSON PAPER-PASADENA	E1132-4	TEMPORARY	00-00-00
907	INTERCONTINENTAL TERMINALS- DEER PARK	6346-2	12-84	02-28-90
1216	CF INDUSTRIES-DONALDSONVILLE LA.	4114-4	2-5-87	12-00-91
1222	GAF-DALLAS	4062-4	10-10-90	12-10-91
1223	OCCIDENTAL-DEER PARK	4062-5	10-1-87	MONTHLY
1227	GEORGIA GULF-DONALDSONVILLE, LA.	6288-4	10-15-90	12-31-91
1229	GEORGIA GULF-DONALDSONVILLE, LA.	6288-6	10-15-90	12-31-91
1230	ISC SHOP-BAYTOWN	6288-7	SHOP	SHOP
1236	ARCO CHEMICAL-CHANNELVIEW	6288-24	02-91	03-92
1247	OCCIDENTAL CHEM.-DALLAS	4074-16	01-02-86	12-31-91
1276	MONSANTO-PENSACOLA, FL.	7127689	05-15-90	05-15-91
1939	HOECHST CELANEASE-PASADENA	1537-0	01-14-86	01-31-91
1326	MONSANTO-LULING, LA.	1045-4	05-24-89	OPEN ENDED
7310	BAYTANK-SEABROOK	E-385	10-16-89	10-16-92
9140	G.A.F.-TEXAS CITY	901	07-16-90	07-15-91

NOTE: Unless otherwise indicated, location is in Texas

EXHIBIT C

INTRA-PLANT SWITCHING AGREEMENTS

LOCO.	CUSTOMER/LOCATION	SERIAL NO.	AGMT. BEGAN	AGMT. EXPIRES
1. 135	MONSANTO-CHOCOLATE BAYOU	6182-3	08-15-88	OPEN ENDED
2. 168	OXY PETROCHEM-BAY CITY	4098-15	3-1-88	02-29-92
3. 174	ROHM & HAAS-DEER PARK	4098-21	6-1-86	05-31-92
4. 1326	MONSANTO-LULING, LA.	1045-4	05-24-89	OPEN ENDED
5. 9140	G.A.F.-TEXAS CITY	901	07-16-90	07-15-91
6. None	OCCIDENTAL CHEMICAL- DEER PARK	None	03-18-89	06-30-91
7. None	AMOCO-CHOCOLATE BAYOU	None	09-11-89	09-10-92

EXHIBIT D

LOCOMOTIVES TO BE RELEASED FROM LENDER'S SECURITY INTEREST

<u>NUMBER OF PAYMENTS ON BOTH NOTE AND COVENANT</u>	<u>LOCOMOTIVES TO BE RELEASED (BY ROAD NUMBER)</u>	<u>NO. OF LOCOMOTIVES</u>	<u>CONDITIONS PRECEDENT TO RELEASE OF LIEN (CONDITIONS ARE CUMULATIVE)</u>
35	NONE	0	N/A
36	145, 163, 178, 182 195, 509, 134, 1326	8	All payments then due under the Covenant and the Note have been made. ITT Commercial Finance Corp. has been paid in full and releases have been obtained for Debtor and R. C. Inman.
48	40, 186, 565, 1222, 1227, 1229, 1939	7	All payments then due under the Covenant and the Note have been made.
60	129, 135, 137, 146, 149, 159, 160	7	All payments then due under the Covenant and the Note have been made.
72	168, 174, 177, 187, 904, 905, 907, 1216, 1223, 1230, 1236, 1247, 1276, 7310, 9140	15	All payments due under the Covenant and the Note (including balloon payments) have been made.

NOTE: RELEASE WILL BE MADE WITHIN FIFTEEN (15) DAYS OF THE END OF THE TIME SPAN APPLICABLE TO THE RELEASE.

19S:Security