

No. 1-012A047

Date JAN 12 1981

Fee \$ 60.00

ICC Washington, D. C.

TEXAS COMMERCE BANK

NATIONAL ASSOCIATION

December 19, 1980

RECORDATION NO. 12736 * 12736-1A
Filed 1428

JAN 12 1981 -11 25 AM

Interstate Commerce Commission
Office of the Secretary
Washington, D.C. 20423

INTERSTATE COMMERCE COMMISSION
P. O. Box 2558
Texas 77001

Re: Secured Party: Texas Commerce Bank National Association, 712 Main Street, Houston, Texas 77002. Debtor (Purchaser): Michael E. DeBakey, M.D., 1200 Moursand Avenue, Houston, Texas 77030. Seller: Richmond Tank Car Company, 1700 West Loop South, Houston, Texas 77027.

Dear Sir:

Pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, enclosed for recordation are the original and two counterparts thereof of the following documents:

1. Security Agreement attached as Exhibit A; and
2. Bill of Sale attached as Exhibit B.

As set forth more fully therein, Michael E. DeBakey, M.D., for and in consideration of ten dollars (\$10.00) and other good and valuable consideration has purchased from Richmond Tank Company ("Seller") and has assigned, transferred and granted to Texas Commerce Bank National Association ("Secured Party") a security interest in and to seven (7) 23,500 gallon nominal capacity cars, DOT-111A100W3, exterior coiled and insulated; 100-ton roller bearing trucks bearing the following numbers: RTMX 13322, RTMX 13323, RTMX 13324, RTMX 13325, RTMX 13326, RTMX 13327 and RTMX 13328, used or intended for use in connection with interstate commerce or interests therein, owned by Michael B. DeBakey, M.D. at the date of said Security Agreement or thereafter acquired by him as owner of the railway equipment covered by said Security Agreement.

Please return the recorded documents to Andrea Ferguson, 500 Gulf Building, Houston, Texas 77002.

Sincerely,

TEXAS COMMERCE BANK
NATIONAL ASSOCIATION

By [Signature]

Vice President



1/13/81

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Andrea Ferguson
500 Gulf Building
Houston, Texas 77002

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 1/12/81 at 11:25am, and assigned re-
recording number(s). 12736 & 12736-A.

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

JAN 12 1981 -11 25 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT--EQUIPMENT

Michael E. DeBakey, M.D., of 1200 Moursand Avenue, Houston, Harris County, Texas, hereinafter called "Debtor," and Texas Commerce Bank National Association, 712 Main Street, Houston, Harris County, Texas, hereinafter called "Secured Party", agree as follows:

SECTION I. CREATION OF SECURITY INTEREST.

Debtor hereby assigns, transfers and sets over to Secured Party, and grants to Secured Party a security interest in the Collateral described in Section II of this Security Agreement to secure performance and payment of all of the obligations and indebtedness of Debtor to Secured Party now or hereafter created or existing, including, without limitation, (a) that certain promissory note of even date herewith in the principal amount of Four Hundred Fifty-One Thousand Six Hundred Seventy-Five and No/100ths Dollars (\$451,675.00), executed by Debtor, payable to the order of Secured Party, which note, together with all other notes given in substitution therefor or in modification, renewal, or extension thereof, in whole or in part, is hereinafter called the "Note"; (b) all indebtedness now or hereafter incurred or arising pursuant to the provisions of this Agreement or any other instrument now or hereafter evidencing or securing the indebtedness secured hereby or any part thereof.

SECTION II. COLLATERAL.

The collateral of this Security Agreement shall hereby be referred to as Equipment ("Equipment") as defined in this Section II or as the Collateral ("Collateral").

Equipment shall mean seven (7) 23,500 gallon nominal capacity cars, DOT-111A100W3, exterior coiled and insulated; 100-ton roller bearing trucks bearing the following registration numbers: RTMX 13322, RTMX 13323, RTMX 13324, RTMX 13325, RTMX 13326, RTMX 13327 and RTMX 13328.

The Collateral shall include the Equipment and all additions

EXHIBIT A

and accessions thereto, and all right to receive and collect all rentals, liquidated damages, proceeds of sale, all per diem mileage or other payments now or hereafter to become payable under the leases permitted hereby or with respect to such Equipment and all accounts, chattel paper, and general intangibles with respect thereto and proceeds thereof and all right, title and interest of Debtor in that certain Management Agreement by and between Richmond Leasing Company, a Delaware corporation, and Debtor of even date herewith (the "Management Agreement"). The inclusion of proceeds in this Security Agreement does not authorize Debtor to sell, dispose of or otherwise use the Equipment in any manner not specifically authorized by this agreement.

SECTION III. PAYMENT OBLIGATIONS OF DEBTOR.

(1) Debtor shall pay to Secured Party any sum or sums due or which may become due pursuant to the Note, in accordance with the terms of the Note and the terms of the Security Agreement.

(2) All proceeds in the form of cash and negotiable instruments for the payment of money received by Debtor in payment of any of the lease rentals on the Equipment will be held in trust for Secured Party and will promptly be paid over to Secured Party for application upon the indebtedness of Debtor to Secured Party, the order and method of application to be in the sole discretion of Secured Party.

(3) Debtor shall account fully and faithfully to Secured Party for proceeds from the disposition of the Collateral in any manner and shall, upon request, pay or turn over promptly in cash, negotiable instruments, drafts assigned accounts or chattel paper or lease rentals, all the proceeds from any such disposition to be applied to Debtor's indebtedness to Secured Party, subject, if other than cash, to final payment or collection.

(4) Debtor shall pay to Secured Party on demand all expenses and expenditures, including reasonable attorneys' fees and other legal expenses incurred or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Agreement, plus interest thereon at the highest lawful rate.

(5) Debtor shall pay immediately, without notice, the entire unpaid indebtedness of Debtor to Secured Party secured by this Security Agreement, upon Debtor's default under Section V of this Security Agreement.

SECTION IV. DEBTOR'S WARRANTIES, REPRESENTATIONS AND AGREEMENTS.

Debtor warrants, represents and agrees that:

(1) All information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequent to the execution of this Security Agreement are and shall be true, correct, complete, valid and genuine in all material respects.

(2) No Interstate Commerce Commission filing or financing statement or other filing covering the Collateral or its proceeds is on file in any public office. Except for the security interest granted in this Security Agreement, there is no lien, security interest or encumbrance in or on the Collateral; and Debtor is the owner of the Collateral.

(3) Demand, notice, protest and all demands and notices of any action taken by Secured Party under this Security Agreement, or in connection with any indebtedness secured hereby are hereby waived, and any indulgence of Secured Party, substitution for, exchange of or release of Collateral, in whole or in part, or addition of any person liable on the Collateral, is hereby assented and consented to.

(4) Debtor's location is 1200 Moursand Avenue, Houston, Texas 77030.

(5) Debtor will promptly notify Secured Party in writing of any addition, change and/or discontinuance of (a) its address as shown at the beginning of the Security Agreement; (b) its location as set forth in this Security Agreement; and (c) its name, its identity or corporate structure.

(6) Debtor shall pay prior to delinquency all taxes, charges, liens and assessments against the Collateral, and upon Debtor's failure to do so, Secured Party at its option may pay any of them and shall be the sole judge of the legality or validity thereof and the amount necessary to discharge the same. Such payment shall become part of the indebtedness secured by this Security Agreement and shall be paid to Secured Party by Debtor immediately and without demand, with interest thereon at the highest lawful rate.

(7) The Collateral will be used primarily for business use and for leasing to responsible and credit-worthy third parties, unless Secured Party consents in writing to another use.

(8) The Collateral will not be misused or abused, wasted or allowed to deteriorate, except for the ordinary wear and tear of its intended primary use, and will not be used in violation of any statute or ordinance.

(9) The Collateral will not be sold, transferred or disposed of by Debtor or be subjected to any unpaid charge, including rent and taxes, or to any subsequent interest of a third person created or suffered by Debtor voluntarily, except the Management Agreement referred to in Section II above and leases to responsible and credit-worthy third parties, unless Secured Party consents in advance in writing to such sale, transfer, disposition, charge or subsequent interest.

(10) Debtor will have and maintain insurance at all times with respect to the Collateral in amounts equal to

the full insurable value of such Collateral and with respect to such risks as Secured Party may require. Such insurance policies shall contain such terms, be in a form, for a period and be written by companies satisfactory 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 ten days minimum cancellation notice to Secured Party. All drafts or instruments of any kind evidencing payment under any such insurance policies which come into possession of Debtor shall be immediately delivered 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. At the option of Secured Party, Debtor shall apply such proceeds to (a) purchase equipment in substitution for the Equipment with respect to which the insurance loss was sustained, and in such event the equipment so purchased shall become Collateral; (b) repair the Equipment with respect to which the insurance loss was sustained; or (c) reduce by an amount equal to the aggregate sum of such proceeds, the indebtedness secured hereby. Secured Party may act as attorney for Debtor in obtaining, adjusting, setting 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 obligations secured hereby, whether due or not.

(11) Debtor will sign and execute all Financing Statements and other documents and procure any documents, and pay all connected costs, necessary to protect the security interest under this Security Agreement against the rights and interests of third persons.

(12) Debtor shall, at its expense, do, make, procure, execute and deliver all acts, things, writings and assurances as Secured Party may at any time request to protect, assure or enforce its interests, rights and remedies created by, provided in or emanating from this Security Agreement.

(13) Except in the ordinary course of business, Debtor will not lend, rent, lease, sell, transfer or otherwise dispose of the Collateral or any interest therein except as authorized in this Security Agreement or in writing by Secured Party. Debtor shall keep the Collateral, including the proceeds thereof, free from unpaid charges, including taxes, and from liens, encumbrances, and security interests other than that of Secured Party, except for liens arising by operation of law securing charges or taxes not yet past due and liens which are being contested in good faith.

(14) Debtor may from time to time, as Debtor determines appropriate, repair, overhaul, exchange, remove, salvage and replace parts and equipment on or with respect to the Collateral.

(15) If Secured Party should at any time be of the opinion that the Collateral is not sufficient or has declined or may decline in value or should Secured Party deem payment of the obligations of Debtor to Secured Party to be insecure, then Secured Party may call for additional Collateral satisfactory to Secured Party, and Debtor promises to furnish such additional security forthwith. The call for additional security may be oral or by telegram or by United States mail addressed to the address of Debtor shown at the beginning of this Agreement.

SECTION V. EVENTS OF DEFAULT.

Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions (herein called an "Event of Default"):

(1) Debtor's failure to pay when due any indebtedness secured by this Security Agreement, either principal or interest.

(2) Default by Debtor in the punctual performance of any of the obligations, covenants, terms or provisions contained or referred to in this Security Agreement or in any note secured hereby or any instrument securing payment thereof.

(3) Any warranty, representation, or statement contained in this Security Agreement made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement or to induce Secured Party to make a loan to Debtor proves to have been false or misleading when made or furnished.

(4) Loss, theft, substantial damage, destruction, of the Collateral, or the sale or encumbrance (except as permitted by this Agreement) of any of the Collateral, or the making of any levy, seizure or attachment of or on any of the Collateral.

(5) Debtor's death, dissolution, termination of existence, insolvency or business failure; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors by Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor, surety or endorser for Debtor.

(6) Any statement of the financial condition of Debtor or of any guarantor, surety or endorser of any liability of Debtor to Secured Party submitted to Secured Party by Debtor or any such guarantor, surety or endorser proves to be false in any material respect.

(7) The Collateral becomes, in the judgment of Secured Party, unsatisfactory or insufficient in character or value.

(8) Any guarantor, surety or endorser for Debtor defaults in any obligation or liability to Secured Party.

SECTION VI. SECURED PARTY'S RIGHTS AND REMEDIES.

A. Rights Exclusive of Default.

(1) This Security Agreement, Secured Party's rights hereunder or the indebtedness hereby secured may be assigned from time to time, and in any such case the Assignee shall be entitled to all of the rights, privileges and remedies granted in this Security Agreement to Secured Party.

(2) Secured Party may enter upon Debtor's premises at any reasonable time to inspect the Collateral and Debtor's books and records pertaining to the Collateral, and Debtor shall assist Secured Party in making such inspection.

(3) Secured Party may call at Debtor's place or places of business at intervals to be determined by Secured Party and, without hindrance or delay, inspect, audit, check and make extracts from the books, records, journals, orders, receipts, correspondence and other data relating to Collateral or to any transaction between Debtor and Secured Party and Debtor shall assist Secured Party in making any such inspection.

(4) Secured Party may make any demand upon or give any notice to Debtor by its deposit in the mails or with a telegraph company, addressed to Debtor at Debtor's address shown at the beginning of this Security Agreement, or to the change of such address of which Debtor has last notified Secured Party in writing.

(5) At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance and may pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment made or any expense incurred by Secured Party pursuant to the foregoing authorization, plus interest thereon at the highest lawful rate.

(6) In protecting, exercising or assuring its interests, rights and remedies under this Security Agreement, Secured Party may receive, open and dispose of mail addressed to Debtor and execute, sign, endorse, transfer and deliver negotiable and other instruments for the payment of money, documents of title or other evidences of payment, shipment or storage for any form of Collateral or proceeds on behalf of and in the name of Debtor.

(7) Secured Party may notify the account debtors or obligors of any accounts, chattel paper, negotiable instruments or other evidences of indebtedness remitted by Debtor to Secured Party as proceeds to pay Secured Party directly.

(8) Secured Party may at any time demand, sue for, collect or make any compromise or settlement with reference to the Collateral as Secured Party, in its sole discretion, chooses.

B. Remedies After Default.

Upon the occurrence of an Event of Default and at any time thereafter:

(1) Secured Party may declare all obligations secured hereby immediately due and payable and shall have the rights and remedies of a Secured Party after default under the Uniform Commercial Code of Texas, and in addition thereto and cumulative thereof, the following rights: the right to sell, lease, or otherwise dispose of any or all of the Collateral and the right to take possession of the Collateral, and for that purpose Secured Party may enter upon premises on which the Collateral or any part thereof may be situated and remove the same therefrom. It is agreed and understood that upon the occurrence of an Event of Default, as herein defined, Secured Party may enter upon any premises on which the Collateral or any part thereof may be situated, take possession and remove the same therefrom by any lawful means, either judicial or nonjudicial, including, without limitation, nonjudicial retaking of the Collateral

by the Secured Party from the possession of the Debtor and judicial sequestration of the Collateral without notice and without hearing, whether or not Debtor is about to remove Collateral beyond the jurisdiction of the court in which any judicial proceeding could be brought, or conceal or destroy said Collateral. As a part of the consideration for the execution and delivery of this Security Agreement and as an inducement to Secured Party to extend the credit evidenced hereby, Debtor, with full knowledge and understanding of the consequences of its act, hereby expressly waives any and all rights to notice, legal process, and hearing, judicial or nonjudicial, prior to such judicial or nonjudicial retaking. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold in a recognized market, Secured Party will send Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to Debtor at the address designated at the beginning of this Security Agreement at least ten (10) days before the time of sale or disposition. Secured Party may apply the proceeds of any disposition of the Collateral to the satisfaction of the indebtedness of Debtor secured hereby and the expenses of sale in any order or preference which Secured Party in its sole discretion may choose. Reasonable expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses, and Debtor agrees to pay such expense, plus interest thereon at the highest lawful rate. Debtor shall remain liable for any deficiency.

(2) Secured Party may remedy any default and may waive any default without waiving the default remedied or without waiving any other prior or subsequent default.

(3) The remedies of Secured Party hereunder are cumulative, and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any of the other remedies of Secured Party.

SECTION VII. ADDITIONAL AGREEMENTS.

(1) The section headings appearing in this instrument have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provision of this instrument.

(2) No failure or delay on the part of the Secured Party in exercising any power or right under this Security Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No modification or waiver of any provision of this Security Agreement or of the Note nor consent to any departure by the Debtor therefrom shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Debtor in any case shall entitle the Debtor to any other or further notice or demand in similar or other circumstances.

(3) "Secured Party" and "Debtor" as used in this instrument, shall include the successors, representatives, receivers, trustees and assigns of those parties. Terms not defined in this instrument which are defined in the Uniform Commercial Code are used with the meanings as therein defined. All notices and other communications required or permitted to be given hereunder shall be deemed to have been effectively given if given in writing and sent by United

States mail, postage prepaid as a registered or certified item, to Debtor at the address shown at the beginning hereof, or such other address as Debtor shall have supplied to Secured Party in writing.

(4) Except with the prior written consent of the Secured Party, none of the Collateral shall be released herefrom until all of the indebtedness secured hereby shall have been fully paid and performed. .

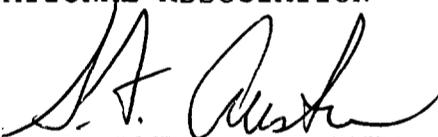
(5) The parties hereto agree that this Security Agreement shall be governed by and construed and enforced under the laws of the State of Texas, except as Federal law shall apply.

EXECUTED this 24 day of December,
1980.



Michael E. DeBakey, M.D.
"DEBTOR"

TEXAS COMMERCE BANK
NATIONAL ASSOCIATION

By 

Vice President
"SECURED PARTY"

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

On this 24 day of December, 1980,
before me personally appeared Michael E. DeBakey, M.D., to
me known to be the person whose name is subscribed to the
foregoing instrument and who executed the foregoing instru-
ment for the purposes and consideration therein expressed.

Judith S. Smith
Notary Public in and for
Harris County, T E X A S

My Commission Expires: _____

JUDITH S. SMITH
Notary Public in and for Harris County, Texas
My Commission Expires 12-14-81

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

On this _____ day of _____, 1980,
before me personally appeared _____,
to me known, who being by me duly sworn, says that he is a
Vice President of Texas Commerce Bank National Association,
that the foregoing instrument was signed by him on behalf of
said corporation by authority of its Board of Directors, and
he acknowledged that the execution of the foregoing
instrument was for the purposes and consideration therein
ex- pressed and was the free act and deed of said
corporation.

Notary Public in and for
Harris County, T E X A S

My Commission Expires: _____