

9-233A064

August 14, 1989

SENT CERTIFIED MAIL
RECEIPT #P423068264

Interstate Commerce Commission
12th and Constitution Ave. N.W.
Washington, D.C. 20423

Attn: Mildred Lee
Room 2303

RECORDATION NO. **16491** FILED 1025

AUG 21 1989 -3 20 PM

INTERSTATE COMMERCE COMMISSION



Re: Security Agreement

Dear Ms. Lee:

Pursuant to your instructions, attached find an original and a notarized copy of a security agreement. This security agreement is between the following parties:

Debtor:
Excursion Trains, Inc.
3131 West Alabama, Suite 529
Houston, Texas 77098

Secured Party:
Mitchell Energy & Development Corp.
2001 Timberloch Place
The Woodlands, Texas 77380

Aug 21 3 15 PM '89
RECEIVED
MILWAUKEE

The collateral is as follows:

1. Two railroad cars described as:
 - a) ex NJT 2499 a/k/a AT & SF, built by The Pullman Company in 1937; and
 - b) ex NJT 399 a/k/a CRIP 317 Hawkeye, built by Budd Company in 8/41.
2. All railroad cars or locomotives hereinafter acquired by Excursion Trains, Inc.
3. All railroad car or locomotive leases hereinafter entered into or acquired by Excursion Trains, Inc.

Interstate Commerce Commission

Attn: Mildred Lee

August 14, 1989

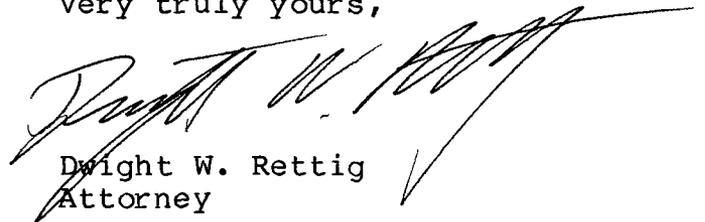
Page 2

4. All inventory, equipment, fixtures, furniture, accounts receivable and general intangibles, now or hereinafter acquired by Excursion Trains, Inc.

Finally, enclosed is our corporate check for \$13.00 to cover the costs of recording this agreement.

I believe that is all that is required to record this Security Agreement; however, if additional information or documentation is required, please feel free to contact me at 713 363-5677.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dwight W. Rettig", with a long horizontal flourish extending to the right.

Dwight W. Rettig
Attorney

DWR/mfs/2AICC

8/22/89

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Dwight W. Rettig
Attorney
Mitchell Energy & Development Corp.
2001 Timberloch Place
P.O.Box 4000
The Woodlands, Texas 77387-4000

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 8/21/89 at 3:20pm and assigned recordation number(s). 16491

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

RECORDATION NO. **16491** FILED 1428

AUG 21 1989 -3 20 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Security Agreement"), dated as of April 15, 1989, by EXCURSION TRAINS, INC. (the "Debtor") to MITCHELL ENERGY & DEVELOPMENT CORP., a Texas corporation (the "Secured Party");

W I T N E S S E T H:

WHEREAS, pursuant to the terms and provisions of the Credit Agreement (as hereinafter defined), Secured Party has made available a \$550,000.00 line of credit, and incident thereto, Debtor has obligated itself to pay to Secured Party the Indebtedness (as hereinafter defined); and

WHEREAS, the Agreement requires as a precondition to the creation of the line of credit that Debtor pledge the Accounts Receivables and the furniture, fixtures and equipment listed in Exhibit "A" attached hereto as security for the Indebtedness and the covenants and obligations of Debtor under the Agreement; and

WHEREAS, as security for the Indebtedness and the covenants and obligations of Debtor under the Agreement, Debtor has executed and delivered this Security Agreement to Secured Party;

NOW, THEREFORE, Debtor, for and in consideration of the Premises, the execution and delivery of the Agreement by Secured Party, and of the debts, covenants and agreements hereinafter mentioned, the sum of One Dollar (\$1.00) in lawful money of the United States of America to Debtor duly paid at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged and confessed, in order to secure the payment of the Note and the performance and observance by Debtor of all of the covenants contained in the Agreement which are to be performed by it, does hereby grant unto Secured Party a security interest in and to the Collateral (including both that now and that hereafter exist) to the full extent that the Collateral may be subject to the Uniform Commercial Code of the State of Texas and the Interstate Commerce Commission, upon and subject to the terms, covenants, condition and agreement set forth in this Security Agreement as follows:

ARTICLE I.

DEFINITIONS AND INTERPRETATIONS

Section 101. Definitions.

(a) Except as set forth in Paragraph (b) below, all terms used in this Security Agreement which are defined in the Credit Agreement have the same meaning in this Security Agreement. Except where the context otherwise requires, words imparting the singular number shall include the plural number and vice versa.

(b) The following terms have the meanings assigned to them below whenever they are used in this Security Agreement:

"Accounts Receivables" shall mean all of the Debtor's accounts, contract rights, notes, drafts, acceptances, instruments, chattel paper and general intangibles, and all guaranties and suretyship agreements relating thereto and all security for payment thereof, now or hereafter existing and arising, and in and to all the proceeds, monies, income, benefits, collections and products thereof and thereon and attributable and accruing thereto, and all rights of the Debtor earned or yet to be earned under contracts to sell or lease goods or render services, and the proceeds thereof.

"Credit Agreement" means the Credit Agreement dated of even date herewith, by and between Secured Party and Debtor, attached hereto as Exhibit "C".

"\$87,950.28 Note" shall mean the promissory note in the original principal amount of \$87,950.28, dated April 15, 1989, from Debtor, as Maker, to Secured Party, as Payee.

"Event of Default" has the meaning specified in Article VI. of this Security Agreement.

"Indebtedness" means:

(i) The total outstanding principal and interest due and owing on the Note and the \$87,950.28 Note; plus

(ii) Any and all amounts now payable or subsequently becoming payable by Debtor pursuant to the Credit Agreement; plus

(iii) Any and all sums, together with interest accruing thereon as therein provided, which may be hereafter advanced by or on behalf of Secured Party under the terms of this Security Agreement on account of the failure of the Debtor to keep, observe or perform the Debtor's

covenants under this Security Agreement as hereinafter provided; plus

(iv) Any renewals, extensions and rearrangements of any of the amounts described in (i), (ii) or (iii) above.

"Collateral" means:

(i) All Accounts Receivables to the extent they are assignable without violation of any law or contract; and

(ii) All furniture, fixtures and equipment listed and described in Exhibit "A" attached hereto.

(iii) All of the Debtor's leases, agreements and contracts listed, referenced and described in Exhibit "B" to the extent they are assignable without violation of any law or contract. Such contracts and agreements include, without limitation, all rights and interests Debtor has in the Amtrack Contract (as defined in Exhibit "B")

"Note" means the revolving credit promissory note in the form attached as Exhibit "A" to the Credit Agreement which is evidence of the Five Hundred Fifty Thousand Dollar (\$550,000.00) line of credit loan to Debtor by Secured Party.

Section 102. Interpretations.

The table of contents and article and section headings of this Security Agreement are for reference purposes only and shall not affect its interpretation in any respect.

ARTICLE II.

GENERAL COVENANTS AND PROVISIONS

Section 201. Instruments of Further Assurance; Filing and Recording.

(a) The Debtor covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such amendments or supplements hereto and such further acts, instruments and transfers as the Secured Party may require for the curing of any defect in the execution or acknowledgment hereof or in the description of the Collateral or for the better conveying, assigning, pledging and confirming unto the Secured Party of the Collateral conveyed, assigned and pledged hereunder or for the

properly evidencing or giving notice of the Indebtedness or of each lien and security interest securing payment of the Indebtedness.

(b) The Debtor covenants that:

(1) upon the execution and delivery of this Security Agreement and thereafter, from time to time, it shall cause this Security Agreement and each amendment and supplement hereto (or a memorandum with respect hereto or to such amendment or supplement) to be filed, registered and recorded and to be refiled, reregistered and rerecorded in such manner and in such places as may be required by the Secured Party in order to publish notice of and fully to protect the lien of this Security Agreement upon, and to perfect or continue the perfection of the security interests created by this Security Agreement in, the Collateral; and

(11) it shall perform or cause to be performed from time to time any other act as required by law, and it will execute or cause to be executed any and all instruments of further assurance that may be necessary for such publication, perfection, continuation and protection.

Section 202. Warranties of Title.

(a) Debtor warrants:

(i) that it has good title to the Collateral, except for the Amtrak Contract, free and clear of every mortgage, lien, encumbrance or charge, except for the USNB Lien, and

(ii) that it is the legal and equitable owner and holder of the Collateral, except for the Amtrak Contract, free of any adverse claim and free of any security interest or encumbrance, except for the USNB Lien. Debtor will forever warrant and defend the title to the Collateral, unto the Secured Party, against the claims and demands of all persons whomsoever.

(b) Debtor will proceed with reasonable diligence to correct any defect in title to the Collateral should any such defect be found to exist after the execution and delivery of this instrument, and in this connection, should it be found after the execution and delivery of this instrument that there exists upon the Collateral any lien, security interest or encumbrance, equal or superior in rank or priority to the lien and security interest created by this Security Agreement, other than the USNB Lien, or should any such hereafter

arise, then, unless the Secured Party shall have given specific prior written consent to the creation or continuation thereof, Debtor will promptly discharge and remove any such lien, security interest or encumbrance from the Collateral.

Section 203. General.

For the purpose of better securing payment of the Indebtedness, the Debtor covenants and agrees with the Secured Party, for the use and benefit of the Secured Party, that:

(a) Debtor will pay the Indebtedness on the dates and in the manner provided in the Credit Agreement, in accordance with the terms and provisions thereof and hereof;

(b) Debtor will faithfully perform at all times all covenants, undertakings, stipulations and provisions which are to be performed by it pursuant to the terms of the Credit Agreement;

(c) Debtor will permit the Secured Party and its agents, representatives and employees at all reasonable times and upon reasonable prior notice to examine and inspect the Collateral;

(d) Debtor will notify the Secured Party in writing promptly of the commencement of any legal proceedings affecting title to, or the lien of this Security Agreement upon, the Collateral or any part thereof and will take such action as may be necessary to preserve the rights of the Secured Party affected thereby; and

(e) promptly upon demand by the Secured Party, the Debtor will pay all costs and expenses hereafter incurred by the Secured Party for legal services rendered to or for the benefit of the Secured Party in connection with the enforcement of any of the rights of the Secured Party hereunder after an Event of Default, together with interest thereon at the Interest Rate, and such obligations shall become part of the Indebtedness secured hereby.

Section 204. Performance of Debtor's Obligations.

If Debtor shall fail to comply with any of the agreements, covenants or obligations of Debtor under this Security Agreement, then, after an Event of Default, the Secured Party may perform the same for the account of and at the expense of such party but shall not be obligated to do so; any and all expenses incurred or paid in so doing shall become a part of the Indebtedness from the date when any such expense was incurred or paid; the amount

thereof and any accrued interest thereon shall be due and payable on demand and shall be secured by and under this instrument; and the amount and nature of such expense and the time when paid shall be fully established by the affidavit of the Secured Party or any officer or agent thereof.

ARTICLE III.

ASSIGNMENT OF ACCOUNTS RECEIVABLE

Section 301. Assignment of Accounts Receivable.

Debtor hereby assigns and transfers to Secured Party all Accounts Receivables constituting a part of the Collateral, including all revenues now due and which may hereafter become due thereunder, whether written or verbal, now existing or hereafter made, as security for the Indebtedness, and Secured Party is given a prior and continuing lien thereon and security interest thereon.

Section 302. Collections.

The transfer of the Accounts Receivable made in this Article is specific in nature and irrevocable, and Debtor hereby appoints the Secured Party as the Debtor's attorney to collect said Accounts Receivable after an Event of default, with or without suit, and apply same in the manner provided herein. If an Event of Default occurs and is continuing, Debtor authorizes Secured Party to notify each debtor of each Account Receivable and direct that payments on account be made direct to Secured Party.

Section 303. Assignment of Contracts.

Debtor hereby assigns and transfers to Secured Party all of its right, title and interest in, under and to the contracts, leases and agreements listed, referenced and described in Exhibit "B" constituting a part of the Collateral.

The assignment of the contracts, leases and agreements made herein is specific in nature and irrevocable.

ARTICLE IV.

SECURITY AGREEMENT

Section 401. Additional Covenants.

(a) In addition to and cumulative of any other remedies granted in this instrument to Secured Party, Secured Party may, upon or at any time after an Event of Default, proceed under the Uniform Commercial Code as to all or any part of the Collateral and shall have and may exercise with respect to the Collateral all the rights, remedies and powers of a

secured party under the Uniform Commercial Code, including, without limitation, the right and power to sell, at public or private sale or sales, or otherwise dispose of, lease or utilize, the Collateral and any part or parts thereof in any manner authorized or permitted under the Uniform Commercial Code after default by a debtor, and to apply the proceeds thereof toward payment of any costs, expenses, attorneys' fees and legal expenses thereby incurred by Secured Party, and toward payment of the Indebtedness. Among the rights of Secured Party upon and after the occurrence of such an Event of Default, and without limitation, Secured Party shall have the right to take possession of the Collateral by any lawful manner and to enter in any lawful manner, upon any premises where the same may be situated for such purpose without being deemed guilty of trespass and without liability for damages thereby occasioned, and to take any lawful action deemed necessary, appropriate or desirable by Secured Party, at its option and in its discretion, to repair, refurbish or otherwise prepare the Collateral for sale, lease or other use or disposition as herein authorized. To the extent permitted by law, Debtor expressly waives any notice of sale or other disposition of the Collateral and any other rights or remedies of a debtor or formalities prescribed by law relative to sale or disposition of the Collateral or exercise of any other right or remedy of Secured Party existing after default hereunder; and to the extent any such notice is required and cannot be waived, Debtor agrees that if such notice is mailed, postage prepaid, to Debtor at the address designated in Section 403. of this Security Agreement (or if no address is so designated, at Debtor's most recent address as shown by the records of Secured Party) at least twenty (20) calendar days before the time of any public sale or disposition, or the date after which the Collateral will be sold or disposed of by private sale. Such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of any such notice.

(b) Secured Party is expressly granted the right, at its option after an Event of Default, to transfer at any time to itself or its nominee the Collateral, or any part thereof, and to receive the moneys, income, proceeds or benefits attributable or accruing thereto and to hold the same as security for the Indebtedness or to apply it as is prescribed herein.

(c) All recitals in any instrument of assignment or any other instrument executed by Secured Party incident to sale, transfer, assignment, lease or other disposition or utilization of the Collateral or any part thereof hereunder shall be full proof of the matters stated therein, and no other proof shall be required to establish full legal propriety of the sale or other action or of any fact, condition or thing

incident thereto, and all prerequisites of such sale or other action and of the fact, condition or thing incident thereto shall be presumed conclusively to have been performed or to have occurred.

(d) Upon the occurrence of an Event of Default, 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 that is reasonably convenient to both parties. All expenses of retaking, holding, preparing for sale, lease or other use or disposition, selling, leasing or otherwise using or disposing of the Collateral and the like which are incurred or paid by Secured Party as authorized or permitted hereunder, including also all reasonable attorneys' fees, legal expenses and costs, shall be added to the Indebtedness secured by this Security Agreement and Debtor shall be liable therefor.

(e) Should Secured Party elect to exercise its rights under the Uniform Commercial Code as to part of the Collateral, this election shall not preclude Secured Party from exercising any or all of the rights and remedies granted by the other Articles of this Security Agreement as to the Collateral.

(f) Secured Party may, at its election, at any time after delivery of this Security Agreement, sign one or more copies hereof in order that such copies may be used as a financing statement under the Uniform Commercial Code or the Interstate Commerce Commission rules and regulations. Said signature by Secured Party may be placed between the last sentence of this Security Agreement and Debtor's acknowledgment or may follow Debtor's acknowledgment. Secured Party's signature need not be acknowledged and is not necessary to the effectiveness hereof as an assignment, pledge, security agreement or (unless otherwise required by applicable law) as a financing statement.

(g) Secured Party is authorized to file in any jurisdiction, including with the Interstate Commerce Commission, where Secured Party deems it necessary, a financing statement or statements and one or more continuation statements, and at the request of Secured Party, Debtor will join Secured Party in executing one or more financing statements, continuation statements or both, in form satisfactory to Secured Party, and will pay the cost of filing or recording this Security Agreement as a financing statement, in all public offices at any time and from time to time whenever filing or recording of any financing statement, continuation statement or this Security Agreement is deemed by Secured Party to be necessary or desirable.

Section 402. Additional Warranty of Title.

Debtor further warrants and represents that Debtor has not heretofore signed any financing statement, except incident to the USNB lien, directly or indirectly affecting the Collateral or any part thereof and no such financing statement signed by Debtor is now on file in any public office, except only those statements (if any), true and correct copies of which have been delivered to Secured Party.

Section 403. Names and Address.

The name and address of the Debtor is:

Excursion Trains, Inc.
3131 West Alabama, Suite 529
Houston, Texas 77098

Attention: Franklin Denson

The name and address of the Secured Party is:

Mitchell Energy & Development Corp.
2001 Timberloch Place
The Woodlands, Texas 77380

Attention: Alan Vitale

ARTICLE V.

EVENTS OF DEFAULT

Section 501. Events of Default.

The occurrence of any of the following events shall be an "Event of Default" hereunder unless waived by the Secured Party pursuant to Article VI hereof:

(a) The occurrence of an Event of Default under the Credit Agreement, an Event of Default shall be as set forth and defined in the Credit Agreement attached hereto as Exhibit "C";

(b) Any representation or warranty (including, without limitation, those incorporated herein by reference) made by any Debtor to the Secured Party in this Security Agreement, shall prove to have been false or misleading in any material respect as of the date when made, or any schedule, certificate, financial statement, report, notice or other

writing furnished by or on behalf of the Debtor to the Secured Party is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.

ARTICLE VI.

GENERAL

Section 601. Discharge.

When all of the Indebtedness shall have been paid or deemed to have been paid pursuant to the provisions of the Credit Agreement, then this Security Agreement and the lien and security interest created hereby shall be null and void and the Collateral shall revert to Debtor and the Debtor shall be released from the covenants, agreements and obligations of the Debtor contained in this Security Agreement, and the Secured Party, at the request and the expense of the Debtor, shall execute such documents as may be reasonably requested by the Debtor to evidence the discharge and satisfaction of this Security Agreement and the release of the Debtor from its obligations hereunder. Otherwise, this Security Agreement shall remain and continue in full force and effect.

Section 602. Waiver.

The exercise of the privileges granted in this Security Agreement to perform the Debtor's obligations under the Agreement shall in no event be considered or constitute a waiver of the right of Secured Party at any time after the occurrence of an Event of Default hereunder to declare the Indebtedness to be at once due and payable, but is cumulative of such right and of all other rights given by this Security Agreement, and of all rights given the Secured Party by law. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. No express or implied waiver by the Secured Party of any Event of Default shall in any way be, or be construed to be, a waiver of any future or other Event of Default.

Section 603. Extension, Rearrangement or Renewal of Indebtedness

It is expressly agreed that any of the Indebtedness at any time secured hereby may be from time to time extended for any period,

rearranged or renewed, and that any part of the security herein described, or any other security for the Indebtedness, may be waived or released without in anywise altering, varying or diminishing the force, effect or lien of this Security Agreement; and the lien and security interest granted by this Security Agreement shall continue as a prior lien and security interest on all of the Collateral not expressly so released, until all sums with interest and charges hereby secured are fully paid; and no other security now existing or hereafter taken to secure the payment of the Indebtedness or any part thereof or the performance of any obligation or liability whatever shall in any manner impair or affect the security given by this Security Agreement; and all security for the payment of the Indebtedness or any part thereof and the performance of any obligation or liability shall be taken, considered and held as cumulative.

Section 604. Waiver of Stay or Extension.

To the extent permitted to be waived by law, the Debtor will not at any time insist upon or plead or in any manner whatever, claim or take the benefit or advantage of any stay or extension law now or at any time hereafter in force in a locality where the Collateral or any part thereof may or shall be situated, nor will the Debtor claim, take or insist on any benefit or advantage from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to any provision of this Security Agreement, or to decree of any court of competent jurisdiction, nor after any such sale or sales will the Debtor claim or exercise any right conferred by any law now or at any time hereafter in force to redeem the property so sold or any part thereof, and the Debtor hereby expressly waives all benefits and advantages of any such law or laws and waives the appraisal of the Collateral or any part thereof and covenants that the Debtor will not hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but that the Debtor will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

Section 605. Notice.

Except where certified or registered mail notice is required by applicable law, any written notice to the Debtor required or permitted hereunder shall be deemed to be given upon receipt or three (3) days after deposit in the U. S. Mail. The affidavit of any person having knowledge of the facts concerning such mailing or the telephonic notice provided for in Section 401(a) above shall be conclusive evidence of the fact of such notice. Provided, that such method of giving notice shall not be exclusive, but instead any notice may be given to the Debtor in any manner permitted or recognized by law.

Section 606. Severability.

In the event any time, term or provision contained in this Security Agreement is in conflict, or may hereafter be held to be in conflict, with the laws of the State of Texas or of the United States, this Security Agreement shall be affected only as to such particular item, term or provision, and shall in all other respects remain in full force and effect.

Section 607. Application of Payments.

In the event that any part of the Indebtedness cannot lawfully be secured hereby, or in the event that the lien and security interest hereof cannot be lawfully enforced to pay any part of the Indebtedness, or in the event that the lien or security interest created by this Security Agreement shall be invalid or unenforceable as to any part of the Indebtedness, then, and in any such event, all payments on the Indebtedness shall be deemed to have been first applied to the complete payment and liquidation of that part of the Indebtedness which is not secured by this Security Agreement and the unsecured portion of the Indebtedness shall be completely paid and liquidated prior to the payment and liquidation of the remaining and secured portion of the Indebtedness.

Section 608. Governing Law.

This Security Agreement shall be governed, in all respects including validity, interpretation and effect by, and shall be enforceable in accordance with, the laws of the State of Texas and of the United States of America.

Section 609. Amendments.

This Security Agreement may be amended only by an instrument in writing signed by the duly authorized representatives of the Debtor and the Secured Party (or their respective successors or assigns).

Section 610. Agreement.

This Security Agreement is given in connection with the Credit Agreement and the provisions of the Credit Agreement are hereby incorporated herein by reference.

Section 611: Multiple Counterparts.

This Agreement may be executed simultaneously in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Debtor and the Secured Party have caused this instrument to be executed by their duly authorized representatives as of the date first written above.

EXCURSION TRAINS, INC.

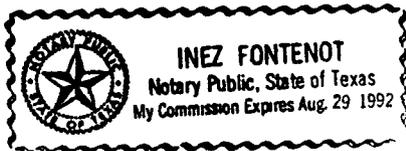
By: Franklin M. Denson
Name: Franklin M. Denson
Title: Pres.

MITCHELL ENERGY & DEVELOPMENT CORP.

By: Philip S. Smith
Name: Philip S. Smith
Title: Chief Financial Officer

STATE OF TEXAS §
COUNTY OF Montgomery §

This instrument was acknowledged before me on June 2, 1989, by Franklin M. Denson, President of EXCURSION TRAINS, INC., on behalf of said corporation.



Inez Fontenot
Printed Name: INEZ FONTENOT
Notary Public, State of Texas
My Commission Expires: 8/29/92

STATE OF TEXAS §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on June 2, 1989, by Philip S. Smith, Chief Financial Officer of MITCHELL ENERGY & DEVELOPMENT CORP., on behalf of said corporation.

Lillian S. Brymer
Printed Name: Lillian S. Brymer
Notary Public, State of Texas
My Commission Expires: 7/1/90

EXHIBIT "A"

Attached to and made a part of the Security Agreement between Mitchell Energy & Development Corp. and Excursion Trains, Inc., effective as of April 15, 1989.

- 1) Two railroad cars described as:
 - a) ex NJT 2499 a/k/a AT & SF, built by The Pullman Company in 1937; and
 - b) ex NJT 399 a/k/a CRIP 317 Hawkeye, built by Budd Company in 8/41.
- 2) All railroad cars or locomotives hereinafter acquired by Excursion Trains, Inc.
- 3) All railroad car or locomotive leases hereinafter entered into or acquired by Excursion Trains, Inc.
- 4) All inventory, equipment, fixtures, furniture, accounts receivable and general intangibles, now or hereinafter acquired by Excursion Trains, Inc.

EXHIBIT "B"

Attached to and made a part of the Security Agreement between Mitchell Energy & Development Corp. and Excursion Trains, Inc., effective as of April 15, 1989.

- 1) The Railroad Station Use Agreement, dated 12/27/88, by and between Franklin Denson and The Center for Transportation and Commerce at Galveston, Texas.
- 2) All railroad car or locomotive leases hereinafter entered into by Excursion Trains, Inc.
- 3) All future or contingent rights Excursion Trains, Inc. has in and to that certain agreement dated September 12, 1985, by and between the National Railroad Passenger Corporation and Franklin Denson, (the "Amtrak Contract").
- 4) All accounts receivable, general intangibles, contract rights and chattel paper now or hereafter acquired by Excursion Trains, Inc.

STATE OF TEXAS §
COUNTY OF MONTGOMERY §

I, the undersigned Notary Public, do hereby certify that the foregoing is a true and exact copy of the Security Agreement, dated as of April 15, 1989, by Excursion Trains, Inc. (the "Debtor") to Mitchell Energy & Development Corp., a Texas corporation (the "Secured Party"), including its Exhibits "A" and "B".

IN WITNESS WHEREOF, I hereto subscribe my name and seal.

Lillian S. Brymer 8/15/89
Printed Name: Lillian S. Brymer
Notary Public, State of Texas
My Commission Expires: 7/1/90

