Houston National Bank
PO Box 2518, 1010 Milam Street
Houston, Texas 77001
(713) 757-6466

RECORDATION NO. 8304 Filed & Recorded
MAR 31 1978 3 12 PM
INTERSTATE COMMERCE COMMISSION

RECEIVED
MAR 31 3 12 PM '78
CERTIFICATE DEPT

March 24, 1978

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

Dear Sir:

Please find enclosed three original counterparts, executed and acknowledged, of a Security Agreement between John A. Bailey and Houston National Bank and a check in the amount of $50 for payment of recordation fee. We ask that you record this document pursuant to §1116 of Title 49 of the Code of Federal Regulations. Please note that the principal debtor and mortgagor is John A. Bailey, the mortgagee is Houston National Bank and the collateral pledged consists of one 23,500 gallon capacity tank car, DOT105A300W, non-coiled and insulated 100 ton roller bearing trucks bearing the Registration #RTMX12238.

Please return an original counterpart to me in care of Houston National Bank at the above address. If you need additional information with regard to these documents, please contact me. Thank you for your attention to this matter.

Sincerely,

Dave Moulton
Vice President

DBM/pw
Enclosures

8-090A139

Date MAR 31 1978
Fee $ 50
ICC Washington, D. C.

Dave Moulton
VICE PRESIDENT & MANAGER
CORPORATE & INSTITUTIONAL BANKING GROUP

HNB-433 (5-56)

SECURITY AGREEMENT

(CONSUMER GOODS — EQUIPMENT)

Date: March 15, 1978

A. PARTIES

1. Debtor: John A. Bailey, D.D.S.
2. Address: 535 Ramblewood Houston, Texas 77079
3. Bank: HOUSTON NATIONAL BANK
4. Address: 1010 MILAM STREET, HOUSTON, HARRIS COUNTY, TEXAS

B. AGREEMENT

Subject to the applicable terms of this security agreement, debtor grants to bank a security interest in the collateral to secure the payment of the obligation.

C. OBLIGATION

The following is the obligation secured by this agreement:

1. All past, present and future advances, of whatever type, by bank to debtor, and extensions and renewals thereof.
2. All existing and future liabilities, of whatever type, of debtor to bank, and including (but not limited to) those listed under 5 below and liability for overdrafts and as indorser and surety.
3. All costs incurred by bank to obtain, preserve and enforce this security interest, collect the obligation, and maintain and preserve the collalteral, and including (but not limited to) taxes, assessments, insurance premiums, repairs, reasonable attorneys' fees and legal expenses, rent, storage costs, and expenses of sale.
4. Interest on the above amounts, as agreed between bank and debtor, or if no such agreement, at the maximum rate permitted by law.
5. Note(s) included in the obligation as of the date of this agreement (list), and all extensions and renewals thereof:

Date	Amount
March 15, 1978	$33,395.00

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INTERSTATE COMMERCE COMMISSION

D. COLLATERAL

1. The security interest is granted in the following collateral:
   a. Describe collateral. Include the following information:
      (1) For fixtures (goods to be affixed to real estate): describe real estate concerned.
      (2) If debtor's residence is outside the state: give location of consumer goods and farm equipment.
      (3) If this is a purchase money security interest in farm equipment: give purchase price of each item.

One (1) 23,500 gallon capacity tank car DOT 105A300W, non coiled and insulated 100 ton roller bearing trucks, registration #NTMX 12233, and all additions and accessions thereto, rentals and profits therefrom, all accounts, chattel paper and general intangibles with respect thereto, and proceeds thereto, including without limitation, all right, title and interest of Debtor in and to that certain agreement between Debtor and Richmond Leasing Company dated June 29, 1977, 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 such lease or with respect to such equipment. 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.

   b. All substitutes and replacements for, accessions, attachments, and other additions to, and tools, parts, and equipment used in connection with, the above property.
   c. All property similar to the above hereafter acquired by debtor.
2. Classify goods under (one or more of) the following Uniform Commercial Code categories:
   ☐ Consumer goods ☒ Equipment (business use) ☐ Equipment (farm use)
3. ☐ If this block is checked, this is a purchase money security interest, and debtor will use funds advanced to purchase the collateral, or bank may disburse funds direct to the seller of the collateral, and to purchase insurance on the collateral.
4. If this security agreement is to be filed as a financing statement, check the appropriate block if ☐ proceeds ☐ products are covered for financing statement purposes. Coverage of proceeds or products for financing statement purposes is not to be construed as giving debtor any additional rights with respect to the collateral, and debtor is not authorized to sell, lease, otherwise transfer, furnish under contracts of service, manufacture, process, or assemble the collateral except in accordance with the provisions hereinafter stipulated.

E. AGREEMENTS OF DEBTOR

1. Debtor will: take adequate care of the collateral; insure the collateral for such hazards and in such amounts as bank directs, policies to be satisfactory to bank and to contain such endorsements as bank may require; pay all costs necessary to obtain, preserve, and enforce this security interest, collect the obligation, and preserve the collateral, and including (but not limited to) taxes, assessments, insurance premiums, repairs, reasonable attorneys' fees and legal expenses, rent, storage costs, and expenses of sale; furnish bank with any information on the collateral requested by bank; allow bank to inspect the collateral, and inspect and copy all records relating to the collateral and the obligation; sign any papers furnished by bank which are necessary to obtain and maintain this security interest; transfer possession of all instruments, documents, and chattel paper which are part of the collateral to bank immediately, or as to those hereafter acquired, immediately following acquisition; perfect a security interest (using a method satisfactory to bank) in goods covered by chattel paper which is part of the collateral; notify bank of any change occurring in or to the collateral, or in any fact or circumstance warranted or represented by debtor in this agreement or furnished to bank, or if any event of default occurs.
2. Debtor will not (without bank's consent): remove the collateral from the locations specified herein; allow the collateral to become an accession to other goods; sell, lease, otherwise transfer, manufacture, process, assemble, or furnish under contracts of service, the collateral; allow the collateral to be affixed to real estate, except goods identified herein as fixtures.
3. Debtor warrants: no financing statement has been filed with respect to the collateral, other than relating to this security interest; debtor is absolute owner of the collateral, and it is not encumbered other than by this security interest (and the same will be true of collateral acquired hereafter when acquired); none of the collateral is affixed to real estate or an accession to other goods nor will collateral acquired hereafter be affixed to real estate or an accession to other goods when acquired, unless debtor has furnished bank the consents or disclaimers necessary to make this security interest valid against persons holding any interest in the real estate or other goods.
4. Debtor warrants that debtor's residence is the address shown for debtor at the beginning of this agreement, and debtor agrees to immediately notify bank, in writing, of any change of debtor's place of residence.
5. If the collateral is bought or used primarily for business use and is of a type normally used in more than one state (such as automotive equipment, rolling stock, airplanes, road building equipment, commercial harvesting equipment, construction machinery, and the like) debtor warrants that the chief place of business of debtor is at the address shown for the debtor at the beginning of this agreement, and debtor covenants and agrees to immediately notify bank, in writing, of any change in debtor's chief place of business.

6 If any of the collateral is of the kind to which the Texas Certificate of Title Act applies, then, as to such collateral, debtor warrants, covenants and agrees: (i) that debtor has, or upon acquisition will have, full fee simple title to the same, free from any lien, security interest, encumbrance or claim (except for the security interest hereby granted) noted or endorsed upon such certificate of title, (ii) that upon the issuance of such certificate of title the security interest hereby granted will be noted thereon at debtor's cost and expense, or (iii) if certificate of title has been previously issued, that debtor will execute all instruments deemed necessary by bank to perfect the security interest herein granted and cause the same to be noted and endorsed thereon and will pay all costs in connection therewith.

F RIGHTS OF BANK

Bank may, in its discretion, before or after default: terminate, on notice to debtor, debtor's authority to sell, lease, otherwise transfer, manufacture, process or assemble, or furnish under contracts of service, any collateral as to which such permission has been given; require debtor to give possession or control of the collateral to bank; indorse as debtor's agent any instruments or chattel paper in the collateral; take control of proceeds and use cash proceeds to reduce any part of the obligation; take any action debtor is required to take or otherwise necessary to obtain, preserve, and enforce this security interest, and maintain and preserve the collateral, without notice to debtor, and add costs of same to the obligation (but bank is under no duty to take any such action); release collateral in its possession to debtor, temporarily or otherwise; require additional collateral; reject as unsatisfactory any property hereafter offered by debtor as collateral; set standards, from time to time, to govern what may be used as after-acquired collateral; designate, from time to time, a certain per cent of the collateral as the loan value and require debtor to maintain the obligation at or below such figure; take control of funds generated by the collateral, such as proceeds or refunds from insurance, and use same to reduce any part of the obligation; waive any of its rights hereunder without such waiver prohibiting the later exercise of the same or similar rights; revoke any permission or waiver previously granted to debtor.

G. MISCELLANEOUS

The rights and privileges of bank shall inure to its successors and assigns. All representations, warranties, and agreements of debtor are joint and several if debtor is more than one and shall bind debtor's personal representatives, heirs, successors, and assigns. Definitions in the Uniform Commercial Code apply to words and phrases in this agreement; if Code definitions conflict, Article 9 definitions apply. Notice mailed to debtor's address in Item A2, or to debtor's most recent changed address on file with bank, at least five (5) days prior to the related action (or, if the Uniform Commercial Code specifies a longer period, such longer period prior to the related action), shall be deemed reasonable.

H. DEFAULT

1. Any of the following is an event of default: failure of debtor to pay any note in the obligation in accordance with its terms, or any other liability in the obligation on demand, or to perform any act or duty required by this agreement; falsity of any warranty or representation in this agreement when made; substantial change in any fact warranted or represented in this agreement; involvement of debtor in bankruptcy or insolvency proceedings; death, dissolution, or other termination of debtor's existence; merger or consolidation of debtor with another; substantial loss, theft, destruction, sale, reduction in value, encumbrance of, damage to, or change in the collateral; levy on, seizure, or attachment of the collateral; judgment against debtor; filing any financing statement with regard to the collateral, other than relating to this security interest; bank's belief that the prospect of payment of any part of the obligation, or the performance of any part of this agreement, is impaired.
2. When an event of default occurs, the entire obligation becomes immediately due and payable at bank's option without notice to debtor, and bank may proceed to enforce payment of same and exercise any and all of the rights and remedies available to a secured party under the Uniform Commercial Code as well as all other rights and remedies. When debtor is in default, debtor, upon demand by bank, shall assemble the collateral and make it available to bank at a place reasonably convenient to both parties.

I. FIRST AND PRIOR LIEN

This security interest grants to bank a first and prior lien to secure the payment of the obligation as defined in C above (including, but not limited to, the payment of the notes specifically listed therein) and any extensions and renewals of all or any part thereof.

HOUSTON NATIONAL BANK

By: _____
BANK

Bank must sign if this agreement is to be filed as the financing statement.

John A. Bailey, D.D.S.

DEBTOR

State of Texas
County of Harris

On this 15th day of March, 1978, before me personally appeared John A. Bailey, D.D.S., known to me to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

Patricia Woods
Notary Public

My commission expires 6-22-79