0-196A080
No.
Date JUL 14 1980
Fee $ 150.00
ICC Washington, D. C.

CAPITAL NATIONAL BANK

P.O. Box 550
Austin, Texas 78789
(512) 476-6611

11997 Filed 1425
RECORDATION NO.
JUL 14 1980 - 3 PM
INTERSTATE COMMERCE COMMISSION

11997 Filed 1425
RECORDATION NO.
JUL 14 1980 - 3 PM
INTERSTATE COMMERCE COMMISSION

July 7, 1980

11997 Filed 1425
RECORDATION NO.
JUL 14 1980 - 3 PM
INTERSTATE COMMERCE COMMISSION

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

Dear Sir:

Enclosed for filing pursuant to 49 U.S.C. 20c and 49 C.F.R. 1116 are the following documents:

(1) One original and two original counterparts of a Management Agreement dated May 14, 1980, between Lamco, Inc., 777 South Post Oak Road, Suite 504, Houston, Texas, 77056 and Edward Lee and Kathy Summers of 3608 Highland View Drive, Austin, Texas, 78731;

(2) One original and two original counterparts of a Collateral Assignment between Edward Lee and Kathy Summers of 3608 Highland View Drive, Austin, Texas, 78731 and The Capital National Bank in Austin, Texas, 114 West 7th Street, Austin, Texas, 78701; and

(3) One original and two original counterparts of a Security Agreement between Edward Lee and Kathy Summers of 3608 Highland View Drive, Austin, Texas, 78731 and The Capital National Bank in Austin, 114 W. 7th Street, Austin, Texas, 78701.

The documents shown in (1) and (2) above are being submitted for filing concurrently in accordance with 49U.S.C. 1116, 3 (d) (2). Accordingly, a cashier's check in the amount of $150 is enclosed as the filing fee for all three documents.

The rolling stock involved in the transaction is described as follows:

One (1) 23,500 gallon nominal capacity tank car, DOT111A100W3 exterior coiled and insulated; 100 ton roller bearing trucks bearing the following number: LAMX 23571.

RECEIVED
JUL 14 3 35 PM '80
I.C.C.
TERMINATION BR.

Capital National Bank

11997

RECORDATION NO. ..... Filed 1425

JUL 14 1980 - 5 40 PM

INTERSTATE COMMERCE COMMISSION

CAPITAL NATIONAL BANK

11997

RECORDATION NO. ..... Filed 1425

JUL 14 1980 - 5 40 PM

INTERSTATE COMMERCE COMMISSION

P.O. Box 550
Austin, Texas 78789
(512) 476-6611

11997

RECORDATION NO. ..... Filed 1425

JUL 14 1980 - 5 40 PM

INTERSTATE COMMERCE COMMISSION

Page 2
Secretary of the Interstate
Commerce Commission
July 7, 1980

After the documents have been filed, please return the originals to Charles R. Miller, Vice President, The Capital National Bank in Austin, P. O. Box 550, Austin, Texas 78789.

Thank you for your cooperation.

Very truly yours,

Charles R. Miller

Charles R. Miller
Vice President

CRM/mak
enclosures

Capital National Bank

Interstate Commerce Commission

Washington, D.C. 20423

7/14/80

OFFICE OF THE SECRETARY

Charles R.Miller
Vice President
The Capital National Bank in Austin
P.O.Box 550
Austin,Texas 78789

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 7/14/80 at 3:40pm , and assigned re-recordation number(s). 11997,11997-A,11997-B

Sincerely yours,

Agatha L. Mergenovich

Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

11997
RECORDATION NO. Filed 1425
JUL 14 1980 - 3 40 PM
INTERSTATE COMMERCE COMMISSION

LAMCO, INC.

MANAGEMENT CONTRACT

This Management Agreement ("Agreement") by and between LAMCO, Inc., a Texas corporation ("LMC") having its principal place of business in Houston, Texas, and Edward Lee & Kathy Summers ("Owner"), a resident of Travis County, Texas:

WITNESSETH:

WHEREAS Owner has ordered One (1) railroad tank car(s) pursuant to LMC Purchase Order dated _____ ("Railway Equipment") and is desirous of entering into the following Agreement with LMC whereby LMC will manage the Railway Equipment pursuant to all of the terms and conditions hereof; and

WHEREAS LMC desires to manage the Railway Equipment pursuant to the terms and conditions hereof;

NOW THEREFORE, in consideration of the premises and the mutual covenents and conditions set forth herein and the payments to be made by Owner to LMC, the parties hereto agree as follows:

ARTICLE I

DESIGNATION OF APPOINTMENT

1. Owner hereby designates and appoints LMC to manage and otherwise supervise the operation of the Railway Equipment in the name of Owner or in the name of LMC but for the account and on behalf of Owner pursuant to and subject to all of the terms and conditions set forth herein below.

2. LMC hereby accepts the designation and appointment set forth in Paragraph 1 of this Article I and agrees to perform the duties and obligations cast upon it herein. Owner acknowledges and agrees

that, whereas LMC has accepted the designation and the responsibility of managing the Railway Equipment except as specifically set forth below to the contrary or as provided by law. LMC shall have the sole function and operative judgment, to be exercised in a reasonable manner, for the leasing, subleasing, operation of the Railway Equipment and for establishing and implementing policies and standards affecting the Railway Equipment or the operation, maintenance or repair thereof. LMC shall be entitled to rely upon the written or oral instructions received from Owner as to any and all acts and deeds to be performed by LMC for and on behalf of Owner.

ARTICLE II

OWNER'S COVENANTS, UNDERTAKINGS AND RESPONSIBILITIES

1. Effective on the delivery of the Railway Equipment by LMC to Owner, Owner does hereby or has heretofore delivered and released to LMC the Railway Equipment for the management thereof by LMC and LMC acknowledges such delivery.

2. Except as provided below, Owner shall be responsible for the payment of all expenses incurred in connection with the Railway Equipment, including ad valorem and other taxes, freight, storage, changes in design of the Railway Equipment and such modifications as may hereafter be required by governmental or industrial regulations or technological advances and changes, inspection fees and charges and costs as prescribed by regulatory authorities, deductibles under all insurance policies, and all other expenses, levies or charges including the Management Fee incurred in connection with the Railway Equipment and the operation and leasing thereof (all of which shall hereinafter be sometimes referred to as the "Expenses"). Expenses shall not include minor and major repair and maintenance work (including without limitation running repairs, cleaning and cleansing the interior and exterior of the Railway Equipment and painting and insurance premiums as provided in Paragraph 9, Article III).

3. Owner agrees to pay such portion of the aggregate ad valorem, gross receipts, property or similar taxes levied against all tank cars (including the Railway Equipment) managed or owned by LMC (the "LMC Fleet") in an amount equal to the percentage which the Lease Fees as hereinafter defined earned by the Railway Equipment are of the gross rental and service charges earned by all tank cars in the LMC Fleet.

4. If the Lease Fees earned by the Railway Equipment are less than the Expenses incurred or reasonably forseeable in connection with the operation, maintenance and management of the Railway Equipment hereunder, LMC will so advise Owner in the Quarterly Report provided for in Article III below, including the amount of such deficiency and, if requested by LMC, will remit to LMC within thirty (30) days of receipt of the Quarterly Report the amount of such deficiency.

5. Owner agreed to fully cooperate with LMC and to provide all assistance reasonable required by LMC to carry out its obligations hereunder. The provisions of this Subparagraph 5 of Article II shall

include without limitation the provisions of Article VI, full cooperation and assistance in any law suits or other similar matter or proceeding before any court or regulatory agency.

ARTICLE III

LMC'S COVENANTS, UNDERTAKINGS AND RESPONSIBILITIES

In consideration of the Management Fee provided for in Article V hereof, LMC agrees to utilize reasonable time and efforts to:

1. Collect the rent and service charges earned by the Railway Equipment (the "Lease Fees"). Such duties shall not, however, be deemed to include the filing of a suit to collect such Lease Fees, although LMC may elect to do so at its options but at the expense of Owner subject to all of the provisions of Article VI hereof.

2. Use its best efforts to obtain leases of the Railway Equipment for terms (including reasonable operations) not to exceed 71 months and maintain the Railway Equipment under lease throughout the term of this Agreement. LMC shall execute any such leases in LMC's sole discretion either in the name of the Owner or in the name of LMC but for the account and on behalf of the Owner.

3. Comply with terms and conditions of any Lease Agreements to which the Railway Equipment is subject during the term hereof. It is understood, however, that before LMC shall be obligated to comply with any lease not negotiated by LMC or any amended terms, provisions and conditions of any such lease, such lease and/or amendments and modifications thereof must be approved in writing by LMC.

4. Make all required registrations and other filings with the Interstate Commerce Commission, the Association of American Railroads, the Department of Transportation and any other governmental authority, Federal or State, or any industrial authority.

5. File any ad valorem and other tax rates and pay, from the Lease Fee or from funds advanced by Owner, all such taxes due in accordance with the provisions of Article II hereof. LMC may, however, retain during each calendar year of the term of this Agreement an amount equal to 3% of the Lease Fees received during such calendar year to cover such taxes, but will within ninety (90) days following the end of each calendar year remit to Owner any amounts not required for such taxes.

6. Maintain adequate books and records sufficient to properly account for the Lease Fees, expenses and other such items applicable to the Railway Equipment.

7. Contract for or otherwise obtain all repair and/or maintenance work on the Railway Equipment considered necessary by LMC, such repair and/or maintenance work to be paid for by LMC, subject to the provisions of Article II, Section 2 above.

8. Provide periodic reports to Owner on at least a quarterly basis (the "Quarterly Report") which shall set forth the Lease Fees derived from the use of the Railway Equipment as well as Expenses incurred or that are reasonably forseeable to be incurred in connection with the Railway Equipment. The Quarterly Report shall be for the quarters ending March 31, June 30, September 30 and December 31 and will be delivered to Owner as promptly as is possible. Should the Lease Fees exceed the Expenses incurred in connection with the Railway Equipment, payment of the excess except for the Management Fee provided for under Section 5 in this Section 8 of Article III shall accompany the Quarterly Report. Should Expenses (incurred or reasonably forseeable) exceed the Lease Fees for any quarter, the Quarterly Report shall set forth the amount to be remitted by Owner to LMC if requested. Owner understands that LMC shall be under no obligation to advance funds for the payment of the Expenses, regardless of the results of the non-payment thereof. It is further understood that LMC shall have the authority to retain portions of the Lease Fees that exceed actual Expenses incurred to cover future expenses that can be reasonably foreseen to exceed Lease Fees for the applicable future period or periods. Such retention of Lease Fees shall be accomplished on a reasonable basis and in such a manner as to minimize the effect that such retention shall have on cash distributions, if any, made to owner. No assessment for cash deficiency shall be made to Owner, however, to the extent of unremitted mileage credits held by LMC.

9. Maintain the following insurance coverage on the Railway Equipment: policies of general liability insurance with limits of coverage not less than the amounts and against the risks incurred by LMC from time to time on Railway Equipment owned by it; and a policy of property insurance with limits of coverage of not less than $50,000 per car, $1,500,000 each occurrence with no more than a $50,000 deductible (to be paid by Owner) each occurrence naming Owner as an additional insured. Any additional insurance desired by Owner shall be obtained by Owner at Owner's own expense. If at any time the general liability insurance maintained on the Railway Equipment is for limits of less than $10 million or shall not include assumed contractual coverage, for whatever reason, LMC shall, not less than thirty (30) days after it receives effective notice of the decrease in such insurance coverage, give notice in writing to Owner of the same, LMC will provide the Owner as promptly as practicable after receipt by LMC a certificate setting forth the then existing insurance coverage of the Railway Equipment. Any insurance costs in excess of $20 per month for a car shall be borne by Owner.

10. Reasonably pursue any and all warranties or other claims against manufacturers, users, leases, except lessees, railroads, and any and all other parties on behalf of Owner. Such responsibility and duty of LMC shall not, however, be determined or deemed to include the filing of suits, although LMC may elect to do so at its option, but at the expense of Owner, subject, nonetheless, to the provisions of Article VI.

ARTICLE IV

TERM AND TERMINATION

1. This Agreement shall be effective, subject to the other provisions hereof, commencing with the first day on which a tank car or tank cars is delivered to Owner or is delivered to a lessee of such tank car or tank cars for and on behalf of Owner, the date of delivery of such tank car or tank cars shall be deemed to be the date of the invoice for such railroad tank car or tank cars delivered by LMC to Owner and shall automatically terminate ten years from such date.

2. Unless provided by elsewhere in this Agreement, Owner may terminate this Agreement by giving LMC written notice of termination not less than three months prior to the termination date set forth in such notice; provided, however, if Owner shall owe LMC any amounts under such Agreement, including without limitation Management Fees, Owner may not terminate this Agreement as to any of the Railroad Equipment until all such amounts have been paid by LMC. LMC shall be entitled at its option to continue the lease and otherwise operate and manage the Railway Equipment and retain any and all Lease Fees received therefrom until all amounts outstanding and/or subsequently incurred in connection with such continued leasing of the Railway Equipment shall have been paid in full.

3. Except as provided for under Section 4, Article III, pertaining to required registrations and other filings, should either party default under its obligations set forth herein, the sole and exclusive remedy of the other party shall be to advise the defaulting party of such alleged default, and should such default or alleged default not be corrected within thirty (30) days of such notification, the party giving such notice of default may at its option immediately terminate this Agreement; provided that Owner shall, in addition to the foregoing, preserve and retain any rights Owner might have at law or in equity if LMC defaults under Article III, Section 9, pertaining to insurance, or if LMC's actions or inactions constitute gross negligence or willful and wanton misconduct.

4. Neither LMC or Owner shall by reason of expiration or termination of this Agreement in accordance with the terms and conditions herein set forth be liable to the other for compensation, reimbursement or damages either on account of present or prospective profits or on account of expenditures, investments or commitments made in connection therewith or in connection with the establishment, development or maintenance of the business or good will of LMC or Owner or on account of any cost or causes or other thing whatsoever; provided however, that such expiration or termination shall not affect the rights or liabilities of the parties with respect to any indebtedness owing by either party to the other; and further provided that such expiration or termination shall be subject to any then existing lease or leases on the Railway Equipment covered by such lease or leases as may be necessary for LMC to comply with such lease or leases including the right to retain the Lease Fees, Management Fees, and other sums as provided herein, including excess insurance coverage

fees, taxes on the Railway Equipment and other sums as provided for or as may be implied herein until the expiration or termination of such lease or leases. Except as may be otherwise expressly set forth herein, upon the expiration or termination of the Agreement, all of the obligations of the parties, one to the other, shall immediately cease. LMC shall, however, provide reasonable assistance to Owner in transferring to Owner at Owner's sole expense and upon Owner's request all records, data and information relating to Railway Equipment and in assisting Owner in the implementation of such records, data and information into Owner's operations.

ARTICLE V

MANAGEMENT FEE

In consideration of the services of LMC hereunder, Owner shall pay to LMC a Management Fee of 20% of the gross of the Lease Fees collected for each tank car (the "Management Fee"). The Management Fee shall be deducted from the quarterly remittances due Owner as otherwise provided herein.

ARTICLE VI

LEGAL PROCEEDINGS

LMC represents to Owner that there are no legal proceedings of a material nature incident to its business or any of the Railway Equipment which it owns or maintains. LMC will give written notice to Owner at least ten days prior to the institution of legal proceedings by LMC or not more than ten days after being service with process in any legal proceedings against LMC involving the Railway Equipment. Unless otherwise directed in writing by the Owner, LMC may, at its option, institute or defend in its name or in the name of the Owner, or both, but not against each other, and in all events at the expense of the Owner, any and all legal actions or proceedings it considers necessary hereunder, including, without limitation, those to collect charges, rents, claims or other income from the Railway Equipment, or lawfully oust or dispossess, seize, or other persons in possession thereof, or lawfully cancel, modify, resign or terminate any lease, license or concession agreement for the breach thereof or default by a lessee, licensee or concessionnaire or take any and all necessary actions to protect or litigate to a final decision in any appropriate court or other forum any violation, order, rule, regulation, suit or claim, or any other matter affecting the Railway Equipment. LMC shall keep Owner currently advised of all legal proceedings and Owner reserves the right to direct LMC to terminate any litigation brought pursuant to the authority granted to this Article.

ARTICLE VII

ASSIGNMENT

Neither party of this Agreement shall assign to any other party any

interest in this Agreement without the consent of the other party; provided, however:

A. This Agreement together with the Railway Equipment may be transferred by the Owner to his estate, heirs or devisees or to any purchaser at a foreclosure sale where this Agreement and the related Railway Equipment are sold as collateral so long as such sale complies with applicable Federal or State securities laws, and

B. May be assigned by LMC in connection with the merger or consolidation or reorganization of LMC into another corporation or as part of the sale of all or substantially all of the assets of LMC, provided that notice of such merger, consolidation, reorganization or sale shall be given to Owner prior to the effective date thereof.

ARTICLE VIII

INDEMNIFICATION

Owner and LMC jointly and severally acknowledge, agree and confirm that LMC is entering into this Agreement as an independent contractor and neither party hereto shall take any action to alter such legal relationship. Owner shall have no right or authority and shall not attempt to enter into contracts or committments in the name or on behalf of LMC or name LMC's stockholders, directors or officers or to bind LMC in any manner whatsoever. Further, Owner agreeds to indemnify and hold LMC harmless from any and all claims, demands, causes in action, in law or in equity, costs, damages, reasonable attorney's fees, expenses and judgments which may hereafter be asserted by any third party based on or related to the Railway Equipment or the operation, including the leasing thereof, except for all claims, demands, causes of action, in law or in equity, costs, damages, reasonable attorney's fees, expenses and judgments which may hereafter be asserted by a third party based on or relating to actions taken by or inactions of LMC in connection with the Railway Equipment, which actions or inactions were not authorized or promulgated hereunder or authorized actions taken hereunder which were performed negligently or were not specifically requested or approved by Owner; provided that LMC shall indemnify and hold harmless Owner from all claims, demands, causes of action, in law or in equity, damages, reasonable attorney's fees, expenses and judgments which may be asserted hereafter by any third party based on or related to any of the aforesaid actions or inactions of LMC in connection with the Railway Equipment.

The indemnifications given herein by the parties hereto, one to the other, are based upon existing laws, rules and regulations of governmental authorities, Federal or State, and do not contemplate any actions which may be taken under any laws, rules or regulations promulgated by any Federal or State authority which may come into existence and have not become known to both of the parties hereto.

ARTICLE XI

FURTHER AGREEMENTS

1. Each party hereto shall promptly and duly execute and deliver to the other party such further documents, assurances, releases and other instruments and take such further actions, including any necessary filings and the execution of a Power of Attorney of Owner, as the other party may reasonable request in order to carry out more fully the intent and purpose of this Agreement and to indicate the Owner of the Railway Equipment during the continuance and upon the termination of the Agreement.

2. Upon the expiration of termination of this Agreement as to any or all of the Railway Equipment, Owner shall not be entitled to use the Recording and Car Initials and Numbers and other designations that are presently the property of LMC. Thereupon Owner shall promptly undertake at Owner's sole expense all steps necessary to change the designation of the Railway Equipment which is no longer subject to the terms of this Agreement and to execute any and all documents requested by LMC to transfer to LMC any rights Owner may have acquired to such designations. LMC agrees to prepare at its own expense documentation which in LMC's opinion is necessary to change the designations on the Railway Equipment from the designations of LMC to those which may be selected by Owner and to provide reasonable advice and assistance to Owner, at Owner's expense, in the filing of such new documents.

3. Any notice or communication by either party to the other shall be in writing and shall be deemed to have been duly given if either delivered personally or mailed, postage prepaid, by registered or certified mail, addressed as follows:

   LMC: LAMCO, Inc.
   777 South Post Oak Road, Suite 504
   Houston, Texas 77056

   OWNER: Edward Lee & Kathy Summers
   3608 Highland View Drive
   Austin, TX 78731

   or to such other address and to the attention of such other person as either party may designate to the other in writing.

4. Owner or his authorized representative shall be entitled to inspect the books and records of LMC applicable to the Railway Equipment at any reasonable time during the business hours of LMC.

5. LMC confirms that it is and will act as Agent of Owner in entering into and performing all obligations and duties of the lessor under any lease of the Railway Equipment and hereby assigns to Owner all rights of the lessor under any such lease including any rights of indemnification of the lessor thereunder; provided, however, that such assignment shall not affect or modify the relationship between, or the respective rights, obligations and duties of LMC and Owner pursuant to this Agreement. HOWEVER, NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED BY OWNER AS A GUARANTY OF LMC THAT IT

WILL AT ALL TIMES DURING THE TERM OR THIS AGREEMENT OR ANY RENEWAL THEREOF KEEP THE RAILWAY EQUIPMENT UNDER CONSTANT LEASE.

6. This Agreement contains the entire Agreement of the parties hereto pertaining to the management and operation of the Railway Equipment and this Agreement cannot be modified or amended except by the express written Agreement signed by both parties hereto. Any waiver of any obligation by either party hereto shall be construed as a continuing waiver or any such obligation under any provision hereof.

7. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of an be enforcable by the heirs, administrators, executors, successor, and assigns, if any, of the parties hereto, subject, however, to the provision pertaining to Assignment set forth herein in Article VII.

8. This Agreement shall be construed in accordance with the laws of the State of Texas and the rules and regulations of the State Securities Board of that State.

IN WITNESS THEREOF, the parties hereto have set their names effective as of the 14th day of May, 1980.

LAMCO, Inc.

By: Wayne A. Jansen
Wayne A. Jansen, President

ATTEST:

_____

OWNER

By: Edward Lee Summers
Edward Lee Summers

Kathryn B. Summers
Kathy Summers