

**UNION BANK
& TRUST COMPANY.**

(402) 323-1828 • P.O. BOX 82535 • 3643 SOUTH 48TH STREET • LINCOLN, NE 68501-2535 • WWW.UBT.COM

December 21, 2006

RECORDATION NO. 26859 FILED

DEC 21 '06 -1 01 PM

SURFACE TRANSPORTATION BOARD

Surface Transportation Board
1925 K St., NW
Washington D.C. 20423-0001

Dear Vernon Williams:

This letter is in reference to the recordation request of three rail cars submitted online by Union Bank and Trust at the Surface Transportation Board website on December 11, 2006. The three rail cars are owned by Walter L. & Tami R. Kittrell (borrower), whose address is 519 South 4th St. Columbus, NE 68601. Union Bank and Trust (lender) whose address is 3643 South 48th Street, PO Box 82535, Lincoln, NE 68501 requests that a lien be perfected on three 30,000 gallon non-coil/non insulated tank cars, model #DOT111A100W1 described as follows:

TEIX/AGI 30086

TEIX/AGI 30055

*TEIX/AGI 30066

*Rail car 30066 was previously filed under recordation #25415 by Wells Fargo Bank on 10/1/2004.

A cashier's check in the amount of \$34.00 has been mailed to the Surface Transportation Board for filing fees. Please feel free to call if there is any further information you require. Thank you.

Sincerely,

Nic Ehrke
Ag Loan Specialist
(402) 323-1725Bill Fulton
Assistant Vice President
(402) 323-1706

DEC 21 '06 -1 01 PM

COMMERCIAL SECURITY AGREEMENT

Union Bank & Trust Company
 3643 South 48th Street, PO Box 82535 SURFACE TRANSPORTATION BOARD
 Lincoln, Nebraska 68501-2535
 (402)323-1828

1250605	December 1, 2006
---------	------------------

COLLATERAL OWNER INFORMATION

Walter L. Kittrell
 519 South 4th St.
 Columbus, NE 68601

Tami R Kittrell
 519 South 4th St.
 Columbus, NE 68601

AGREEMENT. For purposes of this document, the term "Agreement" is used when reference is made to this Commercial Security Agreement.

LENDER. "Lender" means Union Bank & Trust Company whose address is 3643 South 48th Street, PO Box 82535, Lincoln, Nebraska 68501-2535, its successors and assigns.

DEBTOR. For purposes of this Agreement, the term "Debtor" refers to any party who has an interest in the Collateral defined in the "DESCRIPTION OF COLLATERAL" provision below. The Debtor includes each party (Borrower) identified above. Throughout this Agreement, references to Debtor are to be construed as specifically defined by Article 9 (or equivalent) of the Uniform Commercial Code.

OBLIGOR. For purposes of this Agreement, the term "Obligor" refers to any party, with respect to an obligation secured by a security interest in the collateral, that: (i) owes payment or other performance of the obligation, or (ii) is otherwise accountable in whole or in part for payment or other performance of the obligation. Throughout this Agreement, references to Obligor are to be construed as specifically defined by Article 9 (or equivalent) of the Uniform Commercial Code.

SECURITY INTEREST GRANT. Debtor, in consideration of the Obligations to Lender, as defined in the "OBLIGATIONS" provision below, hereby agrees to all of the terms of this Agreement and further hereby specifically grants Lender a continuing security interest in the collateral described in the "DESCRIPTION OF COLLATERAL" provision below. Debtor further grants Lender a security interest in the proceeds of said collateral; the proceeds of hazard insurance and eminent domain or condemnation awards involving the collateral; all products of, and accessions to, such collateral or interests therein; any and all deposits or other sums at any time credited by or due from Lender to Debtor; and any and all instruments, documents, policies, and certificates of insurance, securities, goods, accounts receivable, choses in action, chattel paper, cash, property, and the proceeds thereof (whether or not the same are Collateral or proceeds thereof hereunder), owned by Debtor or in which Debtor has an interest which are now or at any time hereafter in possession or control of Lender, or in transit by mail or carrier to or from Lender, or in possession of any third party acting on Lender's behalf, without regard to whether Lender received the same in pledge, for safekeeping, as agent or otherwise, or whether Lender has conditionally released the same. Debtor's grant of a continuing security interest in the foregoing described collateral secures to Lender the payment of all loans, advances, and extensions of credit from Lender to Borrower, including all renewals and extensions thereof, and any and all obligations of every kind whatsoever, whether heretofore, now, or hereafter existing or arising between Lender and Borrower and howsoever incurred or evidenced, whether primary, secondary, contingent, or otherwise.

OBLIGATIONS. As used in this Agreement, the term "Obligations" shall mean any and all of Obligor's or Debtor's obligations to Lender, whether they arise under this Agreement or the Note, Loan Agreement, Guaranty, or other evidence of debt executed in connection with this Agreement, or under any other mortgage, trust deed, deed of trust, security deed, security agreement, note, lease, instrument, contract, document, or other similar writing heretofore, now, or hereafter executed by the Obligor or Debtor to Lender, including any renewals, extensions and modifications thereof, and including oral agreements and obligations arising by operation of law. The Obligations shall also include all expenditures that Lender may make under the terms of this Agreement or for the benefit of Obligor or Debtor, all interest, costs, expenses, and attorneys' fees accruing to or incurred by Lender in enforcing the Obligations or in the protection, maintenance, preservation, or liquidation of the Collateral, and any of the foregoing that may arise after the filing of any petition by or against Obligor or Debtor under the Bankruptcy Code, irrespective of whether the obligations do not accrue because of the automatic stay under Bankruptcy Code Section 362 or otherwise.

DESCRIPTION OF COLLATERAL. The collateral covered by this Agreement (the "Collateral") is all of the Debtor's property described below which the Debtor now owns or may hereafter acquire or create and all proceeds and products thereof, whether tangible or intangible, including proceeds of insurance and which may include, but shall not be limited to, any items listed on any schedule or list attached hereto. The Collateral described has the meanings contained in the Uniform Commercial Code as adopted in the state where the Lender is located.

Accounts. "Accounts" consist of the Debtor's right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of; (ii) for services rendered or to be rendered; (iii) for a policy of insurance issued or to be issued; (iv) for a secondary obligation incurred or to be incurred; (v) for energy provided or to be provided; (vi) for the use or hire of a vessel under a charter or other contract; (vii) arising out of the use of a credit card or charge card or information contained on or for use with the card; (viii) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state; or (ix) for health-care-insurance receivables. See attached TEI Management Agreement.

Specific Collateral. "Specific" refers to the specific property, together with all related rights, described below.

SPECIFIC COLLATERAL DESCRIPTION: See Exhibit A, which is hereby made a permanent part of this document.

As lender, Union Bank & Trust Co. requires satisfactory evidence constituting its perfected lien on the property described in this Security Agreement.

WARRANTIES. The Debtor warrants the following: Debtor has or will acquire free and clear title to all of the Collateral, unless otherwise

execute any documentation of whatsoever character or nature demanded by the Lender for filing or recording, at the Debtor's expense, before such change occurs; the information regarding Debtor's state of organization or formation as set forth at the beginning of this Agreement is correct, and Debtor further warrants that Debtor will not change Debtor's state of organization or formation without Lender's prior written consent and will assist Lender with any changes to any documents, filings, or other records resulting or required therefrom; the Debtor will keep all records of account, documents, evidence of title, and all other documentation regarding its business and the Collateral at the address specified at the beginning of this Agreement, unless notice thereof is given to the Lender at least ten (10) days prior to the change of any address for the keeping of such records; the Debtor will, at all times, maintain the Collateral in good condition and repair and will not sell or remove same except as to inventory in the ordinary course of business; the Debtor is a legally created business entity, as described before, and it has the power, and the person signing is duly authorized, to enter into this Agreement; the execution of this Agreement will not create any breach of any provision of the Debtor's organizational documents (Articles of Incorporation and By-Laws if the Debtor is a corporation, Articles of Organization and Operating Agreement if the Debtor is a limited liability company, or Certificate of Limited Partnership (if applicable) or Partnership Agreement if the Debtor is a partnership), or any other agreement to which the Debtor is or may become a party; all financial information and statements delivered by the Debtor to the Lender to obtain loans and extensions of credit are true and correct and are prepared in accordance with generally accepted accounting principles; there has been no material adverse change in the financial condition of the Debtor since it last submitted any financial information to the Lender; there are no actions or proceedings, including set-off or counterclaim, which are threatened or pending against the Debtor which may result in any material adverse change in the Debtor's financial condition or which might materially affect any of the Debtor's assets; and the Debtor has duly filed all federal, state, municipal, and other governmental tax returns, and has obtained all licenses, permits, and the like which the Debtor is required by law to file or obtain, and all such taxes and fees for such licenses and permits required to be paid, have been paid in full.

INSURANCE. The Debtor agrees that it will, at its own expense, fully insure the Collateral against all loss or damage for any risk of whatsoever nature in such amounts, with such companies, and under such policies as shall be satisfactory to the Lender. All policies shall expressly provide that the Lender shall be the loss payee or, alternatively, if requested by Lender, mortgagee. The Lender is granted a security interest in the proceeds of such insurance and may apply such proceeds as it may receive toward the payment of the Obligations, whether or not due, in such order as the Lender may in its sole discretion determine. The Debtor agrees to maintain, at its own expense, public liability and property damage insurance upon all its other property, to provide such policies in such form as the Lender may approve, and to furnish the Lender with copies of other evidence of such policies and evidence of the payments of the premiums thereon. All policies of insurance shall provide for a minimum 10 days' written notice of cancellation to Lender. At the request of Lender, such policies of insurance shall be delivered to and held by Lender. Debtor agrees that Lender is authorized to act as attorney for Debtor in obtaining, adjusting, settling, and canceling such insurance and endorsing any drafts or instruments issued or connected with such insurance. Debtor specifically authorizes Lender to disclose information obtained in conjunction with this Agreement and from policies of insurance to prospective insurers of the Collateral. If the Debtor at any time fails to obtain or to maintain any of the insurance required above or pay any premium in whole or in part relating thereto, the Lender, without waiving any default hereunder, may make such payment or obtain such policies as the Lender, in its sole discretion, deems advisable to protect the Debtor's property. All costs incurred by the Lender, including reasonable attorneys' fees, court costs, expenses, and other charges thereby incurred, shall become a part of the Obligations and shall be payable on demand.

ACCOUNTS. As of the time any account becomes subject to the security interest (or pledge or assignment as applicable) granted hereby, Debtor shall be deemed further to have warranted as to each and all of such accounts as follows: (a) Each account and all papers and documents relating thereto are genuine and in all respects what they purport to be; (b) each account is valid and subsisting and arises out of a bona fide sale of goods sold and delivered to, or out of and for services theretofore actually rendered by Debtor to, the account debtor named in the account or other bona fide transaction; (c) the amount of the account represented as owing is the correct amount actually and unconditionally owing except for normal cash discounts and is not subject to any setoffs, credits, defenses, or countercharges; and (d) Debtor is the owner thereof free and clear of any charges, liens, security interests, adverse claims, and encumbrances of any and every nature whatsoever.

Lender shall have the right in its own name or in the name of the Debtor, whether before or after default, to require Debtor forthwith to transmit all proceeds of collection of accounts to Lender; to notify any and all account debtors to make payments of the accounts directly to Lender; to demand, collect, receive, receipt for, sue for, compound, and give acquittal for, any and all amounts due or to become due on the accounts and to endorse the name of the Debtor on all commercial paper given in payment or part payment thereof; and in Lender's discretion, to file any claim or take any other action or proceeding that Lender may deem necessary or appropriate to protect and preserve and realize upon the accounts and related Collateral. Unless and until Lender elects to collect accounts, and the privilege of Debtor to collect accounts is revoked by Lender in writing, Debtor shall continue to collect accounts, account for same to Lender, shall not commingle the proceeds of collections of accounts with any funds of the Debtor, and shall deposit such proceeds in an account with Lender. In order to assure collection of accounts in which Lender has an interest hereunder, Lender may notify the post office authorities to change the address for delivery of mail addressed to Debtor to such address as Lender may designate, open and dispose of such mail, and receive the collections of accounts included therewith. Lender shall have no duty or obligation whatsoever to collect any account or to take any other action or preserve or protect the Collateral; however, should Lender elect to collect any account or take possession of the Collateral, Debtor releases Lender from any claim or claims for loss or damage arising from any act or omission in connection therewith, and costs of collection incurred by Lender shall be an obligation secured hereby and constitute a portion of the Obligations.

Upon request by Lender, whether before or after default, Debtor shall take such action and execute and deliver such documents as Lender may reasonably request in order to identify, confirm, mark, segregate, and assign accounts and to evidence Lender's interest in same. Without limiting the foregoing Debtor, upon request, agrees to assign accounts to Lender, identify and mark accounts as being subject to the security interest for pledge (or assignment as applicable) granted hereby, mark Debtor's books and records to reflect such assignments, and forthwith to transmit to Lender in the form as received by Debtor any and all proceeds of collection of such accounts.

Debtor will deliver to Lender, prior to the 10th day of each month, or with such other frequency as Lender may request, a written report in form and content satisfactory to Lender, showing a listing and aging of accounts and such other information as Lender may request from time to time. Debtor shall immediately notify Lender of the assertion by any account debtor of any setoff, defense, or claim regarding an account or any other matter adversely affecting an account.

Returned or repossessed goods arising from or relating to any accounts included within the Collateral shall, if requested by Lender, be held separate and apart from any other property. Debtor, on request by Lender, but not less than weekly even though no request has been made, shall report to Lender identifying information with respect to any such goods relating to accounts included in transactions under this Agreement.

ADDITIONAL COLLATERAL. In the event that Lender should, at any time, determine that the Collateral or Lender's security interest in the

LANDLORD'S WAIVER. Upon request, Debtor shall furnish to Lender, in a form and upon such terms as are acceptable to Lender, a landlord's waiver of all liens with respect to any Collateral covered by this Agreement that is or may be located upon leased premises.

RELATIONSHIP TO OTHER AGREEMENTS. This Agreement and the security interests (and pledges and assignments, as applicable) herein granted are in addition to (and not in substitution, novation or discharge of) any and all prior or contemporaneous security agreements, security interest, pledges, assignments, mortgages, liens, rights, titles, or other interests in favor of Lender or assigned to Lender by others in connection with the Obligations. All rights and remedies of Lender in all such agreements are cumulative.

TAXES, LIENS, ETC. The Debtor agrees to pay all taxes, levies, judgments, assessments, and charges of any nature whatsoever relating to the Collateral or to the Debtor's business. If the Debtor fails to pay such taxes or other charges, the Lender, at its sole discretion, may pay such charges on behalf of the Debtor; and all sums so dispensed by the Lender, including reasonable attorneys' fees, court costs, expenses, and other charges relating thereto, shall become a part of the Obligations and shall be payable on demand.

ENVIRONMENTAL HAZARDS. Debtor certifies that as to any real estate which has been, is now, or will be in the future owned or occupied by Debtor, that such real estate has not in the past, nor will now or in the future be allowed in any manner to be exposed to or contain hazardous or environmentally harmful substances as may be defined or regulated by any state or federal law or regulation which impacts, in any way, such substances, except to the extent the existence of such substances has been presently disclosed in writing to Lender, and Debtor will immediately notify Lender in writing of any assertion made by any party to the contrary. Debtor indemnifies and holds Lender and Lender's directors, officers, employees, and agents harmless from any liability or expense of whatsoever nature, including reasonable attorneys' fees, incurred directly or indirectly as a result of Debtor's involvement with hazardous or environmentally harmful substances as may be defined or regulated as such under any state or federal law or regulation.

PROTECTION OF COLLATERAL. Debtor agrees that Lender may, at Lender's sole option, whether before or after any event of default, and without prior notice to Debtor, take the following actions to protect Lender's interest in the Collateral: (a) pay for the maintenance, preservation, repair, improvement, or testing of the Collateral; (b) pay any filing, recording, registration, licensing, certification, or other fees and charges related to the Collateral; or (c) take any other action to preserve and protect the Collateral or Lender's rights and remedies under this Agreement, as Lender may deem necessary or appropriate from time to time. Debtor agrees that Lender is not obligated and has no duty whatsoever to take the foregoing actions. Debtor further agrees to reimburse Lender promptly upon demand for any payment made or any expenses incurred by Lender pursuant to this authorization. Payments and expenditures made by Lender under this authorization shall constitute additional Obligations, shall be secured by this Agreement, and shall bear interest thereon from the date incurred at the maximum rate of interest, including any default rate, if one is provided, as set forth in the notes secured by this obligation.

INFORMATION AND REPORTING. The Debtor agrees to supply to the Lender such financial and other information concerning its affairs and the status of any of its assets as the Lender, from time to time, may reasonably request. The Debtor further agrees to permit the Lender, its employees, and agents, to have access to the Collateral for the purpose of inspecting it, together with all of the Debtor's other physical assets, if any, and to permit the Lender, from time to time, to verify Accounts as well as to inspect, copy, and to examine the books, records, and files of the Debtor.

CROSS-COLLATERALIZATION. Obligor and Debtor agree that any security interest provided in Collateral under this Agreement or any and all other indebtedness of Obligor or Debtor to Lender, whether or not such indebtedness is related by class or claim and whether or not contemplated by the parties at the time of executing each evidence of indebtedness, shall act as collateral for all said indebtedness. This cross-collateralization provision shall not apply to any Collateral that is/are household goods or a principal dwelling.

CROSS-DEFAULT. Any default of the Obligor or Debtor in the terms of any indebtedness to Lender shall constitute a default under this Agreement.

DEFAULT. The occurrence of any of the following events shall constitute a default of this Agreement: (a) the non-payment, when due (whether by acceleration of maturity or otherwise), of any amount payable on any of the Obligations or any extension or renewal thereof; (b) the failure to perform any agreement of the Obligor or Debtor contained herein or in any other agreement Obligor or Debtor has or may have with Lender; (c) the publication of any statement, representation, or warranty, whether written or oral, by the Obligor or Debtor to the Lender, which at any time is untrue in any respect as of the date made; (d) the condition that any Obligor or Debtor becomes insolvent or unable to pay debts as they mature, or makes an assignment for the benefit of the Obligor's or Debtor's creditors, or conveys substantially all of its assets, or in the event of any proceedings instituted by or against any Obligor or Debtor alleging that such Obligor or Debtor is insolvent or unable to pay debts as they mature (failure to pay being conclusive evidence of inability to pay), or makes application for appointment of a receiver or any other legal custodian, or in the event that a petition of any kind is filed under the Federal Bankruptcy Act by or against such Obligor or Debtor; (e) the entry of any judgment against any Obligor or Debtor, or the issue of any order of attachment, execution, sequestration, claim and delivery, or other order in the nature of a writ levied against the Collateral; (f) the death of any Obligor or Debtor who is a natural person, or of any partner of the Obligor or Debtor which is a partnership; (g) the dissolution, liquidation, termination of existence, business failure, merger, and consolidation or transfer of a substantial part of the property of any Obligor or Debtor which is a corporation or partnership; (h) the Collateral or any part of the Collateral declines in value in excess of normal wear, tear, and depreciation or becomes, in the judgment of Lender, impaired, unsatisfactory, or insufficient in character or value, including but not limited to the filing of a competing financing statement; breach of warranty that the Debtor is the owner of the Collateral free and clear of any encumbrances (other than those encumbrances disclosed by Debtor or otherwise made known to Lender, and which were acceptable to Lender at the time); sale of the Collateral (except in the ordinary course of business) without Lender's express written consent; failure to keep the Collateral insured as provided herein; failure to allow Lender to inspect the Collateral upon demand or at reasonable time; failure to make prompt payment of taxes on the Collateral; loss, theft, substantial damage, or destruction of the Collateral; and, when Collateral includes inventory, accounts, chattel paper, or instruments, failure of account debtors to pay their obligations in due course; or (i) the Lender in good faith, believes the Obligor's ability to repay the Obligor's indebtedness secured by this Agreement, any Collateral, or the Lender's ability to resort to any Collateral, is or soon will be impaired, time being of the very essence.

REMEDY. Upon the occurrence of an event of default, Lender, at its option, shall be entitled to exercise any one or more of the remedies described in this Agreement, in all documents evidencing the Obligations, in any other agreements executed by or delivered by Obligor or Debtor for benefit of Lender, in any third-party security agreement, mortgage, pledge, or guaranty relating to the Obligations, in the Uniform Commercial Code of the state in which Lender is located, and all remedies at law and equity, all of which shall be deemed cumulative. The Obligor agrees that, whenever a default exists, all Obligations may (notwithstanding any provision in any other agreement), at the sole option and discretion of the Lender and without demand or notice of any kind, be declared, and thereupon immediately shall become due and payable.

sold on a recognized market, Lender will send Debtor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition will be made. Any notification of intended disposition of the Collateral by the Lender shall be deemed to be reasonable and proper if sent United States mail, postage prepaid, to the Debtor at least ten (10) days before such disposition, and addressed to the Debtor either at the address shown herein or at any other address provided to Lender in writing for the purpose of providing notice. Proceeds received by Lender from disposition of the Collateral may be applied toward Lender's expenses and other obligations in such order or manner as Lender may elect. Debtor shall be entitled to any surplus if one results after lawful application of the proceeds. If the proceeds from a sale of the Collateral are insufficient to extinguish the Obligations of the Obligor hereunder, Obligor shall be liable for a deficiency. Lender shall have the right, whether before or after default, to collect and receipt for, compound, compromise, and settle, and give releases, discharges, and acquittances with respect to, any and all amounts owed by any person or entity with respect to the Collateral. Lender may remedy any default and may waive any default without waiving the default remedied and without waiving any other prior or subsequent default. The rights and remedies of the Lender are cumulative, and the exercise of any one or more of the rights or remedies shall not be deemed an election of rights or remedies or a waiver of any other right or remedy.

FUTURE ADVANCES AND AFTER-ACQUIRED PROPERTY. Future advances may be made by the Lender under this Agreement to the extent allowed by law. The security interest grant contained in this Agreement also applies to any Collateral of the type(s) identified in this Agreement that the Debtor acquires after this Agreement is executed, except that no security interest attaches to after-acquired consumer goods unless the Debtor acquires rights in such goods within 10 days of Lender giving value. In anticipation of future advances by Lender, the Obligor or Debtor authorize Lender to file any necessary financing statements to protect Lender's security interest.

EXERCISE OF LENDER'S RIGHTS. Any delay on the part of the Lender in exercising any power, privilege, or right hereunder, or under any other document executed by Obligor or Debtor to the Lender in connection herewith, shall not operate as a waiver thereof, and no single or partial exercise thereof or any other power, privilege, or right shall preclude other or further exercise thereof. The waiver by the Lender of any default of the Obligor or Debtor shall not constitute a waiver of subsequent default.

CONTINUING AGREEMENT. This is a continuing agreement, and shall remain in full force and effect until the Obligations are paid in full. In the event that Lender should take additional Collateral, or enter into other security agreements, mortgages, guarantees, assignments, or similar documents with respect to the Obligations, or should Lender enter into other such agreements with respect to other obligations of Obligor or Debtor, such agreements shall not discharge this Agreement, which shall be construed as cumulative and continuing and not alternative and exclusive.

The security interest (and pledge and assignment as applicable), hereby granted and all of the terms and provisions of this Agreement shall be deemed a continuing agreement and shall continue in full force and effect until the Obligations are paid in full. Any such revocation or termination shall only be effective if explicitly confirmed in a signed writing issued by Lender to such effect and shall in no way impair or affect any transactions entered into or rights created or liabilities incurred or arising prior to such revocation or termination, as to which this Agreement shall be truly operative until same are repaid and discharged in full. Unless otherwise required by applicable law, Lender shall be under no obligation to issue a termination statement or similar document unless Debtor requests same in writing, and providing further, that all Obligations have been repaid and discharged in full and there are no commitments to make advances, incur any obligations, or otherwise give value.

ABSENCE OF CONDITIONS OF LIABILITY. This Agreement is unconditional. Lender shall not be required to exhaust its remedies against Debtor, other collateral, or guarantors, or pursue any other remedies within Lender's power before being entitled to exercise its remedies hereunder. Lender's rights to the Collateral shall not be altered by the lack of validity or enforceability of the Obligations against Obligor, and this Agreement shall be fully enforceable irrespective of any counterclaim which the Obligor may assert on the underlying debt and notwithstanding any stay, modification, discharge, or extension of Obligor's Obligation arising by virtue of Debtor's insolvency, bankruptcy, or reorganization, whether occurring with or without Lender's consent.

NOTICES. Any notice or demand given by Lender to Obligor or Debtor in connection with this Agreement, the Collateral, or the Obligations, shall be deemed given and effective upon deposit in the United States mail, postage prepaid, addressed to Obligor or Debtor at the address designated at the beginning of this Agreement, or such other address as Obligor or Debtor may provide to Lender in writing from time to time for such purposes. Actual notice to Obligor or Debtor shall always be effective no matter how such notice is given or received.

WAIVERS. Debtor waives notice of Lender's acceptance of this Agreement, defenses based on suretyship, and to the fullest extent permitted by law, any defense arising as a result of any election by Lender under the Bankruptcy Code and the Uniform Commercial Code. Debtor and any maker, endorser, guarantor, surety, third-party pledgor, and other party executing this Agreement that is liable in any capacity with respect to the Obligations hereby waive demand, notice of intention to accelerate, notice of acceleration, notice of nonpayment, presentment, protest, notice of dishonor, and any other similar notice whatsoever.

JOINT AND SEVERAL LIABILITY. If this Agreement is executed by more than one Party, it is understood and agreed that each such Party to this Agreement shall be jointly and severally bound and the word "Obligor" or "Debtor" as used herein shall be construed to be of such number as circumstances required.

SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law; but, in the event any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity and shall be severed from the rest of this Agreement without invalidating the remainder of such provision or the remaining provisions of this Agreement.

SURVIVAL. The rights and privileges of the Lender hereunder shall inure to the benefits of its successors and assigns, and this Agreement shall be binding on all heirs, executors, administrators, assigns, and successors of Obligor or Debtor.

ASSIGNABILITY. Lender may assign, pledge, or otherwise transfer this Agreement or any of its rights and powers under this Agreement without notice, with all or any of the Obligations, and in such event the assignee shall have the same rights as if originally named herein in place of Lender. Obligor or Debtor may not assign this Agreement or any benefit accruing to it hereunder without the express written consent of the Lender.

AUTHORIZATIONS. Debtor authorizes Lender, without notice or demand and without altering Debtor's liability or Lender's rights hereunder, from time to time to take acts which may alter the obligation of Obligor to Lender or Debtor's right to restitution or subrogation or both, including: (a) to renew, compromise, extend, or otherwise change the time for payment of, or otherwise change the terms of the Obligations or

42 002

**TRANSPORTATION EQUIPMENT, INC.
MANAGEMENT AGREEMENT**

This Management Agreement dated November 20, 2006, ("Agreement") by and between **TRANSPORTATION EQUIPMENT, INC.**, A Texas Corporation ("TEI"), having its principal place of business at 16225 Park Ten Place, Suite 800, Houston, Texas 77084 and **TAMI & WALTER KITTRELL** of 519 S. 4th Street, Columbus, NE 68601 ("Owner").

WITNESSETH

Whereas, Owner is the owner of the railway equipment listed in the attached Exhibit "A" (the "Railway Equipment") and is desirous of entering into the following agreement with TEI, whereby TEI will manage the Railway Equipment pursuant to the terms and conditions hereof; and

Whereas, TEI is desirous of undertaking the management of the Railway Equipment pursuant to the terms and conditions hereof;

Now, therefore, in consideration of the premises and the mutual covenants and conditions set forth herein, the parties hereto agree as follows:

**ARTICLE I
APPOINTMENT**

1. Owner hereby appoints TEI to manage and otherwise supervise the operation of the Railway Equipment in the name of the Owner, or in the name of TEI, but for the account and on behalf of Owner pursuant and subject to the terms and conditions set forth in this agreement.

2. TEI hereby accepts the appointment set forth in Paragraph 1 of this Article I and agrees to perform the duties and obligations set forth herein. Owner acknowledges and agrees that, whereas TEI has accepted the responsibility of managing the Railway Equipment, except as specifically set forth herein to the contrary or as provided by law, TEI shall have sole function and operative judgment, to be exercised in a reasonable manner, for the leasing, operation and management of the Railway Equipment and for establishing and implementing policies and standards affecting the Railway Equipment or the operation, maintenance or repair thereof. TEI shall be entitled to rely upon written or oral instructions received from Owner as to any acts to be performed by TEI.

**ARTICLE II
OWNER'S COVENANTS AND RESPONSIBILITIES**

1. Owner does hereby deliver and release to TEI the Railway Equipment for the management thereof by TEI, and TEI acknowledges delivery and receipt thereof.

2. Except as provided below, owner shall be responsible for the payment of all expenses incurred in connection with the ownership of the Railway Equipment,

including ad valorem and other taxes, all contract and AAR repair charges, freight, excess mileage equalization cost, storage, design changes and other modifications required by governmental or industry regulations or technological changes, repairs due to latent defects, periodic inspection cost as required by the Association of American Railroads or any governmental authority, insurance, deductibles under insurance policies, cleaning, other expenses, levies or charges, including the Management Fees (as defined in Article V hereof), incurred in connection with the Railway Equipment and the operation and leasing thereof (all of which shall hereinafter be sometimes collectively referred to as the "Expenses").

3. Owner agrees to pay a 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 TEI (the TEI fleet) in an amount equal to the percentage which the lease fees (as defined in paragraph 1 or Article III) earned by the Railway Equipment are of the gross rental and service charges earned by all rail cars in the TEI fleet.

4. If the lease fees (as defined in paragraph 1 of Article III) earned by the Railway Equipment are less than the expenses incurred or reasonably foreseeable in connection with the operation and management of the Railway Equipment hereunder, TEI will so advise the Owner in the quarterly report provided for under Article III, Paragraph 8 hereof including the amount of such deficiency and, if request by TEI, Owner will remit to TEI within ten (10) days of receipt of the quarterly report the amount of such deficiency.

5. Owner agrees to cooperate fully with TEI and to provide all assistance reasonably requested by TEI to carry out its obligations hereunder. This shall include, subject to the provisions of Article VI hereof, full cooperation and assistance in any lawsuit or other similar matter or proceeding before any court or agency.

ARTICLE III TEI'S COVENANTS AND RESPONSIBILITIES

In consideration of the management fee provided for hereunder, TEI agrees to utilize reasonable time and efforts to:

1. Collect the rental and service charges earned by the Railway Equipment (the "Lease Fee") and to enforce the provisions of the Lease Agreement. Such duties shall not, however, be deemed to include the filing of a suit to collect such lease fees and other expenses, although TEI may elect to do so at its option but at the expense of owner, subject to the provisions of Article VI hereof.

2. Use its best efforts to obtain leases for the Railway Equipment (including renewal options) and maintain the Railway Equipment under lease throughout the term of this agreement. TEI shall execute any such lease in the name of TEI but for the account and on behalf of the Owner.

3. Comply with the terms and conditions of any lease agreements to which the Railway Equipment is subject during the term hereof. It is understood, however, that

before TEI shall be obligated to comply with any lease, such lease and/or amendments must be approved, in writing, by TEI.

4. Make all required registration and other filings with the Surface Transportation Board, the Association of American Railroads, the Department of Transportation and any other governmental or industry authority.

5. File applicable ad valorem and other tax returns and pay, from the lease fees or from funds advanced by Owner, all such taxes due, in accordance with provisions of Article II, Paragraph 3. TEI may however, retain during each calendar year of the term of this agreement, an amount equal to three percent (3%) of the lease fees received during that calendar year to cover such taxes, but will, within one-hundred and eighty (180) days following the end of each calendar year, remit to Owner any amounts not required for such taxes and should such (3%) not be adequate to cover said taxes then the Owner will be charged any additional cost within the same time period following the end of the year.

6. Maintain adequate books and records sufficient to account properly 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 TEI, such repair and/or maintenance work to be paid for by Owner, subject to the provisions of Article II Paragraph 2.

8. Provide periodic reports to Owner on a quarterly basis (the "Quarterly Reports") which shall set forth the lease fees derived from the use of the Railway Equipment, as well as expenses incurred or that are reasonably foreseeable to be incurred in connection with the Railway Equipment. The quarterly reports 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 reasonably possible. Should the lease fees exceed the expenses incurred in connection with the Railway Equipment, payment of the excess (except for any amount retained under Paragraph 5 and this Paragraph 8 Article III) shall accompany the quarterly report. Should expenses (incurred or reasonably foreseeable) exceed the lease fees for the period in question, the quarterly report will set forth the amount to be remitted by Owner to TEI, if requested. It is understood that TEI shall be under no obligation to advance funds for payment of the expenses, regardless of the results of the nonpayment thereof. It is further understood that TEI shall have the authority to retain portions of 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 and 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.

9. Reasonably pursue any and all warranties or other claims against manufacturers, users, lessees, railroads and other parties on behalf of owner. Such duties shall not, however, be deemed to include the filing of suit, although TEI may elect to do so at its option, but at the expense of Owner, subject to the provisions of Article VI.

10. Maintain liability and property damage insurance coverage on the Railway Equipment in amounts and against risk normally insured by TEI on cars which it owns or manages. TEI shall furnish certificates of insurance on all such insurance policies to Owners annually and within a reasonable period of time following the date of any policy change or renewal. Any additional insurance desired by Owners shall be obtained by Owners at Owner's expense. The current fee for Liability and Physical Damage Insurance is \$12.00 per car per month, subject to annual adjustment.

ARTICLE IV TERM AND TERMINATION

1. Subject to the provisions set forth herein, this agreement shall be effective commencing with the individual date of delivery of the Railway Equipment to "TEI" and shall automatically terminate ten years from the effective date.

2. Except as otherwise provided in this agreement, the Owner may terminate this agreement by giving TEI written notice of termination not less than three (3) months prior to the termination date designated in such notice; provided, however, if Owner shall owe TEI any amounts under this agreement, the Owner may not terminate this agreement as to any of the Railway Equipment until all such amounts have been paid. TEI shall, at its option, be entitled to continue to 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 have been paid.

3. Except as otherwise provided in Article IV, Paragraph 4, 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 default, and should such default not be corrected within thirty (30) days of such notification, the aggrieved party may, at its option, immediately terminate this agreement; provided, that the Owner shall (in addition to the foregoing) preserve and retain any rights the Owner might have at Law or in equity if TEI defaults in its obligations under Article III, Paragraph 9, or if TEI's actions constitute gross negligence or willful misconduct.

4. Neither TEI nor the Owner shall, by reason of the expiration or the termination of this agreement in accordance with the terms and provisions hereof, be liable to the other for compensation, reimbursement or damages, either on account of expenditures, investments or commitments made in connection therewith or in connection with establishment, development or maintenance of the business or goodwill of TEI or the Owner, or on account of any other cause or thing whatsoever; provided however, that the 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 of the Railway Equipment, and TEI, at its option, shall be entitled to continue, pursuant to the terms and conditions of this agreement, the management and control of any of the Railway Equipment covered by such lease or leases as may be necessary for TEI to comply with such lease or leases, including the right to retain the lease fees, management fees and other sums as provided for 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 this

agreement, all obligations of the parties shall immediately cease. TEI shall, however, provide reasonable assistance to Owner in transferring to Owner, all at Owner's expense and upon Owner's request, all records, data and other information relating to the Railway Equipment and in assisting Owner in the implementation of such records, data and information into Owner's operations.

ARTICLE V

In consideration of the service of TEI hereunder, the Owner shall pay to TEI a management fee of **TEN PERCENT (10%)** of the Gross Revenues collected for each railway car included in the Railway Equipment (the "Management Fee"). The Management Fee shall be deducted from the remittance due quarterly to Owner as otherwise provided herein.

ARTICLE VI LEGAL ACTIONS

TEI shall give written notice to Owner at least ten (10) days prior to the institution of legal proceedings by TEI or not more than ten (10) days after being served with process in any legal proceedings against TEI involving the Railway Equipment. Unless otherwise directed in writing by Owner, TEI may, at its option, institute or defend, in its own name or in the name of 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 those to collect charges, rents, claims or other income for the Railway Equipment or lawfully oust or dispossess lessees or other persons in possession thereof, or lawfully cancel, modify or terminate any lease, license or concession agreement for the breach thereof or default by a lessee, licensee or litigate to a final decision in any appropriate court or other forum any violation, order, rule, regulation, suit, claim or other matter affecting the Railway Equipment. TEI shall keep Owner currently advised of all legal proceedings and Owner reserves the right to direct TEI to terminate any litigation brought pursuant to the foregoing authority.

ARTICLE VII ASSIGNMENT

This agreement is not assignable by either party except with the written consent of the other party; provided however, (a) this agreement together with the Railway Equipment may be transferred by Owner to his estate, heirs or devisee or to any purchaser at 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 TEI in connection with the merger or consolidation of TEI into another corporation or as part of the sale of substantially all of the assets of TEI.

ARTICLE VIII INDEMNIFICATION

Owner and TEI jointly and severally acknowledge, agree and covenant that TEI is entering into this contract 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 commitments in the name, or on behalf of TEI, or to bind TEI in any manner or respect whatsoever. Further Owner agrees to indemnify and hold TEI harmless from any and all claims, demands, causes of action (at 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 relating to the Railway Equipment or the operation including the leasing, thereof, except for all claims, demands, causes of action (at 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 relating to actions taken by, or inaction's of TEI in connection with the Railway Equipment, which actions or inaction's were not authorized hereunder, were authorized hereunder but performed negligently, or were not specifically requested or approved by Owner; provided, that TEI shall indemnify and hold harmless the Owner from all claims, demands, causes of action (at law or in equity), damages, attorney fees, expenses and judgments which may be asserted hereafter by any third based on or relating to any of the aforesaid actions or inaction's of TEI in connection with the Railway Equipment.

ARTICLE IX ADDITIONAL AGREEMENTS

1. Each party hereto shall promptly and duly execute and deliver to 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 reasonably request, in order to carry out more fully the intent and purpose of this agreement and to indicate the ownership of the Railway Equipment during the continuance with the Railway Equipment.

2. It is understood that upon the expiration or termination of this agreement as to any or all of the Railway Equipment, Owner shall no longer be entitled to use the recording and UMLER car initials and numbers and other designations (the "Designations") that are presently the property of TEI. Accordingly, Owner agrees that it will promptly undertake upon such expiration or termination, at Owner's expense, all steps necessary to change promptly the designations on the Railway Equipment no longer included under the agreement and to execute any and all documents requested by TEI to transfer to TEI any rights Owner may have acquired to such designations. TEI agrees to prepare at TEI's expense, documentation as, in its opinion, is necessary to change all designations on the Railway Equipment from the designations of TEI to those adopted by Owner, and to provide reasonable assistance to Owner, at Owner's expense, in the filing of such documents.

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

**TEI: TRANSPORTATION EQUIPMENT, INC.
16225 Park Ten Place, Suite 800
Houston, TX 77084**

**OWNER: Tami & Walter Kittrell
519 S. 4th Street
Columbus, NE 68601**

or to such other address, and to the attention of such person or officer as either party may designate to the other in writing as provided by this paragraph.

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

5. TEI hereby confirms that it will act as agent of Owner in entering into and performing all obligations and duties and duties of the Lessor under any lease of the Railway Equipment and hereby assigns to Owner all rights to indemnification of the Lessor thereunder, provided, that such assignment shall not affect or modify the relationship between, or the respective rights, obligations, and duties of TEI and Owner pursuant to this agreement.

6. This agreement contains the entire agreement of the parties hereto pertaining to the management and operation of the Railway Equipment. Except as otherwise provided herein, this agreement may not be modified or amended, except by express, written agreement signed by both parties hereto. Any waiver of any obligation of either party hereto shall not be construed as a continuing waiver of 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, and be enforceable by the heirs, administrators, executors, successors and assigns, if any, of the parties hereto, subject to the provisions pertaining to the assignment hereof set forth in Article VII.

8. This agreement shall be construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the parties have hereunto set their names.

TRANSPORTATION EQUIPMENT, INC.

 _____

Date: _____

OWNER:

successors and assigns, if any, of the parties hereto, subject to the provisions pertaining to the assignment hereof set forth in Article VII.

8. This agreement shall be construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the parties have hereunto set their names.

TRANSPORTATION EQUIPMENT, INC.

BY: Jed W. Harney - Vice President

Date: 11/28/06

OWNER:

X BY: Fani Kittrell
Fani Kittrell

Date: _____

X BY: Walter Kittrell
Walter Kittrell

Date: _____

EXHIBIT A

**Three (3) 30,000 gallon, Model #DOT111A100W1 non-coil/non insulated tank cars
numbered:**

TEIX/AGI 30086

TEIX/AGI 30066

TEIX/AGI 30055

EXHIBIT A**BILL OF SALE**

IN CONSIDERATION of the receipt of the sum of One Dollar (\$1.00), in hand paid; and for other good and valuable consideration, Transportation Equipment, Inc., a Texas Corporation with an address at 16225 Park Ten Place, Suite 800, Houston, Texas 77084 ("Seller") does hereby sell, assign, transfer and convey absolutely to Tami & Walter Kittrell with an address of 519 S. 4th Street, Columbus, NE 68601 ("Buyer") all rights, title, and interest in and to the railway rolling stock more specifically described on Schedule I attached hereto and made apart hereof (the "Railcars"), and all appurtenant rights relating thereto. The Railcars are sold pursuant to the terms of a Purchase and Sale Agreement dated as of November 20, 2006 (the "Agreement"). Reference is made to the Agreement for all terms and conditions regarding the sale of the Railcars. The Railcars are sold "AS-IS" and "WHERE-IS" without any warranty as to quality or condition, and SELLER EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER. Seller warrants that upon payment of the purchase price and receipt of this Bill of Sale, Buyer shall receive good and marketable title to the Railcars free and clear of all claims, liens, and encumbrances of any kind arising by, through or under Seller, except for current taxes, which may be due and payable, but not yet delinquent. Also, Seller warrants that cars have never been retired from AAR interchange service or sold for scrap and dismantling.

Dated this 30th day of November, 2006.

TRANSPORTATION EQUIPMENT INC.

By:


Jed W. Heimcamp
Vice-President

SCHEDULE 1

Kittrell 1106

<u>CAR #</u>	<u>BUILT DATE</u>	<u>HM-201 Due</u>	<u>LEASE RATE</u>
TEX 30086	1980 by ACF	2016	\$575 per month, expires 6/1/08
TEX 30066	1982 by UTLX	2008	\$445 per month, expires 1/1/08
TEX 30055	1982 by UTLX	2008	\$445 per month, expires 1/1/08

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Darlene Reyes (303) 863-6935/ Fax (303) 863-5584
B. SEND ACKNOWLEDGMENT TO: (Name and Address) Wells Fargo Bank, National Association 1740 Broadway Denver, CO 80274 C7300-033

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
060010512813 03/30/2006

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT (full or partial):** Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor Secured Party of record. Check only one of these two boxes.
 Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.
 CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR 6b. INDIVIDUAL'S LAST NAME

Atnip	FIRST NAME	MIDDLE NAME	SUFFIX
	Bob		

7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY

7d. SEE INSTRUCTIONS

ADD'L INFO RE ORGANIZATION DEBTOR

7e. TYPE OF ORGANIZATION

7f. JURISDICTION OF ORGANIZATION

7g. ORGANIZATIONAL ID #, if any NONE

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
 Describe collateral deleted or added, or give entire restated collateral description; or describe collateral assigned.
TEIX 30066 111A100W1 30,000 1982

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

OR 9b. INDIVIDUAL'S LAST NAME

Wells Fargo Bank, National Association 0382333606/5394	FIRST NAME	MIDDLE NAME	SUFFIX
	CHARLES	CALVIN	

10. OPTIONAL FILER REFERENCE DATA