

INVESTMENT MANAGEMENT AND CUSTODY AGREEMENT

This Investment Management and Custody Agreement (the "**Agreement**") is made as of the 26th day of June, 2000 between Kenneth L. & Linda P. Lay ("**Client**") and Trust Company of the West ("**Manager**"), a California corporation.

In consideration of the mutual agreements herein contained, Client and Manager agree as follows:

1. Actions of Client

Client hereby appoints Manager as Investment Manager and Custodian of the assets described in Schedule A attached hereto, together with any additions or withdrawals made therefrom by Client and the income or proceeds from the investment of such assets (the "**Account**").

2. Agreement to Provide Investment Management and Custodial Services

Manager hereby agrees to provide Client with investment management and custodial services with respect to the securities and other assets held from time to time in the Account.

3. Authority and Discretion of Investment Manager

- (a) Except as otherwise provided herein, Client hereby authorizes Manager at any time and from time to time during the term of this Agreement without prior consultation with or direction of Client to issue to brokers instructions to purchase, sell, and otherwise trade in and deal with, any equity security (including non-dividend bearing securities and convertible securities), long term and short term debt securities, commercial paper or other securities including any common or commingled trust funds, limited partnerships or other commingled funds now or hereafter established by Manager or any of its affiliates, all in conformity with the provisions of the instruments establishing such fund or funds and all amendments thereto, for the account and risk of, and in the name of the Client in accordance with the Investment Strategy Summary specified in Schedule B hereto, which may be amended from time to time. The assets and funds in the Account shall be invested and reinvested in securities of the type which Manager, based upon its reasonable commercial judgment, believes to be in Client's best interests. However, Manager will be bound by any investment restrictions or investment objectives, which Client may furnish, in writing.

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- (b) Manager shall effect all purchases and sales of securities in a manner consistent with the principles of best execution, taking into account net price (including commissions), execution capability and other services which the broker may provide. In this regard, Manager may effect transactions which cause the Client to pay a commission in excess of a commission which another broker would have charged, provided, however, that Manager shall have first determined that such commission is reasonable in relation to the value of the brokerage, research, performance measurement service and other services performed by that broker.
- (c) In making investment decisions, Manager will only take into account the assets it manages in the Account and not other assets owned by Client but not managed by Manager. Manager, in its discretion, may keep such portion of assets managed for the Account in cash or in cash equivalents as Manager may from time to time deem to be in the best interests of the Client.
- (d) Except as otherwise provided in this Agreement, Manager shall have full discretionary authority (i) to determine which securities are to be bought or sold, (ii) to determine the manner in which securities are to be bought or sold, and (iii) to execute for the account of the Client such transactions as Manager deems necessary or desirable without the necessity of first obtaining the consent of Client before such transactions are effected.
- (e) Client hereby authorizes Manager, at any time and from time to time, during the term hereof to deliver securities sold, exchanged or otherwise disposed of from the Account, upon receipt of payment for such securities, and to pay cash for such securities received upon acquisition for the Account; provided, however, that this authorization shall not be deemed or construed to include authority to deliver or pay securities or cash to Manager for its own account or for its benefit, except as provided in sub-paragraph (a) of Paragraph 4 hereof.
- (f) Client agrees to furnish such authorizations as brokers or Manager may from time to time request to implement the provisions of sub-paragraph (a) of this Paragraph 3.
- (g) Client hereby authorizes Manager, in Manager's sole discretion, to vote, consent, waive, ratify or take other actions with respect to proxies, exchange offers, tender offers, restructurings, amendments to indentures or other agreements, or other proposed transactions relating to the assets of the Account.

- (h) Manager is authorized to comply with any written or oral instructions from Client or from Client's representative.
- (i) Manager shall not be liable for any action taken, omitted or suffered to be taken by it in its reasonable judgement, in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement, or in accordance with (or in the absence of) specific directions or instructions from the Client or Client's representative; provided, however, that such acts or omissions shall not have resulted from the Manager's wilful misconduct, bad faith or gross negligence in its actions under this Agreement or breach of its duties or of its obligations hereunder.
- (j) Manager and its affiliates frequently (though not always) execute securities transactions on behalf of a number of accounts at the same time, generally referred to as "block trades." When executing block trades, securities are allocated among accounts using procedures that Manager considers fair and equitable.

4. Fees

- (a) Manager's annual fee shall be computed on the basis of Schedule C hereto and shall be paid quarterly on the net asset value of the assets managed. The quarterly fee calculation shall be based on the average of the beginning and ending market value for that quarter and shall be payable by Client within 30 days after receipt of a statement from Manager setting forth the calculation of such fee. Substantial additions to or withdrawals from the Account by the Client may be pro-rated on an equitable basis for the period the assets involved were under management. To the extent that such fee is not paid by the Client, it shall be payable from the assets in the Account.
- (b) In the event that a fee period under this Agreement is less than one full quarter, then the fee for the period shall be the product obtained by multiplying a full quarterly fee by a fraction, the numerator of which shall be the number of days this Agreement is in effect prior to the end of the calendar quarter and the denominator of which shall be 90.
- (c) For the purpose of this Paragraph 4, assets shall be valued as of the close of business on the day of determination in such manner as will, in the judgment of Manager, best and most accurately reflect their fair market value.

(d) Fees shall be sent to the following address:

Trust Company of the West
865 South Figueroa Street, Suite 1800
Los Angeles, California 90017
Attention: Controller-Corporate Accounting

5. **Other Clients of Investment Manager**

It is understood that Manager and its affiliates perform investment advisory and management services for various clients. Client agrees that Manager may give advice and take action in the performance of its duties with respect to any of its other clients which may differ from the advice given or the timing or nature of action taken with respect to the Account. Nothing in this Agreement shall be deemed to confer upon Manager any obligation to acquire a position in any security which Manager, its principals, affiliates, agents or employees may acquire for its or their own accounts or for the account of any other client.

6. **Termination of Agreement**

This Agreement may be modified by mutual agreement and may be terminated by either Client or Manager at any designated time upon 30 days' written notice to the other party hereto, which termination shall be effective on said designated date or 30 days after receipt of notice, whichever is later.

7. **Non-Assignability**

No assignment of this Agreement shall be made by Manager without the prior written consent of Client.

8. **Notices**

Any notice, instruction, request, consent, demand or other communication required or contemplated by this Agreement, other than routine transactions, shall be in writing and shall be deemed delivered or received when given, made or communicated by United States registered or certified mail, return receipt request, addressed as follows:

If to Client: Kenneth L. & Linda P. Lay
 c/o Robert Herroid
 2001 Kirby Drive, Suite 1000
 Houston, Texas 77019

If to Manager: Trust Company of the West
865 South Figueroa Street, Suite 1800
Los Angeles, California 90017
Attention: Brian Beitner, Glen Bickerstaff, Robert Hanisee

provided that each party shall, by written notice, promptly inform the other party of any change of address. Copies of all non-routine correspondence shall also be sent to the General Counsel of Manager at the above address.

9. Duties as Custodian

Manager shall assume custody of all securities in the Account and will use its best efforts to collect income and principal as it becomes due, crediting it to the Account. Manager shall follow the directions of the Client as to the disposition of income. Securities may be held in the name of a nominee. Manager shall be responsible for settlement of trades, redemption of matured securities, and handling of exchanges, calls, and subscription rights.

10. Representations

Client and Manager each represents to the other that it is duly authorized and fully empowered to execute, deliver and perform this Agreement.

Client represents that employment of Manager, including the right to make decisions with respect to the voting of proxies, is authorized by, has been accomplished in accordance with, and does not violate, the documents governing the Account.

Client represents that the assets of the Account do not constitute assets of (a) an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("*ERISA*")), whether or not subject to Title I of ERISA, (b) a plan described in Section 4975(e)(1) of the Internal Revenue Code, or (c) an entity whose underlying assets are assets of a plan described in (a) or (b) by reason of such plan's investment in the entity.

Client represents and warrants that Client is not relying on funds managed hereunder to meet the Client's liquidity needs, including needs for cash obligations.

11. Sub-Advisers

Manager may appoint affiliated Investment Managers (each an "Affiliate") to perform, on Manager's behalf and for such period as Manager shall determine, any or all of the services required to be performed by Manager hereunder. No additional investment management fee shall be charged for the services of such Affiliate.

12. Governing Law; Successor Bound

- (a) This Agreement is made under, and shall be governed by and construed in accordance with, the laws of the State of California.
- (b) Subject to all terms and provisions hereof, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

13. Severability

Each provision of this Agreement is intended to be severable from the others so that if any provision or term hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remaining provisions and terms hereof.

14. Arbitration

Any dispute relating to this Agreement which cannot be amicably resolved between the parties shall be resolved by binding arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association then prevailing, and the decision of the arbitrators shall be final and binding on all of the parties. The costs of the arbitration (other than fees and expenses of counsel, which shall be the responsibility of the parties retaining such counsel) shall be shared equally by the parties.

15. Entire Agreement

This Agreement, including the attached schedules, constitutes the sole and entire agreement of the parties hereto. Any written or oral agreements, statements, promises, negotiations or representations not expressly set forth in this Agreement are of no force and effect. This Agreement can be amended only by a written document signed by the parties hereto.

IN WITNESS WHEREOF, Client and Manager have caused this Agreement to be executed by their proper signatures as of the day and year first written above.

KENNETH L. & LINDA P. LAY

BY: *Kenneth L. Lay*
NAME: Kenneth L. Lay
TITLE: Owner

BY: *Linda P. Lay*
NAME: Linda P. Lay
TITLE: Owner

TRUST COMPANY OF THE WEST

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

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SCHEDULE A

ASSETS

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SCHEDULE B
INVESTMENT STRATEGY SUMMARY

TCW CONCENTRATED CORE EQUITY STRATEGY SUMMARY (PCS)

INVESTMENT OBJECTIVES

The TCW Concentrated Core Equity investment strategy seeks to maximize total return while adhering to disciplines intended to protect invested capital against permanent loss. The strategy emphasizes long-term capital appreciation over current yield. This strategy is sensitive to tax issues. Performance should be measured over a full market cycle. No assurance can be given that this objective will be achieved.

INVESTMENT PRACTICES AND POLICIES

The investment philosophy underlying the Concentrated Core Equity strategy is a highly focused approach which seeks to achieve superior long-term returns by owning high-quality companies that have opportunities for growth that are not fully reflected in stock market valuations. Investments are made in companies with successful management strategies for growth and prospects for significantly improving business fundamentals. Our research is designed to identify companies with potential for improvement in profitability, acceleration of growth, and broadening industry position.

A "bottom up" investment process is emphasized that focuses primarily on assessing the impact of changes in business fundamentals occurring within a company and its industry. Companies targeted for investment typically are those believed to have inherent advantages over their competitors and strong and enduring business models. Companies are also selected for their prospects for capitalizing on broad investment and economic trends and based upon a top-down appraisal of the U.S. economy. All companies held in the Account are monitored and re-evaluated to determine if operational results are meeting our expectations.

The Concentrated Core Equities portfolios managed by TCW are generally fully invested in equities with typically more than 90% of assets invested in common stocks as market conditions warrant. We do not over-diversify, but rather, focus intently on the companies owned, and do not dilute the potential performance of those stocks in which we have the greatest confidence. The Manager generally makes investment decisions with a long-term time horizon and turnover is controlled by this approach. Holdings are weighted to reflect each issue's attractiveness relative to others in the Account.

A Concentrated Core Equity portfolio is generally comprised of common stocks of publicly traded, large capitalization U.S. companies. The Account may also invest in other equities including equity securities of foreign companies, primarily those which are listed on established exchanges or on NASDAQ or in the form of Depository Receipts or Depository Shares; securities eligible for resale under Rule 144A (so long as the Account is eligible to purchase 144A securities); and securities that may be converted into or exchanged for common stock (such as convertible debt or preferred stock, Eurodollar convertible securities, warrants and options). In addition, the Account may invest in cash and cash equivalents including money market investments.

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Compliance with any investment guidelines, limitations or restrictions applicable to the Account shall be determined at the time of purchase (based on the most recent valuation utilized by the Manager) and will not be affected by events subsequent to such purchase, including, without limitation, withdrawals, changes in characterization, value or rating of any specific Account securities or economic conditions or events generally affecting any securities of the type held by the Account; such compliance will also be computed based on the full amount to be funded by the Client, whether or not all such amounts have been received by the Manager.

RISK FACTORS

An investment in the Account involves various risks, including the risk that an investor can lose capital. While the Manager strives to attain the investment objective of the Account through its research and portfolio management skills, there is no guarantee of successful performance, that the objective can be reached or that a positive return can be achieved. In addition to the information set forth elsewhere herein, the following factors should be considered:

Equities

All equity investments involve risks stemming from economic changes and stock market fluctuations as well as unexpected adverse changes in the operations of the individual companies owned. In addition, because of its concentrated nature, the portfolio may have a higher than average level of volatility.

Foreign Securities

Investing in foreign equities involves certain risks, including: political or economic instability, unpredictability of international trade patterns, the possibility of adverse

foreign governmental actions such as expropriation, nationalization or confiscatory taxation, the imposition or modification of exchange controls, withholding taxes on dividends, interest and gains, as well as fluctuations in currency exchange rates. Compared to United States companies, foreign issuers often disclose publicly less financial and other information and are subject to less stringent and less uniform accounting, auditing and financial reporting standards. Also, it may be more difficult to obtain and enforce legal judgments against foreign issuers than against domestic issuers.

Diversification

The Manager does not observe rigid policies requiring specific levels of portfolio diversification in terms of industry, type of security, or size of issuer. Although the portfolio will be diversified, it may include large concentrations relative to its benchmark in certain sectors of the economy. Accordingly, the portfolio may be subject to wider fluctuations in value than would be the case if it were subject to broader diversification requirements.

SCHEDULE C
FEE SCHEDULE

Management fees:
For Concentrated Core Equity portfolio:

1.00% per annum

Custodian fees:
On all assets .10% per annum plus all transaction costs and other out of pocket expenses

Minimum account size: \$1 million