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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)
ROBERT W. ALVORD
ALBERT H. GREENE
CARL C. DAVIS*
CHARLES T. KAPPLER
ROBERT S. HOPE
JOHN H. DOYLE
MILTON C. GRACE*
GEORGE JOHN KETO**
RICHARD N. BAGENSTOS
* NOT A MEMBER OF D. C. BAR
**ALSO A MEMBER OF OHIO BAR

LAW OFFICES
ALVORD AND ALVORD
200 WORLD CENTER BUILDING
916 SIXTEENTH STREET, N.W.
WASHINGTON, D.C.
20006

RECORDATION NO. 11276
Filed 1425
DEC 28 1979 - 1 15 PM
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11276-B
RECORDATION NO. Filed 1425
DEC 28 1979 - 1 15 PM

11276-A
RECORDATION NO. Filed 1425
DEC 28 1979 - 1 15 PM
INTERSTATE COMMERCE COMMISSION
No. 9-362A028
Date _____
Fee \$ 100.00
ICC Washington, D. C.

Secretary INTERSTATE COMMERCE COMMISSION
Interstate Commerce Commission
Washington, D.C. 20423

Dear Madam:

Enclosed for recordation under the provisions of 49 U.S.C. §11303 are 1) two fully executed copies of a Shipper Agreement dated as of September 28, 1979; 2) two fully executed copies of a Shipper Full Service Lease Agreement dated as of September 28, 1979 (Exhibit I to 1) above); and three fully executed copies of an Assignment of CF Industries, Inc. Agreement dated as of December 10, 1979.

A general description of the railroad rolling stock covered by the enclosed documents is:

Two hundred (200) 4750 cubic feet covered hopper cars, AAR Mechanical Designation LO, bearing reporting mark WAR 15000 through WAR 15199, both inclusive (but in part as to the Assignment indicated below).

One hundred (100) 4650 cubic feet covered hopper cars, AAR Mechanical Designation LO, without reporting mark and numbers (but not covered by Assignment).

The names and addresses of the parties to the enclosed documents are:

Brae (to Shipper Agreement):
Lessor (to Shipper Full Service Lease Agreement):
Assignor (to Assignment):

Brae Corporation
Three Embarcadero Center
San Francisco, California
94111

C. T. Kowale
C. Dunlap

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DEC 28 1979

Secretary
Interstate Commerce Commission
December 26, 1979
Page Two

Shipper (to Shipper Agreement):
Lessee (to Shipper Full Service
Lease Agreement):

C.F. Industries, Inc.
Salem Lake Drive
Long Grove, Illinois 60047

Owner (to Assignment with
respect to twenty
hopper cars, WAR 15080-
WAR 15099):

D.L. Steel Company
4433 West Tuohy Avenue
Chicago, Illinois 60646

The undersigned is Agent for Brae Corporation for the purpose of submitting the enclosed documents for recordation and has knowledge of the matters set forth therein.

Please return copies of the enclosed documents not needed for your records to Charles T. Kappler, Esq., Alvord and Alvord, 200 World Center Building, 918 Sixteenth Street, N.W., Washington, D.C. 20006 or to the bearer of this letter.

Enclosed is a check in the amount of \$50.00 payable to the order of the Interstate Commerce Commission covering the required recordation fees.

Very truly yours,

ALVORD AND ALVORD, as Agent
for Brae Corporation

By Charles T. Kappler

Charles T. Kappler

SHIPPER AGREEMENT DEC 28 1979 - 1 15 PM

INTERSTATE COMMERCE COMMISSION

SHIPPER AGREEMENT, dated as of September 28, 1979, between BRAE CORPORATION, a Delaware Corporation ("BRAE"), and CF INDUSTRIES, INC., a Delaware corporation ("Shipper").

RECITAL

BRAE has acquired or will acquire certain railroad cars ("Cars") more specifically described in the Equipment Schedule ("Schedule") attached to Exhibit I to this Agreement. Shipper desires to obtain the use of the Cars and BRAE agrees to the use of the Cars for the purposes set forth in the Schedule.

THE PARTIES AGREE AS FOLLOWS:

1. The Cars.

BRAE shall lease the Cars to a railroad designated by BRAE which will provide them to an originating carrier for assignment to Shipper. BRAE has previously delivered to Shipper a copy of the lease with its railroad lessee, and Shipper hereby confirms to BRAE that such railroad does not participate in the transport of Shipper's commodities.

2. Confirmation of Originating Carrier.

Shipper has previously obtained written confirmation from an originating carrier accepting the Cars in assignment to Shipper's loading points ("Loading Points") designated in the Schedule. Shipper has delivered to BRAE a copy of such confirmation.

3. Delivery.

BRAE shall inspect each Car tendered by the manufacturer for delivery. Prior to such inspection, however, Shipper shall confirm in writing to BRAE that the sample Car which will be made available (prior to the commencement of the deliveries by the manufacturer) for Shipper's inspection conforms to the specifications previously agreed to by Shipper. Upon approval by Shipper and BRAE's determination that the Car conforms to the specifications ordered by BRAE and to all applicable regulatory requirements and if this Agreement or the Lease (as defined in Section 6A) shall be in effect, BRAE shall accept delivery of such Car at the manufacturer's facility and shall notify Shipper in writing of such acceptance. The Cars shall be moved, at no cost to Shipper, to the Loading Point as

soon after acceptance by BRAE from the manufacturer as is consistent with mutual convenience and economy. Shipper acknowledges that BRAE, consistent with its obligation of the preceding sentence, may load the cars enroute to the Loading Point and shall in any event deliver the Cars to the Shipper reasonably clean, free of residue and in the condition required for the uses specified in the Schedule. The initial delivery of Cars to Shipper shall be subject to the manufacturers' delivery schedules and the availability of financing on terms satisfactory to BRAE. BRAE shall, however, use all reasonable efforts to deliver the Cars to Shipper at the Loading Points no later than March 1, 1980. This Agreement shall commence with respect to each Car and such Car shall be deemed to be accepted by Shipper upon its delivery by BRAE to the Loading Point; provided, however, that, in the event the Lease shall be in effect with respect to any Car upon its acceptance by BRAE from the manufacturer, the Lease shall commence with respect to such Car and such Car shall be deemed to be accepted by Shipper (as Lessee under the Lease) immediately upon its acceptance from the manufacturer by BRAE. Upon the completion of delivery of all the Cars hereunder, the average date of delivery ("Average Delivery Date") shall be determined by the parties hereto, and said date shall be inserted in the appropriate place on the Schedule.

4. Term.

The original term of this Agreement (and Shipper's obligations pursuant to Section 5) shall commence as to each Car upon the acceptance of such Car by Shipper at the Loading Point(s) and shall expire as to all Cars three (3) years from the Average Delivery Date. The Shipper shall have the option to extend this Agreement upon the same conditions for two consecutive one (1) year periods beyond the original term of this Agreement. If Shipper elects to extend this Agreement for one (1) year beyond the original term, it shall give BRAE written notice to that effect no later than twelve (12) months prior to the expiration of the original term. In the event Shipper fails to extend this Agreement for one year beyond the original term, Shipper shall pay to BRAE for the next twenty-four (24) months following the termination of this Agreement, on the first day of each month, an amount equal to the aggregate per diem and mileage payment for each Car which would have accrued under this Agreement for such month assuming 100% utilization of the Cars and mileage of 55 miles per day. If Shipper elects to extend this Agreement for an additional (1) year period beyond the initial extension, it shall give BRAE written notice to that effect no later than the expiration date of the original term. In the event Shipper fails to extend this Agreement for one year beyond the initial extension, Shipper shall pay to BRAE for the next twelve (12) months following the termination of this Agreement, on the first day of each month, an amount equal to the aggregate per diem and mileage payment for each Car which would have accrued under this Agreement for such month assuming 100% utilization of the Cars and mileage of 55 miles per day;

provided, however, that in the event Shipper fails to exercise either of its options hereunder, BRAE shall make all reasonable efforts to procure a substitute Shipper to use the Cars or otherwise arrange for the utilization of the Cars and, provided further, that any amounts payable hereunder by Shipper to BRAE shall be reduced by amounts paid by others as per diem, mileage or rental payments with respect to the use of the Cars or any of the Cars.

5. Mileage and Utilization Guarantee.

A. Shipper covenants and agrees that it shall use its best efforts to cause the Cars to travel an average of 55 miles per Car per day (loaded or empty) during the term of this Agreement. In the event that the Cars do not average 55 miles per Car per day during any calendar year, Shipper shall be liable to BRAE as provided in Section 5B.

B. The amount, if any, owed to BRAE by Shipper pursuant to Section 5A for any period shall be determined by multiplying 55 times the aggregate number of "Car Days" during such period and subtracting from that product the total number of miles travelled by all Cars during that period. If the difference is a positive number, then the difference shall be multiplied by the mileage rate then prescribed by the Interstate Commerce Commission ("ICC") as applicable to railcars of the same type as the Cars and which bear railroad markings and that product shall be the mileage deficiency fee for such period. If the difference is a negative number, then there shall be no mileage deficiency fee for such period, but that difference shall be multiplied by the mileage rate then prescribed by the ICC as applicable to railcars of the same type as the Cars and which bear railroad markings and the product shall be a credit available for application as provided in the Section 5D. For the purpose of making these determinations, "Car Day" shall mean one day on which one Car is subject to this Agreement, commencing upon the acceptance of such Car by Shipper at the Loading Point pursuant to Section 3.

C. BRAE shall determine the mileage deficiency fee quarterly within 90 days after the last day of each March, June, September and December during the term of this Agreement. BRAE shall also make an annual determination within 90 days after the last day of each December 31 during the term of this Agreement and shall make a final determination within 60 days after the date this Agreement expires. BRAE shall notify Shipper of each such determination promptly after it has been made.

D. Shipper shall pay BRAE the mileage deficiency fee, if any, quarterly in arrears not later than 15 days after BRAE has notified Shipper of its quarterly determination. Notwithstanding the fact that the mileage deficiency fee is payable

quarterly, it shall be computed on an annual basis. Accordingly, if during any quarter the average daily mileage of the Cars exceeds 55 miles Per Car per day, the credit available from such excess mileage shall be used to offset any mileage deficiency fee paid in respect of any preceding quarter and, to the extent not so used, shall remain available for use as a credit to offset any mileage deficiency fee which may become payable in respect of any subsequent quarter. If, because of quarterly variations in average daily mileage, Shipper has paid excess mileage deficiency fees to BRAE during any calendar year, BRAE shall refund such excess mileage deficiency fees to Shipper within 15 days after notifying Shipper of its annual determination for such year. Except as provided in the preceding sentence, BRAE shall be entitled to all mileage payments made by railroads with respect to the Cars.

E. BRAE shall be entitled to receive all full straight car hire (per diem) charges for the Cars while they are in use under this Agreement. In the event of nonpayment of such per diem charges during the term of this Agreement by any other party with respect to any of the Cars which are idle and not used for loading purposes, Shipper will guarantee payment to BRAE of the difference, if any, between the aggregate per diem payments which the Cars would have earned assuming 100% utilization of such Cars, and the aggregate per diem payments which the Cars actually did earn during such nonpayment period.

F. Exceptions to the guaranteed per diem and mileage will apply as follows: (a) where a Car is "bad ordered" and Mechanical Rule 108 of the AAR Interchange Rules has been invoked, (b) where the repairing party is awaiting from BRAE parts necessary for repairs. Any Car subject to these exceptions will be excluded from calculations and payments under the guarantees.

6. Full service Lease.

A. Concurrently with the execution of this Agreement, BRAE and Shipper have executed the full service lease agreement annexed hereto as Exhibit I ("Lease"), the term of which is specified in the Lease.

B. In the event that (i) the confirmation of assignment of the originating carrier referred to in Section 2 shall for any reason cease to be in effect at any time with respect to one or more of the Cars and Shipper shall not have obtained from another originating carrier a confirmation of assignment satisfactory to BRAE or (ii) the lease between BRAE and the railroad lessee shall be terminated and an alternate railroad lessee cannot be substituted (after BRAE has used reasonable efforts to secure such railroad lessee), this Agreement (other than Sections

6C, D and E) shall be of no further effect with respect to such Car or Cars and the Lease shall without further act become effective with respect to such Car or Cars. If BRAE becomes aware of a default by railroad lessee under said railroad lease, BRAE shall give notice to Shipper of such default.

C. Shipper may, upon notice to BRAE, elect to delay the effectiveness of the Lease with respect to specified Cars for a period of up to 30 days in order to obtain from another originating carrier a confirmation of assignment satisfactory to BRAE. In such event, this Agreement shall remain in full force and effect and Shipper shall remain obligated under Section 5 with respect to the specified Cars.

D. If the Lease becomes effective with respect to one or more Cars and Shipper thereafter (i) obtains from an originating carrier a confirmation of assignment satisfactory to BRAE or (ii) if following the termination of BRAE's lease with the railroad Lessee, BRAE enters into a subsequent railroad lease for the Cars, Shipper may, at its option, cancel the effectiveness of the Lease as to the Car or Cars covered by such assignment or release and reassume its obligations under this Agreement (including Section 5) with respect to such Car or Cars. Any cancellation of the effectiveness of the Lease shall be preceded by ten days' notice from Shipper to BRAE.

E. Upon the effectiveness of the Lease or the cancellation thereof with respect to any Car, Shipper shall bear all costs and expenses associated therewith, including remarking or restencilling such Car. At such time, Shipper agrees to mark or stencil the reporting marks of BRAE on such Car(s) and BRAE shall, at Shipper's expense, endeavor to obtain all necessary railroad, AAR and regulatory consents and approvals.

7. Compliance with Regulations.

The operation of the Cars and their assignment to Shipper by the originating carrier shall at all times be in compliance with the provisions of the Interstate Commerce Act, the regulations of the ICC, the Department of Transportation and other regulatory agencies, and the rules established by the Association of American Railroads ("AAR").

8. Other Obligations.

A. All insurance, tax and maintenance obligations with respect to the Cars which are not the express obligations of Shipper under this Agreement shall be the responsibility of BRAE.

B. Shipper shall be responsible for all losses or damage to the Cars (ordinary wear and tear excepted) or the contents thereof caused by (i) Shipper, its agents or representatives, (ii) anyone while the Cars are in Shipper's possession, (iii) by any corrosive or abrasive substance loaded therein, and (iv) by excessive or unbalanced loading.

C. Shipper shall be responsible for payment of all reclaim charges payable with respect to the Cars pursuant to I.C.C. Rule 22 for such period(s) as the Car(s) may be idle and not used for loading purposes at Shipper's facilities.

D. Shipper shall give BRAE prompt telephone or telegraphic notice (confirmed in writing) of any damage of which Shipper becomes aware to any Car, regardless of who is responsible for repairing such damage.

9. Assignment.

A. BRAE's rights hereunder may be assigned, mortgaged or otherwise transferred, either in whole or in part, and BRAE may assign, mortgage or otherwise transfer title to any Car with or without notice to Shipper.

B. This Agreement and all of BRAE's rights under this Agreement, and all rights of any person who claims rights under this Agreement through Shipper are subject and subordinate to the terms, covenants and conditions of all chattel mortgages, conditional sales agreements, assignments, equipment trust agreements, finance leases or other security documents covering the Cars or any of them heretofore or hereafter created and entered into by BRAE and to all of the rights of any such chattel mortgagee, assignee, trustee, owner or other holder of interest in the Cars. In the event of any such assignment, mortgage or transfer, Shipper agrees to execute any and all documents required by the assignee, mortgagee or transferee to confirm such third party's interest in and to the Cars and this Agreement, and to confirm the subordination provisions contained in this Section 9B. BRAE agrees to notify Shipper in the event that there shall occur and continue to exist an event of default under any security document which event of default would entitle such secured party to require the return of any of the Cars.

C. Without limiting the generality of Sections 9A and B, BRAE may assign this Agreement as it relates to specified Cars to the owner of such Cars, provided that BRAE also assigns the Lease as it relates to such Cars to their owner and BRAE or one of its affiliates enters into a management agreement with such owner relating to its Cars. Upon delivery to Shipper of a notice signed by BRAE regarding such assignment and the effectiveness of the related management agreement, (i) the term "BRAE" when used herein shall mean with respect to the Cars covered by such management agreement, the owner of such Cars, (ii) BRAE shall be relieved of all of its obligations and liabilities under this Agreement relating to such Cars and (iii) Shipper with respect to such Cars shall look solely to the owner of such Cars for the performance of BRAE's obligations hereunder. Shipper agrees

(i) the failure by Shipper to make any payment required to be made by Shipper pursuant to Section 5 within 15 days after the date such payment is due;

(ii) the breach by Shipper of any agreement or covenant contained in this Agreement, which is not cured within 30 days after notice thereof from BRAE to Shipper.

(iii) any act of insolvency or bankruptcy by Shipper or the filing by or against Shipper of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors; or

(iv) any attempt by Shipper, without BRAE's consent, to assign any of its rights under this Agreement, except as authorized in Section 9D.

B. Upon the occurrence of an Event of Default, BRAE may, at its option:

(i) proceed by appropriate court action at law or in equity to enforce specific performance by Shipper of this Agreement and/or to recover damages for breach hereof; or

(ii) terminate this Agreement effective upon delivery of notice to Shipper, whereupon all rights of Shipper to the use of the Cars shall absolutely cease and terminate as though this Agreement had never been made.

Upon the occurrence of any Event of Default, BRAE may exercise its remedies with respect to some or all of the Cars. Shipper shall be liable for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of BRAE's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Car.

12. Termination.

A. BRAE shall have the right in its sole discretion to terminate this Agreement with respect to one or more Cars in the event that any addition, alteration, modification or improvement to any of the Cars is required by the ICC, AAR, the Department of Transportation or any other regulatory agency or is otherwise required in order to comply with applicable laws, regulations, or requirements affecting the use or ownership of any of the Cars or in the event of material adverse changes to the car service rules; provided however, that Shipper shall have the option to perform or cause to be performed, at Shipper's expense, any such addition, alteration, modification or improvement; provided further, that title to any such alteration, modification or improvement shall immediately vest in BRAE.

that any such assignment may relate to one, some or all of the Cars subject to this Agreement.

D. Shipper may not assign any of its rights under this Agreement without the prior written consent of BRAE, except that the Shipper may assign its rights hereunder to any of its subsidiaries or affiliates, provided that Shipper at all times remains primarily liable to BRAE hereunder.

10. Representations, Warranties and Covenants.

Shipper represents, warrants and covenants that:

(i) Shipper is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has all necessary corporate power and authority, permits and licenses to perform its obligations under this Agreement and the Lease.

(ii) The execution of this Agreement and the Lease and the performance of the transactions contemplated hereby and thereby will not violate any judgment, order, law or regulation applicable to Shipper, or result in any breach of, or constitute a default under or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Shipper or on the Cars pursuant to any instrument to which Shipper is a party or by which it or its assets may be bound.

(iii) There is no action or proceeding pending or threatened against Shipper before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Shipper.

(iv) There is no fact which Shipper has not disclosed to BRAE in writing, nor is Shipper a party to any agreement or instrument, nor is Shipper subject to any charter or other corporate restriction, which, as far as the Shipper can now reasonably foresee, will individually or in the aggregate materially impair the ability of the Shipper to perform its obligations under this Agreement or the Lease.

(v) Shipper does not have a facility located on the railroad tracks of the lessee railroad referred to in Section 1. Such railroad does not and will not participate at any time in the transport of any commodities of Shipper.

(vi) Shipper will cause the Cars to be used predominantly in the continental United States of America.

11. Events of Default.

A. The occurrence of any of the following shall constitute an Event of Default:

This termination right shall apply only to those Cars which require such addition, alteration, modification or improvement and shall be exercisable upon 30 days' written notice to Shipper within 120 days of the date any such requirement is first announced. Shipper shall have 10 days following such notice within which to notify BRAE that Shipper will exercise its option.

B. In the event that any Car is destroyed or damaged to such an extent that repair is uneconomic in BRAE's judgment, such Car shall without further act by either party be removed from the coverage of this Agreement. BRAE may, with Shipper's approval but need not replace such Car with another railcar of a similar type, capacity and condition.

C. If any of the circumstances described in Section 12A shall occur, BRAE may, in lieu of exercising its right of termination, declare the Lease effective with respect to the affected Cars. In the event that the circumstances described in Section 12A shall occur and BRAE shall declare the Lease effective, BRAE shall bear the expense of causing the affected Cars to comply with applicable laws, regulations or requirements.

13. Return of Cars.

Upon the termination of this Agreement for any reason whatsoever unless the Lease shall be in effect, Shipper shall, at its expense, cause the Cars to be redelivered to BRAE at such location within 1,000 miles of the Loading Point as BRAE reasonably may designate. Shipper shall reimburse BRAE for the cost of cleaning any Car which, upon its return to BRAE at such termination, requires cleaning.

14. Effective Date.

This document shall become binding when it has been signed by BRAE and Shipper, the Lease has been signed by BRAE and Shipper and the confirmation referred to in Section 2 has been obtained by Shipper and delivered to BRAE.

15. Notices.

All written communications to BRAE shall be directed to it at the following address: Brae Corporation, Three Embarcadero Center, San Francisco, California 94111, Attention: Director of Operations. All written communications to Shipper shall be directed to it at the following address: CF Industries, Inc., Salem Lake Drive, Long Grove, Illinois 60047, Attention: Director of Transportation.

16. Miscellaneous.

This Agreement, the Schedule and the Exhibit contain the entire agreement of the parties with respect to the Cars, and no modifications or amendments shall be effective unless in writing and signed by both parties. This Agreement shall be governed by the laws of the State of California. Any waiver of any terms and conditions of this Agreement shall apply only to the instance for which given and shall not operate as a waiver of any of the terms and conditions hereof with respect to any other or future acts or omissions.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

FORM APPROVED
CF LAW DEPT.
AC

as
J. J. Ky.

SHIPPER:

CF INDUSTRIES, INC.

By W. J. Hauland

Title VICE PRESIDENT

Date September 28, 1979

BRAE CORPORATION

By William J. Texido

Title President

Date October 19, 1979

STATE OF ILLINOIS)
COUNTY OF LAKE)

On this 28th day of September, 1979, before me personally appeared WILLIAM J. HAWKINS, to me personally known, who being by me duly sworn says that such person is VICE PRESIDENT of C. F. INDUSTRIES, and that the foregoing Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instruments were the free acts and deeds of such corporation.

Sandra LaEichler
Notary Public

[seal]

My Commission Expires October 31, 1979

STATE OF CALIFORNIA)
CITY AND COUNTY OF SAN FRANCISCO)

On this 19th day of October, 1979, before me personally appeared William J. Texido, to me personally known, who being by me duly sworn says that such person is PRESIDENT of BRAE CORPORATION, and that the foregoing Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instruments were the free acts and deeds of such corporation.

Mirella R. Abbo
Notary Public

[seal]

