

TRINITY RAILCAR LEASING CORPORATION  
4001 IRVING BOULEVARD  
Dallas, Texas 75247

9-225A044

August 10, 1979

NO.   
Date **AUG 13 1979**  
Fee \$ **100.00**

10736  
RECORDATION NO. .... Filed 1425

H. G. Homme, Jr.  
Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

**AUG 13 1979 - 1 55 PM** C. Washington, D. C.  
INTERSTATE COMMERCE COMMISSION

Dear Sir:

Enclosed for filing and recordation pursuant to 49 U.S.C. §11303(a) are the following documents relating to the railroad equipment described and marked in accordance with Schedule I attached hereto:

- (1) Indenture dated as of August 15, 1979 between Republic National Bank of Dallas, as Trustee, and Trinity Railcar Leasing Corporation.
- (2) Lease dated as of the 10th day of November, 1978 between Trinity Railcar Leasing Corporation and Ideal Basic Industries, Inc., Potash Company of America Division.

The names and addresses of the parties to the above transactions are as follows:

- (1) Indenture
  - (a) Trustee: Republic National Bank of Dallas  
P. O. Box 2964  
Dallas, Texas 75221
  - (b) Company: Trinity Railcar Leasing Corporation  
4001 Irving Boulevard  
Dallas, Texas 75247

RECEIVED  
AUG 13 1 50 PM '79  
FEE OPERATIONS  
I.C.C.

*Handwritten notes:*  
Rodson  
Meyo  
C. D. Steyer

(2) Lease

(a) Lessor: Trinity Railcar Leasing Corporation  
4001 Irving Boulevard  
Dallas, Texas 75247

(b) Lessee: Ideal Basic Industries, Inc.  
Potash Company of America Division  
630 Fifth Avenue  
Suite 2645  
New York, New York 10020

The Indenture functions as an assignment to the Trustee of the Company's interest, as Lessor, in the Lease.

Enclosed is our check in the amount of \$110, the prescribed fee for filing and recordation of the enclosed documents.

Return to the person presenting this letter, together with your letter confirming such filing and recordation and your fee receipt therefor, all counterparts of the enclosed documents not required for filing.

Very truly yours,

TRINITY RAILCAR LEASING CORPORATION

By

  
W. Ray Wallace, President

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RECORDATION NO. .... Filed 1425

AUG 13 1979 -1 55 PM  
INTERSTATE COMMERCE COMMISSION

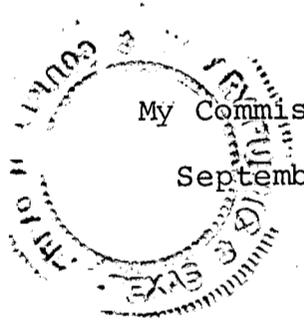
THE STATE OF TEXAS )  
COUNTY OF DALLAS )

CERTIFICATE

I, the undersigned Notary Public in and for Dallas County, Texas, hereby certify that (i) I have compared the attached copy of the Lease dated as of November 10, 1978 between Trinity Railcar Leasing Corporation, as Lessor, and Ideal Basic Industries, Inc., Potash Company of America Division, as Lessee, with the original of such Lease and (ii) such copy is a true and correct copy in all respects.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 10th day of August, 1979.

*Richard A. Fogel*  
Richard A. Fogel, Notary Public  
in and for Dallas County, Texas.



My Commission Expires:  
September 30, 1980

LEASE AGREEMENT FOR  
COVERED HOPPER RAILROAD CARS

This Lease Agreement dated as of the 10th day of November, 1978 (hereinafter called the "Agreement"), by and between Trinity Railcar Leasing Corporation, a Texas corporation with its principal office at 4001 Irving Boulevard, Dallas, Texas 75247 (hereinafter called "Lessor"), and Ideal Basic Industries, Inc., Potash Company of America Division, a Colorado corporation with its principal office at 630 Fifth Avenue, Suite 2645, New York, NY 10020 (hereinafter called "Lessee").

In consideration of the mutual terms and conditions hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE 1: LEASE

Lessor shall furnish and lease to Lessee, and Lessee shall accept and use, on the terms and conditions set forth herein and in the exhibits attached hereto, the covered hopper railroad cars (such covered hopper railroad cars being hereinafter collectively referred to as the "cars" and separately as a "car") which are described more particularly in the attached Exhibit A.

ARTICLE 2: TERM

The term of this Agreement with respect to a car shall commence upon the initial delivery of such car to Lessee in the manner set forth in Article 3 and, except as otherwise provided herein, shall terminate on the earlier of the date Lessor is notified of the loss or destruction of such car or, with respect to all cars leased hereunder, at the end of ten years from the first day of the calendar month immediately following the month in which the first of the cars leased hereunder is delivered to Lessee; provided, however, that without limiting any other rights Lessor may have against Lessee, if Lessee is responsible for such loss or destruction of a car under Section 9.4 of Article 9, this Agreement with respect to such car shall continue until Lessee pays to Lessor the Settlement Value (defined in Article 10 hereof) of such car as determined immediately prior to such loss or destruction. Notwithstanding the expiration or termination of this Agreement, the obligations of the Lessee hereunder shall continue in effect with regard to each Car until each Car is returned to the possession of the Lessor in clean condition in accordance with Article 14 hereof.

ARTICLE 3: DELIVERY

3.1 Date of Delivery

Lessor shall deliver or cause the cars to be delivered to Lessee during the delivery period set forth on Exhibit B. The obligation of Lessor to deliver the cars shall be excused, and Lessor shall not be liable, for any causes beyond the reasonable control of Lessor (including, but not limited to, delays caused by fire, labor difficulties, delays of carriers and materialmen, governmental authority, late delivery by the manufacturer of the cars or late delivery by a prior lessee) and, in the event of a delay in such delivery, Lessor shall deliver the cars to Lessee as soon as reasonably possible thereafter.

3.2 Place of Delivery

Lessor shall cause the cars to be delivered to Lessee at the locations set forth in Exhibit B.

3.3 Cost of Delivery

Lessee shall pay all freight charges and other costs, if any, of the initial delivery of the cars from the point of manufacture to the locations set forth in Exhibit B.

#### ARTICLE 4: ACCEPTANCE OF CARS

Lessee shall inspect each car at the point of manufacture and shall accept such car if it (i) complies with the description set forth in the attached Exhibit A and (ii) is fit and suitable for operation as those terms are defined in the Field Manual of the Interchange Rules adopted by the Association of American Railroads ("the Interchange Rules"). Upon acceptance, Lessee shall deliver to Lessor a Certificate of Acceptance in the form attached hereto as Exhibit C. Notwithstanding the foregoing, Lessee shall be deemed to have accepted any car delivered hereunder if, with respect to such car, the Lessee shall (x) load, or otherwise use the car, or (y) fail to notify Lessor in writing, within five (5) days after release by the manufacturer, of Lessee's rejection of the car and the specific reasons why the car does not meet the applicable standards set forth in Exhibit A or the Interchange Rules. If Lessee rejects any car, Lessor shall have the right to have the rejected car inspected at Lessee's expense by an inspector acceptable to both Lessor and Lessee. The Lessee shall be deemed to have accepted any car for which the inspector determines that good cause for rejection did not exist. The decision of the inspector shall be final and binding upon the parties. Lessee's acceptance, however effected, shall be deemed effective as of, and the monthly rental shall accrue from, the date a car is released by the manufacturer. Lessee's acceptance shall conclusively establish that such cars conform to the applicable standards set forth in Exhibit A and the Interchange Rules.

#### ARTICLE 5: MARKINGS

At the time of delivery of the cars by Lessor to Lessee, the cars will be plainly marked on each side with the identification marks of Lessor. If such markings shall at any time be removed or become illegible, wholly or in part, Lessee shall immediately cause such markings to be restored or replaced at Lessee's expense. Lessee shall not otherwise place, nor permit to be placed, any lettering or marking of any kind upon the cars without Lessor's prior written consent.

#### ARTICLE 6: PAYMENT OF RENTALS

##### 6.1 Monthly Rentals

The monthly rental with respect to each car shall be as set forth in Exhibit B, and, subject to Article 2, shall accrue from (and including) the date such car is released by the manufacturer to (and excluding) the date such car is redelivered in accordance with Article 14. The rental shall be payable to Lessor at the address set forth in Article 23 in advance on or before the first day of each month during the term hereof; provided, however, that the rental for each car for the month in which it is delivered shall be prorated for the number of days (including the day of delivery) remaining in such month and shall be payable on or before the first day of the next succeeding calendar month. The amount by which rental payments for any month exceed the pro rata rental due for the cars leased to Lessee during such month shall be credited against the rental due pursuant to the rental invoice submitted to Lessee during the following month.

##### 6.2 Additional Usage Rental

Within a reasonable period of time after the end of each calendar year of the term hereof, and upon termination of the Agreement, Lessor shall, on the basis of mileage reported by railroads, determine the total number of miles that each car traveled during the calendar year or the portion thereof just ended, loaded and empty. If it is determined that any car traveled more than thirty thousand (30,000) miles during such period or a pro rata portion thereof for a period of usage of less than 12 full calendar months, Lessee, upon written notice by Lessor, shall pay to Lessor within fifteen (15) days of such notice as additional rent for such car for such period an amount equal to two cents (\$0.02) multiplied by the number of miles in excess of the product of (i) 30,000 and (ii) the number of days during such year for which rent accrued divided by 365.

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### 6.3 Escalation.

Notwithstanding Lessor's obligations to maintain the cars set forth in Section 9.1 of Article 9 and to pay personal property taxes set forth in Section 11.2 of Article 11 hereof, the monthly rental set forth in Section 6.1 hereof shall be subject to adjustment for increased costs of maintenance, insurance and property taxes according to the terms set forth in Exhibit B.

## ARTICLE 7: MILEAGE ALLOWANCE AND INDEMNIFICATION

### 7.1 Collection

Any per diem or mileage allowances, rentals and/or other compensation payable by railroads by reason of the use of the cars (hereinafter referred to as "allowances") shall be collected by Lessor. Any allowances paid to Lessee shall be immediately paid to Lessor.

To the extent that Lessee shall be entitled to such allowances (as provided in Section 7.2 hereof), and to the extent such allowances shall be received by Lessor, Lessor shall do so as the agent (for that purpose) of Lessee.

### 7.2 Payment to Lessee

Insofar as applicable laws and regulations permit, Lessee (unless an event of default specified in Article 13 hereof shall have occurred and be continuing) shall be entitled to all allowances collected by Lessor from railroads as a result of Lessee's use of the cars, and Lessor shall pay such allowances to Lessee; provided, however, that the maximum amount to be paid to Lessee shall be determined on a year-by-year basis and any allowances for a particular year which are in excess of the rental obligations payable for such year shall be retained by (or repaid to) Lessor and shall not offset or reduce rental obligations or be payable to Lessee for any preceding or subsequent year.

### 7.3 Empty Mileage Indemnification

During the term of this Agreement, Lessee agrees that it will use its best efforts to so use the cars that their total mileage under load will equal or exceed their mileage empty on each railroad over which the cars move. In the event that the empty mileage of the cars should exceed their loaded mileage on any railroad, and Lessor is notified by such railroad to equalize such mileage with loaded mileage or to pay for such excess empty mileage, Lessee, after notice from Lessor, shall equalize such excess empty mileage within the time limit established by such railroad, or pay Lessor for such excess at the rate established by the governing tariff. Lessor shall notify Lessee of any such event within thirty (30) days of receipt of notice from such railroad.

Lessee agrees to use the cars, upon each railroad over which the cars shall move, in accordance with the then prevailing tariffs to which each such railroad shall be a party and, if the operation or movements of any of the cars during the term hereof shall result in any charges being made against Lessor by any such railroad, Lessee shall pay to such Lessor the amount of such charges within the period prescribed by and at the rate and under the conditions established by the then-prevailing tariffs. Lessee agrees to indemnify Lessor against such charges and shall be liable for any switching, demurrage, track storage or detention charge imposed on any of the cars during the term hereof.

## ARTICLE 8: TITLE AND USAGE

### 8.1 Title to the Cars.

Lessee acknowledges and agrees that by the execution of this Agreement, it does not obtain and by payments and performance hereunder it does not and will not have or obtain any title to the cars or any property right or interest therein, legal or equitable, except solely as Lessee hereunder and subject to all of the terms hereof. Lessee shall keep the cars free from any liens or encumbrances created by or through Lessee.

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## 8.2 Usage of the Cars.

Lessee will use the Cars for the purpose set forth in Exhibit A and will not use the Cars for any other purpose without the written approval of Lessor. Lessee agrees not to load any of the Cars in excess of the load limit stenciled thereon or, if any, the limit set forth on Exhibit A.

## 8.3 Investment Tax Credit.

Lessee hereby acknowledges that Lessor will claim with respect to the cars the investment tax credit allowable pursuant to Section 38 of the Internal Revenue Code of 1954, as amended (the "Code"), for "new Section 38 property" as defined in Section 48(b) of the Code. Lessee further acknowledges that an investment tax credit with respect to the cars would not be allowable in the taxable year claimed, or an investment tax credit previously claimed with respect to the cars would be recaptured, if the cars were to be used predominantly outside the United States within the meaning of Section 48(a)(2)(A) of the Code. Lessee shall use the cars exclusively within the boundaries of the continental United States (exclusive of Alaska and Hawaii).

Notwithstanding anything contained herein to the contrary, Lessee shall not permit the cars to be used by any organization described in Section 48(a)(4) of the Code or by a governmental unit described in Section 48(a)(5) of the Code.

Lessee shall be required to pay to Lessor an amount which, after deduction of all taxes required to be paid by Lessor in respect of all amounts payable by Lessee to Lessor hereunder, under the laws of any federal, state, or local government or taxing authority, shall be equal to all or such portion of the Investment Tax Credit disallowed or recaptured by or from Lessor as a direct or indirect result of Lessee's violation of this Section 8.3.

## 8.4 Lessee's Right to Transfer or Sublease

Lessee shall not transfer, sublease, or assign the cars or its interest and obligations pursuant to this Agreement, nor shall a transfer, sublease or assignment by operation of law or otherwise of Lessee's interest in the cars or this Agreement be effective against Lessor, without Lessor's prior written consent. No transfer, sublease or assignment of this Agreement, or of the cars, shall relieve Lessee from any of its obligations to Lessor under this Agreement.

## 8.5 Use of Cars on Certain Roads Under AAR Circular OT-5 Series

Upon the written request of Lessee (which request shall name the railroads involved) Lessor shall use reasonable efforts to obtain from each named railroad with respect to the cars Authority to Place Privately Owned Freight Cars (other than tanks) in service under the Provisions of AAR Circular OT-5-Series as promulgated by the Association of American Railroads and all supplements thereto and reissues thereof (such authority hereinafter called the "consent(s)"). Lessee shall furnish to Lessor such information as is necessary to apply for and obtain such consents. Lessor, however, shall not be liable for failure to obtain such consents for any reason whatsoever and this Agreement shall remain in full force and effect notwithstanding any failure of Lessor to obtain such consents.

# ARTICLE 9: MAINTENANCE AND REPAIRS

## 9.1 Maintenance Responsibility

Except as otherwise provided in this Agreement, Lessor shall, at its expense, perform or arrange and pay for the performance of maintenance and repair services on the cars (exclusive of any special interior linings) made necessary by normal wear and tear and necessary to keep the cars in good condition and repair according to the Interchange Rules. Lessee shall, at its expense, maintain any special interior linings in good condition and repair.

## 9.2 Repairs to Cars Unfit for Service

Lessee shall promptly notify Lessor in writing if a car becomes unfit for service for any reason other than the loss or destruction of such car and Lessee, at its expense, shall promptly deliver the cars to a shop designated by Lessor and Lessor shall have a reasonable period of time to repair and return such car to service or replace such car with another car.

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**9.2.1 Lessor Responsible.**

If Section 9.1 places responsibility for such repairs on Lessor, rental charges for such car or cars shall abate from and after a period of seven (7) days from the date when Lessor receives notification that such car needs repair, and until it is repaired and returned to service.

**9.2.2 Lessee Responsible.**

If this Agreement does not place responsibility for such repairs on Lessor, Lessee shall pay Lessor for the cost of such repairs; provided, however, if such car cannot be repaired and returned to service, then such car shall be considered a Lost or Destroyed Car within the meaning and subject to the provisions of Section 9.4 of this Article 9. If Lessor is notified that a car needs repair and Lessor believes that this Agreement does not place responsibility for such repairs on Lessor, Lessor shall notify Lessee that such car needs repair and that such repair shall be at Lessee's expense. If Lessee does not advise Lessor in writing, within three business days of receipt of notification by Lessor, that it intends to inspect such car, Lessee shall pay for such repairs on demand. If Lessee indicates its intention to inspect such car, it shall have five business days during which it may inspect the car.

**9.3 Alterations.**

Lessee shall not alter the physical structure of any of the cars without the prior written approval of Lessor.

**9.4 Responsibility for Lost, Destroyed or Damaged Car.**

If any of the cars, or any parts thereof, shall be lost or destroyed or damaged, then Lessee shall be responsible for and shall indemnify Lessor and hold Lessor harmless from (as provided in Article 10 hereof) the loss or destruction of, or damage to, the cars or parts thereof, during the term; provided, however, Lessee shall not be responsible to the extent the then-prevailing Field and Office Manuals of the Interchange Rules adopted by the Association of American Railroads (herein called the "Interchange Rules") places responsibility upon a railroad subscribing to the Interchange Rules; provided, further, that Lessee shall not be responsible if such loss, destruction or damage to the cars or parts thereof or appurtenances thereto was caused by the sole active negligence or willful misconduct of Lessor.

Notwithstanding anything contained herein to the contrary, Lessee shall be responsible for and shall indemnify Lessor and hold Lessor harmless from (as provided in Article 10 hereof) the loss or destruction of, or damage to, a car or part thereof during the term which shall (i) be occasioned by the misuse or negligence of Lessee, its consignee, agent or sublessee, (ii) occur while such car is on the tracks of Lessee or any private siding or track, or at the loading or unloading facility of Lessee or its consignee, agent or sublessee, or on the track of any railroad that does not subscribe to the Interchange Rules or any private or industrial railroad or (iii) be caused by any commodity which may be transported or stored in or on such car.

Lessee shall notify Lessor of the loss or destruction of any of the cars within two days of the date of such event. If a car is lost or destroyed, and Lessor is responsible for such loss or destruction, Lessor shall, at its option, have the right to (i) substitute for such car another car of the same type, capacity and condition, or (ii) withdraw the car from this Agreement, and, therefore, reduce the number of cars leased hereunder; provided, however, that the rental rate for a substituted car for each month after a car is delivered to Lessee shall be determined in accordance with Exhibit B.

**ARTICLE 10**

**INDEMNIFICATION BY LESSEE**

**10.1 Damages, Losses and Injuries Due to Operation of the Cars.**

Lessee shall defend (if such defense is tendered to Lessee), indemnify and hold Lessor harmless from and against and does hereby release Lessor from, all claims, suits, liabilities, losses, damages, costs and expenses, including attorneys' fees, in any way arising out of or resulting from the condition, storage, use, loss of use, maintenance, operation of the cars, or any other cause whatsoever, even though the same may have resulted from Lessor's concurrent negligence with Lessee or any third party, whether

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active or passive. In all cases to which this indemnity agreement applies, Lessee's obligation shall be to indemnify Lessor for the full amount of the claim, suit, liability, loss, damage, cost or expense involved, and principles of comparative negligence shall not apply.

If Section 9.4 of Article 9 places the responsibility for loss, destruction or damage to the car on Lessor, Lessee shall have no obligation to indemnify Lessor for the loss, damage or destruction of the car, but Lessee shall retain its obligation to indemnify Lessor for all other claims, suits, liabilities, losses, damages, costs and expenses.

Lessor and Lessee shall cooperate with and assist each other in any reasonable manner requested, but without affecting their respective obligations under this Article or Article 9, to establish proper claims against parties responsible for the loss or destruction of, or damage to, the cars.

For the purposes of this Agreement, the amount of loss resulting from the loss or destruction of a car shall be measured by its Settlement Value as determined immediately prior to the time of such loss or destruction. The "Settlement Value" of a car shall be determined by application of Rule 107 of the Interchange Rules.

#### 10.2 Losses to and Damages Caused by Commodities.

Lessor shall not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the cars, however such loss or damage shall be caused, or shall result, and Lessee shall be responsible for, indemnify Lessor against and save Lessor harmless from, any such loss or damage, or claim therefor. In the event any of the cars, fittings or appurtenances thereto, including all interior lading protective devices, special interior linings and removable parts, if any, shall become damaged by any commodity loaded therein, Lessee shall be responsible for such damage, and shall indemnify Lessor against and save Lessor harmless from, any such loss or damage, or claim therefor according to the same terms of indemnification set forth in Section 10.1 above.

#### 10.3 Loss of Use of Car.

Notwithstanding any provision contained herein to the contrary, Lessor shall not be liable to Lessee for any damages, costs or losses which result from the loss of the use of the car for any reason whatsoever.

### ARTICLE 11: TAXES AND OTHER CHARGES

#### 11.1 Lessee Responsibility.

Except as otherwise hereinafter provided, Lessee shall pay and indemnify and hold Lessor harmless from all

(i) taxes including, without limitation, any taxes (withholding or otherwise) imposed by Canada or Mexico or any province thereof or any governmental or administrative subdivision thereof, and any sales and/or use taxes, gross receipts, franchise and single business taxes, and

(ii) license fees, assessments, charges, fines, levies, imposts, duties, tariffs, customs, switching, and demurrage,

including penalties and interest thereon, levied or imposed by any foreign, Federal, state or local government or taxing authority, railroad or other agency upon or with respect to the cars, or Lessor in connection with the cars or the lease thereof hereunder.

#### 11.2 Lessor Responsibility.

Notwithstanding the foregoing, Lessee shall not be responsible for and Lessor shall pay (i) personal property taxes imposed upon Lessor by any state of the United States or governmental subdivision thereof as a result of Lessor's ownership of the cars, and (ii) any tax imposed by the United States or any state or governmental subdivision thereof which is measured solely by Lessor's net income, unless such tax is in substitution for or releases Lessee from the payment of any taxes for which Lessee would otherwise be obligated under this Article 11.

## ARTICLE 12

ASSIGNMENT, TRANSFERS, ENCUMBRANCES

All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, and/or Lessor may assign, pledge, mortgage, transfer or otherwise dispose of title to the cars, with or without notice to Lessee. In the event of any such assignment, pledge, mortgage, transfer or other disposition, this Agreement and all rights of Lessee hereunder or those of any person, firm or corporation who claims or who may hereafter claim any rights in this Agreement under or through Lessee, are hereby made subject and subordinate to the terms, covenants and conditions of any chattel mortgage, conditional sale agreement, equipment trust agreement or other agreements or assignments covering the cars heretofore or hereafter created and entered into by Lessor, its successors or assigns, and to all of the rights of any such chattel mortgagee, assignee, trustee or other holder of legal title to or security interest in the cars; provided, however, that so long as Lessee is not in default hereunder Lessor shall continue to perform its obligations hereunder, and Lessee shall be entitled to use the cars in accordance with the terms and conditions hereof. Any sublease or assignment of the cars permitted by this Agreement that is entered into by Lessee or its successors or assigns shall contain language which expressly makes such assignment or sublease subject to the subordination contained herein. At the request of Lessor or any chattel mortgagee, assignee, trustee, or other holder of the legal title to or security interest in the cars, Lessee at Lessor's expense shall letter or mark the cars to identify the legal owner of the cars and, if applicable, place on each side of each car, in letters not less than one inch in height, the words "Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission" or other appropriate words reasonably requested.

In the event that Lessor assigns its interest in this Agreement, Lessee, at the request of Lessor, shall execute and deliver to Lessor an Acknowledgement of Assignment of Agreement similar in form to the attached Exhibit D and upon such request and execution, furnish to Lessor an opinion of counsel that such Acknowledgement has been duly authorized, executed and delivered by Lessee and constitutes a valid, legal and binding instrument, enforceable in accordance with its terms.

ARTICLE 13: DEFAULT BY LESSEE

If Lessee defaults in the payment of any sum of money to be paid under this Agreement and such default continues for a period of ten (10) days after written notice to Lessee of such default; or if Lessee fails to perform any covenant or condition required to be performed by Lessee which failure shall not be remedied within ten (10) days after notice thereof by Lessor to Lessee; or if Lessee shall dissolve, make or commit any act of bankruptcy, or if any proceeding under any bankruptcy, or insolvency statute or any laws relating to relief of debtors is commenced by Lessee, or if any such proceeding is commenced against Lessee and same shall not have been removed within thirty (30) days of the date of the filing thereof, or if a receiver, trustee or liquidator is appointed for Lessee or for all or a substantial part of Lessee's assets with Lessee's consent, or if without Lessee's consent the same shall not have been removed within thirty (30) days of the date of the appointment thereof; or if an order, judgement or decree be entered by a court of competent jurisdiction and continue unpaid and in effect for any period of thirty (30) consecutive days without a stay of execution; or if a writ of attachment or execution is levied on any car and is not discharged within ten (10) days thereafter, Lessor may exercise one or more of the following remedies with respect to the cars:

1. Immediately terminate this Agreement and Lessee's rights hereunder;
2. Require Lessee to return the cars to Lessor at Lessee's expense, and if Lessee fails to so comply, Lessor may take possession of such cars without demand or notice and without court order or legal process. Lessee hereby waives any damages occasioned by such taking of possession whether or not Lessee was in default at the time possession was taken, so long as Lessor reasonably believes that Lessee was in default at such time; Lessee acknowledges that it may have a right to notice of possession and the taking of possession with a court order or other legal process. Lessee, however, knowingly waives

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any right to such notice of possession and the taking of such possession without court order or legal process;

3. Lease the cars to such persons, at such rental and for such period of time as Lessor shall elect. Lessor shall apply the proceeds from such leasing less all costs and expenses incurred in the recovery, repair, storage and renting of such cars, toward the payment of Lessee's obligations hereunder. Lessee shall remain liable for any deficiency, which, at Lessor's option, shall be paid monthly, as suffered, or immediately or at the end of the term as damages for Lessee's default;

4. Bring legal action to recover all rent or other amounts then accrued or thereafter accruing from Lessee to Lessor under any provision hereunder;

5. Pursue any other remedy which Lessor may have.

Each remedy is cumulative and may be enforced separately or concurrently. In the event of default, Lessee shall pay to Lessor all costs and expenses including reasonable attorney's fees expended by Lessor in the enforcement of its rights and remedies hereunder, and Lessee shall pay interest on any amount owing to Lessor from the time such amount becomes due hereunder at a rate per annum equal to three percentage points above the prime rate of Republic National Bank of Dallas, such rate to be reduced, however, to the extent it exceeds the maximum rate permitted by applicable law. In addition, Lessee shall, without expense to Lessor, assist Lessor in repossessing the cars and shall, for a reasonable time if required, furnish suitable trackage space for the storage of the cars.

If Lessee fails to perform any of its obligations hereunder, Lessor, at Lessee's expense, and without waiving any rights it may have against Lessee for such nonperformance, may itself render such performance. Lessee shall reimburse Lessor on demand for all sums so paid by Lessor on Lessee's behalf, together with interest at a rate equal to three percentage points above the prime rate of Republic National Bank of Dallas, such rate to be reduced, however, to the extent it exceeds the rate permitted by applicable law.

#### ARTICLE 14: DELIVERY AT END OF TERM

Lessee shall not deliver the cars prior to the end of the term without the prior written consent of Lessor. Notwithstanding anything contained herein to the contrary, Lessee shall not load any car leased hereunder during the final fifteen days of the term.

At the end of the term, Lessee, at its expense, shall deliver each car to Lessor, or to a subsequent lessee, at the point designated by Lessor, empty, free from residue, and in the same good order and condition as it was delivered by Lessor to Lessee, ordinary wear and tear and repairs that Lessor is required to make pursuant to Article 9 hereof excepted. Lessee shall, on demand, reimburse Lessor for the expense of cleaning any car that contains residue or such other cost which may be incurred to place a car in the condition described above.

If any car is not redelivered to Lessor or not delivered to a subsequent lessee on or before the date on which the term ends, or in the event that a car so delivered is not in the condition required by this Article 14, Lessee shall pay rental for such day that each car is not delivered as required herein or until each car is delivered in the condition required, at the prorated monthly rental rate set forth in Exhibit B. Lessee shall pay to Lessor on or before the last day of each month the amount Lessee is obligated to pay to Lessor for such month under this Article 14. In addition to any other indemnity provided herein and any payments to be made to Lessor hereunder, Lessee shall also indemnify and hold Lessor harmless from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, including those asserted by a subsequent lessee, arising out of or as a result of such late delivery or failure to deliver in the condition required.

#### ARTICLE 15: WARRANTIES AND REPRESENTATIONS

LESSOR MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER MATTER CONCERNING THE CARS. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE,

OR EXPENSE CAUSED BY THE CARS OR BY ANY DEFECT THEREIN. During the period of any lease hereunder in which Lessee renders faithful performance of its obligations, Lessor hereby assigns to Lessee any factory or dealer warranty, whether express or implied, or other legal right Lessor may have against the manufacturer in connection with defects in the cars covered by this Agreement.

ARTICLE 16: OPINION OF COUNSEL

Lessee on or before the execution of this Agreement shall furnish to Lessor an opinion of Lessee's counsel, satisfactory to counsel for Lessor and in form and substance satisfactory to such counsel, that as of the date of the Agreement:

(a) Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Colorado and is either duly qualified to do business and is in good standing in such other jurisdictions in which the business and activities of Lessee require such qualification or its failure to so qualify in such other jurisdiction will not have a material adverse impact on this Agreement.

(b) Lessee has full corporate power to enter into this Agreement.

(c) The Agreement had been duly authorized, executed and delivered by Lessee, and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms.

(d) No approval is required by Lessee from any governmental or public body or authority with respect to the entering into or performance of this Agreement.

(e) The entering into and performance of this Agreement will not conflict with, or result in a breach of, the terms, conditions or provision of any law, or any regulations, order, injunction, permit, franchise or decree of any court or governmental instrumentality.

(f) The entering into and performance of this Agreement will not conflict with, or result in a breach of, the terms, conditions or provisions of any indenture, agreement or other instrument to which Lessee is party or by which it or any of its property is bound.

(g) Lessee is neither an organization described in Section 48(a)(4) nor a governmental unit described in Section 48(a)(5) of the Internal Revenue Code of 1954, as amended.

ARTICLE 17: RIGHT OF INSPECTION

Lessor or its assignee shall, at any reasonable time, and without interfering with Lessee's operations, have the right to inspect the cars by its authorized representative wherever they may be located for the purpose of determining compliance by Lessee with its obligations hereunder. Lessee shall use its best effort to obtain permission, if necessary, for Lessor or its representative to enter upon any premises where the cars may be located.

ARTICLE 18: REPORTS AND NOTICES

18.1 Car Movement.

In order to assist Lessor in the collection and crediting of mileage allowances pursuant to Sections 7.1 and 7.2 of Article 7 hereof, Lessee agrees to report to Lessor the movement of the cars, giving therein the date, destination, routing of and mileage traveled by the cars together with all information which Lessee may receive from railroads, or from other sources.

18.2 Notification of Damage or Injury.

Lessee shall immediately notify Lessor of any accident or malfunction in connection with the operation of the cars, including in such report the time, place and nature of the accident, the damage caused to any property, the names and addresses of persons injured and of witnesses, and other such information as may be pertinent to

3/8/79

Lessor's investigation of such accident.

**18.3 Notification of Liens.**

Lessee shall also notify Lessor in writing within three (3) days after any attachment, lien (including any tax and mechanics' liens), or other judicial process attaches to the cars.

**18.4 Report of Location.**

Within five (5) days after receipt of written demand from Lessor, Lessee shall give Lessor written notice of the approximate location of the cars.

**ARTICLE 19: ASSIGNMENT OF RIGHTS**

Except as otherwise provided in Article 12 and Section 8.4 of Article 8, this Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

**ARTICLE 20**

**GOVERNMENTAL LAWS**

Lessee shall comply with all governmental laws, rules, regulations, requirements and the Interchange Rules (herein collectively referred to as the "Rules") with respect to the use and operation of the cars, and if the cars have any interior lading protective devices, special interior linings or removable parts, the maintenance of such devices, linings or parts. Except as set forth in the preceding sentence, Lessor shall comply with the Rules with respect to its obligation to maintain the cars under Article 9 hereof. Lessor shall further comply with the Rules in the event such Rules require a change or replacement of any equipment or appliance on the cars or in case any additional or other equipment or appliance is required to be installed on the cars (herein collectively referred to as "Alterations"). If such Alterations are required, Lessor shall have a reasonable period of time to make such Alterations and return such car to Lessee or replace such car with a substituted car. Lessee, at its expense, shall deliver the cars to such shop or shops and at such time or times as Lessor shall designate for the purpose of making any Alterations. Rental charges for such car or cars shall abate from and after a period of 10 days from the date when such car is so delivered by Lessee to Lessor until it is returned to service or replaced with another car. If a car is either altered or substituted in accordance with this Article 20, the rental rate for such car for each month after such car is altered or substituted with another car shall be determined in accordance with Exhibit B.

**ARTICLE 21: ADMINISTRATION OF AGREEMENT**

21.1 Lessee agrees to make available to Lessor information concerning the movement of the cars reasonably required for the efficient administration of this Agreement.

21.2 Lessee agrees to cooperate with Lessor for the purpose of complying with any reasonable requirements of any lender, the Interstate Commerce Commission or the provisions of Article 9 of the Uniform Commercial Code provided such cooperation does not materially affect the rights or liabilities of Lessee hereunder.

**ARTICLE 22: MISCELLANEOUS**

**22.1 Entire Agreement.**

This Agreement, together with any and all exhibits attached hereto, constitutes the entire agreement between Lessor and Lessee and it shall not be amended, altered or changed except by written agreement signed by the parties hereto. No waiver of any provision of this Agreement nor consent to any departure by Lessee therefrom shall be effective unless the same shall be in writing signed by both parties, and then such waiver

of consent shall be effective only in the specific instance and for the purpose for which given.

22.2 Governing Law.

This Agreement shall be interpreted under and performance shall be governed by the laws of the State of Texas.

22.3 Conflict with Interchange Rules.

In the event the Interchange Rules conflicts with any provision of this Agreement, this Agreement shall govern.

22.4 Exhibits.

All exhibits attached hereto are incorporated herein by this reference.

22.5 Payments.

All payments to be made under this Agreement shall be made at the Addresses set forth in Article 23.

22.6 Severability.

If any term or provision of this Lease or the application thereof shall, to any extent, be invalid or unenforceable, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Lease, and this Lease shall be valid and enforced to the fullest extent permitted by law.

22.7 Headings.

The headings that have been used to designate the various Sections and Articles hereof are solely for convenience in reading and ease of reference and shall not be construed in any event or manner as interpretative or limiting the interpretation of the same.

22.8 Survival.

All indemnities contained in this Agreement shall survive the termination hereof. In addition, the obligation to pay any deficiency as well as the obligation for any and all other payments by Lessee to Lessor hereunder shall survive the termination of this Agreement or the lease contained herein.

ARTICLE 23

ADDRESSING OF NOTICES

Any notice required or permitted hereunder shall be in writing and shall be delivered to the respective parties hereto by personal delivery thereof or by telegram, telex, telecopier or deposit in the United States mail as certified or registered matter, return receipt requested, postage prepaid, and addressed to the respective parties as follows, unless otherwise advised in writing.

Lessee to Lessor:

To: Trinity Railcar Leasing Corporation  
4001 Irving Boulevard  
Dallas, Texas 75247  
  
Attention: W. Ray Wallace

Lessor to Lessee:

To: Ideal Basic Industries, Inc.  
Potash Company of America  
Division  
630 Fifth Avenue, Suite 2645  
New York, NY 10020  
  
Attention: J. L. Thompkins  
Director of Transportation

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed and delivered as of the 10 th day of November, 1978

ATTEST:

TRINITY RAILCAR LEASING CORPORATION

By [Signature]  
Secretary

By [Signature]  
W. Ray Wallace, President

ATTEST:

IDEAL BASIC INDUSTRIES, INC.,  
POTASH COMPANY OF AMERICA DIVISION

By [Signature]  
Secretary

By [Signature]

THE STATE OF TEXAS )  
 )  
COUNTY OF DALLAS )

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared W. Ray Wallace, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Trinity Railcar Leasing Corporation, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this the 19<sup>th</sup> day of July, 1979.

Margaret Davis  
Notary Public in and for Dallas  
County, Texas

My Commission Expires: November 30, 1980

STATE OF New York )  
COUNTY OF New York )

On this 24 day of ~~March~~ <sup>July</sup>, 1979, before me personally appeared Dean R. Gidney, to me personally known, who, being by me duly sworn says that he is President of Ideal Basic Industries, Inc., Potash Company of America Division, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jean M. Russell  
Notary Public

My Commission expires: \_\_\_\_\_

JEAN M. RUSSELL  
NOTARY PUBLIC, State of New York  
No. 31-3406420  
Qualified in New York County  
Commission Expires March 30, 1981

3/12/79 - TRLC / PCA

**EXHIBIT A**

**NUMBER AND DESCRIPTION OF CARS**

<b>Number of Cars:</b>	One hundred (100)
<b>Description of Cars:</b>	4,750 cubic foot, lined, 100-ton truck gravity discharge covered hopper cars.
<b>Use of Cars:</b>	Transportation of agricultural potash.

EXHIBIT B

DELIVERY; RENTAL RATE

I. ANTICIPATED DELIVERY PERIOD:

First and second quarters of 1979.

II. PLACE OF DELIVERY:

Such place(s) as Lessor and Lessee shall agree in writing.

III. RENTAL RATE:

(1) Section 6.1 of Article 6:

(a) For the first five (5) years of the Base Term, the monthly rental payment per car shall be equal to the sum of (i) 1.05% of the acquisition cost (excluding lining) and (ii) \$35.00, such portion of the rental payment which is attributable to the cost of the interior lining. Assuming a car cost of \$36,000 (excluding lining), the rental will be \$413.00 per car per month.

(b) For the second five (5) years of the Base Term, the monthly rental payment per car shall be equal to 1.05% of the acquisition cost (excluding lining) of such car adjusted for increases in the cost of maintenance, insurance, and property taxes, such adjustments not to exceed 0.105% of the actual equipment cost. The revised rate, after adjustment, shall not exceed 1.155% of the actual Equipment cost (excluding lining), or \$415.80 per car per month if the actual car cost is \$36,000.

(2) Section 9.4 of Article 9 and Article 20

The monthly rental payment per car for an altered or substituted car shall be as follows:

(a) Altered Car: The sum of (i) the monthly rental payment immediately prior to the alteration, and (ii) 1.05% of the cost of the alteration.

(b) Substituted Car: The product of (i) the acquisition cost of such substituted car and (ii) 1.05%.

EXHIBIT C

CERTIFICATE OF ACCEPTANCE OF RAILROAD CAR

This Certificate relates to the railroad cars listed below leased by Trinity Railcar Leasing Corporation, to Ideal Basic Industries, Inc., Potash Company of America Division, under a Lease Agreement for Covered Hopper Railroad Cars dated November 10, 1978 into which this Certificate is incorporated (by Article 4 thereof).

Railcar Numbers

Lessee hereby certifies that the railcars listed above were delivered to and received by Lessee, inspected, determined to be acceptable under the applicable standards (set forth in Article 4 of the Lease Agreement); and Lessee hereby certifies its acceptance of the railcars as of \_\_\_\_\_.

Executed: \_\_\_\_\_

Attest:

Ideal Basic Industries, Inc., Potash Company of America Division "Lessee"

By \_\_\_\_\_  
(Title): \_\_\_\_\_

By \_\_\_\_\_  
(Title): \_\_\_\_\_

EXHIBIT D

ACKNOWLEDGEMENT OF ASSIGNMENT OF LEASE

The undersigned, Ideal Basic Industries, Inc., Potash Company of America Division, a Colorado corporation, is Lessee under a lease (the "Lease") dated November 10, 1978, between Trinity Railcar Leasing Corporation, a Texas corporation, as Lessor and the undersigned, as Lessee, with respect to certain railroad cars (the "equipment"). The undersigned hereby acknowledges receipt of a copy of an assignment of the Lease from the Lessor to \_\_\_\_\_ ("Assignee").

As an inducement to Assignee to partially finance purchase of the equipment being leased by Lessor to the undersigned pursuant to the Lease, the undersigned hereby agrees that:

(1) The undersigned will pay all rentals and other amounts to be paid by Lessee under the Lease directly to the Assignee at \_\_\_\_\_ or at such other address as may be furnished in writing from time to time to the undersigned by the Assignee.

(2) Assignee shall be entitled to the benefits of and to receive and enforce performance of all the covenants to be performed by the undersigned under the Lease as though the Assignee were named therein as Lessor, but Assignee shall not, by virtue of the assignment, or this instrument of acknowledgement, be or become subject to any liability or obligation under the Lease. In accordance with the terms of the Lease, so long as the undersigned is not in default under the Lease, the undersigned shall be entitled to use the equipment in accordance with the terms and conditions of the Lease.

(3) The undersigned shall not, without the prior written consent of Assignee, amend, terminate or modify the Lease or take any action or omit to take any action, the taking or omission of which might result in an alteration or impairment of the Lease, except to the extent, if any, that the undersigned is otherwise entitled to do so as a result of the default thereunder of the Lessor.

Dated as of April 12, 1979.

Ideal Basic Industries, Inc.,  
Potash Company of America Division:

By Dean R. Gehring

ATTEST:

Eugene Elmer  
Secretary

AMENDMENT TO  
LEASE AGREEMENT FOR  
COVERED HOPPER RAILROAD CARS

The Lease Agreement for Covered Hopper Railroad Cars dated as of the 10th day of November, 1978 (hereinafter the "Lease"), by and between Trinity Railcar Leasing Corporation (hereinafter "Lessor") and Ideal Basic Industries, Inc., Potash Company of America Division (hereinafter "Lessee"), governing the lease of one hundred covered hopper railroad cars (hereinafter the "cars" or separately a "car") for a ten-year term, shall be amended as follows:

1. Replacement Lining: Reserving to Lessor any rights it may have against Lessee under the terms of the Lease, Lessor, at its option, may install a replacement lining in each car if (with Lessee's consent or after the first five years of the term of the Lease) Lessor determines that the previous lining is inadequate to protect such car. Provided Lessee has properly maintained the previous lining, rental shall abate (in such circumstances) from and after a period of seven days from the date a car is withdrawn from Lessee's service at Lessor's request, and until such replacement lining is installed and such car is returned to Lessee.

2. Rental Adjustment: For any car in which a replacement interior lining is installed, the monthly rental payment (per car), for each of the sixty months following the month of installation, shall be the sum of (i) the rental which would have been due for such car for such month if such replacement lining had not been installed, (ii) \$35.00, and (iii) 1.87% of the amount by which the cost of such interior lining exceeds \$1,800.00. For example, if the cost of a replacement lining in a car is \$1,900.00, and if the rental due to Lessor for a particular month would have been \$415.80 for such car if such replacement lining had not been installed, the revised rental rate would be \$452.67, which is the sum of (i) \$415.80, (ii) \$35.00, and (iii) 1.87% of \$100 (since  $1,900 - 1,800 = 100$ )

Except as otherwise provided herein, the terms and conditions of the Lease shall remain in full force and effect.

Attest:

TRINITY RAILCAR LEASING CORPORATION

By: Richard G. Dowl  
Secretary

By: W. Ray Wallace  
W. Ray Wallace, President

Date Executed: 8/9, 1979

Attest:

IDEAL BASIC INDUSTRIES, INC.  
POTASH COMPANY OF AMERICA DIVISION

By: David G. Selway  
Secretary

By: David G. Selway

Date Executed: June 14, 1979

THE STATE OF TEXAS )  
 )  
COUNTY OF DALLAS )

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared W. Ray Wallace, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Trinity Railcar Leasing Corporation, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 9<sup>th</sup> day of August, 1979.

Anne Grossman  
Notary Public in and for Dallas County, Texas

My Commission Expires: September 30, 1980

STATE OF New York )  
COUNTY OF New York )

On this 24<sup>th</sup> day of July, 1979, before me personally appeared Dean R. Gidney, to me personally known, who, being by me duly sworn says that he is President of Ideal Basic Industries, Inc., Potash Company of America Division, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

X Jean M. Russell  
Notary Public

My Commission Expires: JEAN M. RUSSELL  
NOTARY PUBLIC State of New York  
No. 31-3406420  
New York County  
Commission Expires March 30, 1981