STEPTOE & JOHNSON
1250 CONNECTICUT AVENUE
WASHINGTON, D. C. 20036

ROBERT J. CORBER
(202) 862-2038

RECORDATION NO. 11361 Filed 1425
JAN 14 1980 -11 22 AM
INTERSTATE COMMERCE COMMISSION

014A048

January 14, 1980

Date JAN 14 1980
Fee $ 2,450.00
ICC Washington, D. C.

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Office of the Secretary - Room 2209
Washington, DC 20423

Dear Ms. Mergenovich:

Enclosed for filing and recordation pursuant to the provisions of 49 USC § 11303 are several copies of the following documents which relate to the railroad equipment hereafter identified:

1. Railroad Lease Agreement dated as of July 17, 1979 between Brae Corporation and Warrenton Rail Road Company.

2. Assignment of Lease Agreement dated as of December 14, 1979 by Brae Corporation to Warren J. Hayford, Lawrence A. Wein, Alvin S. Lane, Peter L. Malkin, Donald J. Donahue, Selby Sullivan, Harry Kahn, William J. Poorvu, Allan P. Kirby, Jr. and Arthur Belfer (hereafter "Owners").

3. Assignment of Lease Agreement dated as of December 17, 1979 by Brae Corporation to Robert M. Bennett (hereafter "Owners").

4. Assignment of Lease Agreement dated as of December 19, 1979 by Brae Corporation to Myron Kislak (hereafter "Owners").

5. Assignment of Lease Agreement dated as of December 27, 1979 by Brae Corporation to Pauline S. Bresnick (hereafter "Owners").

6. Assignment of Lease Agreement dated as of December 31, 1979 by Brae Corporation to Preston Martin and Michael Towbes (hereafter "Owners").

7. Consent and Agreement of Lessee dated January 9, 1980 to Manufacturers Hanover Leasing Corporation and each of the Owners from the Warrenton Rail Road Company.

RECEIVED
JAN 14 11 15 AM '80
I.C.C.

8. Management Agreement dated November 29, 1979 between Brae Railcar Management, Inc. and Arthur B. Belfer.

9. Management Agreement dated December 31, 1979 between Brae Railcar Management, Inc. and Robert M. Bennett.

10. Management Agreement dated December 18, 1979 between Brae Railcar Management, Inc. and Pauline S. Bresnick.

11. Management Agreement dated December 4, 1979 between Brae Railcar Management, Inc. and Donald J. Donahue.

12. Management Agreement dated December 4, 1979 between Brae Railcar Management, Inc. and Warren J. Hayford.

13. Management Agreement dated November 30, 1979 between Brae Railcar Management, Inc. and Harry Kahn.

14. Management Agreement dated December 10, 1979 between Brae Railcar Management, Inc. and Allan P. Kirby, Jr.

15. Management Agreement dated December 7, 1979 between Brae Railcar Management, Inc. and Myron Kislak.

16. Management Agreement dated December 3, 1979 between Brae Railcar Management, Inc. and Alvin S. Lane.

17. Management Agreement dated December 3, 1979 between Brae Railcar Management, Inc. and Peter L. Malkin

18. Management Agreement dated December 26, 1979 between Brae Railcar Management, Inc. and Preston Martin.

19. Management Agreement dated December 6, 1979 between Brae Railcar Management, Inc. and William J. Poorvu.

20. Management Agreement dated December 1, 1979 between Brae Railcar Management, Inc. and Selby Sullivan.

21. Management Agreement dated December 13, 1979 between Brae Railcar Management, Inc. and Michael Towbes.

22. Management Agreement dated November 29, 1979 between Brae Railcar Management, Inc. and Lawrence A. Wien.

23. Consent of Brae Railcar Management Inc. dated January 9, 1980 from Brae Railcar Management, Inc. and to Manufacturers Hanover Leasing Corporation and the Owners.

24. Advisory Agreement dated November 29, 1979 between David A. Goldberg and Arthur B. Belfer.

25. Advisory Agreement dated December 11, 1979 between David A. Goldberg and Robert M. Bennett.

26. Advisory Agreement dated December 18, 1979 between David A. Goldberg and Pauline S. Bresnick.

27. Advisory Agreement dated December 4, 1979 between David A. Goldberg and Donald J. Donahue.

28. Advisory Agreement dated December 4, 1979 between David A. Goldberg and Warren J. Hayford.

29. Advisory Agreement dated November 30, 1979 between David A. Goldberg and Harry Kahn.

30. Advisory Agreement dated December 10, 1979 between David A. Goldberg and Allan P. Kirby, Jr.

31. Advisory Agreement dated December 7, 1979 between David A. Goldberg and Myron Kislak.

32. Advisory Agreement dated December 3, 1979 between David A. Goldberg and Alvin S. Lane

33. Advisory Agreement dated December 3, 1979 between David A. Goldberg and Peter L. Malkin.

34. Advisory Agreement dated December 26, 1979 between David A. Goldberg and Preston Martin.

35. Advisory Agreement dated December 6, 1979 between David A. Goldberg and William J. Poorvu.

36. Advisory Agreement dated December 1, 1979 between David A. Goldberg and Selby Sullivan.

37. Advisory Agreement dated December 13, 1979 between David A. Goldberg and Michael Towbes.

38. Advisory Agreement dated November 29, 1979 between David A. Goldberg and Lawrence A. Wien.

39. Consent of Advisor dated January 9, 1980 from David A. Goldberg to Manufactureres Hanover Leasing Corporation and the Owners.

40. Consent and Agreement of Shipper dated January 9, 1980, from CF Industries, Inc. to Manufacturers Hanover Leasing Corporation and the Owners.

41. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Arthur B. Belfer.

42. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Robert M. Bennett.

43. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Pauline S. Bresnick.

44. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Donald J. Donahue.

45. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Warren J. Hayford.

46. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Harry Kahn

47. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Allan P. Kirby, Jr.

48. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Myron Kislak.

49. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Alvin S. Lane.

50. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Peter L. Malkin.

51. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Preston Martin.

52. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and William J. Poorvu.

53. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Selby Sullivan.

54. Guaranty and Security Agreement dated as of Janaury 9, 1980 between Manufacturers Hanover Leasing Corporation and Michael Towbes.

55. Guaranty and Security Agreement dated as of January 9, 1980 between Manufacturers Hanover Leasing Corporation and Lawrence A. Wien.

56. Shipper Agreement dated as of September 28, 1979 between Brae Corporation and CF Industries, Inc.

57. Assignment of CF Industries, Inc. Agreement dated December 14, 1979 by Brae Corporation to ARthur Belfer, Donald J. Donahue, Harry Kahn, Allan P. Kirby, Jr., Alvin S. Lane, Peter L. Melkin, William J. Poorvu, Selby Sullivan, Warren J. Hayford and Lawrence A. Wein.

58. Assignment of CF Industries, Inc. Agreement dated as of December 17, 1979 by Brae Corporation to Robert M. Bennett.

59. Assignment of CF Industries, Inc. Agreement dated as of December 19, 1979 by Brae Corporation to Myron Kislak.

60. Assignment of ~~CF Industries,~~ Inc. Agreement dated as of December 27, 1979 by Brae Corporation to Pauline S. Bresnick.

61. Assignment of CF Industries, Inc. Agreement dated as of December 31, 1979 by Brae Corporation to Prestin Martin and Michael Towbes.

The foregoing documents relate to seventy-two (72) 100-ton, 4750 cubic feet covered hopper cars. They carry the marks of the Warrenton Rail Road Company and are identified as WAR 15125 through 15196.

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

Lessor - Assignor:	Brae Corporation, Three Embarcadero Center, San Francisco, CA 94111
Lessee:	Warrenton Rail Road Company, Warrenton, NC 27589
Guarantor - Debtor:	Railraod Car Nominee Corporation, 60 East 42nd Street, New York, NY 10017
Assignee - Lender	Manufacturers Hanover Leasing Corporation, 30 Rockefeller Plaza, New York, NY 10020
Assignor - Manager:	Brae Railcar Management, Inc., Three Embarcadero Center, San Francisco, CA 94111
Guarantor - Advisor:	David A. Goldberg, 777 Third Avenue, New York, NY 10017
Guarantor - Lessee - Assignee:	CF Industries, Inc., Salem Lake Drive, Long Grove, IL 60047

Please file and record the documents previously enumerated and cross-index them under the names set forth above. Since the documents are related to the same transaction, it is requested that all be assigned the same recordation number with consecutive letter designations for all documents after the first listed above.

A check payable to the order of the Interstate Commerce Commission in the amount of $2,450.00 is enclosed to cover the filing fees and the extra fees for cross-indexing.

Please return to the person presenting this letter your fee receipt, the enclosed copies of this letter and any copies of the documents not required for recordation, all stamped to indicate appropriate filing information.

Very truly yours,

Robert J. Corber

Robert J. Corber
Attorney for Brae Corporation

mbm
Enclosures

SHIPPER AGREEMENT

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

11361
RECORDATION NO. Filed 1425

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INTERSTATE COMMERCE COMMISSION

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 peiod 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 rairoad 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 its 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

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:

(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 occurence 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.

This termination right shall apply only to those Cars which require such addition, alteration, modification or improvement and shall be excercisable 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 excercise 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.

SHIPPER:

CF INDUSTRIES, INC.

By W. J. Haulsee

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 Lee Eichler [seal]
Notary Public

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 S. 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 [seal]
Notary Public

OFFICIAL SEAL
MIRELLA R. ABBO
NOTARY PUBLIC - CALIFORNIA
SAN FRANCISCO COUNTY
My comm. expires FEB 25, 1983

OFFICIAL SEAL
MIRELLA R. ABBO
NOTARY PUBLIC - CALIFORNIA
SAN FRANCISCO COUNTY
My comm. expires FEB 25, 1983

EXHIBIT I

to

SHIPPER AGREEMENT

SHIPPER FULL SERVICE LEASE AGREEMENT

LEASE AGREEMENT, dated as of September 28th, 1979, between BRAE CORPORATION, a Delaware corporation ("Lessor"), and CF INDUSTRIES, INC., a Delaware corporation ("Lessee").

RECITAL

Lessor and Lessee have entered into a Shipper Agreement dated as of the date hereof (the "Shipper Agreement") with respect to the railroad cars (the "Cars") shown on the Equipment Schedule (the "Schedule") attached to this Lease. The Shipper Agreement provides that, upon the occurrence of certain events, this Lease shall without further act become effective with respect to the Cars affected by those events.

THE PARTIES AGREE AS FOLLOWS:

1. Lease

Lessor agrees to lease to Lessee and lessee agrees to lease from Lessor the Cars in the events, upon the terms and subject to the conditions set forth herein. Cars which become subject to this Lease are referred to herein as "Leased Cars".

2. Term

Except as otherwise provided in Sections 6C, D and E of the Shipper Agreement, the term of the Lease with respect to each Leased Car shall commence upon the Effective Date and shall terminate on the date that the Shipper Agreement would have terminated. The provisions of Section 4 of the Shipper Agreement relating to optional extension terms are by this reference incorporated in the Lease.

3. Delivery and Acceptance

A Car shall be deemed to have been delivered to and accepted by Lessee and to become a Leased Car immediately upon the occurrence with respect to such Car of the events specified in Section 6B or 12C of the Shipper Agreement (the "Effective Date").

4. Markings

A. As promptly after the Effective Date as practicable Lessee shall, at its expense, cause each Leased Car to be marked clearly and conspicuously to show the interest of Lessor or any secured party or any assignee of either thereof in such Leased Car. Any such secured party or assignee may from time to time, at its expense, require new or changed markings to be placed on the Leased Cars disclosing its interest in the Leased Cars. If any of such markings shall be removed, defaced or destroyed, Lessee shall cause it to be restored or replaced immediately at Lessor's expense.

B. Other than as required by Section 4A, Lessee shall not place, or permit to be placed, upon the Leased Cars any lettering or marking of any kind without Lessor's prior written consent, except that for the purpose of evidencing the operation of the Leased Cars in Lessee's service, Lessee may board, placard or stencil the Leased Cars with the reporting marks and such other information as required by the rules of the Association of American Railroads ("AAR").

5. Fixed Rent

The monthly fixed rent with respect to each Leased Car is specified in Paragraph 1 of the Schedule. Fixed rent shall commence to accrue for each Leased Car on the Effective Date and shall continue to accrue throughout the term of this Lease, unless such Leased Car is removed from service without replacement as provided in Section 9E or destroyed as described in Section 10. The first fixed rent payment for each Leased Car shall be made on the last day of the month in which the Effective Date occurs and shall be in an amount equal to one-thirtieth of the monthly fixed rent, multiplied by the number of days from the Effective Date through and including the last day of such month. Subsequent payments of fixed rent shall be made in advance on or before the first day of each succeeding month during the term of this Lease. The last payment of fixed rent shall be in an amount equal to one-thirtieth of the monthly fixed rent, multiplied by the number of days from the first day of the final month through and including the termination date of this Lease.

6. Additional Rent

A. On or before April 1 of each year, Lessor shall determine the total number of miles that each Leased Car has traveled (loaded and empty) during (i) the preceding calendar year ("Full Year") or (ii) in the case of any calendar year in which the Effective Date (unless it is January 1) or the termination date (unless it is December 31) occurs, that portion of the year during which such Leased Car is leased pursuant to this Lease ("Partial Year").

B. For each Leased Car traveling more miles during any Full Year or Partial Year than the number of miles set forth in Paragraph 2 of the Schedule, Lessee will pay to Lessor as additional rent the applicable amount set forth in Paragraph 2 of the Schedule. The determination of the total number of miles traveled by each Leased Car during any Full Year or Partial Year shall be made by multiplying by two the total number of miles that such Leased Car traveled while loaded, unless Lessor has in its possession information sufficient to ascertain more precisely the total mileage traveled by such Leased Car.

C. Lessee shall report regularly to Lessor movements of the Leased Cars, giving the date, destination and routing of the Leased Car and loading and unloading information, together with other information regarding the Leased Cars which Lessee may receive from railroads or other sources.

7. Allowances

A. Any mileage allowances or other compensation payable by railroads for use of the Leased Cars ("Allowances") shall be collected by Lessor.

B. Insofar as applicable laws and regulations permit, Lessee (unless an Event of Default specified in Section 20 shall have occurred and be continuing) shall be entitled to all Allowances collected by Lessor from railroads as a credit against fixed rent and additional rent, but in no event shall such credit exceed the total of fixed rent and additional rent payable by Lessee during the term of this Lease.

8. Use of Cars

A. Lessee agrees, to the extent possible, to use the Leased Cars so that mileage under load will equal or exceed mileage empty on each railroad over which the Leased Cars move. In the event that empty mileage should exceed loaded mileage on any railroad and Lessor should be notified by such railroad to equalize mileage or to pay for such excess, Lessee shall equalize such excess empty mileage within the time limit established by the railroad or pay Lessor for such excess at the rate established by the applicable tariff, if billing is received from the applicable authorities.

B. Lessee shall use the Leased Cars predominantly within the continental United States of America. Lessee agrees that, if any of the Leased Cars are used outside the continental United States of America, Lessee shall reimburse Lessor for any customs, duties, taxes or other expenses resulting from such use.

9. Maintenance

A. Lessee will preserve the Leased Cars in good condition and will not alter the physical structure of any Leased Car without the prior written consent of Lessor. Lessee agrees to give Lessor prompt written notice of the need to repair or perform maintenance upon any Leased Car.

B. Except as otherwise provided in this Section 9, Lessor shall, at its expense, maintain the Leased Cars in good condition and repair in accordance with the Code of Rules Governing Condition of and Repairs to Freight and Passenger Cars for the Interchange of Traffic ("Code of Rules") and the rules and regulations of the Federal Railway Administration. All manufacturers' warranties with respect to the Leased Cars shall inure to the benefit of Lessor.

C. Lessor's obligation to maintain the Leased Cars under Section 9B shall not extend to mandatory changes in the design of any Leased Car, its components, configurations or safety applicances or other changes required by legislation or regulations effective after the Effective Date. In the event of such a change, Lessor may but need not terminate this Agreement with respect to those Leased Cars to which it is applicable. Lessor's maintenance obligation shall not extend to repair or maintenance required as a result of, or attributable to: (i) defects in the manufacture or workmanship of any Leased Car or any component thereof or any material incorporated therein by the manufacturer thereof or by any person other than the Lessor, its agents or representatives; (ii) damage caused by Lessee, its agents or representatives or any third party (other than a railroad), or while any Leased Car is in Lessee's possession; (iii) damage caused to any Leased Car by any corrosive or abrasive substance (ordinary wear and tear excepted) loaded therein or used in connection therewith; (iv) damage caused to any Leased Car by open flames, vibrators, sledges or other similar devices during loading or unloading; (v) excessive or unbalanced loading; and (vi) special interior linings, interior loading devices and removable parts, excepting hatchcovers and discharge gates.

D. Lessor shall forward to Lessee any bills for repairs made to the Leased Cars by railroads because of damage caused in any of the circumstances set forth in Section 9C, and Lessee shall promptly pay such bills. In the case of damage to the Leased Cars which is the responsibility of a railroad under the Code of Rules, Lessor shall perform the necessary repairs and shall prepare and submit such documents and take such other actions as are necessary to recover the cost of such repairs in accordance with the Code of Rules. Lessor shall be entitled to any costs so recovered.

E. If any Leased Car is (i) unavailable for use as a result of less than complete destruction or failure of Lessor properly to maintain and repair such Leased Car for any reason

not specifically excepted in Section 9C and (ii) reported by Lessee to Lessor as in need of repair, fixed rent for such Leased Car shall abate from the fifth day after the date when such Leased Car is so reported until it is repaired and returned to service or replaced by another railcar. Lessor may, at its option, terminate this Lease as to any such Leased Car and, in that event, such Leased Car need not be repaired or replaced. Lessor shall have the right, but shall not be obligated, to substitute,with Lessee's consent, for any Leased Car which shall be damaged or destroyed another railcar of a similar type, capacity and condition.

10. Destruction of Cars

Responsibility for loss, destruction, or damage to the Leased Cars shall be as fixed by the then prevailing Code of Rules. The Code of Rules shall establish the rights, obligations and liabilities of Lessor, Lessee and any railroad subscribing thereto and moving the Leased Cars over its lines in respect of all matters to which the Code of Rules relates. In the event that any Leased Car is lost, damaged or destroyed while on the tracks of Lessee, any private track or on the tracks of a railroad that does not subscribe to the Code of Rules, or in the event that any Leased Car is damaged (ordinary wear and tear excepted) by any commodity transported or stored in it, such repairs, renewals or replacements as may be necessary to replace such Leased Car or to place it in good order and repair shall be at the expense of Lessee, provided that in the event of destruction of or irreparable damage to any Leased Car, Lessee shall promptly pay to Lessor, at Lessor's option, the value of such Leased Car in accordance with the Code of Rules. Lessor and Lessee agree to cooperate with and to assist each other in any manner reasonably necessary to establish proper claims against third parties responsible for loss, destruction or damage to the Leased Cars.

11. Indemnities

A. Except as otherwise provided in Section 10, Lessee agrees to indemnify and hold harmless Lessor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever (whether as a result of damage to the Leased Cars or injury to third parties or their property) and any expense in connection therewith (including legal fees), arising out of the use or operation of the Leased Cars during the term of this Lease, except to the extent that same shall have arisen from the Lessor's gross negligence or wilful misconduct.

B. Lessor shall not be liable for any loss of or damage to any commodities loaded or shipped in the Leased Cars. Lessee agrees to assume responsibility for, to indemnify Lessor against and to hold Lessor harmless from, any claim in respect of such loss or damage and to assume responsibility for any damage caused to any Leased Car by such commodities.

12. Insurance

A. Lessee shall maintain (or cause to be maintained) during the term of this Agreement policies of property damage and public liability insurance (or programs of self insurance) on the Leased Cars in such form and amount and covering such risks and with such deductibles as are reasonably satisfactory to Lessor.

B. Lessee covenants that it will not do any act or voluntarily permit any act to be done whereby any insurance on the Leased Cars (whether maintained by Lessee or Lessor) shall or may be suspended, impaired or defeated. In the event that any Leased Car shall be lost, destroyed, or irreparably damaged from any cause whatsoever during the term of this Agreement, Lessor and Lessee shall proceed diligently and cooperate fully with each other in the recovery of any and all proceeds of insurance applicable thereto.

13. Disclaimer of Warranties

EXCEPT AS PROVIDED IN SECTION 9, LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE CARS. LESSOR SHALL IN NO EVENT BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR ANY LOSS ARISING IN STRICT LIABILITY.

14. Investment Credit

Lessee recognizes that Lessor will utilize the investment credit afforded in respect of the Cars by Sections 38 and 46 through 50 of the Internal Revenue Code. Lessee agrees that it will not commit any act, or fail to take any act, as a result of which Lessor shall lose the benefit of all or any portion of such investment credit.

15. Taxes

A. Lessor shall be responsible for and shall pay all property taxes levied upon the Leased Cars and file all property tax reports and returns relating thereto.

B. Lessor shall not be responsible for the payment of any tax, tariff, duty, customs, switching, demurrage or other charge made by any governmental agency, railroad or other person in respect of any Leased Car, except as provided in Section 15A. Lessee agrees to pay or reimburse Lessor promptly for any such tax, tariff, demurrage or other charges.

16. Assignment; Subordination; Title

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

B. This Lease and all of Lessee's rights under this Lease, and all rights of any person who claims right under this Lease through Lessee 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 Lessor and to all of the rights of any such chattel mortgagee, assignee, trustee, owner of otherbolder of interest in the Cars. In the event of any such assignment, mortgage or transfer, Lessee 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 Lease, and to confirm the subordination provisions contained in this Section 16B. 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. Lessee acknowledges and agrees that by execution of this Lease it does not obtain and by payment and performance hereunder it will not obtain, title to any Car or any interest therein, except solely as lessee hereunder. Lessee shall keep the Leased Cars free from all encumbrances, liens and security interests of all kinds (other than those granted by Lessor), which could adversely affect Lessor's title thereto.

D. Without limiting the generality of Sections 16A and B, Lessor may assign this Lease as it relates to specified Cars to the owner of such Cars, provided that Lessor assigns the Shipper Agreement as it relates to such Cars to their owner and Lessor or one of its affiliates enters into a management agreement with such owner relating to its Cars. Upon delivery to Lessee of a notice signed by Lessor regarding such assignment and the effectiveness of the related management agreement, (i) the term "Lessor" when used herein shall mean with respect to the Cars covered by such management agreement, the owner of such Cars, (ii) Lessor shall be relieved of all of its obligations and liabilities under this Lease relating to such Cars and (iii) Lessee with respect to such Cars shall look solely to the owner of such Cars for the performance of Lessor's obligations hereunder. Lessee agrees that any such assignment may relate to one, some or all of the Cars subject to this Agreement.

17. Sublease

Lessee shall not transfer, sublease, or assign this Lease or any Car (by operation of law or otherwise), without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee agrees (i) that no sublease shall

permit any substantial use of the Leased Cars outside of the continental United States of America, (ii) that no sublessee shall be a tax exempt organization or governmental unit and (iii) that all subleases shall be expressly subordinate as provided in Section 16B. No sublease shall in any way relieve Lessee from its obligations to Lessor under this Lease.

18. Compliance with Regulations

A. On the Effective Date the Leased Cars will conform to the applicable specifications, to all governmental laws and regulations and to all standards recommended by the AAR for railroad equipment of the same type as the Leased Cars. Except as provided in Section 18B, Lessee shall, at its own expense, comply with all governmental laws and regulations and with the Code of Rules with respect to the use, maintenance, and operation of the Leased Cars; provided however, such additional expense shall not exceed the monthly rental for the Leased Cars plus 1.25% of the price of the changes* for which compliance may be ordered. Lessee shall be responsible for obtaining all necessary railroad permissions, approvals and consents for use of the Leased Cars and shall bear all risk of failure to obtain such permissions, approvals and consents and of cancellation thereof. Lessor shall take all actions reasonably requested by Lessee in order to assist Lessee in obtaining such permissions, approvals, or consents.

B. In case any equipment or appliance on any Leased Car shall be required to be changed or replaced in order to comply with applicable laws or regulations or the Code of Rules, Lessor agrees to cause such changes or replacements to be made at its expense, subject to Section 9C.

C. Any part or parts installed or replacements made upon any Leased Car by Lessor or Lessee shall be considered accessions to such Leased Car, and title thereto shall immediately vest in Lessor without further act.

19. Inspections

Lessee will make the Leased Cars avialable to Lessor or any secured party or any assignee of either thereof at any reasonable time on request for mantenance inspection and for regular maintenance in accordance with Lessor's maintenance responsibility. Lessor will be responsible for all costs of transporting the Leased Cars to maintenance facilities.

20. Events of Default

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

(i) the failure by Lessee to make any payment of fixed rent or additional rent or other amount required to be paid by Lessee under this Lease within fifteen days after the date such payment is due;

*per car per month

(ii) the breach by Lessee of any agreement or covenant contained in this Lease, which is not cured within thirty days after notice thereof from Lessor to Lessee;

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

(iv) any attempt by Lessee, without Lessor's consent, to assign, sublease or transfer this Lease or any interest in or the right to use or possession of the Cars.

B. Upon the occurrence of any Event of Default, Lessor may, at its option:

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

(ii) terminate this Lease, whereupon all rights of Lessee to the use of the Cars shall absolutely cease and terminate as though this Lease had never been made, and all fixed rent not theretofore due and payable with respect to the Leased Cars shall forthwith become due and payable.

Upon the occurrence of an Event of Default, Lessor may exercise its remedies with respect to some or all of the Leased Cars. Lessee 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 Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Leased Car. The remedies provided in this Lease in favor of Lessor shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies existing at law or in equity. To the extent permitted of law, now or hereafter in effect, which might limit or modify the remedies herein provided.

21. Return of Leased Cars

Upon termination of this Lease with respect to any Leased Car unless the Shipper Agreement is concurrently becoming effective pursuant to Section 6D thereof with respect to each Leased Car, Lessee, at its expense, shall return such Leased Car to Lessor at any location reasonably specified by Lessor within 1000 miles of the point at which Lessor originally delivered such Leased Car to Lessee under the Shipper Agreement. Such Leased Car shall be (i) empty and free from residue, (ii) in such condition as will permit Lessor immediately to sell or relet it without repair (other than repairs that Lessor is required to make pursuant to Section 9) and (iii) in compliance with all applicable laws and regulations. Lessee shall reimburse Lessor on demand for the cost

of cleaning any returned Leased Car. In the event that any Leased Car is not redelivered to Lessor on or before the termination date of this Lease, all of the obligations of Lessee under this Lease with respect to such Leased Car shall remain in full force and effect until such Leased Car is redelivered to Lessor; provided, however, that the fixed rent for any such Leased Car loaded less than 15 days prior to the termination date of the Lease, shall be 150% the fixed rent for such leased Car specified in the Schedule.

22. Miscellaneous

A. Each party agrees to execute the documents contemplated by this Lease and such other documents as may reasonably be required in connection with this Lease.

B. This Lease shall be governed by the laws of the State of Californa.

C. No failure or delay by Lessor to exercise its rights or remedies hereunder shall constitute a waiver or otherwise affect or impair any right, power or remedy available to Lessor.

D. Headings to the sections of this Lease are for the convenience of reference only and do not form a part of this Lease and shall not in any way affect the interpretation hereof.

E. No explanation or information by either of the parties shall alter or affect the meaning or interpretation of this Lease and no modification or amendment to this Lease shall be valid unless in writing and executed by both parties.

F. All notices hereunder shall be in writing and shall be deemed given when delivered personally or 72 hours after deposit in the United States mail, postage prepaid certified or registered addressed to the other party at the following address: if to Lessor: Brae Corporation, Three Embarcadero Center, San Francisco, California 94111, Attention: Director of Operations; or if to Lessee: CF Industries, Inc., Salem Lake Drive, Long Grove, Illinois 60047, Attention: Director of Transportation.

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

LESSOR:

BRAE CORPORATION

By _____
William J. Texido

Title President

Date October 19, 1979

LESSEE:

CF INDUSTRIES, INC.

By _____

Title VICE PRESIDENT

Date September 28, 1979

FORM APPROVED
CF LAW DEPT.

EQUIPMENT SCHEDULE No. One

1. Fixed Rent

The monthly fixed rent for each Leased Car shall equal 1.44% of the manufacturer's ~~quoted invoice price~~** (plus any delivery charges, sales tax and inspection fees not included therein) for such Leased Car.

**invoiced price in U.S. dollars plus duty if applicable

2. Additional Rent

The additional rent for each Leased Car for a Full Year shall equal two cents ($.02) multiplied by the number of miles which such Leased Car has travelled in excess of 25,000 miles during such Full Year, prorated for Partial Years.

The additional rent for each Leased Car for each Partial Year shall be calculated by (i) dividing the total number of days during which such Leased Car was provided by Lessor to Lessee during such Partial Year (the "Total Car Days") into the total number of miles that such Leased Car travelled during such Partial Year, and (2) subtracting therefrom the figure 68.49. If the resulting figure ("Excess Average Daily Mileage") is positive, then additional rent shall be payable for such Partial Year and shall equal the following:

(Excess Average Daily Mileage) x (Total Car Days) x ($.02)

All computations pursuant to this Paragraph 3 shall include days and miles during which the Leased Cars were subject to either this Lease or the Agreement.

3. Loading Points

Bonnie, Florida - 150 Cars
Central, Florida - 150 Cars

4. Permitted Use

Transporting fertilizer products such as Superphosphate or Diammonium Phosphate.

EQUIPMENT SCHEDULE No. 1

BRAE CORPORATION hereby leases the following Cars to CF INDUSTRIES, INC. pursuant to that certain Lease Agreement dated as of September 28, 1979.

A.A.R. Mech. Design	Description	Numbers	Dimensions Length	Inside Width	Height	Doors Width	No. of Cars
LO	Covered Hoppers ~~4x250~~ Cubic Foot 4,650						100
	Average Delivery Date: _____						

BRAE CORPORATION

BY: [signature]

William J. Texido

TITLE: President

DATE: October 19, 1979

CF INDUSTRIES, INC.

BY: W. J. Hamlin

TITLE: VICE PRESIDENT

DATE: September 28, 1979

EQUIPMENT SCHEDULE No. 1

BRAE CORPORATION hereby leases the following Cars to CF INDUSTRIES, INC. pursuant to that certain Lease Agreement dated as of September 28, 1979.

A.A.R. Mech. Design	Description	Numbers	Dimensions Length	Inside Width	Height	Doors Width	No. of Cars
LO	Covered Hoppers 4,750 Cubic Foot Average Delivery Date:_____						200

BRAE CORPORATION

BY: William J. Texido

TITLE: President

DATE: October 19, 1979

CF INDUSTRIES, INC.

BY: W. J. Hamlin

TITLE: VICE PRESIDENT

DATE: September 28, 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 Lease Agreement, Rider(s) No. _____ and Equipment Schedule(s) No. ONE were 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 Lee Eichler [seal]
Notary Public

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 S. Texido, to me personally known, who being by me duly sworn says that such person is PRESIDENT of BRAE CORPORATION, and that the foregoing Lease Agreement, Rider(s) No. _____ and Equipment Schedule(s) No. One were 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 [seal]
Notary Public

OFFICIAL SEAL
MIRELLA R. ABBO
NOTARY PUBLIC - CALIFORNIA
SAN FRANCISCO COUNTY
My comm. expires FEB 25, 1983

OFFICIAL SEAL
MIRELLA R. ABBO
NOTARY PUBLIC - CALIFORNIA
SAN FRANCISCO COUNTY
My comm. expires FEB 25, 1983

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN FRANCISCO)

I, Susan M. Codeglia a Notary, State of California, duly commissioned and sworn, do certify that on this 7th day of January, 1980, I carefully compared the annexed copy of the Lease Agreement with the original thereof, now in the possession of BRAE Corporation, Three Embarcadero Center, San Francisco, California 94111, and that the same is a full, true and exact copy of said original Lease Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of San Francisco, the day and year in this certificate first above written.

OFFICIAL SEAL
SUSAN M. CODEGLIA
NOTARY PUBLIC — CALIFORNIA
PRINCIPAL OFFICE IN
SAN FRANCISCO COUNTY
My Commission Expires Nov. 8, 1980

[seal]

Susan M. Codeglia
NOTARY PUBLIC

My Commission Expires: Nov. 8, 1980

EXHIBIT A

DESCRIPTION OF CARS

Number of Cars	Description of Cars	Identification Nos.
4	4750 Cubic Feet Covered Hopper Railroad Cars	WAR 15165 - WAR 15168 (both inclusive)