

**SECURITY PACIFIC BUSINESS CREDIT INC.**

RECORDATION NO. **1 5274** FTR 142b

March 31, 1987

JUL 28 1987 -3 05 PM

7/28/87  
10,00  
CS Washington, D.C.

Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423  
ATTN: Documents for Recordation

Dear Secretary:

Enclosed herewith please find an original and one copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

The document to be recorded is a Security Agreement dated March 6, 1987. The document is a "primary document" pursuant to 49CFR 1177.4(a)(1).

The names and addresses of the parties to the Security Agreement are as follows:

Lender - Security Pacific Business Credit Inc.  
One East 22nd Street, Suite 220  
Lombard, IL 60148

Borrower - Chemical Enterprises, Inc.  
8582 Katy Freeway, Suite 202  
Houston, TX 77024-1874

The equipment covered by the Security Agreement is railroad box cars identified on Schedule I to the Security Agreement.

A short summary of the document to appear in the index is as follows:

Security Agreement dated as of March 6, 1987 between Security Pacific Business Credit Inc. (Lender) and Chemical Enterprises, Inc. (Borrower) covering 50 railroad box cars.

A recording fee in the amount of \$10.00 is enclosed herewith.

Please return the original and any extra copies not needed by the Commission for recording to the undersigned.

Very truly yours,

John J. Kleiman  
Account Executive

JJK/rlk  
enclosures

Interstate Commerce Commission  
Washington, D.C. 20423

OFFICE OF THE SECRETARY

7/28/87

John J. Kleiman  
Account Executive  
Security Pacific Business Credit, Inc.  
1 East 22nd Street, Suite 220  
Lombard, Illinois  
Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/28/87 at 3:05pm, and assigned re-  
recording number(s). 15274

Sincerely yours,

*Norita R. McGee*  
Secretary

Enclosure(s)

SE-30  
(7/79)

1 5274

REGISTRATION NO. Filed 1987

SECURITY AGREEMENT

JUL 28 1987 - 3 05 PM

INTERSTATE COMMERCE COMMISSION

This Security Agreement (herein sometimes called "this Agreement") dated as <sup>of</sup> ~~December~~ <sup>MARCH</sup> 6, 1987 between CHEMICAL ENTERPRISES, INC. ("Borrower"), having its chief executive office and chief place of business at 8582 KATY FREEWAY SUITE 202, and SECURITY PACIFIC BUSINESS CREDIT INC. (herein called "Lender").  
HOUSTON TEXAS 77024

W I T N E S S E T H:

WHEREAS, a certain Credit Agreement dated as of JUNE 26, 1984 (herein, together with all amendments as may hereafter from time to time be made thereto, called the "Credit Agreement") between Borrower and Lender provides, among other things, for Loans thereunder by Lender to Borrower;

WHEREAS, under the terms of the Credit Agreement, Borrower has agreed to perform certain obligations, including the execution and delivery of this Agreement; and

WHEREAS, Borrower has duly authorized the execution and delivery of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by it, Borrower agrees with Bank as follows:

1. Definitions. All terms used in this Agreement which are defined in the Credit Agreement shall, unless otherwise defined in this Agreement or the context otherwise requires, have

the same meanings in this Agreement as such terms have in the Credit Agreement.

The following terms when used in this Agreement shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Collateral" shall mean all property and interests therein in which Lender is granted a security interest pursuant to the provisions of Section 2 hereof.

"Railcars" shall mean railroad box cars now owned or hereafter acquired by Borrower.

"Liabilities" shall mean all obligations, whether now or hereafter existing, of Borrower under the Credit Agreement, under each Note at any time issued pursuant to the Credit Agreement and under this Agreement.

2. Grant of Security Interest. As additional security for the payment of all Liabilities, Borrower hereby pledges, transfers and assigns to Lender and grants to Lender a continuing security interest in and to all right, title and interest whatsoever, now or hereafter existing, arising or acquired of Borrower to the following:

(a) The Railcars identified in Schedule I attached hereto, all other Railcars which by supplement to this Agreement shall be identified as being subjected to the security interest granted hereunder, and all additions, attachments or accessions to all such Railcars, whether identified in such Schedule I hereto or in any such supplement; and

(b) All proceeds (including but not limited to insurance proceeds) of any and all of the foregoing.

Borrower agrees from time to time to execute such financing statements and other writings, make such notations on its records and take such other action, in each case as Lender may reasonably request, in order that a valid lien in favor of Lender on all Collateral is established, perfected and continued in effect as a prior lien, protected against all Persons whomsoever to the maximum extent permitted by law.

3. Identification. Borrower will cause each Railcar to be kept numbered at all times with the identifying number therefor as specified in Schedule I and will keep and maintain plainly, distinctively, permanently and conspicuously a standard decalcomania marking on each such Railcar the following words: "THIS UNIT IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF SECURITY PACIFIC BUSINESS CREDIT INC., One East 22nd Street, Lombard, Illinois" with appropriate changes thereof and additions thereto, upon notice from Lender as from time to time may be required by law in order to protect the security interest of Lender in such Railcar. Borrower will replace any such names and word or words which may be removed, defaced or destroyed. Borrower will not change the identifying number of any Railcar except in accordance with a statement of new identifying numbers to be substituted therefor, which statement previously shall have been delivered to Lender and filed in all public offices reasonably requested by Lender.

4. Title to Pledged Railcars. Borrower warrants unto and agrees with Lender that Borrower is the owner of all Railcars identified in Schedule I hereto, and at the time of subjecting any other Railcar to the security interest granted hereunder will be the owner of such other Railcar, in each case free and clear of any other security interest or lien, except the rights of lessees under leases thereof and the lien of current taxes not delinquent.

5. Insurance. Borrower shall maintain or cause to be maintained such insurance as Lender may request on the Railcars against loss or damage to the Railcars, if Lender so requests, shall insure, among others, Lender as its interest may appear and provide that (a) Lender shall not be responsible for any representation or warranty of Borrower, (b) at least ten (10) days prior notice shall be given to Lender of the expiration, termination, alteration or cancellation of the policy of such insurance and (c) Lender will be promptly notified in the event any premium under such policy shall not be paid when due, or if such policy shall not be renewed at the expiration thereof. Borrower will, upon request of Lender, deliver to Lender policies of or certificates evidencing such insurance. Borrower will, upon request of Lender, cause Lender to be named as an insured under any policy maintaining insurance against liability for loss or damage resulting from the use or operation of the Railcars.

6. Maintenance of Records. Borrower will at all times keep and maintain at its own cost and expense satisfactory and complete records of the Railcars including, without

limitation, a record of all payments received and all credits granted with respect to the Railcars and all other dealings with the Collateral. If an Event of Default has occurred and is continuing, Borrower shall deliver and turn over all of its books and records relating to the Railcars to Lender or to its representatives at any time on demand of Lender.

7. Compliance with Laws. Borrower will use the Railcars in a careful and proper manner, solely in the conduct of its lawful business, and will comply with and conform to all governmental laws, ordinances, rules and regulations relating to the possession, use, operation and maintenance of the Railcars. Borrower will cause the Railcars to be operated in accordance with the manufacturer's or supplier's instructions or manuals. Borrower also agrees not to transport any Railcars, or enter a lease which permits such Railcars to be transported, in any area excluded from coverage by any insurance policy in effect with respect to such Railcars required by the terms of Section 5 hereof.

8. Maintenance; Alterations. Borrower will at its own expense keep and maintain the Railcars in good repair, condition and working order and furnish all parts, mechanisms, devices and servicing required therefor so as to keep the Railcars in as good operating condition as when delivered to Borrower hereunder, ordinary wear and tear excepted. In the event of any partial damage or destruction to any Railcars, Borrower shall in the ordinary course of its business cause such Railcars to be restored to the condition and repair required by

this Section. Borrower will not make or authorize any change, addition or alteration to any Railcar if such change, addition or alteration will impair the value of such Railcar as it existed immediately prior to such change, addition or alteration. All repairs, parts, accessories and equipment incorporated in, attached to or installed on any Railcar shall immediately without further act become part of the Collateral and part of such Railcar for all purposes of this Agreement without cost or expense to Lender.

9. Preservation of Collateral.

(i) Borrower will not directly or indirectly create, incur, assume or suffer to exist any lien or encumbrance on or with respect to any Railcar, any part thereof, title thereto or any interest therein, except (x) the security interest created hereby and the interests and rights of lessees of the Railcars as lessees under leases permitted by this Agreement, (y) liens for taxes either not yet due or being contested by Borrower in good faith and by appropriate proceedings so long as such proceedings do not involve any danger of the sale, forfeiture or loss of any Railcar, any part thereof or interest therein or interfere with the payment of the Liabilities and (z) materialmen's, mechanics', workmen's, repairmen's, employees' or other like liens arising in the ordinary course of business which are not delinquent, or which are bonded, or the enforcement of which has been suspended (but then only for the duration of such suspension). Borrower will promptly, at its own expense, take such action as may be necessary duly to discharge or eliminate or bond in a manner

satisfactory to Lender any lien or encumbrance not excepted above if the same shall arise at any time.

(ii) Borrower will not sell, transfer or otherwise dispose of any Railcar.

(iii) After the occurrence of any Event of Default, Borrower will not (x) amend, modify, terminate or waive any provision of any lease of Railcars in any manner with respect thereto or (y) fail to exercise promptly and diligently each and every material right with respect to any Railcars which it may have under each lease thereof (other than the right of termination).

(iv) Borrower shall not transport or remove the Collateral to any location outside the boundaries of the continental United States.

10. Inspection. Lender or its authorized representatives may at any reasonable time or times, upon reasonable notice and during normal business hours, inspect the books and records of Borrower with respect to service, maintenance and governmental permits relative to the Railcars, and to the extent practicable, inspect the Railcars.

11. Notices. Borrower will advise Lender promptly in reasonable detail (i) of any lien (other than liens not prohibited by Section 9 hereof) or claim known to it made or asserted against any of the Railcars and (ii) of the occurrence of any other event known to it which might have a material adverse effect on the Railcars or on the mortgage and security interest created hereunder.

12. Default. At any time after an Event of Default has occurred and is continuing:

(a) Lender may enforce (by suit or otherwise) collection of any accounts receivable then included in the Collateral and compromise or extend or renew for any period all or any portion of such accounts receivable; and upon request of Lender, Borrower will notify and direct the parties obligated under such accounts receivable to make payments thereof to Lender or to Borrower in care of Lender, at such address as Lender may designate of the amount so payable, and Borrower agrees to reimburse Lender for all expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in seeking to collect any such payments or to enforce any right at any time included in the Collateral);

(b) Borrower will, if and to the extent Lender shall so request, transmit and deliver to Lender forthwith upon receipt and in the form received, all cash, checks, drafts and other instruments for the payment of money (properly endorsed, where required, so that such items may be collected by Lender) which may be received by Borrower, as payment on account of or otherwise in respect of, any of the Collateral and in the event of such request will not commingle any such items with any of the other funds or property of Borrower but

will hold such items separate and apart from such funds and property and in trust for Lender; and

(c) Lender may endorse the name of Borrower on any check, draft or other instrument for the payment of money received by Lender as payment or otherwise in respect of any of the Collateral, if it believes such endorsement is necessary or desirable for the purposes of collection.

(d) Lender may exercise any and all rights and remedies under the Credit Agreement.

In case any Event of Default shall be existing, Borrower will, at the request of Lender, but subject to the rights of any lessees, assemble the Railcars (or such thereof as may be designated by Lender) at a place convenient to Lender and promptly deliver such Railcards to Lender or an agent or representative designated by it, and Lender and its agents and representatives shall have the right to enter upon all premises and property of Borrower to exercise Lender's rights hereunder.

Whenever an Event of Default shall be existing, Lender may exercise from time to time any rights or remedies available to it under applicable law with respect to any or all of the Collateral. Any notification required by law of intended disposition by Lender of any of the Collateral shall be deemed reasonably and properly given if given at least five (5) days before such disposition. Any proceeds received by Lender of any disposition of any of the Collateral may be applied by Lender to the payment of expenses incurred by it in connection with the

Collateral and disposition thereof, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied toward the payment of the Liabilities, in such order of application as Lender may determine, Borrower remaining liable for any of the Liabilities remaining unpaid after such application, but any balance of such proceeds remaining after full payment of the Liabilities shall be remitted by Lender to Borrower by crediting such amount to a bank deposit account maintained by Borrower with Lender.

13. Miscellaneous. Lender shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as Borrower requests in writing, but failure of Lender to comply with any such request shall not in itself be deemed a failure to exercise reasonable care and no failure of Lender to preserve or protect any rights with respect to any Collateral against prior parties or to do any act with respect to the preservation of any of the Collateral not so requested by Borrower shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

Any notice or other communication hereunder to any party shall be given and be effective in accordance with the provisions of the Credit Agreement.

No remedy herein conferred is intended to be exclusive of any other remedy, but every such remedy shall be cumulative and shall be in addition to every other remedy herein conferred or

conferred upon Lender by any other writing, or now or hereafter existing at law or in equity or by statute.

No delay on the part of Lender in the exercise of any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision thereof.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

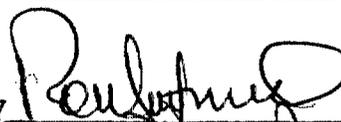
This Agreement shall be a contract made under and governed by the laws of the State of Illinois, and to the extent applicable, by the laws of the United States.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and without limiting the foregoing, all rights and powers hereunder or with respect hereto of Lender, or any agent or representative of Lender, may be exercised by any successor or assignee of Lender or any agent or representative of such successor or assignee.

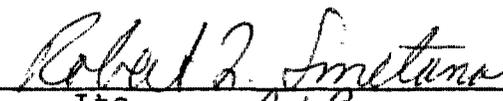
This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

CHEMICAL ENTERPRISES

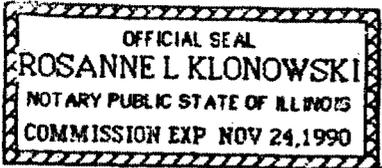
By   
Its Vice President Finance

SECURITY PACIFIC BUSINESS  
CREDIT INC.

By   
Its A.P.

State of Illinois )  
County of DePue ) ss

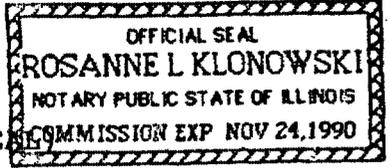
On this 11<sup>th</sup> day of March, 19 87 before me personally appeared Forstlund to me personally known, who being by me duly sworn, says that (s)he is the Vice President of Chemical Enterprise, that the seal affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

(SEAL)   
My commission expires: 11-24-90

Rosanne L. Klonowski  
Notary Public

State of Illinois )  
County of DePue ) ss

On this 11<sup>th</sup> day of March, 19 87 before me personally appeared Rosetta Z. Montana to me personally known, who being by me duly sworn, says that (s)he is the Asst Vice President of Security Pacific Business Center, that the seal 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

(SEAL)   
My commission expires: 11-24-90

Rosanne L. Klonowski  
Notary Public



Chemical Enterprises, Inc.

---

The Sulfur Company

8582 Katy Freeway, Suite 202  
Houston, Texas 77024-1874  
713/461-0606

March 13, 1987

Mr. John Kleiman  
Account Executive  
Security Pacific Business Credit Inc.  
1 East 22nd Street/Suite 220  
Lombard, Il. 60148

Dear John:

Attached is a copy of the bill of sale from Allied Corporation and a copy of the AAR Record of Certification for rail road cars CLEX 10021 to CLEX 10025. This should complete your files as all documents now have been provided for cars CLEX 10001 thru 10039.

Should you have any questions, or if I can be of further assistance, please do not hesitate to telephone me.

Sincerely,

Ron Seifried  
Vice President Finance

ALLIED CORPORATION  
SALES AGREEMENT

ALLIED CORPORATION, (the "Seller") in consideration of the sum of Four Thousand Dollars (\$4000) per car does hereby grant, bargain, sell, transfer and set over into CHEMICAL ENTERPRISES INC. (the "Buyer"), its successors and assigns five (5) railroad tank cars per attached list.

It is hereby expressly understood and agreed by the parties hereto that the railcars sold and purchased hereunder are suitable for interchange purposes and are to be used solely for any product approved by the D.O.T. for this class of car. Buyer understands that cars contained Fertilizer Solutions. Cars will be cleaned prior to forwarding to Buyer. Buyer understands and agrees that this constitutes a casual sale and that Seller makes this sale 'AS IS AND WITH ALL FAULTS'. THERE ARE NO WARRANTIES OF ANY VARIETY, EXPRESS OR IMPLIED, NOR ANY WARRANTIES OF MERCHANTABILITY OF SAID CARS OR OF THEIR FITNESS FOR ANY PARTICULAR USE OR PURPOSE. Buyer hereby agrees to make a similar disclosure as to the condition of said cars to any subsequent purchasers. Buyer agrees to indemnify and hold Seller harmless from any and all suits, claims, losses, damages, expenses or other charges, including attorneys' fees, arising with respect to such railcars including such claims arising from Seller's negligence and other faults or as a result of a subsequent sale by Buyer, including but not limited to any claim which results from Buyer's failure to warn Buyer or subsequent purchasers of the condition of said railcars.

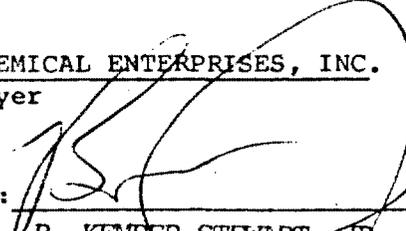
Railcars will be shipped from Seller's LaPlatte, Nebraska plant at rate of five (5) cars per week beginning week of September 15, 1983 to Buyer's designated location. Freight or repair charges, if any, will be for Buyer's account. Prior to forwarding five (5) cars a certified check must be tendered to Allied Corporation.

ALLIED CORPORATION  
Seller

BY: 

ITS: DIRECTOR-DISTRIBUTION

CHEMICAL ENTERPRISES, INC.  
Buyer

BY: 

R. KEMPER STEWART, JR.  
ITS: TRAFFIC MANAGER

ASSOCIATION OF AMERICAN RAILROADS  
 MECHANICAL DIVISION  
 OPERATING TRANSPORTATION DIVISION

AAR Record of Certification of Other than New Cars  
 Sold for Use in Interchange Service

(1) Name of Seller Allied Chemical an Operating Company of Allied Corp.  
 (Company or Individual)  
 (2) Name of Buyer Chemical Enterprises, Inc.  
 (Company or Individual)  
 (3) Date of Sale \_\_\_\_\_  
 (4) New Car Initials and Number(s) CLEX 10021 to 10025  
 (New Reporting Marks)

(5) Old Reporting Marks

(5a) Car Initials & Number(s)	(5b) Date Built New	(5c) Date Rebuilt	(5d) Type of Car
ACSX 49882	1965		ICC 111A60ALW
49999	"		"
49915	"		DT "
49946	"		"
49994	"		"

In accordance with Rule 88, Section A.4.a. of the Office Manual, the above car(s) are less than 20 years old and have no basic structural weakness or damage that would cause an unsafe operating condition and currently meet all interchange requirements.

The above statement is certified correct by both the seller and the buyer.

For Seller *A. Galambos* Date 11/9/83  
 DIRECTOR-DISTRIBUTION (Name and Title)

For Buyer *T.M.* Date 11/1/83  
 (Name and Title)

Approved By  
Mechanical Division

Approved By  
Operating Transportation Division

Two (2) copies of this form must be completed and mailed to the Director Rules and Inspection, Mechanical Division, Association of American Railroads, 1920 L Street, NW, Washington, DC 20036.

# INTERCHANGE AGREEMENT

The Subscriber hereto adopts and agrees, jointly and severally, with each and all other parties (whether corporations, partnerships or individuals) owning or possessing railroad cars used for the transportation of commodities, which parties have respectively entered into agreements in effect similar to this instrument, that the Subscriber will abide by the Code of Rules governing the condition of, repairs to and settlements for freight cars for the interchange of traffic, as formulated and promulgated by the former Master Car Builders' Association and by the Association of American Railroads (Division V--Mechanical) or by either thereof (which rules are designated on the minutes of said Association's proceedings and are commonly known as "Interchange Rules"), and by each of said rules, and as well will abide by each and all decisions and interpretations of the Arbitration Committee provided for by said Code of Rules, until this agreement on the part of the Subscriber shall be terminated by three months' notice in writing, filed with the Secretary (or such other officer as from time to time shall be acting as Secretary) of said Railroad Association, or of such body as shall at the time have succeeded thereto.

Dated, signed and sealed this 1st day of November  
A. D. 1983

By [Signature]  
R. KEMPER STEWART, JR.  
TRAFFIC MANAGER

Attest:

[Signature]  
Margaret O. Nichel  
Assistant Secretary.

Witnesses to execution by subscriber:

[Signature] (Seal)  
[Signature] (Seal)  
[Signature] (Seal)

NOTE: If Subscriber be a partnership, then following signatures of the respective partners should be added the words "doing business as \_\_\_\_\_" (inserting partnership or trade name).

ASSOCIATION OF AMERICAN RAILROADS  
MECHANICAL DIVISION  
OPERATING TRANSPORTATION DIVISION

AAR Record of Certification of Other than New Cars  
Sold for Use in Interchange Service

(1) Name of Seller Allied Chemical, an Operating Company of Allied Corporation (Company or Individual)  
 (2) Name of Buyer Chemical Enterprises Inc. (Company or Individual)  
 (3) Date of Sale March 1, 1983  
 (4) New Car Initials and Number (s) CLEX 10001 - 10010 (New Reporting Marks)

(5) Old Reporting Marks  
 (5a) Car Initials & Number (s) (5b) Date Built New (5c) Date Rebuilt (5d) Type of Car

ACSX 49801	1965		1CC111A60 ALW
49803	"		"
49850	"		"
49866	"		"
49873	"		"
49885	1966		"
49909	"		"
49911	"		"
49917	"		"
49950	"		"

In accordance with Rule 88, Section A.4.a. of the Office Manual, the above car (s) are less than 20 years old and have no basic structural weakness or damage that would cause an unsafe operating condition and currently meet all interchange requirements.

The above statement is certified correct by both the seller and the buyer.

For Seller

John F. Custer  
 Manager, Rail Equipment

Date 5/4/83

For Buyer

mes...  
 (Name and Title)

Date 6/1/83

Approved By  
Mechanical Division

Approved By  
Operating Transportation Division

Two (2) copies of this form must be completed and mailed to the Secretary, Mechanical Division, Association of American Railroads, 1920 L Street, NW, Washington, DC 20036.

January 24, 1983

ALLIED CORPORATION  
SALES AGREEMENT

ALLIED CORPORATION, (the "Seller") in consideration of the sum of Four Thousand Dollars (\$4000) per car does hereby grant, bargain, sell, transfer and set over into CHEMICAL ENTERPRISES INC. (the "Buyer"), its successors and assigns ten (10) railroad tank cars per attached list.

It is hereby expressly understood and agreed by the parties hereto that the railcars sold and purchased hereunder are suitable for interchange purposes and are to be used solely for any product approved by the D.O.T. for this class of car. Buyer understands that cars contained Fertilizer Solutions. Cars will be cleaned prior to forwarding to Buyer. Buyer understands and agrees that this constitutes a casual sale and that Seller makes this sale 'AS IS AND WITH ALL FAULTS'. THERE ARE NO WARRANTIES OF ANY VARIETY, EXPRESS OR IMPLIED, NOR ANY WARRANTIES OF MERCHANTABILITY OF SAID CARS OR OF THEIR FITNESS FOR ANY PARTICULAR USE OR PURPOSE. Buyer hereby agrees to make a similar disclosure as to the condition of said cars to any subsequent purchasers. Buyer agrees to indemnify and hold Seller harmless from any and all suits, claims, losses, damages, expenses or other charges, including attorneys' fees, arising with respect to such railcars including such claims arising from Seller's negligence and other faults or as a result of a subsequent sale by Buyer, including but not limited to any claim which results from Buyer's failure to warn Buyer or subsequent purchasers of the condition of said railcars.

Railcars will be shipped from Seller's LaPlatte, Nebraska plant at rate of ten (10) cars per week beginning week of January 30, 1983 to Buyer's designated location. Freight or repair charges, if any, will be for Buyer's account. Prior to forwarding ten (10) cars a certified check must be tendered to Allied Corporation.

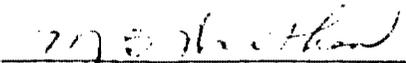
ALLIED CORPORATION  
Seller

BY: 

H. J. N. Lalonde

ITS: Director-Distribution

CHEMICAL ENTERPRISES, INC.  
Buyer

BY: 

ITS: Vice President Production & Distribution

ASSOCIATION OF AMERICAN RAILROADS  
MECHANICAL DIVISION  
OPERATING TRANSPORTATION DIVISION

AAR Record of Certification of Other than New Cars  
Sold for Use in Interchange Service

(1) Name of Seller Allied Chemical an Operating Company of Allied Corporation  
(Company or Individual)  
(2) Name of Buyer Chemical Enterprises, Inc.  
(Company or Individual)  
(3) Date of Sale August 11, 1983  
(4) New Car Initials and Number(s) CLEX 10011 to 10020  
(New Reporting Marks)  
(5) Old Reporting Marks  
(5a) Car Initials & Number(s) (5b) Date Built New (5c) Date Rebuilt (5d) Type of Car

(5a) Car Initials & Number(s)	(5b) Date Built New	(5c) Date Rebuilt	(5d) Type of Car
ACSX 49824	1965		ICC 111A60ALW
49829	"		"
49839	"		"
49843	"		"
49865	"		"
49880	"		"
49826	"		"
49813	"		"
49837	"		"
49888	"		"

In accordance with Rule 88, Section A.4.a. of the Office Manual, the above car(s) are less than 20 years old and have no basic structural weakness or damage that would cause an unsafe operating condition and currently meet all interchange requirements.

The above statement is certified correct by both the seller and the buyer.

For Seller

*A. Calcutt*  
(Name and Title)

Date

*8/26/83*

For Buyer

*D. T. ...*  
(Name and Title)

Date

*8/27/83*

Approved By  
Mechanical Division

Approved By  
Operating Transportation Division

Two (2) copies of this form must be completed and mailed to the Director Rules and Inspection, Mechanical Division, Association of American Railroads, 1920 L Street, NW, Washington, DC 20036.

August 11, 1983

ALLIED CORPORATION  
SALES AGREEMENT

ALLIED CORPORATION, (the "Seller") in consideration of the sum of Four Thousand Dollars (\$4000) per car does hereby grant, bargain, sell, transfer and set over into CHEMICAL ENTERPRISES INC. (the "Buyer"), its successors and assigns ten (10) railroad tank cars per attached list.

It is hereby expressly understood and agreed by the parties hereto that the railcars sold and purchased hereunder are suitable for interchange purposes and are to be used solely for any product approved by the D.O.T. for this class of car. Buyer understands that cars contained Fertilizer Solutions. Cars will be cleaned prior to forwarding to Buyer. Buyer understands and agrees that this constitutes a casual sale and the Seller makes this sale 'AS IS AND WITH ALL FAULTS'. THERE ARE NO WARRANTIES OF ANY VARIETY, EXPRESS OR IMPLIED, NOR ANY WARRANTIES OF MERCHANTABILITY OF SAID CARS OR OF THEIR FITNESS FOR ANY PARTICULAR USE OR PURPOSE. Buyer hereby agrees to make a similar disclosure as to the condition of said cars to any subsequent purchasers. Buyer agrees to indemnify and hold Seller harmless from any and all suits, claims, loss, damages, expenses or other charges, including attorneys' fees, arising with respect to such railcars including such claims arising from Seller negligence and other faults or as a result of a subsequent sale by Buyer including but not limited to any claim which results from Buyer's failure to warn Buyer or subsequent purchasers of the condition of said railcars.

Railcars will be shipped from Seller's LaPlatte, Nebraska plant at rate of ten (10) cars per week beginning week of January 30, 1983 to Buyer's designated location. Freight or repair charges, if any, will be for Buyer's account. Prior to forwarding ten (10) cars a certified check must be tendered to Allied Corporation.

ALLIED CORPORATION

Seller

BY: H. J. N. Lalonde

H. J. N. Lalonde

ITS: Director-Distribution

CHEMICAL ENTERPRISES, INC.

Buyer

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

ASSOCIATION OF AMERICAN RAILROADS  
MECHANICAL DIVISION  
OPERATING TRANSPORTATION DIVISION

AAR Record of Certification of Other than New Cars  
Sold for Use in Interchange Service

(1) Name of Seller Arcadian Corporation  
(Company or Individual)  
(2) Name of Buyer Chemical Enterprises, Inc.  
(Company or Individual)  
(3) Date of Sale November 21, 1985  
(4) New Car Initials and Number(s) CLEX 10026 thru CLEX 10039  
(New Reporting Marks)

(5) Old Reporting Marks  
(5a) Car Initials & Number(s) (5b) Date Built New (5c) Date Rebuilt (5d) Type of Car

ACSX 49845	Dec. 1965	ICC 111A60ALW
ACSX 49846	Dec. 1965	"
ACSX 49854	Jan. 1966	"
ACSX 49858	Dec. 1965	"
ACSX 49859	Dec. 1965	"
ACSX 49863	Dec. 1965	"
ACSX 49872	Dec. 1965	"
ACSX 49878	Dec. 1965	"
ACSX 49902	Dec. 1965	"
ACSX 49903	Dec. 1965	"
ACSX 49908	Jan. 1966	"
AHCX 49861	Dec. 1965	"
ACSX 49916	Jan. 1966	"
ACSX 49926	Jan. 1966	"

In accordance with Rule 88, Section A.4.a. of the Office Manual, the above car(s) are less than 20 years old and have no basic structural weakness or damage that would cause an unsafe operating condition and currently meet all interchange requirements.

The above statement is certified correct by both the seller and the buyer.

For Seller [Signature] Date [Date]  
(Name and Title)  
For Buyer [Signature] Date October 13, 1986  
(Name and Title)

Approved By  
Mechanical Division

[Signature]

Approved By  
Operating Transportation Division

[Signature]

Two (2) copies of this form must be completed and mailed to the Director Rules and Inspection, Mechanical Division, Association of American Railroads, 1920 L Street, NW, Washington, DC 20036.

ASSOCIATION OF AMERICAN RAILROADS  
MECHANICAL DIVISION  
OPERATING TRANSPORTATION DIVISION

AAR Record of Certification of Other than New Cars  
Sold for Use in Interchange Service

(1) Name of Seller ARCADIAN CORPORATION  
(Company or Individual)  
(2) Name of Buyer CHEMICAL ENTERPRISES, INC.  
(Company or Individual)  
(3) Date of Sale NOVEMBER 21, 1985  
(4) New Car Initials and Number(s) CLEX 10040 thru CLEX 10050  
(New Reporting Marks)

(5) Old Reporting Marks  
(5a) Car Initials & Number(s) (5b) Date Built New (5c) Date Rebuilt (5d) Type of Car

ACSX 49935	Jan. 1966	ICC 111A60ALW
ACSX 49942	Jan. 1966	"
ACSX 49959	Jan. 1966	"
ACSX 49949	Jan. 1966	"
ACSX 49964	Feb. 1966	"
ACSX 49965	Feb. 1966	"
ACSX 49973	Feb. 1966	"
ACSX 49977	Feb. 1966	"
ACSX 49987	Feb. 1966	"
ACSX 49993	Feb. 1966	"
ACSX 49996	Feb. 1966	"

In accordance with Rule 88, Section A.4.a. of the Office Manual, the above car(s) are less than 20 years old and have no basic structural weakness or damage that would cause an unsafe operating condition and currently meet all interchange requirements.

The above statement is certified correct by both the seller and the buyer.

For Seller [Signature] Date [Signature]  
(Name and Title)  
For Buyer [Signature] Date October 13, 1986  
(Name and Title)

Approved By  
Mechanical Division

[Signature]

Approved By  
Operating Transportation Division

[Signature]

Two (2) copies of this form must be completed and mailed to the Director Rules and Inspection, Mechanical Division, Association of American Railroads, 50 F Street, NW, Washington, DC 20001.

CONTRACT OF SALE

CONTRACT OF SALE dated the 21st day of November, 1985, by and between ARCADIAN CORPORATION, a New York Corporation, having offices at One Gatehall Drive, P.O. Box 265, Parsippany, New Jersey 07054 ("Seller"), and CHEMICAL ENTERPRISES, INC., a corporation, having offices at 6582 Katy Freeway, Suite 202, Houston, Texas 77024 ("Buyer").

In consideration of the mutual covenants herein contained, Seller and Buyer agree as follows:

1. Seller agrees to sell, and Buyer agrees to buy, the twenty-five (25) rail tank cars identified in attached Exhibit A which is incorporated herein by reference, free and clear of any mortgages, security interests or other liens and encumbrances.

2. Buyer shall pay to Seller the purchase price of \$125,000, F.O.B. Seller's Plant at LaPlatte, Nebraska, freight to Buyer's Destination to be for Buyer's account.

3. Buyer shall pay Seller the full amount of the purchase price for each car without discount, in the form of a credit for the purchase of Amonium Thiosulfate at the prices specified in Exhibit B, which is incorporated herein by reference.

4. Buyer further covenants and agrees that forthwith after arrival of each car at Buyer's Destination Buyer will

obliterate or cause to be obliterated therefrom any identifying verbiage, symbols, marks and numbers.

5. Buyer acknowledges and agrees that the cars are being sold "as is" and that SELLER MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

6. Upon payment of the entire purchase price as hereinabove provided, Seller shall deliver to Buyer a bill of sale or other instrument conveying title to the cars being purchased.

7. Buyer further agrees to hold Seller harmless from any claims, demands, causes of actions, losses, costs or expenses arising out of, or in any way connected with, the possession, use, condition or disposition of such cars after receipt thereof by Buyer from Seller, including, but not limited to, any personal injuries (including death) and property damage to Buyer, its employees, agents, successors and assigns, or to any third party. Buyer also agrees to hold Seller harmless from any claims, demands, causes of action, losses, costs or expenses arising out of, or in any way connected with, the breach or violation by Buyer of any of the covenants and agreements made by Buyer in paragraph 4 above or the violation by Buyer after receipt of the cars by Buyer from seller of any applicable laws, ordinances or regulations affecting the cars or the possession, use, condition or disposition thereof.

8. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Contract of Sale to be signed by their respective officers thereunto duly authorized, as of the date first above set forth.

ARCADIAN CORPORATION (Seller's)

By: Paul D. Burt

Title: \_\_\_\_\_

CHEMICAL ENTERPRISES, INC. (Buyer's)

By: Dallas Caspary

Title: President

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

THAT ARCADIAN CORPORATION, a New York Corporation, whose principal address is PO Box 265, Parsippany, New Jersey 07054, herein referred to as Seller, for and in consideration of the sum of Five Thousand (\$5,000.00) each, paid to them in cash or in kind, at or before the ensealing and delivery of these presents, by Chemical Enterprises, Inc., a corporation having offices at 6582 Katy Freeway, Suite 202, Houston, Texas 77024, herein referred to as the Buyer, sells, transfers, sets over and assigns to Buyer the following rail tankcars:

ACSX 49959

AHCX 49861

The Seller warrants that he is the owner of and in actual possession of the property hereinabove set forth, and that he has the absolute right and authority to sell same under the conditions and terms mentioned in this Bill of Sale.

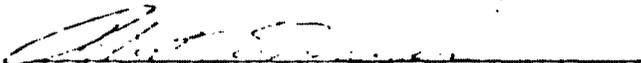
Seller further states that there are no liens, mortgages, security interests, judgments, levies, Municipal, State or Federal taxes unpaid, nor are there any persons or corporations who have any claim of any nature whatsoever against the said property mentioned in this Bill of Sale and that the same are free and clear.

Any warranties, covenants, and promises contained in the agreement dated the 21st day of November, 1985 heretofore entered into between Seller and Buyer for the sale and purchase hereby consummated, shall not merge in but shall survive this Bill of Sale and become a part hereof and shall continue in full force and effect as though set forth herein at length.



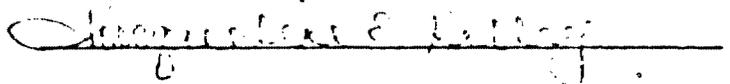
Paul DiBartolo, Vice President  
Arcadian Corporation

Attested by:

  
Robert E. Hayes

STATE OF NEW JERSEY, COUNTY OF MORRIS: SS

BE IT REMEMBERED, that on 10-27-86, 1986, before me, the subscriber, Josephine E. Kirkham personally appeared Paul DiBartolo, who I am satisfied, is the person named in and who executed the within Instrument, and thereupon he acknowledged that he signed, sealed, and delivered the same as his act and deed, for the purposes therein expressed.



STATE OF NEW JERSEY, COUNTY OF MORRIS: SS

BE IT REMEMBERED, that on 10-27-86, 1986, before me, the subscriber, Josephine E. Kirkham personally appeared Robert E. Hayes who, being by me duly sworn on his oath, deposes and makes proof to my satisfaction, that he is the Secretary of Arcadian Corporation, the Corporation named in the within Instrument; that Paul DiBartolo is a Vice President of said Corporation; that the making

of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said Corporation; that deponent well knows the corporate seal of said Corporation; that the seal affixed to said Instrument is the proper corporate seal and was thereto affixed and said Instrument signed and delivered by said Vice President as and for the voluntary act and deed of said Corporation, in the presence of deponent, who thereupon subscribed his name thereto as attesting witness.

Sworn and subscribed before me,  
the date aforesaid.

Madeline E. Kelley  
Notary Public of New Jersey

MADIELINE E. KELLEY  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Apr. 5, 1989

APPLICATION FOR APPROVAL AND CERTIFICATE OF CONSTRUCTION

AAR APPLICATION NO. 19096

TO:  NEARBY,  INTERMEDIATE,  REMOTE,  OWNER

APPLICANT: General American Transportation Corporation

APPLICATION FOR APPROVAL OF  CONSTRUCTION  CONVERSION  ALTERATIONS  REPAIRS

TANK NO. ACSX 49800 to 49999, incl. DATE: September 28, 1965

TANK SPECIFICATION: ICC-111A60-AL-W I. NUMBER OF CARS: 200

2. COMMODITY: Nitrogen Fertilizer Solution 6. COMMODITY WT PER GALLON: 9.36

7. DRUM CAPACITY: 10000 8. DRUM CAPACITY: None

9. MATERIAL: Tank Plates per ASTM Specification B-209 (Latest Issue)

10. INSIDE DIAMETER: 87 INCHES 11. HEAD RADIUS: Ellip INCHES 12. TEST PRESSURE: 60 PSI

13. INSULATION: Urethane foam in place 14. THERMAL CONDUCTIVITY: .150

15. SAFETY RELIEF DEVICES: 35# Safety Valve 16. START TO DISCHARGE: 35

17. AIR CAPACITY: 661 18. TANK AREA: 883

19. CAR WEIGHT: 29.8 20. ESTIMATED WEIGHT: 43000

21. RAIL LOAD LIMIT: 177,000 22. TRUCK CAPACITY: 50

23. CENTER OF GRAVITY LOADED: 79.5 INCHES 24. MAX ALLOWABLE WT PER GALLON: 13.4

NOTES:

PRINTS FROM THE FOLLOWING DRAWINGS ARE SUBMITTED OR HAVE BEEN PREVIOUSLY SUBMITTED AS INDICATED, APPLYING TO THIS CAR	DRAWING NUMBER	DATE OF LATEST REVISION	APPLICATION NUMBER ORIGINALLY APPROVED
25. GENERAL ARRANGEMENT	71275	7-27-65	Submitted
26. ARRANGEMENT, TANK	1156-B	7-15-65	Submitted
27. ARRANGEMENT, TANK BODY	88618-A	8-18-65	Submitted
28. REINFORCED OPENINGS, INCLUDING CALCULATIONS	1156-B	7-15-65	Submitted
29. ANCHORAGE, INCLUDING CALCULATIONS	71245-C	9-13-65	Sub. 18906
30. TONGUE OR HITCH ARRANGEMENT	88615-A	8-18-65	Submitted
31. HANDRAILS	71279	7-26-65	Submitted
32. PROTECTIVE COUPLING	71274-A	8-19-65	Submitted
33. VALVING, LOADING AND DISCHARGE VALVES	71274-A	8-19-65	Submitted
34. SAFETY VALVES	56115-A	8-19-65	Sub. 19092
35. AIR LINE SYSTEMS	None	--	--
36. THERMOCOULERS	Outage Scale	4-23-62	16439
37. BOTTOM OUTLET VALVE	4" Plain Outlet	71278-A	8-18-65
38. SPECIAL COMPARTMENT SYSTEMS	"Nitrogen Fertilizer Solution Only"		
39. TONGUE OR HITCH ARRANGEMENT	1051-773	7-27-65	Submitted
40. <del>39a</del> Platform Grating	201-135	7-7-65	Submitted
41. Platform Grating	201-136	7-7-65	Submitted
42. End Arrangement	1181-18	7-27-65	Submitted
43. Brake Arrangement	88616-A	8-18-65	Submitted
44. Handbrake Arrangement	71272-B	7-17-65	Submitted

REVISIONS

APPROVAL: CHIEF ENGINEER, TANK CAR DIVISION

AAR APPROVAL BY: [Signature] DATE APPROVED: January 14, 1966

CERTIFICATE OF CONSTRUCTION: I, THE CAR ENGINEER, HEREBY CERTIFY THAT THE ABOVE APPROVED DESCRIPTION AND TO ALL APPLICABLE ICC AND AAR REQUIREMENTS, INCLUDING FEDERAL, STATE, REGULATIONS, RULES OF INTERCHANGE AND THE U.S. SAFETY APPLIANCE ACT.

DATE: January 26, 1966  
BY: [Signature]  
TITLE: CHIEF ENGINEER  
TANK CAR DIVISION

**GENERAL AMERICAN TRANSPORTATION CORPORATION**  
TANK CAR DIVISION, SHARON, PENNA.

**INSPECTION REPORT**

CLASS ICC-111A60AL-W TANK CAR 10,000 GAL CAPY  
 No. of Cars 200 Purchaser or Lessee Allied Chemical Corporation  
 Reporting Marks ACSX 19800 to 19999 incl. Aver. Tank Cap'y Order No. P.O. 7330  
 Aver. Dome Cap'y Aver. Compt Cap'y, A C B  
 Aver. Light Wt. 45,558.50 lbs. No. of Compt's Outage Table No. See Attached Sheet

TANK Welded Drwg. No. 1156-8  
 Construction 3 Ring  
 Ins. Dia. 87" Material ASTM B-209  
 Cyl. Length Length I. B. H. 36'-7"  
 Shell 1/2 Bott. Heads 1/2 K.R. 5111r.  
 Dome I.D. Height to B.L.  
 Dm. Shell Head Gals. per 1"  
 Pavement Outage Scale 40742-B  
 Anchorage 71215-B  
 Dome Arrangement Tank Fittings. 56120  
 Dome Ring 87979  
 Dome Cover 71279  
 Acid Dome Hd. None  
 Stuffing Box None  
 Manway Ass'y. 88615-B  
 Manway Cover 71279  
 Bonnet  
 Safety Valve 35# 56115-A Midland A-1039  
 Safety Vent  
 Check Valve  
 Angle Valve  
 Vacuum Relief Valves Midland A-217-S-S  
 Disch. Pipe 2" Sch. 40 x 102", 304 S-S  
 Disch. Pipe Guide and Brkt. Dwg. 453-80  
 Prot. Bonnet 71274-A  
 Stop Cocks None  
 Gaug. Device Ther. Well None  
 Washout None  
 Sump None  
 Bott. Out Mech. 712785-4" Jamesbury Ball Valve  
 Nozzle 43390 Valve Dwg. D-2389  
 Cap. None Plug 2"-19547 Reducer. None  
 Dome Ladder 71280 Tank Bands 22032  
 Dome Platf. or Step Type 80 Dwg. 1051-773  
 COILS None Lines Drwg. No.  
 Size Duplex  
 Bleeders None  
 LAGGING None  
 JACKET 1054-406

UNDERFRAME Drwg. No. 08606  
 Type 80 Length O. S. Plts. 38'-1-1/2"  
 Width O. R. Bds. 10'-1-1/2"  
 Cent. Sills "Z" Section 12-15/16" 1.2"x3"  
 Diag. Brcs.  
 Top Cover Plt.  
 Bott. Cover Plt.  
 B. B. Diaph. Mudguards 12147  
 Run. Bds. Flaw-Knox  
 Strik. Plt. 72-166 Coupler C. Iron  
 Coupler B-3604-ET Yoke 162-12-BV-40  
 Draft Gear Miner A-22-XL  
 B. Cent. Plt. 15691  
 B. Cent. Brace 12505  
 Front D. Lug Dwg. 72-166 Rear D. L.  
 Airbrake 88616 AP 10" x 12"  
 Piston Travel  
 Hand Brake 55102  
 Cyl. Lev. F. L.  
 Body Side Brngs Dwg. 125-23 Brace 191824  
 Uncoup. Device 10-13946  
 Infl. Placard 29188  
 Badge Plate 22327  
 Stabilizer Spring  
 Defect Box 23235  
 Bolster Ass'y. 71277  
 Gen. Arrng't. 71275

TRUCKS Ben. Stab. Drwg. No. R-9420  
 Type S2A (Cap'y 50T Ht.  
 Wheels AAR B-33 Class "U"  
 Sideliframes  
 Bolsters  
 Bottom Rod Guard  
 Side Bearings 9-1240  
 Brake Beams AAR 715 Hangers  
 Brk. B. Supports None  
 T. Levers 122T  
 Tr. Sp. Snubber

Slabbing 2330T  
 Slabbing Area - Total Sq. Ft.  
 Extreme Height 11" = 1-1/2"  
 Extreme Width 10" = 4-1/2"  
 Trust or Owner Plates None

Remarks

PAINTED & STENCILED AAR and IQ7 stenciling per C.O. Dwg. B-6000-3. For painting, please see attached sheet.

Order Completed March 16, 1966 Commodity Nitrogen Fertilizer Solution  
 Signed A.B. ink