RECORDATION NO 17020-A,B FILED 1425

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OF COUNSEL
URBAN A. LESTER

Counterparts — Kim Bortman

September 23, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies each of two Assignment and Assumption Agreements, both dated as of August 31, 1996, secondary documents as defined in the Board's Rules for the Recordation of Documents

The enclosed documents relate to the Master Lease Agreement which was previously filed with the Commission under Recordation Number 17020.

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

<u>Assignment and Assumption Agreement</u>

Assignor: Ford Motor Credit Company
(successor to Ford Equipment Leasing Company)
The American Road
Dearborn, Michigan 48121

Assignee: USL Capital Corporation
733 Front Street
San Francisco, California 94111

Assignment and Assumption Agreement

Assignor: USL Capital Corporation
733 Front Street
San Francisco, California 94111

Assignee: BEF Corporation
733 Front Street
San Francisco, California 94111

A description of the railroad equipment covered by the enclosed documents is set forth in the Chattel Mortgage as originally filed herein.

Also enclosed is a check in the amount of $44.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/bg
Enclosures

17020-B

ASSIGNMENT AND ASSUMPTION AGREEMENT

1996 -2 PM

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Assignment**") is made as of the 31st day of August, 1996 by and between USL CAPITAL CORPORATION, a Delaware Corporation ("**Assignor**"), and BEF CORPORATION, a Delaware corporation ("**Assignee**").

W I T N E S S E T H

WHEREAS, this Assignment is contemplated by the provisions of the Stock Purchase Agreement (the "**Stock Purchase Agreement**") dated as of August 6, 1996 between Assignor and Mellon Bank, N.A.;

WHEREAS, pursuant to the Stock Purchase Agreement, Assignor and Assignee have entered into an Asset Contribution Agreement (the "**Asset Contribution Agreement**") dated as of August 31, 1996;

WHEREAS, Ford Motor Credit Company, as successor by merger to Ford Equipment Leasing Company ("**Ford**"), and El Dorado Chemical Company, a Oklahoma corporation ("**El Dorado**"), were party to that certain Chattel Mortgage (Security Agreement) No. 89-4-3629-001 dated as of November 14, 1989 (the "**Mortgage**"), which was duly recorded with the Interstate Commerce Commission ("**ICC**") under Recordation No. 16726, that certain Promissory Note No. 89-4-3629-001 (level payment) dated as of November 14, 1989 (the "**Note**") and that certain Master Lease Agreement No. 90-3-3862 dated as of September 4, 1990 (the "**Lease**"), which was duly recorded with the ICC under Recordation No. 17020;

WHEREAS, LSB Industries, Inc. has guaranteed (i) El Dorado's obligations by entering into that certain Guaranty dated as of November 14, 1989 (the "**Guaranty**") and (ii) specifically, El Dorado's obligations under the Lease by entering into that certain Continuing Guaranty dated as of September 5, 1990 (the "**Continuing Guaranty**"; the Mortgage, Note, Lease, Guaranty and Continuing Guaranty are hereinafter, collectively, referred to as the "**Agreements**");

WHEREAS, pursuant to that certain Assignment and Assumption Agreement dated as of August 31, 1996, Ford has assigned, transferred and conveyed and Assignor has acquired and accepted all of Ford's interests and obligations in the Agreements;

WHEREAS, pursuant to the Asset Contribution Agreement, Assignor has agreed to assign, transfer and convey and Assignee has agreed to acquire and accept certain assets described in the Asset Contribution Agreement including, without limitation, Assignor's interest in the Agreements;

WHEREAS, Assignee has agreed under the Asset Contribution Agreement to assume and discharge all obligations of Assignor under the Agreements which arise from and after the closing under the Stock Purchase Agreement;

NOW, THEREFORE, with reference to the foregoing recitals which are incorporated herein by this reference and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Assignor does hereby ASSIGN, GRANT, TRANSFER AND CONVEY to Assignee all of its right, title and interest to the Agreements.

2. Assignee accepts the foregoing assignment and assumes and agrees to perform and to pay or discharge any and all obligations under the Agreements arising from and after the date hereof; provided however, that nothing herein modifies the indemnity obligations of either Assignor or Mellon Bank, N.A. in respect of Excluded Liabilities or Assumed Liabilities (as defined in the Stock Purchase Agreement) in accordance with the provisions of the Stock Purchase Agreement.

3. The persons executing this Assignment represent and warrant that they are duly authorized to execute and deliver this Assignment on behalf of Assignor or Assignee, as the case may be.

4. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute only one instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption Agreement to be executed as of the date first above written.

USL CAPITAL CORPORATION

By: Henry Lerner
Name: Henry Lerner
Title: Senior Vice President

BEF CORPORATION

By: Henry Lerner
Name: Henry Lerner
Title: Vice President

ACKNOWLEDGMENTS

STATE OF California)
) ss.
COUNTY OF San Francisco)

On this 12th day of September, 1996, before me personally appeared Henry Lerner, to me known, who being by me duly sworn, did depose and say that he/she is a Senior Vice President of USL CAPITAL CORPORATION, one of the corporations described in and which executed the foregoing instrument; and that he/she signed his/her name thereto pursuant to authority of the board of directors of said corporation.

N. Kassiants
Notary Public

[Stamp and Seal]

NINA KASSIANTS
COMM. # 1027358
Notary Public — California
SAN FRANCISCO COUNTY
My Comm Expires MAY 22, 1998

STATE OF California)
) ss.
COUNTY OF San Francisco)

On this 12th day of September, 1996, before me personally appeared Henry Lerner, to me known, who being by me duly sworn, did depose and say that he/she is a Vice President of BEF CORPORATION, one of the corporations described in and which executed the foregoing instrument; and that he/she signed his/her name thereto pursuant to authority of the board of directors of said corporation.

N. Kassiants
Notary Public

[Stamp and Seal]

NINA KASSIANTS
COMM # 1027358
Notary Public — California
SAN FRANCISCO COUNTY
My Comm Expires MAY 22, 1998