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(c) terminate the DIP Commitments and any other obligations of the Banks to extend any further credit hereunder on the date (which may be the date thereof) stated in such notice;

(d) demand that any Cash Collateral be applied to reduce or collateralize the Post-Petition Obligations and Pre-Petition Obligations as set forth in Section 3.4(e) hereof;

(e) demand payment of interest on the Post-Petition Obligations and Pre-Petition Obligations at the default rates set forth herein and in the Financing Order, in which event interest at such rates shall accrue and be payable as therein set forth without further order of or application to the Bankruptcy Court;

(f) the automatic stay shall be deemed lifted as to the Collateral and the DIP Agent may, and upon request of the Required Banks shall, (without regard to whatever other action the DIP Agent or the Banks may be taking), foreclose and realize upon and exercise any other rights or remedies with respect to the Collateral as security for the Post-Petition Obligations and Pre-Petition Obligations.

*Section 8.3. Relief from Stay.* Nothing contained in this Agreement shall impair or otherwise effect the Banks' right to seek relief from the automatic stay as to their Collateral for cause at any time, which right the Banks hereby fully reserve.

## SECTION 9. THE AGENT.

*Section 9.1. Appointment and Powers.* Harris is hereby appointed by the Banks as DIP Agent under the Loan Documents and each of the Banks hereby irrevocably authorizes the DIP Agent to act as the DIP Agent of such Bank. The DIP Agent agrees to act as such upon the express conditions contained in the Loan Documents.

*Section 9.2. Powers.* The DIP Agents shall have and may exercise such powers hereunder as are specifically delegated to the Agents by the terms of the Loan Documents, together with such powers as are incidental thereto. The DIP Agent shall have no implied duties to the Banks nor any obligation to the Banks to take any action under the Loan Documents except any action specifically provided by the Loan Documents to be taken by the DIP Agent.

*Section 9.3. General Immunity.* Neither the DIP Agent nor any of DIP Agent's directors, officers, agents or employees shall be liable to the Banks or any Bank for any action taken or omitted to be taken by it or them under the Loan Documents or in connection therewith except for its or their own gross negligence or willful misconduct.

*Section 9.4. No Responsibility for Loans, Recitals, etc.* The DIP Agent shall not (a) be responsible to the Banks for any recitals, reports, statements, warranties or representations contained in the Loan Documents or furnished pursuant thereto, (b) be responsible for any Loans by any other Bank hereunder, or (c) be bound to ascertain or inquire as to the performance or observance of any of the terms of the Loan Documents. In addition, neither the DIP Agent nor

the DIP Agent's counsel shall be responsible to the Banks for the enforceability or validity of any of the Loan Documents.

*Section 9.5. Right to Indemnity.* The Banks hereby indemnify the DIP Agent for any actions taken in accordance with this Section 9, and the DIP Agent shall be fully justified in failing or refusing to take any action hereunder unless it shall first be indemnified to its satisfaction by the Banks pro rata against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action, other than any liability which may arise out of the DIP Agent's gross negligence or willful misconduct.

*Section 9.6. Action Upon Instructions of Banks.* The DIP Agent agrees, upon the written request of the Required Banks, to take any action of the type specified in the Loan Documents as being within the DIP Agent's rights, duties, powers or discretion. The DIP Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with written instructions signed by the Required Banks (or all of the Banks, as applicable), and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Banks and on all holders of the Notes. In the absence of a request by the Required Banks, the DIP Agent shall have authority, in its sole discretion, to take or not to take any action, unless the Loan Documents specifically require the consent of the Required Banks or all of the Banks.

*Section 9.7. Employment of Agents and Counsel.* The DIP Agent may execute any of its duties as DIP Agent hereunder by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Banks, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it in good faith and with reasonable care. The DIP Agent shall be entitled to advice and opinion of legal counsel concerning all matters pertaining to the duties of the agencies hereby created.

*Section 9.8. Reliance on Documents; Counsel.* The DIP Agent shall be entitled to rely upon any note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and, in respect to legal matters, upon the opinion of legal counsel selected by the DIP Agent.

*Section 9.9. May Treat Payee as Owner.* The DIP Agent may deem and treat the payee of any Note as the owner thereof for all purposes hereof unless and until a written notice of the assignment or transfer thereof shall have been filed with such agent. Any request, authority or consent of any Person who at the time of making such request or giving such authority or consent is the holder of any such Note shall be conclusive and binding on any subsequent holder, transferee or assignee of such Note or of any Note issued in exchange therefor.

*Section 9.10. Agents Reimbursement.* Each Bank agrees to reimburse the DIP Agent pro rata in accordance with its Commitment Percentage for any reasonable out-of-pocket expenses (including fees and charges for inspections) not reimbursed by the Borrower (a) for which the DIP Agent is entitled to reimbursement by the Borrower under the Loan Documents and (b) for any other reasonable expenses incurred by the DIP Agent on behalf of the Banks, in connection

with the preparation, execution, delivery, administration and enforcement of the Loan Documents.

*Section 9.11. Rights as a Bank.* With respect to its commitment, Loans made by it, L/Cs issued by it, and the Notes issued to it, the DIP Agent shall have the same rights and powers hereunder as any Bank and may exercise the same as though it were not the DIP Agent, and the term "Bank" or "Banks" shall, unless the context otherwise indicates, include the DIP Agent in its individual capacity to the extent, if any, of its DIP Commitment. The DIP Agent may accept deposits from, lend money to, and generally engage in any kind of banking or trust business with the Borrower as if it were not the DIP Agent.

*Section 9.12. Bank Credit Decision.* Each Bank acknowledges that it has, independently and without reliance upon the DIP Agent or any other Bank and based on the financial statements referred to in Section 5.2 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into the Loan Documents. Each Bank also acknowledges that it will, independently and without reliance upon the DIP Agent or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents.

*Section 9.13. Resignation of Agent.* Subject to the appointment of a successor Agent, the DIP Agent may resign as the DIP Agent for the Banks under this Agreement and the other Loan Documents at any time by thirty days' notice in writing to the Banks. Such resignation shall take effect upon appointment of such successor. The Required Banks shall have the right to appoint a successor DIP Agent, subject to the prior consent of the Borrower (which consent shall not be unreasonably withheld or delayed), who shall be entitled to all of the rights of, and vested with the same powers as, the original DIP Agent under the Loan Documents. In the event a successor DIP Agent shall not have been appointed within the sixty day period following the giving of notice by the DIP Agent, the DIP Agent may appoint its own successor. Resignation by the DIP Agent shall not affect or impair the rights of the DIP Agent under Sections 9.5 and 11.8 hereof with respect to all matters preceding such resignation. Any successor DIP Agent must be either a Bank or a national banking association or a bank chartered in any State of the United States, in each case having capital and surplus of not less than \$500,000,000.

*Section 9.14. Duration of Agency.* The agency established by Section 9.1 hereof shall continue, and Sections 9.1 through and including Section 9.15 shall remain in full force and effect, until the Notes and all other amounts due hereunder and thereunder shall have been paid in full and the Banks' commitments to extend credit to or for the benefit of the Borrower shall have terminated or expired.

*Section 9.15. Authorization to Release Liens and Limit Amount of Certain Claims.* The DIP Agent is hereby irrevocably authorized by each of the Banks to release any Lien covering any Property of the Borrower or any Subsidiaries that is the subject of a Disposition which is permitted by this Agreement or which has been consented to in accordance with Section 11.1 of this Agreement. The DIP Agent is further irrevocably authorized by each of the Banks to reduce or limit the amount of the Obligations secured by any particular item of Collateral to an amount

not less than the estimated value thereof to the extent necessary to reduce mortgage registry, filing and similar taxes.

#### SECTION 10. GUARANTEE.

*Section 10.1. Guarantee.* (a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the DIP Agent, for the ratable benefit of the Banks and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Post-Petition Obligations.

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Loan Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 10.2).

(c) Each Guarantor agrees that the Post-Petition Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 10 or affecting the rights and remedies of the DIP Agent or any Bank hereunder.

(d) The guarantee contained in this Section 10 shall remain in full force and effect until all the Post-Petition Obligations and the obligations of each Guarantor under the guarantee contained in this Section 10 shall have been satisfied by payment in full, no L/C shall be outstanding and the DIP Commitments shall be terminated, notwithstanding that from time to time during the term of this Agreement the Borrower may be free from any Post-Petition Obligations.

(e) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the DIP Agent or any Bank from the Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Post-Petition Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Post-Petition Obligations or any payment received or collected from such Guarantor in respect of the Post-Petition Obligations), remain liable for the Post-Petition Obligations up to the maximum liability of such Guarantor hereunder until the Post-Petition Obligations are paid in full, no L/C shall be outstanding and the DIP Commitments are terminated.

*Section 10.2. Right of Contribution.* Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 10.3.

The provisions of this Section 10.2 shall in no respect limit the obligations and liabilities of any Guarantor to the DIP Agent and the Banks, and each Guarantor shall remain liable to the DIP Agent and the Banks for the full amount guaranteed by such Guarantor hereunder.

*Section 10.3. No Subrogation.* Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the DIP Agent or any Bank, no Guarantor shall be entitled to be subrogated to any of the rights of the DIP Agent or any Bank against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the DIP Agent or any Bank for the payment of the Post-Petition Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the DIP Agent and the Banks by the Borrower on account of the Post-Petition Obligations are paid in full, no L/C shall be outstanding and the DIP Commitments are terminated. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Post-Petition Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the DIP Agent and the Banks, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the DIP Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the DIP Agent, if required), to be applied against the Post-Petition Obligations, whether matured or unmatured, in such order as this Agreement shall prescribe.

*Section 10.4. Amendments, Etc. with Respect to the Post-Petition Obligations.* Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Post-Petition Obligations made by the DIP Agent or any Bank may be rescinded by the DIP Agent or such Bank and any of the Post-Petition Obligations continued, and the Post-Petition Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the DIP Agent or any Bank, and this Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the DIP Agent (or the Required Banks or all Banks, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the DIP Agent or any Bank for the payment of the Post-Petition Obligations may be sold, exchanged, waived, surrendered or released. Neither the DIP Agent nor any Bank shall as a condition to any Guarantor's liability hereunder have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Post-Petition Obligations or for the guarantee contained in this Section 10 or any property subject thereto.

*Section 10.5. Guarantee Absolute and Unconditional.* Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Post-Petition Obligations and notice of or proof of reliance by the DIP Agent or any Bank upon the guarantee contained in this Section 10 or acceptance of the guarantee contained in this Section 10; the Post-Petition Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in

this Section 10; and all dealings between the Borrower and any of the Guarantors, on the one hand, and the DIP Agent and the Banks, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 10. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Post-Petition Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 10 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement or any other Loan Document, any of the Post-Petition Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the DIP Agent or any Bank, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower or any other Person against the DIP Agent or any Bank, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Post-Petition Obligations, or of such Guarantor under the guarantee contained in this Section 10, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the DIP Agent or any Bank may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other Person or against any collateral security or guarantee for the Post-Petition Obligations or any right of offset with respect thereto, and any failure by the DIP Agent or any Bank to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the DIP Agent or any Bank against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

*Section 10.6. Reinstatement.* The guarantee contained in this Section 10 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Post-Petition Obligations is rescinded or must otherwise be restored or returned by the DIP Agent or any Bank upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

*Section 10.7. Payments.* Each Guarantor hereby guarantees that payments hereunder will be paid to the DIP Agent without set-off or counterclaim in Dollars at the office of the DIP Agent specified in this Agreement.

## SECTION 11. MISCELLANEOUS.

*Section 11.1. Amendments and Waivers.* Any term, covenant, agreement or condition of this Agreement and the other Loan Documents may be amended only by a written amendment executed by the Borrower, the Required Banks and, if the rights or duties of the DIP Agent are materially affected thereby, the DIP Agent, or compliance therewith only may be waived (either generally or in a particular instance and either retroactively or prospectively), if the Borrower shall have obtained the consent in writing of the Required Banks and, if the rights or duties of the DIP Agent are materially affected thereby, the DIP Agent, *provided, however*, that without the consent in writing of the holders of all outstanding Notes and unpaid Reimbursement Obligations, or all Banks if no Notes, L/Cs or Reimbursement Obligations are outstanding, no such amendment or waiver shall (a) change the amount or postpone the date of payment of any scheduled payment or required prepayment of principal of the Notes or Reimbursement Obligations or extend the term of any L/C at a time that the Borrower would not be able to obtain a Loan or L/C hereunder or reduce the rate or extend the time of payment of interest on the Notes or Reimbursement Obligations, or reduce the amount of principal thereof, or modify any of the provisions of the Notes with respect to the payment or prepayment thereof, (b) give to any Note or Reimbursement Obligations any preference over any other Notes or Reimbursement Obligations, (c) amend the definition of Required Banks, (d) alter, modify or amend the provisions of this Section 10.1, (e) change the amount or term of any of the Banks' DIP Commitments or the fees required under Section 3.2 or the L/C Participation Fee required under Section 1.4(a) hereof, (f) alter, modify or amend any Bank's right hereunder to consent to any action, make any request or give any notice, (g) release any Guarantor from its obligations under the Guaranty to which it is a party except in connection with the Disposition of such Guarantor in a Disposition permitted by this Agreement or approved by the Required Banks, or (h) release all or substantially all of the Collateral (provided that no Bank's consent shall be required in connection with the release of the DIP Agent's Liens on any Collateral sold in a Disposition permitted by this Agreement or approved by the Required Banks). Any such amendment or waiver shall apply equally to all Banks and the holders of the Notes and Reimbursement Obligations and shall be binding upon them, upon each future holder of any Note and Reimbursement Obligation and upon the Borrower, whether or not such Note shall have been marked to indicate such amendment or waiver. No such amendment or waiver shall extend to or affect any obligation not expressly amended or waived.

*Section 11.2. Waiver of Rights.* No delay or failure on the part of the DIP Agent or any Bank or on the part of the holder or holders of any Note or Reimbursement Obligation in the exercise of any power or right shall operate as a waiver thereof, nor as an acquiescence in any Potential Default or Event of Default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof, or the exercise of any other power or right, and the rights and remedies hereunder of the DIP Agent, the Banks and of the holder or holders of any Notes are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

*Section 11.3. Several Obligations.* The commitments of each of the Banks hereunder shall be the several obligations of each Bank and the failure on the part of any one or more of the Banks to perform hereunder shall not affect the obligation of the other Banks hereunder.

*provided* that nothing herein contained shall relieve any Bank from any liability for its failure to so perform. In the event that any one or more of the Banks shall fail to perform its commitment hereunder, all payments thereafter received by the DIP Agent on the principal of Loans and Reimbursement Obligations hereunder, shall be distributed by the DIP Agent to the Banks making such additional Loans ratably as among them in accordance with the principal amount of additional Loans made by them until such additional Loans shall have been fully paid and satisfied. All payments on account of interest shall be applied as among all the Banks ratably in accordance with the amount of interest owing to each of the Banks as of the date of the receipt of such interest payment.

*Section 11.4. Non-Business Day.* If any payment of principal or interest on any Loan shall fall due on a day which is not a Business Day, interest at the rate such Loan bears for the period prior to maturity shall continue to accrue on such principal from the stated due date thereof to and including the next succeeding Business Day on which the same is payable.

*Section 11.5. Documentary Taxes.* The Borrower agrees to pay any documentary or similar taxes with respect to the Loan Documents, including interest and penalties, in the event any such taxes are assessed irrespective of when such assessment is made and whether or not any credit is then in use or available hereunder.

*Section 11.6. Representations.* All representations and warranties made herein or in certificates given pursuant hereto shall survive the execution and delivery of this Agreement and of the Notes, and shall continue in full force and effect with respect to the date as of which they were made and as reaffirmed on the date of each borrowing, request for L/C and as long as any credit is in use or available hereunder.

*Section 11.7. Notices.* Unless otherwise expressly provided herein, all communications provided for herein shall be in writing or by telecopy and shall be deemed to have been given or made when served personally, when an answer back is received in the case of notice by telecopy or 3 Business Days after the date when deposited in the United States mail addressed if to the Borrower to P.O Box 388, Yazoo City, Mississippi, 39194, Attention: Corporate Secretary; if to the DIP Agent or Harris at 111 West Monroe Street, Chicago, Illinois 60690, Attention: Agribusiness Group; and if to any of the Banks, at the address for each Bank set forth under its signature hereon; or at such other address as shall be designated by any party hereto in a written notice to each other party pursuant to this Section 11.7.

*Section 11.8. Costs and Expenses; Indemnity.* (a) The Borrower agrees to pay on demand and upon receipt of supporting statements, all reasonable costs and expenses of the DIP Agent, in connection with the negotiation, preparation, execution and delivery of this Agreement, the Notes and the other instruments and documents to be delivered hereunder or in connection with the transactions contemplated hereby, including the reasonable fees and expenses of Messrs. Chapman and Cutler, special counsel to the DIP Agent, Chapman and Cutler's local counsel and FTI Consulting, Inc.; all reasonable costs and expenses of the DIP Agent, the Banks and any other holder of any Note or any Reimbursement Obligation (including reasonable attorneys' fees and fees of the DIP Agent's financial advisors) incurred while any Potential Default or Event of Default shall have occurred and be continuing, all reasonable costs and



expenses incurred by the DIP Agent in connection with any consents or waivers hereunder or amendments hereto, and all reasonable costs and expenses (including reasonable attorneys' fees and fees of the DIP Agent's financial advisors), if any, incurred by the DIP Agent, the Banks or any other holders of a Note or any Reimbursement Obligation in connection with the enforcement of this Agreement, the Notes, the other Loan Documents and the other instruments and documents to be delivered hereunder. The Borrower agrees to indemnify and save harmless the Banks and the DIP Agent from any and all liabilities, losses, reasonable costs and expenses incurred by the Banks or the DIP Agent in connection with any action, suit or proceeding brought against the DIP Agent or any Bank by any Person which arises out of the transactions contemplated or financed hereby or by the Notes, or out of any action or inaction by the DIP Agent or any Bank hereunder or thereunder, except for such thereof as is caused by the gross negligence or willful misconduct of the party indemnified.

(b) Without limiting the generality of the foregoing, the Borrower unconditionally agrees to forever indemnify, defend and hold harmless, the Agent and each Bank, and covenant not to sue for any claim for contribution against, the Agent or any Bank for any damages, reasonable costs, loss or reasonable expense, including without limitation, response, remedial or removal costs, arising out of any of the following: (i) any presence, release, threatened release or disposal of any hazardous or toxic substance or petroleum by the Borrower or any Subsidiary or otherwise occurring on or with respect to its Property, (ii) the operation or violation of any Environmental Law, whether federal, state, or local, and any regulations promulgated thereunder, by the Borrower or any Subsidiary or otherwise occurring on or with respect to its Property, (iii) any claim for personal injury or property damage in connection with the Borrower or any Subsidiary or otherwise occurring on or with respect to its Property, and (iv) the inaccuracy or breach of any environmental representation, warranty or covenant by the Borrower made herein or in any loan agreement, promissory note, mortgage, deed of trust, security agreement or any other instrument or document evidencing or securing any indebtedness, obligations or liabilities of the Borrower owing to the Agent or any Bank or setting forth terms and conditions applicable thereto or otherwise relating thereto, except for damages arising from the Agent's or such Bank's willful misconduct or gross negligence. This indemnification shall survive the payment and satisfaction of all indebtedness, obligations and liabilities of the Borrower owing to the Agent and the Banks and the termination of this Agreement, and shall remain in force beyond the payment or satisfaction in full of any single claim under this indemnification. This indemnification shall be binding upon the successors and assigns of the Borrower and shall inure to the benefit of Agent and the Banks and their respective directors, officers, employees, agents, and collateral trustees, and their successors and assigns.

(c) The provisions of this Section 11.8 shall survive payment of the Notes and Reimbursement Obligations and the termination of the DIP Commitments hereunder.

*Section 11.9. Counterparts.* This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument. One or more of the Banks may execute a separate counterpart of this Agreement which has also been executed by the Borrower, and this Agreement shall become effective as and when all of the Banks have executed this Agreement or a counterpart thereof and lodged the same with the DIP Agent.

*Section 11.10. Successors and Assigns; Governing Law; Entire Agreement.* This Agreement shall be binding upon the Borrower, the DIP Agent and the Banks and their respective successors and assigns, and shall inure to the benefit of the Borrower, the DIP Agent and each of the Banks and the benefit of their respective successors and assigns, including any subsequent holder of any Note or Reimbursement Obligation. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HERETO SHALL BE CONSTRUED AND DETERMINED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. The Borrower may not assign any of its rights or obligations hereunder without the written consent of the Banks.

*Section 11.11. No Joint Venture.* Nothing contained in this Agreement shall be deemed to create a partnership or joint venture among the parties hereto.

*Section 11.12. Severability.* In the event that any term or provision hereof is determined to be unenforceable or illegal, it shall be deemed severed herefrom to the extent of the illegality and/or unenforceability and all other provisions hereof shall remain in full force and effect.

*Section 11.13. Table of Contents and Headings.* The table of contents and section headings in this Agreement are for reference only and shall not affect the construction of any provision hereof.

*Section 11.14. Sharing of Payments.* Each Bank agrees with each other Bank that if such Bank shall receive and retain any payment, whether by set-off or application of deposit balances or otherwise ("Set-Off"), on any Loan, Reimbursement Obligation or other amount outstanding under this Agreement or the other Loan Documents in excess of its ratable share of payments on all Loans, Reimbursement Obligations and other amounts then outstanding to the Banks, then such Bank shall purchase for cash at face value, but without recourse (except for defects in title), ratably from each of the other Banks such amount of the Loans held by each such other Bank (or interest therein) as shall be necessary to cause such Bank to share such excess payment ratably with all the other Banks; *provided, however*, that if any such purchase is made by any Bank, and if such excess payment or part thereof is thereafter recovered from such purchasing Bank, the related purchases from the other Banks shall be rescinded ratably and the purchase price restored as to the portion of such excess payment so recovered, but without interest. Each Bank's ratable share of any such Set-Off shall be determined by the proportion that the aggregate principal amount of Loans and Reimbursement Obligations and other amounts then due and payable to such Bank bears to the total aggregate principal amount of Loans and Reimbursement Obligations and other amounts then due and payable to all the Banks.

*Section 11.15. Jurisdiction; Venue; Waiver of Jury Trial.* THE BORROWER HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS AND OF ANY ILLINOIS COURT SITTING IN CHICAGO FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE BORROWER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR

HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE BORROWER, THE DIP AGENT, AND THE BANKS HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY.

*Section 11.16. Participants.* No Bank shall have the right to grant participations in the Loans made, and/or Reimbursement Obligations, participations in L/Cs and DIP Commitment held, by such Bank.

*Section 11.17. Assignment of Loans and Commitments by Banks.* Each Bank shall have the right at any time, with the written consent of the DIP Agent (which consent will not be unreasonably withheld) to assign all or any part of its rights and obligations under the Loan Documents (including, without limitation, the indebtedness evidenced by the Notes, Reimbursement Obligations and participations in L/Cs, together with an equivalent percentage of its obligations to participate in L/Cs and its DIP Commitment) to one or more Pre-Petition Banks; *provided* that (i) each such assignment shall be of a constant, and not a varying, percentage of all such rights and obligations, (ii) unless both parties to the assignment are Banks immediately prior to giving effect to the assignment, the amount of the DIP Commitment of the assigning Bank being assigned pursuant to each such assignment (determined as of the date of such assignment) shall not be less than \$5,000,000 (or if less, the entire amount of such Bank's DIP Commitment, or \$1,000,000 if such assignment is from one Bank to another) and shall be an integral multiple of \$1,000,000, (iii) the parties to each such assignment shall execute and deliver to the DIP Agent, for its acceptance and recording, an assignment and acceptance, together with any Notes subject to such assignment, and (iv) the consent of the DIP Agent shall not be required for any Bank to assign all or part of its DIP Commitment to any affiliate of the assigning Bank or to any Bank. Upon any such assignment, its notification to the DIP Agent and the payment of a \$3,500 recordation fee to the DIP Agent, the assignee shall become a Bank hereunder, all Loans and the DIP Commitment it thereby holds shall be governed by all the terms and conditions hereof, and the Bank granting such assignment shall have its DIP Commitment, and its obligations and rights in connection therewith, reduced by the amount of such assignment and Section 1.1(b) hereof shall be automatically amended, without further action, to reflect the addition of such assignee as a Bank and the reduction of the DIP Commitment of the assignor as described in such assignment.

*Section 11.18. Disclosure.* Each of the DIP Agent and each Bank may discuss the Borrower's business and financial condition of the Borrower and its Subsidiaries with each other, the Pre-Petition Banks and the Pre-Petition Agent.

*Section 11.19. No Modification; No Discharge; Survival of Claims.* This Agreement, the credit extended hereunder and the Loan Documents shall not be modified, altered or affected in any manner by any plan of reorganization or any order of confirmation for any Debtor of any other financing or extensions or incurring of indebtedness by any Debtor pursuant to Section 364(c) of the Bankruptcy Code. Without limiting the generality of the foregoing, each of the Borrower and the Guarantors agrees that (i) its obligations hereunder shall not be discharged

by the entry of an order confirming a plan of reorganization (and each of the Borrower and the Guarantors, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such discharge) and (ii) the Superpriority Claim granted to the DIP Agent and the Banks pursuant to the Financing Order and described in Section 5.18 hereof and the Lien granted to the DIP Agent pursuant to this Agreement and the Financing Order and described in Section 2.1 hereof shall not be affected in any manner by the entry of an order confirming a plan of reorganization.

*Section 11.20. Pre-Petition Loan Documents.* Subject to the provisions of the Bankruptcy Code, the Pre-Petition Loan Documents shall remain in full force and effect, and the execution of this Agreement by the DIP Agent and the Banks, and the execution of the other Loan Documents by those of the Debtors party thereto, and the delivery to and acceptance thereof by the DIP Agent and the Banks, do not and shall not constitute a waiver of any provision of the Pre-Petition Loan Documents.

*Section 11.21. Bankruptcy Code Waivers.* In consideration of the credit extended hereunder, to the extent not irreconcilably inconsistent with the provisions hereof or the Financing Order, the Borrower and each Guarantor hereby agrees not to assert and affirmatively waives any claim it otherwise might have under Sections 105, 506(c) and 552(b) of the Bankruptcy Code.

*Section 11.22. Validation of Liens.* As provided in the Financing Order, the Borrower and each Guarantor approves and confirms the Pre-Petition Collateral, and acknowledges and agrees that the Pre-Petition Agent and the Pre-Petition Banks each hold valid and enforceable, nonavoidable, perfected and senior Liens in and to the collateral more particularly set forth in the Pre-Petition Security Documents and as summarized in the Interim Financing Order.

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

Dated as of May \_\_, 2003.

MISSISSIPPI CHEMICAL CORPORATION, as  
Debtor and Debtor-in-Possession

By  
Name \_\_\_\_\_  
Title \_\_\_\_\_

GUARANTORS:

MISSCHEM NITROGEN, L.L.C., as Debtor and  
Debtor-in-Possession

By  
Name \_\_\_\_\_  
Title \_\_\_\_\_

MISSISSIPPI NITROGEN, INC., as Debtor and  
Debtor-in-Possession

By  
Name \_\_\_\_\_  
Title \_\_\_\_\_

TRIAD NITROGEN, L.L.C. , as Debtor and  
Debtor-in-Possession

By  
Its \_\_\_\_\_

MISSISSIPPI PHOSPHATES CORPORATION, as  
Debtor and Debtor-in-Possession

By  
Its \_\_\_\_\_

MISSISSIPPI POTASH, INC. , as Debtor and  
Debtor-in-Possession

By  
Its \_\_\_\_\_

EDDY POTASH, INC. , as Debtor and Debtor-in-  
Possession

By  
Its \_\_\_\_\_

MISSISSIPPI CHEMICAL MANAGEMENT  
COMPANY, as Debtor and Debtor-in-  
Possession

By  
Its \_\_\_\_\_

MISSISSIPPI CHEMICAL COMPANY, L.P., as  
Debtor and Debtor-in-Possession

By: MISSISSIPPI CHEMICAL MANAGEMENT  
COMPANY, its general partner

By  
Its \_\_\_\_\_

MELAMINE CHEMICALS, INC., as Debtor and  
Debtor-in-Possession

By

Its \_\_\_\_\_

Accepted and Agreed to as of the day and year last above written.

HARRIS TRUST AND SAVINGS BANK  
individually and as DIP Agent

By

Name \_\_\_\_\_  
Title \_\_\_\_\_

Address: 111 West Monroe Street  
Chicago, Illinois 60603  
Attention: Special Assets Division



MORGAN STANLEY SENIOR FUNDING, INC.

By

Name \_\_\_\_\_

Title \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

BANC OF AMERICA STRATEGIC SOLUTIONS.  
INC.

By

Name \_\_\_\_\_

Title \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Attention: \_\_\_\_\_

\_\_\_\_\_

ABN AMRO BANK N.V.

By

Name \_\_\_\_\_

Title \_\_\_\_\_

By

Name \_\_\_\_\_

Title \_\_\_\_\_

Address: 350 Park Avenue

2<sup>nd</sup> Floor

New York, New York 10022

Attention: Cliff Blasberg

AVENUE SPECIAL SITUATIONS FUND II, L.P., as  
Buyer

By: Avenue Capital Partners II, LLC, General  
Partner

By: GL Partners II, LLC, Managing  
Member of General Partner

By  
Name \_\_\_\_\_  
Title \_\_\_\_\_

By  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Address:

Avenue Capital Management II, LLC, as agent  
for Avenue Special Situations Fund II, LP  
535 Madison Avenue, 15<sup>th</sup> Floor  
New York, NY 10022  
Attention: \_\_\_\_\_

SPCP GROUP, L.L.C.

By

Name \_\_\_\_\_

Title \_\_\_\_\_

Address: \_\_\_\_\_

Attention: \_\_\_\_\_

PRESIDENT AND FELLOWS OF HARVARD  
COLLEGE

By: Whipporwill Associates Incorporated  
Its: Agent and Authorized Signatory

By

Name \_\_\_\_\_

Title \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Attention: \_\_\_\_\_

\_\_\_\_\_

## EXHIBIT A

### MISSISSIPPI CHEMICAL CORPORATION

#### REVOLVING CREDIT NOTE

\_\_\_\_\_, 2003

FOR VALUE RECEIVED, the undersigned, MISSISSIPPI CHEMICAL CORPORATION, a Mississippi corporation (the "*Borrower*"), as debtor and debtor-in-possession, hereby promises to pay to the order of \_\_\_\_\_ (the "*Bank*") on the Termination Date (as defined in the Credit Agreement hereinafter referred to), at the principal office of Harris Trust and Savings Bank in Chicago, Illinois, the aggregate unpaid principal amount of all Loans made by the Bank to the Borrower under the Credit Agreement hereinafter mentioned and remaining unpaid on the Termination Date, together with interest on the principal amount of each Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates specified in said Credit Agreement.

The Bank shall record on its books or records or on a schedule to this Note which is a part hereof the principal amount of each Loan made to the Borrower under the Credit Agreement, all payments of principal and interest thereon and the principal balances from time to time outstanding; *provided* that prior to the transfer of this Note all such amounts shall be recorded on the schedule attached to this Note. The record thereof, whether shown on such books or records or on a schedule to this Note, shall be *prima facie* evidence as to all such amounts; *provided, however*, that the failure of the Bank to record any of the foregoing shall not limit or otherwise affect the obligation of the Borrower to repay all Loans made to it under the Credit Agreement, together with accrued interest thereon.

This Note is one of the Revolving Credit Notes referred to in and issued under that certain Post-Petition Credit Agreement dated as of May \_\_, 2003, among the Borrower, Harris Trust and Savings Bank, as DIP Agent, and the Banks named therein, as amended from time to time (the "*Credit Agreement*"), and shall be subject to the terms and conditions thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as such terms have in said Credit Agreement.

Prepayments may be made, and are sometimes required to be made, on any Loan evidenced hereby and this Note (and the Loans evidenced hereby) may be declared due prior to the expressed maturity thereof, all in the events, on the terms and in the manner as provided for in said Credit Agreement.

The undersigned hereby waives presentment for payment and demand.

THIS NOTE IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE  
INTERNAL LAWS OF THE STATE OF ILLINOIS.

MISSISSIPPI CHEMICAL CORPORATION, as  
debtor and debtor-in-possession

By

Name \_\_\_\_\_

Title \_\_\_\_\_



**EXHIBIT B**

**APPLICATION AND AGREEMENT FOR LETTERS OF CREDIT**

**EXHIBIT C**  
**SUBSIDIARIES**

<u>NAME OF COMPANY</u>	<u>STATE OF INCORPORATION</u>
Mississippi Phosphates Corporation	Delaware
Mississippi Potash, Inc.	Mississippi
Mississippi Chemical Management Company	Delaware
Mississippi Chemical Company, L.P.	Delaware
Eddy Potash, Inc.	Mississippi
Mississippi Nitrogen, Inc.	Delaware
MissChem Nitrogen, L.L.C.	Delaware
MissChem (Barbados) SRL	Barbados
MissChem Trinidad Limited	Republic of Trinidad and Tobago
Mississippi Chemical Holdings, Inc.	British Virgin Islands
Triad Nitrogen, L.L.C.	Delaware
Melamine Chemicals, Inc.	Delaware

EXHIBIT D

MISSISSIPPI CHEMICAL CORPORATION  
COMPLIANCE CERTIFICATE

This Compliance Certificate is furnished to Harris Trust and Savings Bank and the other Banks (collectively, the "*Banks*") and Harris Trust and Savings Bank as DIP Agent (the "*DIP Agent*") for the Banks, pursuant to that certain Post-Petition Credit Agreement dated as of May \_\_, 2003, as amended by and among Mississippi Chemical Corporation, a Mississippi corporation (the "*Borrower*"), the DIP Agent and the Banks (the "*Agreement*"). Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected [President] or [Chief Financial Officer] of the Borrower;
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements sufficient for me to provide this Certificate;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Potential Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below; and
4. If attached financial statements are being furnished pursuant to Section 7.4(a) of the Agreement, Schedule I attached hereto sets forth financial data and computations evidencing the Borrower's compliance with certain covenants of the Agreement, all of which data and computations are true, complete and correct.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking or proposes to take with respect to each such condition or event:

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The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
[President] or [Chief Financial Officer of  
The Borrower]

SCHEDULE 1  
TO COMPLIANCE CERTIFICATE  
MISSISSIPPI CHEMICAL CORPORATION

COMPLIANCE CALCULATIONS FOR  
POST-PETITION CREDIT AGREEMENT  
DATED AS OF \_\_\_\_\_, 2003, AS AMENDED

CALCULATIONS AS OF \_\_\_\_\_, \_\_\_\_\_

SECTION 7.20. MINIMUM EBITDA

- |     |   |            |
|-----|---|------------|
| 1.  | Net Income .....  | \$ _____   |
| 2.  | Interest Expense .....  | \$ _____   |
| 3.  | Taxes .....   | \$ _____   |
| 4.  | Depreciation and Amortization .....   | \$ _____   |
| 5.  | Other non-cash charges .....  | \$ _____   |
| 6.  | Loss or gain on asset sales .....   | \$ _____   |
| 7.  | Restructuring Reserve .....   | \$ _____   |
| 8.  | Write-down of assets .....  | \$ _____   |
| 9.  | All amounts attributable to FMCL<br>or FMCL LLC and all non-cash amounts attributable<br>to Houston Ammonia Terminal, L.P. .... | \$ _____   |
| 10. | EBITDA (1+2+3+4+5+(or-)6+7+8-9) .....   | \$ _____ * |

\*Required to be no less than \$ \_\_\_\_\_ during this measurement period.

Compliance: \_\_\_\_\_ Yes \_\_\_\_\_ No

SECTION 7.21. CAPITAL EXPENDITURES

- |    |                            |            |
|----|----------------------------|------------|
| 1. | Capital Expenditures ..... | \$ _____ * |
|----|----------------------------|------------|

\*Required to be no greater than \$ \_\_\_\_\_ during this measurement period.

Compliance: \_\_\_\_\_ Yes \_\_\_\_\_ No

## EXHIBIT E

### FARMLAND MISSCHEM PROJECT CONTINGENT OBLIGATIONS

#### 1. FLOOR PRICE OBLIGATION UNDER OFFTAKE AGREEMENT

Each sponsor has agreed, pursuant to the terms of the Offtake Agreement, to pay for each ton of ammonia produced by the project at either (a) market price (determined by reference to an index) less 5 percent, or (b) a floor price of \$120 per ton (years 1-5) and \$115 per ton (years 6-12). The obligation continues for two years beyond the expiration of the term facility for 12 years to allow for any delays in the retirement of the Term debt.

#### 2. TAKE OR PAY OBLIGATION UNDER THE OFFTAKE AGREEMENT

The Offtake Agreement requires that the sponsors take 100% (50% by each sponsor) of all ammonia produced by the project. In the event that the Borrower does not take its allocation of product when scheduled, the Offtake Agreement requires that payment be made at the then-prevailing price. Should the project temporarily stop producing product as a consequence of the Borrower's failure to take product, the Borrower is obligated to pay for the product and receive a credit against future production.

#### 3. INTEREST RATE SWAP GUARANTY UNDER CONTINGENT TERM FACILITY (FACILITY 2)

The lenders have required that the project participate in an interest rate hedging program in order to reduce the interest rate risk to the project. The Borrower is obligated to participate as a swap counterparty in any interest rate hedging arrangement that may be required by the lenders of the project. The Borrower's liability is limited to its *pro rata* share of its participation as a swap counterparty.

#### 4. OBLIGATION TO PAY LENDER'S EXPENSES

The sponsors have agreed to pay the expenses of the lenders in connection with the financing of the project, which include, but are not limited to, lenders' attorneys' fees, the fees for the independent engineer, the environmental consultant and the economic analyst.

#### 5. DEBT SERVICE RESERVE

The sponsors have agreed to fund the project's debt service reserve account with the posting of a letter of credit in an amount equal to nine months' debt service. The obligation continues until the project's debt service reserve account has been fully funded with cash and is equal to nine months' debt service. The Borrower's obligation is 50% of the debt service reserve account.

# EXHIBIT F

## MISSISSIPPI CHEMICAL CORPORATION BORROWING BASE REPORT

(\$ in 000's)

COMPUTATION DATE AS OF \_\_\_\_\_

### Schedule

<b>I</b>	Eligible Accounts Receivable	\$	
	Accounts Receivable Advance Rate	85%	
	<b>Accounts Receivable in Borrowing Base</b>		\$
<b>II</b>	Eligible Product Inventory	\$	
	Product Inventory Advance Rate	65%	
	<b>Product Inventory in Borrowing Base</b>		\$
<b>III</b>	Excess Collateral Availability Requirement	\$	
<b>IV</b>	Accrued and unpaid storage charge	\$	
	<b>Twice the amount of accrued and unpaid storage charges</b>		\$
<b>V</b>	Six months rent on leased facilities		\$
	<b>Total Borrowing Base (TBB) (sum of I and II minus sum of III, IV and V)</b>		\$
	DIP Commitments (DC)		\$
	Lower of TBB or DC		\$
	<b>Total Available</b>		\$
	Less Loans and Letters of Credit Outstanding		\$
	<b>Net Available</b>		\$

**SCHEDULE I TO THE BORROWING BASE**  
**MISSISSIPPI CHEMICAL CORPORATION**  
**CALCULATION OF ELIGIBLE ACCOUNTS RECEIVABLE**  
**COMPUTATION AS OF \_\_\_\_\_**

<b>A/R's on The Aging Summary as of Prior Borrowing Base</b>		\$
<b>Report Dates</b>		
<b>Additions:</b>		
New Sales	\$	
Miscellaneous	\$	
<i>Total Gross Additions</i>		\$
<b>Deductions</b>		
Collections	\$	
Discounts Allowed	\$	
Credit Memos	\$	
Miscellaneous	\$	
<i>Total Gross Deductions</i>		\$
<b>A/R's on The Aging Summary as of (Computation Date)</b>		\$
<b>Subtract Ineligibles</b>		
Ineligible Foreign Receivables	\$	
Receivables with offsets in accounts payable	\$	
Receivables 120 or more days from invoice date	\$	
Government Receivables	\$	
Other Ineligibles	\$	
<b>Subtotal</b>		\$
Receivables above allowed concentration limits		\$
<b>Total Eligible Receivables</b>		\$
<b><i>Accounts Receivable Reconciliation</i></b>		
<b>Accounts Receivable on Aging Summary as of Computation Date</b>		\$
<b>Add (Subtract) The Following Adjustments To The Aging Summary</b>		
Non-Trade Receivables	\$	
Swaps	\$	
Payments posted after closing on A/R Subsidiary	\$	
Credit balances reclassified to accounts payable	\$	
Other:	\$	
<b>Accounts Receivable As of Computation Date</b>		\$

**MISSISSIPPI CHEMICAL CORPORATION**  
**ACCOUNTS RECEIVABLE CONCENTRATION REPORT**  
**COMPUTATION AS OF \_\_\_\_\_**

<u>10 Largest Obligers</u>	Balance \$	Concentration Limit \$	Excess Concentration \$
<b>Totals</b>	\$	\$	\$

**MISSISSIPPI CHEMICAL CORPORATION**  
**FOREIGN ACCOUNTS REPORT**  
**COMPUTATION AS OF \_\_\_\_\_**

<u>Foreign Obligers</u>	Account Balance \$	Amount Insured or Covered by LOC's \$	Ineligible Amounts \$
<b>Totals</b>	\$	\$	\$



**SCHEDULE II TO THE BORROWING BASE**  
**MISSISSIPPI CHEMICAL CORPORATION**  
**CALCULATION OF ELIGIBLE PRODUCT INVENTORY**  
**COMPUTATION AS OF \_\_\_\_\_**

Raw Materials (See attached)	\$
Work In Process	\$
Finished Products Inventory (See attached)	\$
Spare Parts Inventory	\$
<b>Total Inventories as of Computation Date</b>	<b>\$</b>
<b>Less:</b>	
Spare Parts Inventory	\$
Damaged or Obsolete Inventory	\$
Consignment Inventory not covered by Waiver	\$
Work in Process	\$
<b>Total Eligible Product Inventory</b>	<b>\$</b>

**EXHIBIT G**  
**INTERIM FINANCING ORDER**

## EXHIBIT H

### MISSISSIPPI CHEMICAL CORPORATION BORROWING CERTIFICATE

This Borrowing Certificate is furnished to Harris Trust and Savings Bank and the other Banks (collectively, the "*Banks*") and Harris Trust and Savings Bank as DIP Agent (the "*DIP Agent*") for the Banks, in satisfaction of the condition precedent contained in Section 6.2(g) of that certain Post-Petition Credit Agreement dated as of May \_\_, 2003, as amended by and among Mississippi Chemical Corporation, a Mississippi corporation (the "*Borrower*"), the DIP Agent and the Banks (the "*Agreement*"). Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

#### THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected [President] or [Chief Financial Officer] of the Borrower.
2. Concurrently herewith the Borrower has requested a Loan or L/C pursuant to the terms of the Credit Agreement.
3. The requested Loan or L/C requested by the Borrower is consistent with the terms of the Budget and is to be used solely for Budget items (subject to variations permitted by the Agreement).
4. To the best of my knowledge, the Borrower has observed or performed all of its covenants and other agreements, and satisfied in all material respects every condition contained in the Credit Agreement and the Security Documents to be observed, performed or satisfied by the Borrower, and I have no knowledge of, the existence of any condition or event which constitutes a Potential Default or Event of Default as of the date of this Certificate, except as set forth below.

Described below are the exceptions, if any, to paragraph 4 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking or proposes to take with respect to each such condition or event:

---

---

The foregoing certifications are made and delivered this \_\_\_\_ day of

\_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
[President] or [Chief Financial Officer of  
The Borrower]

## EXHIBIT I

### EXCESS COLLATERAL AVAILABILITY REQUIREMENT

MONTH ENDING	EXCESS COLLATERAL AVAILABILITY REQUIREMENT
May 31, 2003	\$46,700,000
June 30, 2003	48,000,000
July 31, 2003	39,600,000
August 31, 2003	33,800,000
September 30, 2003	34,700,000
October 31, 2003	31,900,000
November 30, 2003	36,900,000
December 31, 2003	38,400,000
January 31, 2004	34,800,000
February 29, 2004	31,300,000
March 31, 2004	31,700,000
April 30, 2004	47,900,000
May 31, 2004	45,700,000
June 30, 2004	45,100,000
July 31, 2004	38,700,000
August 31, 2004	30,300,000

## **EXHIBIT J**

### **EXECUTORY CONTRACTS TO BE ASSUMED**

1. Triad Nitrogen, L.L.C. construction contract with Shaw Construction, Inc. regarding Melamine Chemicals, Inc.
2. Construction contract relating to closing of old gypsum stack at Mississippi Phosphates.
3. OCP phosphate rock contract.
4. Chevron sulfur contract.

### **SCHEDULE 5.3**

#### **LITIGATION AND TAXES**

Taxes – Certain state amended income tax returns required to report and remit state income taxes arising from completed Internal Revenue Service audits of fiscal years ended June 30, 1997, June 30, 1998, and June 30, 1999. Adequate reserves have been established in accordance with generally accepted accounting principles, consistently applied.

## **SCHEDULE 7.20**

### **MINIMUM REQUIRED EBITDA**

<b>PERIOD ENDING</b>	<b>MINIMUM REQUIRED AMOUNT</b>
June 30, 2003	\$ 960,000
July 31, 2003	910,000
August 31, 2003	1,080,000
September 30, 2003	1,880,000
October 31, 2003	1,860,000
November 30, 2003	4,110,000
December 31, 2003	6,110,000
January 31, 2004	8,830,000
February 29, 2004	12,430,000
March 31, 2004	15,430,000
April 30, 2004	21,080,000
May 31, 2004	25,140,000
June 30, 2004	28,870,000
July 31, 2004	33,450,000
August 31, 2004	37,720,000

## **SCHEDULE 7.21**

### **MAXIMUM PERMITTED CAPITAL EXPENDITURES**

<b>PERIOD ENDING</b>	<b>MAXIMUM PERMITTED AMOUNT</b>
June 30, 2003	\$ 2,500,000
July 31, 2003	4,500,000
August 31, 2003	6,000,000
September 30, 2003	7,500,000
October 31, 2003	9,500,000
November 30, 2003	11,000,000
December 31, 2003	12,500,000
January 31, 2004	14,000,000
February 29, 2004	15,000,000
March 31, 2004	18,000,000
April 30, 2004	19,000,000
May 31, 2004	20,200,000
June 30, 2004	22,000,000
July 31, 2004	23,000,000
August 31, 2004	23,000,000



## SCHEDULE 7.22

### CERTAIN EXISTING RESTRICTIONS ON BORROWER AND SUBSIDIARIES

1. Restrictions contained in documents evidencing or governing industrial revenue bonds issued for the benefit of Mississippi Phosphates Corporation which restrict the use of the proceeds of such industrial revenue bonds.
2. Deed of Charge (Shares and Securities) dated as of November 10, 1998, among JPMorgan Chase Bank, as collateral trustee (the "*Collateral Trustee*"), the Borrower and certain of its Subsidiaries, Farmland Industries, Inc. and certain of its Subsidiaries, and FMCL, as amended by that certain Novation and Variation of Deed of Charge (Shares and Securities), dated as of May 7, 2003, by and among Farmland Trinidad Limited, MissChem Trinidad Limited, Farmland Industries, Inc., Mississippi Chemical Corporation, Koch Mineral Services, LLC, and JPMorgan Chase Bank, and Farmland MissChem Limited.
3. Subordination Agreement dated as of November 10, 1998, among Ex-Im Bank, MissChem Trinidad Limited and FMCL.
4. Unanimous Shareholders Agreement dated as of November 10, 1998, among MissChem Trinidad Limited, MissChem Barbados, SRL and the Collateral Trustee.
5. Amended and Restated Shareholders Agreement dated as of November 10, 1998, among Farmland Industries, Inc. and certain of its Subsidiaries and the Borrower and certain of its Subsidiaries.
6. Limited Liability Company Agreement of FMCL LLC dated April 1, 1998, as amended on November 10, 1998.
7. Limited partnership agreement of Houston Ammonia Terminal, L.P.

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STANDSTILL AGREEMENT

AMONG

MISSISSIPPI CHEMICAL CORPORATION

AND

THE BANKS PARTY HERETO

AND

HARRIS TRUST AND SAVINGS BANK,  
as Administrative Agent

Dated as of May \_\_, 2003

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## MISSISSIPPI CHEMICAL CORPORATION

### STANDSTILL AGREEMENT

THIS STANDSTILL AGREEMENT, dated as of May \_\_, 2003, is by and among MISSISSIPPI CHEMICAL CORPORATION, a Mississippi corporation (the "*Borrower*"), as debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, and each of the parties executing this Agreement under the heading "Guarantors" (each a "*Guarantor*" and collectively the "*Guarantors*"), each as debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, (the Borrower and the Guarantors, each a "*Debtor*" and collectively the "*Debtors*"), each of which Guarantors is a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (the cases of the Borrower and the Guarantors, each a "*Chapter 11 Case*" and collectively the "*Chapter 11 Cases*"), the several banks and other financial institutions or entities from time to time parties to this Agreement (individually a "*Pre-Petition Bank*" and collectively the "*Pre-Petition Banks*"), HARRIS TRUST AND SAVINGS BANK, as administrative agent for the Pre-Petition Banks (in such capacity, the "*Pre-Petition Agent*").

### WITNESSETH:

WHEREAS, the Pre-Petition Agent, the Pre-Petition Banks, the Borrower and the Guarantors are parties to that certain Amended and Restated Credit Agreement dated as of November 15, 2002 by and between the Borrower, the several lenders from time to time parties thereto, and Harris Trust and Savings Bank, as administrative agent, as the same has from time to time been modified or amended (as so modified and amended, the "*Pre-Petition Credit Agreement*") pursuant to which the Pre-Petition Banks have made loans and other financial accommodations to the Borrower;

WHEREAS, the Guarantors have guaranteed the Borrower's indebtedness, obligations and liabilities to the Pre-Petition Agent and the Pre-Petition Banks under the Pre-Petition Credit Agreement and the other Pre-Petition Loan Documents;

WHEREAS, Mississippi Chemical Holdings, Inc., a British Virgin Islands company ("*MCHI*") executed and delivered to the Pre-Petition Agent and the Pre-Petition Banks that certain Mississippi Chemical Holdings, Inc. Guaranty Agreement dated as of November 15, 2002 (the "*MCHI Guaranty*") pursuant to which MCHI guaranteed the Borrower's indebtedness, obligations and liabilities to the Pre-Petition Agent and the Pre-Petition Banks under the Pre-Petition Loan Documents; and

WHEREAS, on May \_\_, 2003 (the "*Petition Date*") the Borrower and the Guarantors have filed voluntary petitions with the United States Bankruptcy Court for the Southern District of Mississippi initiating the Chapter 11 Cases and have continued in possession of their assets and the management of their businesses pursuant to Sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, the Borrower owns, directly or indirectly, all of the issued and outstanding capital stock or other equity interests of each of the Guarantors;

WHEREAS, certain of the Pre-Petition Banks (the "*DIP Banks*") have offered to enter into certain debtor-in possession financing arrangements with the Borrower pursuant to which the DIP Banks will make loans and provide other financial accommodations to the Borrower during the Chapter 11 Cases; and

WHEREAS, Borrower and Guarantors have determined that the enforcement by the Pre-Petition Agent and/or the Pre-Petition Banks of the MCHI Guaranty will materially and adversely affect their prospects for a successful reorganization; and

WHEREAS, Borrower and Guarantors have required, as a condition precedent to entering into debtor in possession financing arrangements with the DIP Banks, that the Pre-Petition Agent and the undersigned Pre-Petition Banks enter into this Agreement pursuant to which, among other things, the Pre-Petition Agent and the Pre-Petition Banks agree to forbear from enforcing the MCHI Guaranty upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the agreements hereinafter set forth, the parties hereto hereby agree as follows:

#### SECTION 1. DEFINITIONS.

*Section 1.1. Certain Definitions.* The terms hereinafter set forth when used herein shall have the following meanings:

"*Administrative Expense Carve-Out*" shall mean \$1,500,000 plus, prior to the Termination Date, accrued and pending applications for professional fees and expenses (other than those of the DIP Agent, the Pre-Petition Agent, the DIP Lenders and the Pre-Petition Banks) incurred prior to the Termination Date to the extent such fees and expenses have not been paid but were approved by the Banks in the Budget.

"*Agreement*" means this Standstill Agreement, as the same may be amended, supplemented, restated and otherwise modified from time to time.

"*DIP Credit Agreement*" means the Post-Petition Credit Agreement dated as of May \_\_, 2003, among the Borrower, the Guarantors, the from time to time lenders party thereto and Harris Trust and Savings Bank, as administrative and collateral agent thereunder, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"*DIP Lenders*" means the from time to time lenders party to the DIP Credit Agreement.

"*DIP Agent*" means the administrative and collateral agent for the DIP Lenders under the DIP Credit Agreement.

"*FMCL Liquidity Event*" means (a) the sale or other disposition of the Trinidad Interest or any part thereof, (b) the refinancing of the Ex-Im Bank Indebtedness, (c) the payment of any dividend or other distribution by FMCL, and (d) any other event relating to the Trinidad Interest that results in proceeds being received by the Borrower or any of its Subsidiaries.

*"Liquidity Event Net Proceeds"* means the net proceeds received in cash by MCHI from any FMCL Liquidity Event after payment of (a) all reasonable and customary transaction costs incurred in connection with such FMCL Liquidity Event, including, without limitation, reasonable fees and expenses of counsel, accountants, investment bankers, brokers and other agents and advisors, (b) all taxes (including, without limitation, income, sales, transaction, stamp and similar taxes) paid or payable by Borrower, any Guarantor, MCHI or any of its Subsidiaries in connection with such FMCL Liquidity Event, and (c) the payment of all debts, obligations and liabilities of MCHI or any of its Subsidiaries to any third party which become due and payable as a result of such FMCL Liquidity Event, including, without limitation, all amounts paid or payable in respect of the Ex-Im Bank Indebtedness.

*"Non-Debtor Subsidiary Bankruptcy"* means (i) any Subsidiary of the Borrower that is not a Debtor (each a *"Non-Debtor Subsidiary"*) shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Non-Debtor Subsidiary shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any such Non-Debtor Subsidiary any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against any such Non-Debtor Subsidiary any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Borrower or any such Non-Debtor Subsidiary shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any such Non-Debtor Subsidiary shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

*Section 1.2. Terms Defined in DIP Credit Agreement.* Any term not otherwise specifically defined in this Agreement shall have the meaning given to such term in the DIP Credit Agreement.

## SECTION 2. AGREEMENTS OF THE PRE-PETITION BANKS AND THE PRE-PETITION AGENTS.

*Section 2.1. The Standstill.* The Pre-Petition Agent (at the direction of the undersigned Pre-Petition Banks, which is hereby given) and the undersigned Pre-Petition Banks agree that they will not take any action of any type to enforce the MCHI Guaranty until the Termination Date. Until the Termination Date, such prohibited enforcement actions include, without limitation, (i) the commencement or prosecution of any law suit or other legal proceeding against MCHI, (ii) the filing or joining with any other creditor of MCHI in the filing of any bankruptcy, insolvency, receivership, attachment, sequestration or similar proceeding against MCHI or with

respect to its assets, or (iii) the exercise of any right of set off or similar right with respect to MCHI or any of its assets. The agreement of the Pre-Petition Agent and Pre-Petition Lenders set forth in this Section 2.1 is subject to the conditions that the Borrower and MCHI shall cause all such Liquidity Event Net Proceeds received by any subsidiary of MCHI to be transferred to MCHI, that all Liquidity Event Net Proceeds received by the Borrower, any Guarantor or MCHI shall be paid to the Pre-Petition Agent within one (1) Business Day of their receipt for application to the Pre-Petition Obligations pursuant to the Pre-Petition Credit Agreement and that any Liquidity Event Net Proceeds designated to pay actual taxes payable and related transaction costs shall be held by the Pre-Petition Agent in escrow until applied to pay such taxes and costs.

*Section 2.2. Consent to Use of Cash Collateral.* The Pre-Petition Agent and the Pre-Petition Banks hereby consent to the use of their cash collateral (within the meaning Section 363 of the Bankruptcy Code) as provided in the DIP Credit Agreement, *provided that* as adequate protection (within the meaning Section 363 of the Bankruptcy Code), the Financing Orders shall provide that the Pre-Petition Banks (or an agent on their behalf) shall be granted a replacement lien on all Post-Petition Collateral to secure the Pre-Petition Obligations for and to the extent of the post-petition use of Pre-Petition Collateral and proceeds thereof and for any post-petition diminution in value of Pre-Petition Collateral (the "*Replacement Lien*"), which Replacement Lien shall be subordinate only to (i) the liens granted to the DIP Agent and the DIP Lenders to secure the DIP Loans, (ii) the Administrative Expense Carve Out, and (iii) other Permitted Liens. The Pre-Petition Banks shall share such Replacement Liens in the same priority as they did pre-petition.

*Section 2.3. Administrative Expense Carve-Out.* The Pre-Petition Agent and the Pre-Petition Banks hereby subordinate their claims on the Pre-Petition Obligations and their Liens on the Collateral as security for the Pre-Petition Obligations in each case to (x) the payment of the amount allowed by the Bankruptcy Court for professional fees and disbursements subject to Section 503(b)(2) of the Bankruptcy Code incurred by the Debtors and any statutory committees appointed in the Chapter 11 Cases, and (y) the payment of fees pursuant to 28 U.S.C. §1930, collectively in an amount not to exceed the Administrative Expense Carve-Out, *provided that* Cash Collateral collected and applied by the Pre-Petition Banks or the DIP Lenders prior to the Termination Date shall not reduce the Administrative Expense Carve-Out. Nothing herein contained shall subordinate or in any way impair or otherwise affect the Superpriority Claims of the DIP Agent and the DIP Lenders on the Post-Petition Obligations or the Liens securing the Post-Petition Obligations and the Adequate Protection Obligations. Fees and expenses paid by the Debtors prior to the Termination Date shall not reduce the amount of the Administrative Expense Carve-Out.

### SECTION 3. AGREEMENTS OF THE BORROWER AND THE GUARANTORS.

In further consideration of the agreements of the Pre-Petition Agent and Pre-Petition Banks herein contained, the Borrower and Guarantors further agree with the Pre-Petition Agent and Pre-Petition Lenders as set forth in this Section 3.

*Section 3.1. Compliance with MCHI Guaranty.* The Borrower shall cause MCHI to comply, and cause its subsidiaries to comply, with the terms of Section 3 of the MCHI Guaranty.

*Section 3.2. Waiver of Claims.* The Financing Orders shall contain waivers of relief, claims, charges and limitation of the Pre-Petition Agent's or the Pre-Petition Banks' rights under Sections 105, 506(c) and 552(b) of the Bankruptcy Code and claims pursuant to Sections 510, 544, 547, 548 and 549 of the Bankruptcy Code (in each case at least as to Final Financing Order and subject to the Lien Validation Process). If any such waivers, claims, charges and limitations exist, and in consideration of the mutual agreements contained herein, to the extent not irreconcilably inconsistent with the provisions hereof or the Financing Order, the Borrower and each Guarantor hereby agrees not to assert and affirmatively waives any claim it otherwise might have under Sections 105, 506(c), 510, 544, 547, 548, 549 and 552(b) of the Bankruptcy Code, to the extent permitted by the Bankruptcy Court and applicable law (in each case at least as to the Final Financing Order and subject to the Lien Validation Process).

*Section 3.3. Indemnification.* The Borrower agrees to indemnify and hold harmless the Pre-Petition Banks and the Pre-Petition Agent and their respective directors, officers, agents, representatives and employees as described in the Pre-Petition Credit Agreement. The Borrower acknowledges that the Pre-Petition Agent and the Pre-Petition Banks are relying on the provisions of the Financing Orders that require that their post-petition fees and expenses be paid as a form of adequate protection.

*Section 3.4. Sharing of Information.* Each of the Pre-Petition Agent and each Pre-Petition Bank may discuss the Borrower's business and financial condition of the Borrower and its Subsidiaries with each other, the DIP Banks, the DIP Agent and prospective participants in the DIP Credit and the Pre-Petition Obligations.

#### SECTION 4. CONDITIONS PRECEDENT.

This Agreement shall become effective upon the satisfaction of all of the following conditions precedent:

*Section 4.1.* the Borrower, the Guarantors, the Pre-Petition Agent and all of the Pre-Petition Banks shall have executed and delivered this Agreement;

*Section 4.2.* the Chapter 11 Cases shall have been filed;

*Section 4.3.* the Debtors shall have no debtor-in-possession financing facility other than the facility provided pursuant to the DIP Credit Agreement;

*Section 4.4.* the DIP Credit Agreement shall have been executed and delivered by all of the parties thereto and shall be in full force and effect;

*Section 4.5.* the Interim Financing Order substantially in the form attached as an exhibit to the DIP Credit Agreement after notice given and a hearing conducted in accordance with Bankruptcy Rule 4001(c) shall have been entered by the Bankruptcy Court and shall be in full force and effect and shall not have been amended, modified, stayed, vacated, reversed or rescinded in any respect;



*Section 4.6.* the Borrower shall have reimbursed the Pre-Petition Agent and the Pre-Petition Banks for all reasonable fees and expenses incurred by them, including the reasonable fees and expenses of Chapman and Cutler, Chapman and Cutler's local counsel, and FTI Consulting, Inc., in connection with the Pre-Petition Credit Agreement and the transactions contemplated hereby which have accrued and been invoiced as of the date hereof (it being understood that such amounts paid remain subject to Bankruptcy Court approval).

#### SECTION 5. TERMINATION.

The Pre-Petition Agent's and Pre-Petition Banks' agreement not to enforce their rights under the MCHI Guaranty shall terminate (a) upon the occurrence of the Termination Date, (b) if Liquidity Event Net Proceeds are not applied to the Pre-Petition Obligations as described in Section 2.1 hereof, (c) the Borrower or any Guarantor shall default in the observance or performance of any covenant contained in Section 3 of this Agreement, (d) MCHI or any of its subsidiaries shall default in the observance or performance of any covenant contained in Section 3 of the MCHI Guaranty, or (e) a Non-Debtor Subsidiary Bankruptcy shall occur, and in the case of clauses (c) and (d) preceding, such default shall continue uncured and unwaived for a period of 7 days following written notice from Pre-Petition Agent to Borrower and MCHI.

#### SECTION 6. MISCELLANEOUS.

*Section 6.1. Amendments and Waivers.* Any term, covenant, agreement or condition of this Agreement and the other Loan Documents may be amended only by a written amendment executed by the Borrower, all of the Pre-Petition Banks constituting Required Banks (as defined in the Pre-Petition Credit Agreement) ("*Required Banks*") and, if the rights or duties of the Pre-Petition Agent are materially affected thereby, the Pre-Petition Agent, or compliance therewith by the Borrower and the Guarantors only may be waived (either generally or in a particular instance and either retroactively or prospectively), if the Borrower shall have obtained the consent in writing of the Required Banks and, if the rights or duties of the DIP Agent are materially affected thereby, the Pre-Petition Agent. Any such amendment or waiver shall apply equally to all Pre-Petition Banks and shall be binding upon them, upon each future holder of any Note and Reimbursement Obligation and upon the Borrower. No such amendment or waiver shall extend to or affect any obligation not expressly amended or waived.

*Section 6.2. Waiver of Rights.* No delay or failure on the part of the Pre-Petition Agent or any Pre-Petition Bank or on the part of the holder or holders of any Note or Reimbursement Obligation in the exercise of any power or right shall operate as a waiver thereof, nor as an acquiescence in any Potential Default or Event of Default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof, or the exercise of any other power or right, and the rights and remedies hereunder of the Pre-Petition Agent, the Pre-Petition Banks and of the holder or holders of any Notes are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

*Section 6.3 Counterparts.* This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the

same instrument. One or more of the Pre-Petition Banks may execute a separate counterpart of this Agreement which has also been executed by the Borrower, and this Agreement shall become effective as and when all of the Pre-Petition Banks have executed this Agreement or a counterpart thereof and lodged the same with the Pre-Petition Agent.

*Section 6.4. Successors and Assigns; Governing Law; Entire Agreement.* This Agreement shall be binding upon the Borrower, the Guarantors, the Pre-Petition Agent and the Pre-Petition Banks and their respective successors and assigns, and shall inure to the benefit of the Borrower, the Guarantors, the Pre-Petition Agent, each of the Pre-Petition Banks and MCHI (which is an express third party beneficiary of the obligations of the Pre-Petition Agent and Pre-Petition Banks contained herein) and the benefit of their respective successors and assigns. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HERETO SHALL BE CONSTRUED AND DETERMINED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. The Borrower and the Guarantors may not assign any of their rights or obligations hereunder without the written consent of the Pre-Petition Banks.

*Section 6.5. No Joint Venture.* Nothing contained in this Agreement shall be deemed to create a partnership or joint venture among the parties hereto.

*Section 6.6. Severability.* In the event that any term or provision hereof is determined to be unenforceable or illegal, it shall be deemed severed herefrom to the extent of the illegality and/or unenforceability and all other provisions hereof shall remain in full force and effect.

*Section 6.7. Table of Contents and Headings.* The table of contents and section headings in this Agreement are for reference only and shall not affect the construction of any provision hereof.

*Section 6.8. Jurisdiction; Venue; Waiver of Jury Trial.* THE BORROWER AND EACH GUARANTOR HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS AND OF ANY ILLINOIS COURT SITTING IN CHICAGO FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE BORROWER AND EACH GUARANTOR IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE BORROWER, THE GUARANTORS, THE PRE-PETITION AGENT, AND THE PRE-PETITION BANKS HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

*Section 6.9. No Modification; No Discharge; Survival of Claims.* This Agreement shall not be modified, altered or affected in any manner by any plan of reorganization or any order of confirmation for any Debtor or any other financing or extensions or incurring of indebtedness by

any Debtor pursuant to Section 364(c) of the Bankruptcy Code. Without limiting the generality of the foregoing, each of the Borrower and the Guarantors agrees that (i) its obligations hereunder shall not be discharged by the entry of an order confirming a plan of reorganization (and each of the Borrower and the Guarantors, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such discharge) and (ii) the Superpriority Claim granted to the Pre-Petition Agent and the Pre-Petition Banks pursuant to the Financing Order and the Lien granted to the DIP Agent for the benefit of the Pre-Petition Agent the Pre-Petition Banks pursuant to the DIP Credit Agreement and the Financing Order shall not be affected in any manner by the entry of an order confirming a plan of reorganization.

*Section 6.10. Pre-Petition Loan Documents.* Subject to the provisions of the Bankruptcy Code and any orders entered by the Bankruptcy Court, the Pre-Petition Loan Documents shall remain in full force and effect, and the execution of this Agreement by the Pre-Petition Agent and the Pre-Petition Banks, and the delivery to and acceptance thereof by the Pre-Petition Agent and the Pre-Petition Banks, do not and shall not constitute a waiver of any provision of the Pre-Petition Loan Documents, except as expressly provided in this Agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first set forth above.

Dated as of May \_\_, 2003.

MISSISSIPPI CHEMICAL CORPORATION, as  
Debtor and Debtor-in-Possession

By

Name \_\_\_\_\_  
Title \_\_\_\_\_

GUARANTORS:

MISSCHEM NITROGEN, L.L.C., as Debtor and  
Debtor-in-Possession

By

Name \_\_\_\_\_  
Title \_\_\_\_\_

MISSISSIPPI NITROGEN, INC., as Debtor and  
Debtor-in-Possession

By

Name \_\_\_\_\_  
Title \_\_\_\_\_

TRIAD NITROGEN, L.L.C. , as Debtor and  
Debtor-in-Possession

By

Its \_\_\_\_\_

MISSISSIPPI PHOSPHATES CORPORATION, as  
Debtor and Debtor-in-Possession

By \_\_\_\_\_  
Its \_\_\_\_\_

MISSISSIPPI POTASH, INC., as Debtor and  
Debtor-in-Possession

By \_\_\_\_\_  
Its \_\_\_\_\_

EDDY POTASH, INC., as Debtor and Debtor-in-  
Possession

By \_\_\_\_\_  
Its \_\_\_\_\_

MISSISSIPPI CHEMICAL MANAGEMENT  
COMPANY, as Debtor and Debtor-in-  
Possession

By \_\_\_\_\_  
Its \_\_\_\_\_

MISSISSIPPI CHEMICAL COMPANY, L.P., as  
Debtor and Debtor-in-Possession

By: MISSISSIPPI CHEMICAL MANAGEMENT  
COMPANY, its general partner

By \_\_\_\_\_  
Its \_\_\_\_\_

MELAMINE CHEMICALS, INC., as Debtor and  
Debtor-in-Possession

By \_\_\_\_\_  
Its \_\_\_\_\_

HARRIS TRUST AND SAVINGS BANK  
individually and as Pre-Petition Agent

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

PRE-PETITION BANKS:

CREDIT AGRICOLE INDOSUEZ

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

MORGAN STANLEY SENIOR FUNDING, INC.

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

BANC OF AMERICA STRATEGIC SOLUTIONS,  
INC.

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

THE BANK OF NOVA SCOTIA, ATLANTA  
AGENCY

By

Name \_\_\_\_\_  
Title \_\_\_\_\_

SUNTRUST BANK (formerly known as SunTrust  
Bank, Atlanta)

By

Name \_\_\_\_\_  
Title \_\_\_\_\_

WACHOVIA BANK, NATIONAL ASSOCIATION  
(formerly known as First Union National  
Bank)

By

Name \_\_\_\_\_  
Title \_\_\_\_\_

ABN AMRO BANK N.V.

By

Name \_\_\_\_\_  
Title \_\_\_\_\_

By

Name \_\_\_\_\_  
Title \_\_\_\_\_

AVENUE SPECIAL SITUATIONS FUND II, L.P., as  
Buyer

By: Avenue Capital Partners II, LLC, General  
Partner

By: GL Partners II, LLC, Managing  
Member of General Partner

By  
Name \_\_\_\_\_  
Title \_\_\_\_\_

By  
Name \_\_\_\_\_  
Title \_\_\_\_\_

TRUSTMARK NATIONAL BANK

By  
Name \_\_\_\_\_  
Title \_\_\_\_\_

AMSOUTH BANK

By  
Name \_\_\_\_\_  
Title \_\_\_\_\_

SPCP GROUP, L.L.C.

By  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Address: \_\_\_\_\_

Attention: \_\_\_\_\_



PRESIDENT AND FELLOWS OF HARVARD  
COLLEGE

By: Whipporwill Associates Incorporated  
Its: Agent and Authorized Signatory

By

Name \_\_\_\_\_

Title \_\_\_\_\_

Address: \_\_\_\_\_

Attention: \_\_\_\_\_

**CERTIFICATE OF SERVICE**

I hereby certify that I caused to be served a true and correct copy of the foregoing pleading to all parties listed on Schedule 1 attached hereto in the form and manner set forth therein.

SO CERTIFIED this the 15 day of May, 2003.

James W. O'Mara  
JAMES W. O'MARA

## SCHEDULE 1

### Notice Parties -- First Day Motions

The following persons were provided with copies of the foregoing First Day Motion and/or Application *via* the methods indicated below on May 15, 2003, were provided with notice that the Debtors' cases would be filed on May 15, 2003 and were provided with notice that this matter would be presented to the Court on May 16, 2003 at 11:00 a.m.:

Ronald H. McAlpin                    *via Hand Delivery*  
Assistant U.S. Trustee  
Suite 706  
100 W. Capitol Street  
Jackson, Mississippi 39269

James E. Spiotto                    *via E-Mail*  
Chapman and Cutler  
111 W. Monroe Street  
Chicago, Illinois 60603

**Counsel for Harris Trust and Savings Bank, Agent for Pre-Petition and DIP Lenders**

Stephen W. Rosenblatt            *via E-Mail and Hand Delivery*  
Butler, Snow, O'Mara, Stevens & Cannada, PLLC  
Post Office Box 22567  
Jackson, MS 39225-2567

**Counsel for Harris Trust and Savings Bank, Agent for Pre-Petition and DIP Lenders**

Anthony Princi                    *via E-Mail and Hand Delivery*  
Thomas L. Kent  
Orrick, Herrington & Sutcliffe LLP  
666 Fifth Avenue  
New York, New York 10103

**Counsel for Unofficial Committee of Bondholders**

MAY 16 2003

CHARLENE J. KENNEDY, CLERK  
BY \_\_\_\_\_ DEPUTY

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI

In re:

MISSISSIPPI CHEMICAL  
CORPORATION, *et al.*<sup>1</sup>

Debtors.

CASE NO. 03-02984-WEE  
Chapter 11  
Jointly Administered

**INTERIM FINANCING ORDER AUTHORIZING (1) BORROWING WITH PRIORITY OVER  
ADMINISTRATIVE EXPENSES AND SECURED BY LIENS ON PROPERTY OF THE ESTATES  
PURSUANT TO SECTION 364(C) AND SECTION 364(D) OF THE BANKRUPTCY CODE, (2) THE  
DEBTORS' USE OF CASH COLLATERAL AND GRANTING ADEQUATE PROTECTION  
THEREFOR PURSUANT TO SECTIONS 361 AND 363 OF THE BANKRUPTCY CODE,  
(3) MODIFYING THE AUTOMATIC STAY, AND (4) SETTING OF FINAL HEARING**

THIS MATTER came on for preliminary hearing on May 16, 2003 at 11:00 a.m. (the "*Interim Hearing*"). Mississippi Chemical Corporation (the "*Company*") and certain of its subsidiaries as set forth in footnote 1 below (the "*Subsidiary Guarantors*"), as debtors and debtors-in-possession (collectively, with the Company, the "*Debtors*") in the above-captioned Chapter 11 cases (the "*Chapter 11 Cases*"), which filed voluntary petitions for reorganization pursuant to Chapter 11 of Title 11, United States Code (the "*Bankruptcy Code*"), on May 15, 2003 (the "*Petition Date*"), have applied to this Court (the "*Motion*") for authorization (1) pursuant to Bankruptcy Code and § 364(c) and (d) in the capacity of either borrower or guarantor, to obtain debtor-in-possession financing from the DIP Lenders (as hereinafter defined) pursuant to the terms and conditions of (a) the Post-Petition Credit Agreement, substantially in

<sup>1</sup> The Debtors are the following entities: Mississippi Chemical Corporation; Mississippi Nitrogen, Inc.; MissChem Nitrogen, L.L.C.; Mississippi Chemical Company, L.P.; Mississippi Chemical Management Company; Mississippi Phosphates Corporation; Mississippi Potash, Inc.; Eddy Potash, Inc.; Triad Nitrogen, L.L.C.; and Melamine Chemicals, Inc.

the form of that annexed as an exhibit to the Motion (with all ancillary documents referred to therein and/or required to be executed in connection therewith, the "*DIP Financing Documents*" or "*Post-Petition Credit Agreement*") by and among the Debtors, Harris Trust and Savings Bank and such other financial institutions named therein or which hereafter become a party thereto (collectively, the "*DIP Lenders*") and Harris Trust and Savings Bank as collateral agent and administrative agent for the DIP Lenders (in such capacity, the "*DIP Agent*"), (b) the budget annexed as *Exhibit A* hereto, which may be amended with the consent of the DIP Agent (the "*Budget*") and which is subject to the permitted variances set forth in the Post-Petition Credit Agreement, and (c) this Order (collectively, the "*DIP Credit Facility*"); (2) to grant the Pre-Petition Lenders (as hereinafter defined) Replacement Liens (as hereinafter defined), and superpriority administrative claim treatment for any use of Cash Collateral and diminution in value of the Pre-Petition Collateral, subject to the liens, security interests and superpriority treatment granted the DIP Lenders, the Carve Out and any permitted liens to the extent agreed to by the DIP Lenders; and (3) to obtain a setting for a final hearing on the Motion (the "*Final Hearing*").

Upon the record of the Chapter 11 Cases and the record of the Interim Hearing, good and sufficient cause appearing therefor, and it appearing to be in the best interests of the Debtors' estates and creditors;

AND THE COURT HEREBY FINDS AND DETERMINES THAT:

(a) the DIP Lenders are willing to advance monies to the Debtors and the Pre-Petition Lenders are willing to consent to the use of Cash Collateral only upon the conditions contained in this Order;

(b) the Debtors are unable to obtain sufficient levels of unsecured credit allowable under Bankruptcy Code § 503(b)(1) as an administrative expense necessary to maintain and conduct their businesses;

(c) the Debtors are unable to obtain secured credit allowable only under Bankruptcy Code §§ 364 (c)(2) and (d), except under the terms and conditions provided in this Order;

(d) the credit and financial accommodations to be extended under the DIP Credit Facility are being extended by the DIP Lenders in good faith; and the conditions required by the Pre-Petition Lenders in connection with the Adequate Protection Claim (as hereinafter defined) including the use of Cash Collateral (as hereinafter defined) are made in good faith; and the DIP Lenders and the Pre-Petition Lenders are entitled to the protection of Bankruptcy Code § 364(e);

(e) the Debtors exercised reasonable diligence in obtaining and negotiating the terms of the DIP Credit Facility, and the terms thereof are the best available to the Debtors under current circumstances;

(f) the terms of the DIP Credit Facility, including those providing for the payment of fees and interest, are fair and reasonable;

(g) it is in the best interest of the Debtors' estates that they be allowed to finance their operations under the terms and conditions set forth herein, as such financing is necessary to prevent a disruption of their businesses and to permit the Debtors to attempt to achieve a successful reorganization;

(h) notice of the relief sought by the Motion, and the Interim Hearing with respect thereto which has been held pursuant to Bankruptcy Rule 4001(c) and Bankruptcy Code § 102(1), as required by Bankruptcy Code § 364(c) and (d), has been given to the

to the extent such exist and are valid and enforceable on the Petition Date (the "*Pre-Petition Collateral*"), and (3) the liquidation value of the Pre-Petition Collateral exceeded the amount of the Pre-Petition Obligations on the Petition Date;

(j) subject to the Final Hearing, neither the DIP Lenders nor the Pre-Petition Lenders control the operations of any Debtor; and

(k) good and sufficient cause exists for the issuance of this Order, to prevent irreparable harm to the Debtors' estates;

NOW, THEREFORE, IT IS HEREBY ORDERED, PENDING THE CONCLUSION OF THE FINAL HEARING:

1. The Debtors are hereby authorized to borrow funds from, obtain letters of credit from, and incur debt to the DIP Lenders in an amount up to \$37,500,000 (the "*DIP Commitment Amount*") pursuant to and in accordance with the terms and conditions of the DIP Credit Facility, from and after the date of this Order, whether prior or subsequent to the execution and delivery of the DIP Financing Documents. The proposed borrowings and other extensions of credit under the DIP Financing Documents are hereby approved. The DIP Agent and the DIP Lenders shall have the rights and the obligations set forth in the DIP Financing Documents to make loans, advances and/or financial accommodations pursuant to the terms and conditions thereof.

2. The Debtors shall not apply for or obtain letters of credit from any institution or entity other than the DIP Lenders.

3. For any and all obligations under and in the DIP Financing Documents of the Debtors to the DIP Agent and/or the DIP Lenders, arising after the date of this Order (the "*Obligations*" or "*DIP Credit*"), and in addition to the rights granted below, subject to the Carve-Out, the DIP Lenders are granted an allowed super-priority administrative claim in accordance with Section 364(c)(1) of the Bankruptcy Code having a priority in right of payment

over any and all other obligations, liabilities and indebtedness of the Debtors, now in existence or hereafter incurred by the Debtors and over any and all administrative expenses or priority claims of any kind including as specified in, or ordered pursuant to, §§ 326, 330, 331, 503(b), 506(c), 507(a) or 507(b) of the Bankruptcy Code, whether arising in the Debtors' Chapter 11 Cases or in any superseding Chapter 7 cases.

4. Pursuant to Bankruptcy Code §§ 362, 363(e) and 364(c) and (d), as security for the prompt payment and performance of any and all Obligations, liabilities or indebtedness incurred by one or more of the Debtors, individually or collectively, to the DIP Lenders of whatever nature or description, the Debtors are hereby authorized to grant to the DIP Agent for the *pro rata* benefit of the DIP Lenders, valid, binding, enforceable and perfected first priority liens, mortgages and security interests, superior to all other creditors of the Debtors' estates in and to all of the Debtors' presently owned or hereafter acquired property and assets, whether such property and assets were acquired by the Debtors before or after the Petition Date, of any kind or nature, whether real or personal, tangible or intangible, wherever located, including, without limitation: real property (including without limitation all leasehold interests, mineral leases and mineral and water rights), other accounts, inventory, equipment, rolling stocks (including titled and untitled vehicles), cash, cash equivalents, general intangibles (including intellectual property, trademarks, trade names, interests in partnerships, joint ventures, investment properties and bankruptcy-related causes of action, including but not limited to all causes of action under Chapter 5 of the Bankruptcy Code, including §§ 544 through 550 and § 553 or other applicable law), letter of credit rights, supporting obligations, commercial tort claims deposit accounts and investment property, securities, and the Company's 50% joint venture interest in Houston Ammonia Terminal L.P. and proceeds thereof, but excluding only the capital stock or equity interests of the Debtors in FMCL Limited Liability Company, Mississippi Chemical Holdings,



Inc., MissChem (Barbados) SRL, MissChem Trinidad Limited, Farmland MissChem Limited and any interest, direct or indirect, of the Debtors in any rights or property of Farmland MissChem Limited (collectively, the "*Excluded Foreign Assets*") which are foreign assets not subject to these Bankruptcy proceedings, (collectively, the "*Post-Petition Collateral*" or the "*Collateral*"), subject only to the Carve-Out (as hereinafter defined) and permitted liens to the extent they existed and are valid, enforceable and senior to the liens granted to the DIP Credit Facility on the Petition Date or are permitted to be prior to the lien of the DIP Credit Facility under the Post-Petition Credit Agreement (hereinafter referred to as "*Permitted Liens*"). Harris Trust and Savings Bank is also granted a *pari passu* lien on the Collateral for any obligations owed to it as Cash Management Bank as provided in the Cash Management Order

5. The Debtors are hereby authorized to use Cash Collateral of the Pre-Petition Lenders, with the express consent of those Pre-Petition Lenders who have executed the Standstill Agreement (as defined herein) and the non-objection of any other Prepetition Lenders, provided the Debtors comply with the terms of this Order, the DIP Credit Facility and the Standstill Agreement. As adequate protection for any post-petition diminution in value of the Pre-Petition Lenders' interests in the Pre-Petition Collateral, including without limitation for any diminution in value caused by the Debtors' use of the Pre-Petition Collateral including Cash Collateral, as such term is defined in Bankruptcy Code § 364(a), the Pre-Petition Agent for the ratable benefit of each Pre-Petition Lender is hereby granted a joint and several post-petition claim (the "*Adequate Protection Claim*") against the Debtors' estates. In order to secure such Adequate Protection Claim, the Pre-Petition Agent for the benefit of the Pre-Petition Lenders is hereby granted a first priority security interest in and a lien upon (collectively, the "*Replacement Liens*") upon (x) the Pre-Petition Collateral and all Post-Petition proceeds of the Pre-Petition and Post-Petition Collateral thereof, including accounts receivable arising from the sale after the

Petition Date of such Pre-Petition Collateral, and (y) the Post-Petition Collateral, subject only to (1) Permitted Liens, (2) the Carve-Out, (3) the liens granted to the DIP Agent pursuant to Section 364 of the Bankruptcy Code and the liens granted to Harris Trust and Savings Bank as Cash Management Bank under the Cash Management Order, and (4) the liens and security interests existing on the Petition Date in favor of the Pre-Petition Agent. To further provide adequate protection for the Adequate Protection Claim, the Pre-Petition Lenders are granted an allowed super-priority administrative claim in accordance with Section 364(c)(1) of the Bankruptcy Code having a priority in right of payment over any and all other obligations, liabilities and indebtedness of the Debtors, now in existence or hereafter incurred by the Debtors and over any and all administrative expenses or priority claims of any kind including as specified in, or ordered pursuant to, §§ 326, 330, 331, 503(b), 507(a) or 507(b) of the Bankruptcy Code, whether arising in the Debtors' Chapter 11 Cases or in any superseding Chapter 7 cases but subject to the Carve Out and the super-priority administrative claim granted to the DIP Lenders. As further adequate protection, the Debtors are hereby ordered to pay to the Pre-Petition Agent for the ratable account of the Pre-Petition Lenders (a) on the closing date of the DIP Credit Facility (the "*Closing Date*") all non-default interest accrued on the Pre-Petition Obligations to that date, (b) thereafter pay interest monthly in arrears at the non-default rate (if prior to a Termination Date) set forth in the Pre-Petition Financing Documents, and (c) accrue monthly the difference between the default rate and non-default rate to be payable at Termination Date or payment in full of the Pre-Petition Obligations.

6. Notwithstanding any contrary provision of this Order or the DIP Financing Documents, the liens and super-priority claims granted to the DIP Lenders and the Pre-Petition Lenders shall be subject and subordinate to, following the occurrence and during the pendency of a Carve-Out Event, the payment of allowed professional fees and disbursements by the

professionals retained prior to the Termination Date pursuant to Bankruptcy Code §§ 327 or 1103(a) by the Debtors and any statutory committees appointed in the Chapter 11 Cases, quarterly fees required to be paid pursuant to 28 U.S.C. § 1930(a)(6) and any fees payable to the Clerk of the Bankruptcy Court and any agent thereof in an aggregate amount not to exceed \$1,500,000 plus fees and expenses (other than those of the DIP Agent, the DIP Lenders, the Pre-Petition Agent and the Pre-Petition Lenders) incurred prior to a Carve-Out Event but not yet paid to the extent such fees and expenses are approved by the Bankruptcy Court (collectively, the "*Carve-Out*") subject to the right of the DIP Agent, the DIP Lenders, the Pre-Petition Lenders and the Pre-Petition Agent to object to the award of any fees and expenses.

7. Prior to the Termination Date (as defined in the Post-Petition Credit Agreement), the Debtors shall be permitted to pay compensation and reimbursement of expenses authorized to be paid under Bankruptcy Code §§ 330 and 331 or otherwise pursuant to an order of this Court, as the same may be due and payable, and such payments shall not reduce the Carve-Out subject to the rights of the DIP Lenders, DIP Agent, the Pre-Petition Lenders and the Pre-Petition Agent to object to such payments. Upon the Termination Date and notice by the DIP Agent to the Debtors (the "*Carve-Out Event Notice*"), the right of the Debtors to pay professional fees outside the Carve-Out shall terminate (a "*Carve-Out Event*"), and, upon such occurrence, the Debtors, after receipt of the Carve-Out Event Notice from the DIP Agent, shall provide immediate notice by facsimile to all professionals in the case informing them that a Carve-Out Event has occurred and further advising them that the Debtors' ability to pay professionals is subject to the Carve-Out.

8. The Debtors are deemed to and do hereby waive the right to assert a charge against Pre-Petition or Post-Petition Collateral under §§ 105, 506(c) or 552(b).

9. There is no dispute with any Debtor and each Debtor hereby waives, releases and affirmatively agrees not to allege or otherwise pursue any or all defenses, affirmative defenses, counterclaims, claims, causes of action, recoupments, setoffs or other rights that it may have (i) to contest any Defaults or Events of Default which were or could have been declared by the Pre-Petition Agent as of the Petition Date; (ii) to contest any provisions of the Pre-Petition Loan Documents; (iii) to contest the amount of the Debtors' indebtedness to the Pre-Petition Agent and the Pre-Petition Lenders as of the Petition Date as set forth herein; (iv) to contest the conduct of the Pre-Petition Agent or the Pre-Petition Lenders in administering the Pre-Petition Financing Documents; (v) against the Pre-Petition Agents and/or the Pre-Petition Lenders with respect to lender liability theories and pursuant to Sections 510, 544, 547, 548 and 549 of the Bankruptcy Code; (vi) to challenge that the mortgages, liens and security interests granted to the DIP Agent for the ratable benefit of the DIP Lenders under the DIP Financing Documents and this Order are senior, valid, fully perfected, non-voidable and enforceable liens and security interests securing the Obligations except as to Permitted Liens; and (vii) to challenge that the mortgages, security interests and liens granted to the Pre-Petition Agent for the ratable benefit of the Pre-Petition Lenders under the Pre-Petition Financing Agreements or this Order are senior, valid, fully perfected, non-voidable and enforceable mortgages, security interests and liens fully securing the Pre-Petition Indebtedness (the "*Lien Finding*"); *provided* that any committee as appointed by the U.S. Trustee or any party with standing to challenge such liens of any Debtor may file an objection to the Lien Finding as set out in subclause (vii) above within sixty (60) days after the date of entry of this Order or be forever barred from challenging the Lien Finding. Absent any such objection, the Lien Finding shall be final sixty (60) days after entry of this Order.

10. So long as there are any Obligations outstanding to the DIP Lenders under the DIP Credit Facility and until the Adequate Protection Claim is satisfied, unless the DIP Agent and the

Pre-Petition Agent shall have given its prior written consent, or this Court enters an order, upon proper notice to the DIP Agent and the Pre-Petition Agent and a hearing, requiring that all the Debtors' Obligations to the DIP Lenders and the Adequate Protection Claim be immediately satisfied in full, the Debtors shall neither seek any further orders in the Debtors' Chapter 11 Cases, nor support any applications therefor, which authorize: (a) under Bankruptcy Code § 363, the use of cash collateral in which the DIP Agent or the Pre-Petition Agent has an interest, or the sale, use, or lease, other than in the ordinary course of business, of other property of the Debtors in which the DIP Agent or the Pre-Petition Agent has an interest; (b) the obtaining of credit or the incurring of indebtedness pursuant to Bankruptcy Code §§ 364(c) or (d), or any other grant of rights against the Debtors and/or their estates, secured by a lien, mortgage or security interest in the Post-Petition Collateral held by the DIP Agent or the Pre-Petition Agent or entitled to priority administrative status which is equal or superior to that granted to the DIP Agent, the DIP Lenders or the Pre-Petition Lenders (with respect to the Replacement Liens) herein; or (c) the return of goods by the Debtors pursuant to Bankruptcy Code § 546(c).

11. In addition to any rights granted to the DIP Agent and DIP Lenders under the DIP Credit Facility, and to the Pre-Petition Agent and Pre-Petition Lenders under this Order after the Court's approval thereof, the DIP Agent for the ratable benefit of the DIP Lenders and the Pre-Petition Agent for the ratable benefit of the Pre-Petition Lenders (as applicable) shall be entitled to charge the Debtors' accounts or receive reimbursement thereof, without application to the Court, for: (a) all of the DIP Agent's and the DIP Lenders' reasonable fees and expenses, reasonable attorneys' fees and legal expenses and other advisor or professional fees and expenses arising from or related to the DIP Credit Facility or any actions taken in connection with these chapter 11 proceedings, including without limitation the negotiating, closing, documenting and obtaining of Court approval thereof and all proceedings in connection with the interpretation,

amendment, modification, enforcement or carrying out of the DIP Credit Facility or this Order at any time, and all expenses, costs and charges in any way or respect arising in connection therewith or related thereto; (b) all of the Pre-Petition Agent's and the Pre-Petition Lenders' reasonable fees and expenses, reasonable attorneys' fees and legal expenses and fees and expenses of other advisors and professionals arising from or related to the Pre-Petition Financing Documents, the Adequate Protection Claim or any action taken in connection with these chapter 11 cases, including without limitation the negotiating and obtaining court approval thereof and proceedings in connection with the interpretation, amendment, modification, enforcement or carrying out of the Pre-Petition Financing Documents or the Adequate Protection Claim or this order at any time, and all expenses, costs and charges in any way or respect arising in connection therewith or related thereto and (c) all of the DIP Agent's facility, administrative and filing fees, recording taxes and fees and reasonable internal examination and audit expenses; and such fees and expenses in the foregoing subparagraphs (a), (b) and (c) (collectively, the "*Reimbursable Fees*") shall be funded through loans under the DIP Credit Facility, charged to the Debtors' account and shall constitute a part of the Debtors' Obligations but shall not constitute an item paid in accordance with the Budget.

12. The Debtors, at their expense, shall (a) continue to at all times keep the Collateral fully insured against all loss, peril and hazard and make the DIP Agent and the Pre-Petition Agent co-insured and loss payee as their interests appear under such policies, and (b) pay any and all pre-petition taxes, as authorized pursuant to order of the Court, post-petition taxes, assessments and governmental charges with respect to such Collateral, all as provided under the DIP Credit Facility, and will provide the DIP Agent and the Pre-Petition Agent with proof thereof upon written demand and will give the DIP Agent and the Pre-Petition Agent access to its records in this regard.

13. The automatic stay provisions of Bankruptcy Code § 362 are hereby modified to permit (a) the Debtors to implement the terms of the DIP Credit Facility, (b) the Debtors to grant the Replacement Liens to the Pre-Petition Agent for the benefit of the Pre-Petition Lenders (c) the Debtors to create, and the DIP Agent or the Pre-Petition Agent, as the case may be, to perfect, any and all liens, mortgagees and security interests granted to it hereunder; *provided, however,* that neither the DIP Agent nor the Pre-Petition Agent shall be required to file UCC financing statements or other instruments with any other filing authority to perfect any lien, mortgage or security interest granted by this Order or take any other action to perfect such liens, mortgages and security interests; if, however, the DIP Agent or the Pre-Petition Agent, as the case may be, shall, in its sole discretion, elect for any reason to file, record or serve any such financing statements or other documents with respect to such liens and security interest, the Debtors shall execute the same upon request and the filing, recording or service thereof (as the case may be) shall be deemed to have been made at the time and on the date required to implement the priority of such liens and security interests as provided in this Order.

14. The time of payment of any and all Obligations of the Debtors arising out of or incurred pursuant to the DIP Credit Facility shall not be altered, extended or impaired by any plan or plans of reorganization that may hereafter be accepted or confirmed or any further orders of the Court which may hereafter be entered.

15. Subject to 7 days prior written notice upon the occurrence of a Terminating Event (as defined below), any and all Obligations of one or more of the Debtors arising out of or incurred pursuant to the DIP Credit Facility shall be immediately due and payable, provided, however, the DIP Lenders shall have no obligation to make loans and/or advances to the Debtors upon the occurrence of a Terminating Event, and further provided the DIP Credit Facility shall terminate upon the occurrence of (1) August 15, 2004 or an earlier Maturity Date provided for in

the Post-Petition Credit Agreement (the "*Maturity Date*"), or (2) any of the following events ("*Terminating Events*" or "*Termination Event*");

- (a) any of the Chapter 11 Cases is either dismissed or converted to a case under Chapter 7 of the Bankruptcy Code;
- (b) a trustee or an examiner with the expanded powers of a trustee is appointed in any of the Chapter 11 Cases;
- (c) any plan or reorganization of the Debtors is confirmed which does not provide for the payment in full of the Obligations and the Pre-Petition Obligations upon the effective date of the plan;
- (d) other than as contemplated in the Budget, any of the Debtors ceases operation of any of its businesses or takes any material action for the purpose of effecting the foregoing without the prior written consent of the DIP Agent;
- (e) this Order is reversed, vacated, stayed, amended, supplemented or otherwise modified in a manner which shall materially and adversely affect the rights of the DIP Agent and/or the DIP Lenders hereunder or shall materially and adversely affect the priority of any or all of the DIP Agent's and/or the DIP Lenders' claims, liens or security interests and which is not acceptable to the DIP Agent;
- (f) the occurrence of an Event of Default under the DIP Financing Documents;
- (g) the Final Order is not entered on or before 45 days after the Petition Date;
- (h) non-compliance or default by the Debtors with any of the terms and provisions of this Order;
- (i) the failure of this Court to overrule (within 60 days of the filing thereof) any objection filed with respect to the Lien Finding set forth in paragraph 9 hereof;



(j) any other superpriority claim or lien equal or superior in priority to that granted pursuant to or permitted hereunder shall be granted;

(k) an examiner having enlarged powers under Section 1106(b) of the Bankruptcy Code shall be appointed for any of the Debtors;

(l) the automatic stay of Bankruptcy Code Section 362 is lifted so as to allow a third party to proceed against any material asset of the Debtors; or

(m) any plan of reorganization for any Debtor is confirmed without the DIP Lenders' consent.

16. Upon the occurrence of a Terminating Event and the giving of the Termination Notice or upon the occurrence of the Maturity Date:

(a) the Debtors shall immediately segregate all of the Post-Petition Collateral, including without limitation cash collateral, and shall not be permitted to use such Collateral absent the DIP Agent's prior written consent; and

(b) after the DIP Agent shall have the right, free of the restrictions of Bankruptcy Code § 362, (1) to take immediate reasonable action to protect and preserve the Collateral, and (2) after giving seven (7) days prior written notice of a Terminating Event to the Debtors' and the Office of the U.S. Trustee (the "*Notice Parties*") by the DIP Agent (the "*Termination Notice*") to exercise its rights and remedies pursuant to the DIP Credit Facility and/or applicable law as to all or such part of the Post-Petition Collateral as the DIP Agent, in its sole discretion, shall elect.

17. Nothing in this Order shall limit the rights of the Pre-Petition Lenders or the DIP Lenders to seek further relief (including additional adequate protection), or modification or termination of the automatic stay for good cause shown.

18. Nothing in this Order shall limit the rights of any Pre-Petition Lender or any DIP Lender to assign all of its rights, claims and Obligations under the DIP Financing Documents or the Pre-Petition Financing Documents.

19. The Debtors shall provide the DIP Agent and Pre-Petition Agent with such written reports, certified by the president, vice-president or chief financial officer of the Company to be accurate to the best of his knowledge, information and belief, as are required under the DIP Financing Documents, and such additional written reports as the DIP Agent and Pre-Petition Agent, in its reasonable discretion, shall require.

20. The Debtors are directed to keep their books and records of original entry, including without limitation, records of sale, credits authorized (whether or not credit memoranda have been issued), purchases, accounts receivable, bills of lading, cash receipts, and cash disbursements, current and updated, so that all business activity is posted to them in the ordinary course of the Debtors' businesses.

21. The DIP Agent and Pre-Petition Agent shall have the right to inspect, audit, examine, check, make copies of or extracts from the books, accounts, checks, orders, invoices, bills of lading, correspondence and other records of the Debtors, and the Debtors shall make all of same available to the DIP Agent and its representatives, for such purposes.

22. If and as requested by the DIP Agent, the Debtors shall implement a blocked account or lockbox system for their receivables (in form and substance satisfactory to the DIP Agent).

23. To the extent that all cash and checks of the Debtors currently in their possession, bank accounts, lockbox accounts or otherwise, and the proceeds thereof, if any, are proceeds of the Collateral, upon entry of this Order, the Debtors shall deliver such proceeds to the DIP Agent, and thereafter the Debtors and any successor to the Debtors, including without limitation any