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

In re:	)	
	)	
MISSISSIPPI CHEMICAL	)	
CORPORATION, *et al.* [1]	)	CASE NO. 03-02984 WEE
	)	Chapter 11
Debtors.	)	**Jointly Administered**
	)	

EMERGENCY MOTION FOR APPROVAL TO RESUME TRADING UNDER COMMODITIES TRADING CONTRACT

COME NOW the Debtors and Debtors-in-Possession, Mississippi Chemical Corporation, *et al.*, ("Debtors"), and move the Court pursuant to Sections 363 and 364 of the Bankruptcy Code and Rules 4001 and 9014 of the Federal Rules of Bankruptcy Procedure for entry of *interim* and final an order authorizing Mississippi Chemical Corporation ("MCC") to incur post-petition secured financing in connection with its resumption of engaging in natural gas derivative transactions with Entergy-Koch Trading, LP. In support of the Motion, the Debtors show as follows:

1. Each of the above-captioned Debtors filed its voluntary petition under Chapter 11 of the Bankruptcy Code, 11 U.S.C. § 101, *et seq.*, on May 15, 2003 ("Petition Date").

2. The Debtors remain in possession of their property and continue to operate their businesses as debtors-in-possession pursuant to §§ 1107 and 1108. No trustees or examiners have been appointed in these cases. An official committee of unsecured creditors (the "Committee") has been appointed herein.

[1] 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.

3. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334, and this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue of these cases is proper in this Court pursuant to 28 U.S.C. § 1408. The relief requested in this Motion is sought pursuant to §§ 363 and 364 of the Bankruptcy Code.

Background

4. In the ordinary course of its businesses, the Debtors have continuously and regularly engaged in trading of natural gas derivative transactions in the commodity futures market. Because natural gas is the primary raw material used in their businesses to make their products, engaging in such trading is necessary in order to hedge against gas price fluctuations. Never has such hedging been more necessary than now, where gas price fluctuations have reached a level of uncertainty that is heretofore unprecedented. *See* 6/11/03 USA Today article, "Greenspan Raises Natural Gas Fears" attached as Exhibit "A".

5. The dramatic increases in the price of natural gas are the single largest contributing factor that has created the financial difficulty precipitating the Debtors' filings with the Court. The continued increases since the Petition Date have further impacted the Debtors and their business.

6. Prior to the Petition Date, MCC actively traded natural gas derivatives through Entergy-Koch Trading, LP, formerly Koch Energy Trading, Inc. ("EKT"), pursuant to an agreement between these two parties. The ISDA Master Agreement between MCC and EKT is attached hereto as Exhibit "B", together with amendments and schedules thereto.

7. MCC will replace its deposit with EKT $500,000 representing the Threshold Amount as set forth in the ISDA Agreement that remains in place from pre-petition trading. This deposit was previously held by EKT pre-petition but was recently returned because trading had ceased.

ISDA Agreement with EKT and Trading Activity Thereunder

8. The specific transactions addressed herein are all financially settled, yet they are based off the price of physical natural gas (such transactions are referred to as "derivative transactions" or "financial derivative transactions"). The execution of financial derivative transactions by MCC is one method that MCC may use to help manage their financial and physical natural gas exposure. An example of a financial derivative transaction that MCC may execute is as follows:

A. MCC enters into swap transactions with a counterparty under which MCC agrees to pay $5.50 per unit of natural gas for October 2003 and the counterparty agrees to pay the price per unit of natural as published by Inside FERC for the Henry Hub delivery point in October 2003. Assume the quantity agreed to is 20,000 MMBtu/day of natural gas. This swap locks in the price that the Mississippi Chemical will settle against in October 2003 when the Inside FERC periodical is published.

B. By locking in the price, MCC can better manage their natural gas exposure for October 2003 and thus better manage its business.

C. When October 2003 occurs, if the price published by Inside FERC is greater than $5.50 per unit, the counterparty would pay MCC the difference multiplied by the applicable quantity in the agreement (for this example it is 20,000 MMBtu/day). If the price published by Inside FERC for the Henry Hub delivery point for October 2003 is less than $5.50, then MCC would pay the counterparty the difference multiplied by the same quantity.

9. The ISDA Agreement is a form agreement; however, customized terms are added to the form, including terms that address credit concerns, and are included in Exhibit "B". MCC will be required to transfer collateral (defined as "Posted Collateral" in the ISDA Agreement) to cover risk associated with movements in the natural gas market. If the market value of the swap were to fall $5.25, MCC would be required to send the counterparty cash collateral pursuant to the credit terms in the agreement.

Necessity for Relief

10. Due to the recent decreases in the price of natural gas (price for October contract is down to $4.483/mcf at close on September 19 from $6.566/mcf on June 5), the Debtors believe that market conditions are again favorable for engaging in trading for purposes of hedging against price increases. Notwithstanding market conditions and due to the Debtors' substantial dependence on natural gas, hedging as described is necessary to stabilize (as much as possible) their operations and provide protection from the volatility of the gas market.

11. The Debtors intend only to engage in trading as set forth on Exhibit "C" attached hereto, which sets forth limitations on the time periods and number of contracts.

12. Thus, the Debtors request an expedited, preliminary hearing at which they will ask the Court to grant immediate *interim* authority to begin trading with EKT again in order to protect themselves from further dramatic increases in natural gas prices. The Debtors have notified the Committee, Harris Trust and Savings Bank and the U.S. Trustee of their intentions, the filing of this motion, and their request for immediate *interim* relief. The Debtors have been authorized to represent to the Court by these constituencies that none has any objection to entry by the Court of an *interim* order subject to their right to review this matter further and object thereto at a final hearing.

WHEREFORE, the Debtors request that the Court grant them the following relief:

A. entry of an *interim* order permitting MCC to resume trading with EKT under the ISDA Agreement;

B. after full notice and hearing, entry of a final order authorizing MCC to resume trading in natural gas derivatives in the ordinary course of business and to grant to EKT in connection therewith liens and security interests as called for in the ISDA Agreement; and

C. such other relief to which the Debtors are entitled.

Respectfully submitted,

MISSISSIPPI CHEMICAL CORPORATION, *et al.*

By: _____

James W. O'Mara, MS Bar No. 3929
Douglas C. Noble, MS Bar No. 10526
Christopher R. Maddux, MS Bar No. 100501

PHELPS DUNBAR LLP
Suite 500, SkyTel Centre North
200 South Lamar Street
Post Office Box 23066
Jackson, Mississippi 39225-3066
Telephone: (601) 352-2300
Facsimile: (601) 360-9777

Alan J. Bogdanow
William D. Young
VINSON & ELKINS L.L.P.
3700 Trammel Crow Center
2001 Ross Avenue
Dallas, TX 75201-2975
Telephone: (214) 220-7700
Facsimile: (214) 220-7716

CERTIFICATE OF SERVICE

I do hereby certify that I have this date caused to be served *via* electronic mail and/or U.S. Mail, postage prepaid, a true and correct copy of the above and foregoing pleading to all parties listed below. The Debtors' Noticing Agent, BMC, shall likewise serve a copy of same to all parties on the Shortened Service List.

James E. Spiotto Chapman and Cutler 111 W. Monroe Street Chicago, Illinois 60603	Stephen W. Rosenblatt Butler, Snow, O'Mara, Stevens & Cannada Post Office Box 22567 Jackson, MS 39225-2567
Anthony Princi Thomas L. Kent Orrick, Herrington & Sutcliffe LLP 666 Fifth Avenue New York, New York 10103	Craig M. Geno Harris, Geno & Dunbar, P.A. P.O. Box 3919 Jackson, MS 39207-3919
Ronald H. McAlpin Assistant U.S. Trustee Suite 706 100 W. Capitol Street Jackson, Mississippi 39269	Bankruptcy Management Corporation Attn: Tinamarie Feil 1330 E. Franklin Ave. El Segundo, CA 90245
John C. Tishler Waller, Lansden, Dortch & Davis 511 Union Street, Suite 2100 Nashville, TN 37219	J. Walter Newman, IV 539 Trustmark Building Jackson, MS 39201
Kelly Funderburk Entergy-Koch Trading, LP 20 Greenway, Suite 700 Houston, Texas 77046	

SO CERTIFIED, this the 24 day of September, 2003.

JAMES W. O'MARA
DOUGLAS C. NOBLE
CHRISTOPHER R. MADDUX

News Click to sign up! USA TODAY .com

USA TODAY

PRINT THIS

Greenspan raises natural gas fears

By Barbara Hagenbaugh, USA TODAY

WASHINGTON — High natural gas prices could hurt the U.S. economy and the nation should import more of the energy source to maintain a steady supply, Federal Reserve Chairman Alan Greenspan said Tuesday.

Elevated prices have already hit some companies, though they have yet to harm the broad economy. But "If it (price rise) continues .. we're going to see some erosion in a number of macroeconomic variables," Greenspan told a House Energy and Commerce hearing.

High natural gas prices could force consumers and businesses to spend less money in the broad economy as they struggle to cover energy bills. Price increases already are hitting industrial companies, which account for more than 40% of natural gas consumption - and which compete with companies abroad that pay far lower prices. (**Related story**: Electricity costs near 20-year highs)

In May, Mississippi Chemical, which produces chemicals used as crop nutrients and in industrial applications, filed for Chapter 11 bankruptcy protection. The Yazoo City, Miss., company cited high natural gas prices as one reason for its problems.

Natural gas prices have doubled over the past year to $6 per million British thermal units in part because an exceptionally cold winter drained supplies. More than half of U.S. homes are heated with natural gas, and the clean-burning energy source is also used to create electricity, another popular heating method.

Natural gas supplies are 29% below their five-year average and 39% lower than a year ago. It's not just the cold weather that's to blame. Demand has been rising steadily for years, and supplies are lagging. Demand rose 12% from 1992-2002, far outpacing the 5% increase in supplies. That trend is expected to continue.

"Today's tight natural gas markets have been a long time in coming, and futures prices suggest that we are not apt to return to earlier periods of relative abundance and low prices anytime soon," Greenspan said.

The Fed chairman advocated increased imports as a supply "safety valve." To be transported on boats, natural gas must be turned into a liquid — achieved by cooling it to minus-260 degrees Fahrenheit — then back into gas. The process has raised concern among environmentalists, while others, including members of Congress, have expressed unease that it poses a danger to safety. They also worry the USA could become too dependent on imports.

Industry representatives Tuesday suggested opening more federal land to exploration, also a hot-button issue.

Find this article at:
http://www.usatoday.com/money/industries/energy/2003-06-10-greenspan-natural-gas_x.htm

EXHIBIT
tabbies

☐ Check the box to include the list of links referenced in the article.

(Local Currency–Single Jurisdiction)

ISDA®

International Swaps and Derivatives Association, Inc.

MASTER AGREEMENT

dated as of December 1, 1997

KOCH ENERGY TRADING, INC., a Kansas corporation ("Party A")
and
MISSISSIPPI CHEMICAL CORPORATION ("Party B")

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:

1. **Interpretation**

(a) ***Definitions.*** The terms defined in Section 12 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.

(b) ***Inconsistency.*** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.

(c) ***Single Agreement.*** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. **Obligations**

(a) ***General Conditions.***

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

EXHIBIT
tabbies B

ISDA® 1992 Second Printing

(b) ***Change of Account.*** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) ***Netting.*** If on any date amounts would otherwise be payable:

(i) in the same currency; and

(ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) ***Default Interest; Other Amounts.*** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by Law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. **Representations**

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into) that:

(a) ***Basic Representations.***

(i) ***Status.*** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;

(ii) ***Powers.*** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorize such execution, delivery and performance;

(iii) ***No Violation or Conflict.*** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

ISDA® 1992 Second Printing

(iv) ***Consents.*** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) ***Obligations Binding.*** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) ***Absence of Certain Events.*** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) ***Absence of Litigation.*** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at Law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) ***Accuracy of Specified Information.*** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

4. **Agreements**

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:

(a) ***Furnish Specified Information.*** It will deliver to the other party any forms, documents or certificates specified in the Schedule or any Confirmation by the date specified in the Schedule or such confirmation or, if none is specified, as soon as reasonably practicable.

(b) ***Maintain Authorizations.*** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) ***Comply with Laws.*** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

5. **Events of Default and Termination Events**

(a) ***Events of Default.*** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:

(i) ***Failure to Pay or Deliver.*** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) ***Breach of Agreement.*** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2 (a)(i) or 2(d) or to give notice of a Termination Event) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) ***Credit Support Default.***

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) ***Misrepresentation.*** A representation made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) ***Default under Specified Transaction.*** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) ***Cross Default.*** If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) ***Bankruptcy.*** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution attachment, sequestration or other legal process levied, enforced or sued on or against all or

ISDA® 1992 Second Printing

substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) ***Merger Without Assumption.*** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) ***Termination Events.*** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to (ii) below or an Additional Termination Event if the event is specified pursuant to (iii) below:

(i) ***Illegality.*** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):

(1) to perform any absolute or contingent obligation to make a payment or delivery, or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) ***Credit Event Upon Merger.*** If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X, or its successor or transferee, as appropriate, will be the Affected Party); or

(iii) ***Additional Termination Event.*** If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) ***Event of Default and Illegality.*** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. Early Termination

(a) ***Right to Terminate Following Event of Default.*** If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the

ISDA® 1992 Second Printing

day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8) and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) ***Right to Terminate Following Termination Event.***

(i) ***Notice.*** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) ***Two Affected Parties.*** If an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iii) ***Right to Terminate.*** If:

(1) an agreement under Section 6(b)(ii) has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality other than that referred to in Section 6(b)(ii) a Credit Event Upon Merger or an Additional Termination Event occurs,

either party in the case of an Illegality, any Affected Party in the case of an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) ***Effect of Designation.***

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(d) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) ***Calculations.***

(i) ***Statement.*** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) ***Payment Date.*** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business

Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment), from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) ***Payments on Early Termination.*** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) ***Events of Default.*** If the Early Termination Date results from an Event of Default:

(1) ***First Method and Market Quotation.*** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party over (B) the Unpaid Amounts owing to the Defaulting Party.

(2) ***First Method and Loss.*** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) ***Second Method and Market Quotation.*** If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party less (B) the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) ***Second Method and Loss.*** If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) ***Termination Events.*** If the Early Termination Date results from a Termination Event:

(1) ***One Affected Party.*** If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) ***Two Affected Parties.*** If there are two Affected Parties:

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Unpaid Amounts owing to X less (II) the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) ***Adjustment for Bankruptcy.*** In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) ***Pre-Estimate.*** The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. **Transfer**

Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. **Miscellaneous**

(a) ***Entire Agreement.*** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) ***Amendments.*** No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

(c) ***Survival of Obligations.*** Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) ***Remedies Cumulative.*** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) ***Counterparts and Confirmations.***

(i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.

ISDA® 1992 Second Printing

(f) ***No Waiver of Rights.*** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) ***Headings.*** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

9. **Expenses**

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

10. **Notices**

(a) ***Effectiveness.*** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:

(i) if in writing and delivered in person or by courier, on the date it is delivered;

(ii) if sent by telex, on the date the recipient's answer back is received;

(iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);

(iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or

(v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) ***Change of Addresses.*** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

11. **Governing Law and Jurisdiction**

(a) ***Governing Law.*** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) ***Jurisdiction.*** With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) ***Waiver of Immunities.*** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

12. **Definitions**

As used in this Agreement:

"Additional Termination Event" has the meaning specified in Section 5(b).

"Affected Party" has the meaning specified in Section 5(b).

"Affected Transactions" means (a) with respect to any Termination Event consisting of an Illegality, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

"Affiliate" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Applicable Rate" means:

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

"consent" includes a consent, approval, action, authorization, exemption, notice, filing, registration or exchange control consent.

"Credit Event Upon Merger" has the meaning specified in Section 5(b).

"Credit Support Document" means any agreement or instrument that is specified as such in this Agreement.

"Credit Support Provider" has the meaning specified in the Schedule.

"Default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

"Defaulting Party" has the meaning specified in Section 6(a).

"Early Termination Date" means the date determined in accordance with Section 6(a) or 6(b)(iii).

"Event of Default" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"Illegality" has the meaning specified in Section 5(b).

"law" includes any treaty, law, rule or regulation and *"lawful"* and *"unlawful"* will be construed accordingly.

"Local Business Day" means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

"Loss" means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 9. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"Market Quotation" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after

ISDA® 1992 Second Printing

disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"***Non-default Rate***" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

"***Non-defaulting Party***" has the meaning specified in Section 6(a).

"***Potential Event of Default***" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"***Reference Market-makers***" means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"***Scheduled Payment Date***" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

"***Set-off***" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

"***Settlement Amount***" means, with respect to a party and any Early Termination Date, the sum of:

(a) the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

"***Specified Entity***" has the meaning specified in the Schedule.

"***Specified Indebtedness***" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"***Specified Transaction***" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"***Terminated Transactions***" means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if "Automatic Early Termination" applies, immediately before that Early Termination Date).

"***Termination Currency***" has the meaning specified in the Schedule.

ISDA® 1992 Second Printing

"Termination Event" means an Illegality, or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"Termination Rate" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"Unpaid Amounts" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

KOCH ENERGY TRADING, INC.,
a Kansas corporation

By: _____

Name: ~~Bill M. Mohl~~ DAVID A. SOBOTKA

Title: ~~Vice~~ **President**

Date: 5/14/98

MISSISSIPPI CHEMICAL CORPORATION

By: _____

Name: Charles O. Dunn

Title: President

Date: May 14, 1998

ISDA
International Swaps and Derivatives Association, Inc.

SCHEDULE
to the
MASTER AGREEMENT
(Local Currency - Single Jurisdiction)

dated as of December 1, 1997

between
KOCH ENERGY TRADING, INC., a Kansas corporation ("Party A")
and
MISSISSIPPI CHEMICAL CORPORATION ("Party B")

Part 1. Termination Provisions.

(a) ***"Specified Entity"*** means in relation to Party A for the purpose of:

Section 5(a)(v), Not Applicable.

Section 5(a)(vi), Not Applicable.

Section 5(a)(vii), Not Applicable.

Section 5(b)(iv), Not Applicable.

and in relation to Party B for the purpose of:

Section 5(a)(v), Not Applicable.

Section 5(a)(vi), Not Applicable.

Section 5(a)(vii), Not Applicable.

Section 5(b)(iv), Not Applicable.

(b) ***"Specified Transaction"*** shall have the meaning specified in Section 12 of this Agreement.

(c) The ***"Cross Default"*** provisions of Section 5(a)(vi) will apply to Party A
will apply to Party B.

However, Section 5(a)(vi) is hereby amended by the deletion of the words ", or becoming capable at such time of being declared," from clause (i) of such provision.

If such provisions apply:

"Specified Indebtedness" will have the meaning specified in Section 12 of this Agreement.

"Threshold Amount" means in relation to Party A US $25,000,000 (or its equivalent in any other currency) and in regard to Party B US $25,000,000 (or its equivalent in any other currency).

(d) Section 5(a) of this Agreement shall be amended by adding the following additional Events of Default as a new subsection 5(a)(ix):

(ix) ***Failure to Provide Adequate Assurance.*** The failure of either party (the "Failing Party") to provide Adequate Assurance to the other Party (the "Demanding Party") within three (3) Business Days of the Demanding Party's written demand for such assurance when such demand is based upon the Demanding Party's reasonable good faith belief that the ability of the Failing Party to perform its obligations under this Agreement is materially impaired. For purposes of this Section 5(a)(ix), Adequate Assurance shall mean any financial security in a form and amount satisfactory to the Demanding Party.

(e) The ***"Credit Event Upon Merger"*** provisions of Section 5(b)(ii) will apply to Party A
will apply to Party B,

provided that with respect to Party A, Section 5(b)(ii) is amended by replacing the words "creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action," in the fifth and sixth lines with:

"corporate credit rating of the resulting, surviving or transferee entity is rated (i) A- or lower by Standard and Poor's (S & P) or (ii) A3 or lower by Moody's Investors Service (Moody's)"

(f) The ***"Automatic Early Termination"*** provision of Section 6(a) will not apply to Party A
will not apply to Party B.

(g) ***Payments on Early Termination.*** For the purpose of Section 6(e) of this Agreement:

(i) Market Quotation will apply.

(ii) The Second Method will apply.

(h) ***"Termination Currency"*** means such currency of any Transaction in respect of which an Early Termination Date has been designated or is deemed to occur as may be selected by the party which is not the Defaulting Party or the Affected Party (as the case may be), or where there are two Affected Parties such currency as may be agreed between them, if such currency is freely available, and otherwise United States Dollars.

(i) ***Additional Termination Event*** will not apply.

Part 2. Agreement to Deliver Documents.

For the purpose of Sections 4(a) of this Agreement, each party agrees to deliver the following documents, as applicable:

Documents to be delivered are:

Party required to deliver document	Form/Document/ Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
Party A & B	Signing Authority being evidence of authority, incumbency and specimen signature of each person executing any document on its behalf in connection with this Agreement and the Credit Support Document	On the signing of this Agreement and, if requested, any Confirmation	Yes
Party A & B	A most recent copy of the Party's Annual Report and Accounts if publicly filed	As soon as practicable after request	No

Part 3. Miscellaneous.

(a) ***Addresses for Notices.*** For the purpose of Section 10(a) of this Agreement:

Address for notices or communications to **Party A**:

		Regarding Confirmation/Trading Transactions	
Address:	4111 East 37th Street North Wichita, Kansas 67220	Address:	600 Travis Houston, Texas 7700
Attention:	Tye G. Darland	Attention:	Stacy Fran
Telephone No.:	316-828-8623	Telephone No.:	713-229-522
Facsimile No.:	316-828-3133	Facsimile No.:	713-229-595

Address for notices, communications, and confirmation/trading transactions to **Party B**:

Address:	Highway 49E Yazoo City, MS 39194	Highway 49E Yazoo City, MS 39194
Attention:	Robert E. Manning, Manager	Rick Gilbert, Energy Manager
Telephone No.:	601-751-2251	601-751-2561
Facsimile No.:	601-751-2430	601-751-2361

(b) ***Calculation Agent.*** The Calculation Agent is Party A unless otherwise specified in a Confirmation in relation to the relevant Transaction. The failure of Party A to perform its obligations as Calculation Agent hereunder shall not be construed as an Event of Default or Termination Event.

(c) ***Credit Support Document.*** Shall mean for Party A and Party B the Credit Support Annex attached hereto. In regard to Party A, the Guaranty of its Credit Support Provider.

(d) ***Credit Support Provider.*** In regard to Party A, Koch Industries, Inc.

(e) ***Governing Law.*** This Agreement will be governed by and construed in accordance with New York law (without reference to choice of law doctrine).

(f) ***Netting of Payments.*** Sub-paragraph (ii) of Section 2(c) of this Agreement will not apply to any Transactions hereunder.

(g) ***"Affiliate"*** will have the meaning specified in Section 12 of this Agreement.

Part 4. Other Provisions.

(1) ***Definitions.*** This Agreement, each Confirmation, and each Transaction are subject to the 1991 ISDA Definitions and the 1992 ISDA FX and Currency Options Definitions as amended, supplemented, updated, restated (including the 1993 ISDA Commodity Derivatives Definitions) (the "Definitions"), each as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), and will be governed in all respects by the Definitions (except that references to "Swap Transactions" in the Definitions will be deemed to be references to "Transactions"). The Definitions, as so modified, are incorporated by reference herein, and made part of, this Agreement and each Confirmation as if set forth in full in this Agreement and such Confirmations. In the event of any inconsistency between the provisions of this Agreement and the Definitions, this Agreement will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Agreement or the Definitions, such Confirmation will prevail for the purpose of the relevant Transaction.

(2) ***Set Off.*** The following shall be added as Section 6(f):

Any amount (the "Early Termination Amount") payable to one party (the Payee) by the other party (the Payer) under Section 6(e), in circumstances where there is a Defaulting Party will, at the option of the Non-defaulting Party, be reduced

by its set-off against any amounts (the "Other Agreement Amount") payable (whether at such time or in the future) by the Payee to the Payer (irrespective of the currency, place of payment or booking office of the obligation) under any other agreement(s) between the Payee and the Payer or instrument(s) issued or executed by one party to, or in favour of, the other party (and the Other Agreement Amount will be discharged promptly and in all respects to the extent it is so set-off). The Non-defaulting Party will give notice as soon as reasonably practicable to the other party of any set-off effective under this Section 6(f).

For this purpose, either the Early Termination Amount or the Other Agreement Amount (or the relevant portion of such amounts) may be converted by the Non-defaulting Party into the currency in which the other is denominated at the rate of exchange at which such party would be able, acting in a reasonable manner, in good faith and with the consultation of the other party, to purchase the relevant amount of such currency.

Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

(3) ***Additional Representations.*** Section 3(a) is amended by adding the following paragraphs (vi), (vii), and (viii):

(vi) ***Pari Passu.*** Its payment obligations hereunder rank and will rank at all times at least pari passu in all respects with all of its other unsecured obligations (except for those which are preferred by operation of law).

(vii) ***Eligible Swap Participant.*** It is an "eligible swap participant" as that term is defined by the United States Commodity Futures Trading Commission in 17 C.F.R. § 35.1(b)(2).

(viii) ***No Reliance.*** In connection with the negotiation of, the entering into, and the confirming of the execution of this Agreement, any Credit Support Document to which it is a party, and each Transaction:

(a) it is acting as principal (and not as agent or in any other capacity, fiduciary or otherwise);

(b) the other party is not acting as a fiduciary or financial or investment advisor for it;

(c) it is not relying upon any representation (whether written or oral) of the other party other than the representations expressly set forth in this Agreement;

(d) the other party has not given to it (directly or indirectly through any other person) any advice, counsel, assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect consequence, or benefit (either legal regulatory, tax, financial, accounting, or otherwise) of this Agreement, such Credit Support Document, or such Transaction;

(e) it has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisors to the extent it has deemed necessary, and it has made its own investment, hedging, and other decisions regarding the Transactions based upon its own judgment and upon any advice from such advisors as it has deemed necessary, and not upon any view expressed by the other party;

(f) all decisions regarding the Transactions have been the result of arm's length negotiations between the parties, and

(g) it is entering into this Agreement, such Credit Support Document, and such Transaction with a full understanding of all of the risks hereof and thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks.

(4) ***Waiver of Jury Trial.*** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Agreement or any Credit Support Document. Each party (i) certifies that no representative, agent or attorney of the other party or any Credit Support Provider has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Agreement and

provide for any Credit Support Document, as applicable, by, among other things, the mutual waivers and certifications in this Section.

(5) ***Severability.*** In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor, in good faith negotiations, to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(6) ***Default Under Specified Transactions.*** The provisions of Section 5(a)(v) of this Agreement are modified by adding, immediately prior to the semicolon at the end thereof, the following:

> "provided, however, that it shall not constitute an Event of Default under Section 5(a)(v) if (A) such event of default or failure to pay arises in the ordinary course of business by mistake, oversight, or transfer difficulties and (B) such event of default or failure to pay is remedied on or before the fifth Business Day after the occurrence or existence of such event of default or failure to pay."

(7) ***Transfer.*** The consent referred to in Section 7 shall not (after consideration of any tax or other consequences to a party of consenting to such assignment) be unreasonably withheld.

Part 6. Provisions for Commodity Derivative Transactions.

(a) The ***"Market Disruption Events"*** specified in Section 7.4(d)(i) of the Commodity Definitions shall apply, except as otherwise specifically provided in the Confirmation.

(b) ***"Additional Disruption Events"*** shall apply if so specified in the Confirmation.

(c) The following ***"Disruption Fallbacks"*** specified in Section 7.5 (c) of the Commodity Definitions shall apply, in the following order, except as otherwise specifically provided in the Confirmation:

(i) ***"Fallback Reference Price"***;

(ii) ***"Negotiated Fallback"***;

(iii) ***"Postponement"***; provided that the "Maximum Days of Disruption" shall be three (3);

(iv) ***"Average Daily Price Disruption"***; and

(v) ***"Calculation Agent Determination"***.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

KOCH ENERGY TRADING, INC.,
a Kansas corporation

By: _____

Name: ~~**Bill M. Mohl**~~ DAVID A SCBOTKA

Title: ~~**Vice**~~ **President**

Date: 6/1/98

MISSISSIPPI CHEMICAL CORPORATION

By: _____

Name: Charles O. Dunn

Title: President

Date: May 14, 1998

AMENDMENT TO ISDA MASTER AGREEMENT
DATED DECEMBER 1, 1997
BY AND BETWEEN
ENTERGY-KOCH TRADING, LP (FORMERLY KNOWN AS AXIA ENERGY TRADING, LP AND FORMERLY WITH KOCH ENERGY TRADING, INC.
("PARTY A")
AND
MISSISSIPPI CHEMICAL CORPORATION
("PARTY B")
(the agreement its schedules and credit support annex as amended in January 2001 shall be collectively referred to as the "AGREEMENT")

THIS AMENDMENT is entered into November 13, 2002 by and between Party A and Party B.

WHEREAS, Party A and Party B mutually desire to amend the Agreement as hereinafter provided;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

1.1 As set forth in the Amendment to the Agreement dated January 2001 regarding credit Thresholds: "Party A reserves the right, in its sole discretion, pursuant to Party's A normal and continuing credit evaluation procedures, to increase or decrease said thresholds."

Pursuant to such right, the parties acknowledge that as of July 11, 2002, Party A has reduced Party B's Threshold to -$500,000. Party A reserves the right to decrease or increase Party B's Threshold at anytime upon notice to Party B.

1.2 The parties desire to add an Independent Amount to the Credit Support Annex to the Agreement that shall be applicable to Party B. The following shall be used to determine Party B's Independent Amount:

PARTY B'S INDEPENDENT AMOUNT

Total Contracts	**Party B's Independent Amount**
<300	$ 0
300-499	$ 500,000
500-749	$ 750,000
750-999	$1,000,000
1000-1249	$1,500,000
1250-1499	$2,000,000
max 1500	$ 2,500,000

"Total Contracts" means the total cumulative daily quantity for all Transactions in effect between the parties divided by 10,000 MMBtu of natural gas per day.

ARTICLE II
MISCELLANEOUS

2.1 *No Other Amendments and Ratification.* This Amendment contains the entire understanding of the parties with respect to the amendments contained herein. Except pursuant to a written document, there shall be no amendments other than the January 2001 Amendment and the amendments specifically expressed herein, by implication or otherwise. All other terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Party A and Party B have each caused this Amendment to be executed by their respective duly authorized officers or representatives on the day, month and year set forth below.

ENTERGY-KOCH TRADING, LP

By: _____

Name: James Jeffery Searle

Title: President

Date 11/14/02

Legal

MISSISSIPPI CHEMICAL CORPORATION

By: _____ 11/25

Name: Timothy A. Dawson

Title: Senior Vice President and Chief Financial Officer

Date: November 14, 2002

Copyright © 1994 by International Swaps and Derivatives Association, Inc.

ISDA®

International Swaps and Derivatives Association, Inc.

CREDIT SUPPORT ANNEX

TO THE SCHEDULE TO THE

ISDA MASTER AGREEMENT

dated as of December 1, 1997

between

KOCH ENERGY TRADING, INC., a Kansas corporation and MISSISSIPPI CHEMICAL CORPORATION
("Party A") ("Party B")

This Annex supplements, forms part of, and is subject to, the above-referenced Agreement, is part of its Schedule and is a Credit Support Document under this Agreement with respect to each party.

Accordingly, the parties agree as follows:

Paragraph 1. Interpretation

(a) ***Definitions and Inconsistency*** . Capitalized terms not otherwise defined herein or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 12, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between Paragraph 13 and the other provisions of this Annex, Paragraph 13 will prevail.

(b) ***Secured Party and Pledgor.*** All references in this Annex to the "Secured Party" will be to either party when acting in that capacity and all corresponding references to the "Pledgor" will be to the other party when acting in that capacity; ***provided, however,*** that if Other Posted Support is held by a party to this Annex, all references herein to that party as the Secured Party with respect to that Other Posted Support will be to that party as the beneficiary thereof and will not subject that support or that party as the beneficiary thereof to provisions of law generally relating to security interests and secured parties.

Paragraph 2. Security Interest

Each party, as the Pledgor, hereby pledges to the other party, as the Secured Party, as security for its Obligations, and grants to the Secured Party a first priority continuing security interest in, lien on and right of Set-off against all Posted Collateral Transferred to or received by the Secured Party hereunder. Upon the Transfer by the Secured Party to the Pledgor of Posted Collateral, the security interest and lien granted hereunder on that Posted Collateral will be released immediately and, to the extent possible, without any further action by either party.

Paragraph 3. Credit Support Obligations

(a) ***Delivery Amount.*** Subject to Paragraphs 4 and 5, upon a demand made by the Secured Party on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Pledgor's Minimum Transfer Amount, then the Pledgor will Transfer to the Secured Party Eligible Credit Support having a Value as of the date of Transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the ***"Delivery Amount"*** applicable to the Pledgor for any Valuation Date will equal the amount by which:

(i) the Credit Support Amount
exceeds
(ii) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party.

(b) ***Return Amount.*** Subject to Paragraphs 4 and 5, upon a demand made by the Pledgor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Secured Party's Minimum Transfer Amount, then the Secured Party will Transfer to the Pledgor Posted Credit Support specified by the Pledgor in that demand having a Value as of the date of Transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the ***"Return Amount"*** applicable to the Secured Party for any Valuation Date will equal the amount by which:

(i) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party
exceeds
(ii) the Credit Support Amount.

"Credit Support Amount" means, unless otherwise specified in Paragraph 13, for any Valuation Date (i) the Secured Party's Exposure for that Valuation Date plus (ii) the aggregate of all Independent Amounts applicable to the Pledgor, if any, minus (iii) all Independent Amounts applicable to the Secured Party, if any, minus (iv) the Pledgor's Threshold; ***provided, however,*** that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

Paragraph 4. Conditions Precedent, Transfer Timing, Calculations and Substitutions

(a) ***Conditions Precedent.*** Each Transfer obligation of the Pledgor under Paragraphs 3 and 5 and of the Secured Party under Paragraphs 3, 4(d)(ii), 5 and 6(d) is subject to the conditions precedent that:

(i) no Event of Default, Potential Event of Default or Specified Condition has occurred and is continuing with respect to the other party; and

(ii) no Early Termination Date for which any unsatisfied payment obligations exist has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the other party.

(b) ***Transfer Timing.*** Subject to Paragraphs 4(a) and 5 and unless otherwise specified, if a demand for the Transfer of Eligible Credit Support or Posted Credit Support is made by the Notification Time, then the relevant Transfer will be made not later than the close of business on the next Local Business Day; if a demand is made after the Notification Time, then the relevant Transfer will be made not later than the close of business on the second Local Business Day thereafter.

(c) ***Calculations.*** All calculations of Value and Exposure for purposes of Paragraphs 3 and 6(d) will be made by the Valuation Agent as of the Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or in the case of Paragraph 6(d), following the date of calculation).

(d) ***Substitutions.***

(i) Unless otherwise specified in Paragraph 13, upon notice to the Secured Party specifying the items of Posted Credit Support to be exchanged, the Pledgor may, on any Local Business Day, transfer to the Secured Party substitute Eligible Credit Support (the "Substitute Credit Support"); and

(ii) subject to Paragraph 4(a), the Secured Party will Transfer to the Pledgor the items of Posted Credit Support specified by the Pledgor in its notice not later than the Local Business Day following the date on which the Secured Party receives the Substitute Credit Support, unless otherwise specified in Paragraph 13 (the "Substitution Date"); ***provided*** that the Secured Party will only be obligated to Transfer Posted Credit Support with a Value as of the date of Transfer of that Posted Credit Support equal to the Value as of that date of the Substitute Credit Support.

Paragraph 5. Dispute Resolution

If a party (a "Disputing Party") disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any Transfer of Eligible Credit Support or Posted Credit Support, then (1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (3) the parties will consult with each other in an attempt to resolve the dispute and (4) if they fail to resolve the dispute by the Resolution Time, then:

(i) In the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 13, the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilizing any calculations of Exposure for the Transactions (or Swap Transactions) that the parties have agreed are not in dispute;

(B) calculating the Exposure for the Transactions (or Swap Transactions) in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; ***provided*** that if four quotations are not available for a particular Transaction (or Swap Transaction), then fewer than four quotations may be used for that Transaction (or Swap Transaction); and if no quotations are available for a particular Transaction (or Swap Transaction), then the Valuation Agent's original calculations will be used for that Transaction (or Swap Transaction); and

(C) utilizing the procedures specified in Paragraph 13 for calculating the Value, if disputed, of Posted Credit Support.

(ii) In the case of a dispute involving the Value of any Transfer of Eligible Credit Support or Posted Credit Support, the Valuation Agent will recalculate the Value as of the date of Transfer pursuant to Paragraph 13.

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following that notice by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraphs 4(a) and 4(b), make the appropriate Transfer.

Paragraph 6. Holding and Using Posted Collateral

(a) ***Care of Posted Collateral.*** Without limiting the Secured Party's rights under Paragraph 6(c), the Secured Party will exercise reasonable care to assure the safe custody of all Posted Collateral to the extent required by applicable law, and in any event the Secured Party will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Secured Party will have no duty with respect to Posted Collateral, including, without limitation, any duty to collect any Distributions, or enforce or preserve any rights pertaining thereto.

(b) ***Eligibility to Hold Posted Collateral; Custodians.***

(i) ***General.*** Subject to the satisfaction of any conditions specified in Paragraph 13 for holding Posted Collateral, the Secured Party will be entitled to hold Posted Collateral or to appoint an agent (a "Custodian") to hold Posted Collateral for the Secured Party. Upon notice by the Secured Party to the Pledgor of the appointment of a Custodian, the Pledgor's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Posted Collateral by a Custodian will be deemed to be the holding of that Posted Collateral by the Secured Party for which the Custodian is acting.

(ii) ***Failure to Satisfy Conditions.*** If the Secured Party or its Custodian fails to satisfy any conditions for holding Posted Collateral, then upon a demand made by the Pledgor, the Secured Party will, not later than five Local Business Days after the demand, Transfer or cause its Custodian to Transfer all Posted Collateral held by it to a Custodian that satisfies those conditions or to the Secured Party if it satisfies those conditions.

(iii) ***Liability.*** The Secured Party will be liable for the acts or omissions of its Custodian to the same extent that the Secured Party would be liable hereunder for its own acts or omissions.

(c) ***Use of Posted Collateral.*** Unless otherwise specified in Paragraph 13 and without limiting the rights and obligations of the parties under Paragraphs 3, 4(d)(ii), 5, 6(d) and 8, if the Secured Party is not a Defaulting Party or an Affected Party with respect to a Specified Condition and no Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then the Secured Party will, notwithstanding Section 9-207 of the New York Uniform Commercial Code, have the right to:

(i) sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any Posted Collateral it holds, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor; and

(ii) register any Posted Collateral in the name of the Secured Party, its Custodian or a nominee for either.

For purposes of the obligation to Transfer Eligible Credit Support or Posted Credit Support pursuant to Paragraphs 3 and 5 and any rights or remedies authorized under this Agreement, the Secured Party will be deemed to continue to hold all Posted Collateral and to receive Distributions made thereon, regardless of whether the Secured Party has exercised any rights with respect to any Posted Collateral pursuant to (i) or (ii) above.

(d) ***Distributions and Interest Amount.***

(i) ***Distributions.*** Subject to Paragraph 4(a), if the Secured Party receives or is deemed to receive Distributions on a Local Business Day, it will Transfer to the Pledgor not later than the following Local Business Day any Distributions it receives or is deemed to receive to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose).

(ii) ***Interest Amount.*** Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Collateral in the form of Cash (all of which may be retained by the Secured Party), the Secured Party will Transfer to the Pledgor at the times specified in Paragraph 13 the Interest Amount to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this Paragraph will constitute Posted Collateral in the form of Cash and will be subject to the security interest granted under Paragraph 2.

Paragraph 7. Events of Default

For purposes of Section 5(a)(iii)(1) of this Agreement, an Event of Default will exist with respect to a party if:

(i) that party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it and that failure continues for two Local Business Days after notice of that failure is given to that party;

(ii) that party fails to comply with any restriction or prohibition specified in this Annex with respect to any of the rights specified in Paragraph 6(c) and that failure continues for five Local Business Days after notice of that failure is given to that party; or

(iii) that party fails to comply with or perform any agreement or obligation other than those specified in Paragraphs 7(i) and 7(ii) and that failure continues for 30 days after notice of that failure is given to that party.

Paragraph 8. Certain Rights and Remedies

(a) ***Secured Party's Rights and Remedies.*** If at any time (1) an Event of Default or Specified Condition with respect to the Pledgor has occurred and is continuing or (2) an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Pledgor, then, unless the Pledgor has paid in full all of its Obligations that are then due, the Secured Party may exercise one or more of the following rights and remedies:

(i) all rights and remedies available to a Secured Party under applicable law with respect to Posted Collateral held by the Secured Party;

(ii) any other rights and remedies available to the Secured Party under the terms of Other Posted Support, if any;

(iii) the right to Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(iv) the right to liquidate any Posted Collateral held by the Secured Party through one or more public or private sales or other dispositions with such notice, if any, as may be required under applicable law, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor (with the Secured Party having the right to purchase any or all of the Posted Collateral to be sold) and to apply the proceeds (or the Cash equivalent thereof) from the liquidation of the Posted Collateral to any amounts payable by the Pledgor with respect to any Obligations in that order as the Secured Party may elect.

Each party acknowledges and agrees that Posted Collateral in the form of securities may decline speedily in value and is of a type customarily sold on a recognized market, and, accordingly, the Pledgor is not entitled to prior notice of any sale of that Posted Collateral by the Secured Party, except any notice that is required under applicable law and cannot be waived.

(b) ***Pledgor's Rights and Remedies.*** If at any time an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then (except in the case of an Early Termination Date relating to less than all Transactions (or Swap Transactions) where the Secured Party has paid in full all of its obligations that are then due under Section 6(e) of this Agreement):

(i) the Pledgor may exercise all rights and remedies available to a Pledgor under applicable law with respect to Posted Collateral held by the Secured Party;

(ii) the Pledgor may exercise any other rights and remedies available to the Pledgor under the terms of Other Posted Support, if any;

(iii) the Secured Party will be obligated immediately to Transfer all Posted Collateral and the Interest Amount to the Pledgor; and

(iv) to the extent that Posted Collateral or the Interest Amount is not so Transferred pursuant to (iii) above, the Pledgor may:

(A) Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(B) to the extent that the Pledgor does not Set-off under (iv)(A) above, withhold payment of any remaining amounts payable by the Pledgor with respect to any Obligations, up to the Value of any remaining Posted Collateral held by the Secured Party, until that Posted Collateral is Transferred to the Pledgor.

(c) ***Deficiencies and Excess Proceeds.*** The Secured Party will Transfer to the Pledgor any proceeds and Posted Credit Support remaining after liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b) after satisfaction in full of all amounts payable by the Pledgor with respect to any Obligations; the Pledgor in all events will remain liable for any amounts remaining unpaid after any liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b).

(d) ***Final Returns.*** When no amounts are or thereafter may become payable by the Pledgor with respect to any Obligations (except for any potential liability under Section 2(d) of this Agreement), the Secured Party will Transfer to the Pledgor all Posted Credit Support and the Interest Amount, if any.

Paragraph 9. Representations

Each party represents to the other party (which representations will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that:

(i) it has the power to grant a security interest in and lien on any Eligible Collateral it Transfers as the Pledgor and has taken all necessary actions to authorize the granting of that security interest and lien;

(ii) it is the sole owner of or otherwise has the right to Transfer all Eligible Collateral it Transfers to the Secured Party hereunder, free and clear of any security interest, lien, encumbrance or other restrictions other than the security interest and lien granted under Paragraph 2;

(iii) upon the Transfer of any Eligible Collateral to the Secured Party under the terms of this Annex, the Secured Party will have a valid and perfected first priority security interest therein (assuming that any central clearing corporation or any third-party financial intermediary or other entity not within the control of the Pledgor involved in the Transfer of that Eligible Collateral gives the notices and takes the action required of it under applicable law for perfection of that interest); and

(iv) the performance by it of its obligations under this Annex will not result in the creation of any security interest, lien or other encumbrance on any Posted Collateral other than the security interest and lien granted under Paragraph 2.

Paragraph 10. Expenses

(a) ***General.*** Except as otherwise provided in Paragraphs 10(b) and 10(c), each party will pay its own costs and expenses in connection with performing its obligations under this Annex and neither party will be liable for any costs and expenses incurred by the other party in connection herewith.

(b) ***Posted Credit Support.*** The Pledgor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to Posted Credit Support held by the Secured Party upon becoming aware of the same, regardless of whether any portion of that Posted Credit Support is subsequently disposed of under Paragraph 6(c), except for those taxes, assessments and charges that result from the exercise of the Secured Party's rights under Paragraph 6(c).

(c) ***Liquidation/Application of Posted Credit Support.*** All reasonable costs and expenses incurred by or on behalf of the Secured Party or the Pledgor in connection with the liquidation and/or application of any Posted Credit Support under Paragraph 8 will be payable, on demand and pursuant to the Expenses Section of this Agreement, by the Defaulting Party or, if there is no Defaulting Party, equally by the parties.

Paragraph 11. Miscellaneous

(a) ***Default Interest.*** A Secured Party that fails to make, when due, any Transfer of Posted Collateral or the Interest Amount will be obligated to pay the Pledgor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value of the items of property that were required to be Transferred, from (and including) the date that Posted Collateral or Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that Posted Collateral or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(b) ***Further Assurances.*** Promptly following a demand made by a party, the other party will execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by that party to create, preserve, perfect or validate any security interest or lien granted under Paragraph 2, to enable that party to exercise or enforce its rights under this Annex with respect to Posted Credit Support or an Interest Amount or to effect or document a release of a security interest on Posted Collateral or an Interest Amount.

(c) ***Further Protection.*** The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding or lien that involves Posted Credit Support Transferred by the Pledgor or that could adversely affect the Security

interest and lien granted by it under Paragraph 2, unless that suit, action, proceeding or lien results from the exercise of the Secured Party's rights under Paragraph 6(c).

(d) ***Good Faith and Commercially Reasonable Manner.*** Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.

(e) ***Demands and Notices.*** All demands and notices made by a party under this Annex will be made as specified in the Notices Section of this Agreement, except as otherwise provided in Paragraph 13.

(f) ***Specifications of Certain Matters.*** Anything referred to in this Annex as being specified in Paragraph 13 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.

Paragraph 12. Definitions

As used in this Annex:

"Cash" means the lawful currency of the United States of America.

"Credit Support Amount" has the meaning specified in Paragraph 3.

"Custodian" has the meaning specified in Paragraphs 6(b)(i) and 13.

"Delivery Amount" has the meaning specified in Paragraph 3(a).

"Disputing Party" has the meaning specified in Paragraph 5.

"Distributions" means with respect to Posted Collateral other than Cash, all principal, interest and other payments and distributions of cash or other property with respect thereto, regardless of whether the Secured Party has disposed of that Posted Collateral under Paragraph 6(c). Distributions will not include any item of property acquired by the Secured Party upon any disposition or liquidation of Posted Collateral or, with respect to any Posted Collateral in the form of Cash, any distributions on that collateral, unless otherwise specified herein.

"Eligible Collateral" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Eligible Credit Support" means Eligible Collateral and Other Eligible Support.

"Exposure" means for any Valuation Date or other date for which Exposure is calculated and subject to Paragraph 5 in the case of a dispute, the amount, if any, that would be payable to a party that is the Secured Party by the other party (expressed as a positive number) or by a party that is the Secured Party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(2)(A) of this Agreement as if all Transactions (or Swap Transactions) were being terminated as of the relevant Valuation Time; ***provided*** that Market Quotation will be determined by the Valuation Agent using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

"Independent Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Interest Amount" means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Collateral in the form of Cash held by the Secured Party on that day, determined by the Secured Party for each such day as follows:

(x) the amount of that Cash on that day; multiplied by
(y) the Interest Rate in effect for that day; divided by
(z) 360.

"Interest Period" means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred (or, if no Interest Amount has yet been Transferred, the Local Business Day on which Posted Collateral in the form of Cash was Transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

"Interest Rate" means the rate specified in Paragraph 13.

"Local Business Day", unless otherwise specified in Paragraph 13, has the meaning specified in the Definitions Section of this Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.

"Minimum Transfer Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Notification Time" has the meaning specified in Paragraph 13.

"Obligations" means, with respect to a party, all present and future obligations of that party under this Agreement and any additional obligations specified for that party in Paragraph 13.

"Other Eligible Support" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Other Posted Support" means all Other Eligible Support Transferred to the Secured Party that remains in effect for the benefit of that Secured Party.

"Pledgor" means either party, when that party (i) receives a demand for or is required to Transfer Eligible Credit Support under Paragraph 3(a) or (ii) has Transferred Eligible Credit Support under Paragraph 3(a).

"Posted Collateral" means all Eligible Collateral, other property, Distributions, and all proceeds thereof that have been Transferred to or received by the Secured Party under this Annex and not Transferred to the Pledgor pursuant to Paragraph 3(b), 4(d)(ii) or 6(d)(i) or released by the Secured Party under Paragraph 8. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(d)(ii) will constitute Posted Collateral in the form of Cash.

"Posted Credit Support" means Posted Collateral and Other Posted Support.

"Recalculation Date" means the Valuation Date that gives rise to the dispute under Paragraph 5; ***provided, however,*** that if a subsequent Valuation Date occurs under Paragraph 3 prior to the resolution of the dispute, then the "Recalculation Date" means the most recent Valuation Date under Paragraph 3.

"Resolution Time" has the meaning specified in Paragraph 13.

"Return Amount" has the meaning specified in Paragraph 3(b).

"Secured Party" means either party, when that party (i) makes a demand for or is entitled to receive Eligible Credit Support under Paragraph 3(a) or (ii) holds or is deemed to hold Posted Credit Support.

"Specified Condition" means, with respect to a party, any event specified as such for that party in Paragraph 13.

"Substitute Credit Support" has the meaning specified in Paragraph 4(d)(i).

"Substitution Date" has the meaning specified in Paragraph 4(d)(ii).

"Threshold" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Transfer" means, with respect to any Eligible Credit Support, Posted Credit Support or Interest Amount, and in accordance with the instructions of the Secured Party, Pledgor or Custodian, as applicable:

(i) in the case of Cash, payment or delivery by wire transfer into one or more bank accounts specified by the recipient;

(ii) in the case of certificated securities that cannot be paid or delivered by book-entry, payment or delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;

(iii) in the case of securities that can be paid or delivered by book-entry, the giving of written instructions to the relevant depository institution or other entity specified by the recipient, together with a written copy thereof to the recipient, sufficient if complied with to result in a legally effective transfer of the relevant interest to the recipient; and

(iv) in the case of Other Eligible Support or Other Posted Support, as specified in Paragraph 13.

"Valuation Agent" has the meaning specified in Paragraph 13.

"Valuation Date" means each date specified in or otherwise determined pursuant to Paragraph 13.

"Valuation Percentage" means, for any item of Eligible Collateral, the percentage specified in Paragraph 13.

"Valuation Time" has the meaning specified in Paragraph 13.

"Value" means for any Valuation Date or other date for which Value is calculated and subject to Paragraph 5 in the case of a dispute, with respect to:

(i) Eligible Collateral or Posted Collateral that is:

(A) Cash, the amount thereof; and

(B) a security, the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any;

(ii) Posted Collateral that consists of items that are not specified as Eligible Collateral, zero; and

(iii) Other Eligible Support and Other Posted Support, as specified in Paragraph 13.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

KOCH ENERGY TRADING, INC.,
a Kansas corporation

By: _____

Name: ~~**Bill M. Mohl**~~ DAVID A. SOROTA

Title: ~~**Vice**~~ **President**

Date: 6/11/98

MISSISSIPPI CHEMICAL CORPORATION

By: _____

WLS

Name: Charles O. Dunn

Title: President

Date: May 14, 1998

ISDA
International Swaps and Derivatives Association, Inc.

SCHEDULE
to the
CREDIT SUPPORT ANNEX

dated as of December 1, 1997

between
KOCH ENERGY TRADING, INC., a Kansas corporation ("Party A")
and
MISSISSIPPI CHEMICAL CORPORATION ("Party B")

Paragraph 13. Elections and Variables

(a) ***Security Interest for "Obligations".*** The term ***"Obligations"*** as used in this Annex includes the following additional obligations:

With respect to Party A: None

With respect to Party B: None

(b) ***Credit Support Obligations.***

(i) ***Delivery Amount, Return Amount and Credit Support Amount:***

(A) ***"Delivery Amount"*** has the meaning specified in Paragraph 3(a).

(B) ***"Return Amount"*** has the meaning specified in Paragraph 3(b).

(C) ***"Credit Support Amount"*** has the meaning specified in Paragraph 3.

(ii) ***Eligible Collateral.*** The following items will qualify as ***"Eligible Collateral"*** for the party specified:

		Party A	Party B	Valuation Percentage
(A)	Cash	[X]	[X]	100%
(B)	Negotiable debt obligations issued by the U.S. Treasury Department having an original maturity at issuance of not more than one year ("Treasury Bills")	[X]	[X]	97%
(C)	Negotiable debt obligations issued by the U.S. Treasury Department having an original maturity at issuance of more than one year but not more than 10 years ("Treasury Notes")	[X]	[X]	97%
(D)	Negotiable debt obligations issued by the U.S. Treasury Department having an original maturity at issuance of more than 10 years ("Treasury Bonds")	[X]	[X]	95%
(E)	Other	[X]	[X]	N/A

(iii) ***Other Eligible Support.*** The following items will qualify as ***"Other Eligible Support"*** for the party specified: Letters of Credit.

"Letters of Credit" shall mean one or more irrevocable standby letters of credit, expiring in not less than five Business Days prior notice, issued by a bank reasonably acceptable to the beneficiary party, under language substantially in the form of Schedule I hereto. Letters of Credit shall be issued by signed hardcopy for expiration in not less than six months from the then current date, and, if required hereunder, shall be confirmed extended to the beneficiary party's satisfaction for additional periods of not less than three months no later than the date which is ten Business Days prior to the then stated expiration date.

(iv) ***Thresholds.*** In regard to Party A, the Threshold shall be $10,000,000. In regard to Party B, the Threshold shall be $10,000,000; ***provided, however***, that Party A reserves the right, in its sole discretion, pursuant to Party A's normal and continuing credit evaluation procedures, to increase or decrease said threshold for future transactions by written notice to Party B prior to entering into a particular transaction.

"***Minimum Transfer Amount.***" In regard to Party A and Party B, the Minimum Transfer Amount shall be zero.

(v) ***Rounding.*** The Delivery Amount and the Return Amount will be rounded up and down to the nearest integral multiple of $100,000, respectively.

(c) ***Valuation and Timing.***

(i) "***Valuation Agent***" means, for purposes of Paragraphs 3 and 5, the party making the demand under Paragraph 3, and for the purposes of Paragraph 6(d), the Secured Party receiving or deemed to receive the Distributions or the Interest Amount, as applicable.

(ii) "***Valuation Date***" means at the request of either party, any Local Business Day which, if treated as a Valuation Date, would result in a Delivery Amount or Return Amount.

(iii) "***Valuation Time***" means the close of business on the Local Business Day before the Valuation Date or date of calculation, as applicable, or any time on the Valuation Date or date of calculation, as applicable; ***provided*** that the calculations of Value and Exposure will be made as of approximately the same time on the same date.

(iv) "***Notification Time***" means 1:00 p.m., New York time, on a Local Business Day.

(d) ***Conditions Precedent and Secured Party's Rights and Remedies.*** The following Termination Event(s) will be a "***Specified Condition***" for the party specified (that party being the Affected Party if the Termination Event occurs with respect to that party):

	Party A	Party B
Illegality	[ ]	[ ]
Tax Event	[ ]	[ ]
Tax Event Upon Merger	[ ]	[ ]
Credit Event Upon Merger	[X]	[X]

Additional Termination Event(s): None

(e) ***Substitution.***

(i) "***Substitution Date***" has the meaning specified in Paragraph 4(d)(ii).

(ii) ***Consent.*** The Pledgor must obtain the Secured Party's consent (which consent will not unreasonably withheld) for any substitution pursuant to Paragraph 4(d).

(f) ***Dispute Resolution.***

(i) "***Resolution Time***" means 1:00 p.m., New York time, on the Local Business Day following the date on which the notice is given that gives rise to a dispute under Paragraph 5.

(ii) ***Value.*** For the purpose of Paragraphs 5(i)(C) and 5(ii), the Value of Posted Credit Support will be calculated by the Valuation Agent seeking three mid-market quotes as of the relevant Valuation Date or date of Transfer from parties that regularly act as dealers in the securities or other property in question. The Value will be the arithmetic mean of the quotes received by the Valuation Agent.

(iii) ***Alternative.*** The provisions of Paragraph 5 will apply.

(g) ***Holding and Using Posted Collateral.***

(i) ***Eligibility to Hold Posted Collateral; Custodians.*** Party A and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b); ***provided*** that the following conditions applicable to it are satisfied:

(1) Party A is not a Defaulting Party.

(2) Posted Collateral may be held only in the following jurisdictions: United States of America.

Initially, the **Custodian** for Party A is not applicable.

Party B and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b); ***provided*** that the following conditions applicable to it are satisfied:

(1) Party B is not a Defaulting Party.

(2) Posted Collateral may be held only in the following jurisdictions: United States of America.

Initially, the **Custodian** for Party B is not applicable.

Notwithstanding the foregoing, each party hereby covenants and agrees that it will cause all Posted Collateral received from the other party to be entered in one or more accounts (each, a "Collateral Account") with a domestic office of a commercial bank or trust company (which is not an Affiliate of such party) organized under the laws of the United States (or any state or a political subdivision thereof) having assets of at least $10 Billion and a long term debt rating or deposit rating of at least (i) A3 from Moody's Investors Services, Inc. and (ii) A- from Standard and Poor's Corporation (a "Qualified Institution"), each of which accounts may include property of other parties but will bear a title indicating the Pledgor's interest in said account and the Posted Collateral in such account. In addition, the Secured Party may direct the Pledgor to transfer or deliver Eligible Collateral directly into the Secured Party's Collateral Account(s). The Secured Party may move the Collateral Accounts from one Qualified Institution to another upon reasonable notice to the Pledgor. The Secured Party shall cause statements concerning the Posted Collateral transferred or delivered by the Pledgor to be sent to the Pledgor on request, which may not be made more frequently than once in each calendar month.

(ii) ***Use of Posted Collateral.*** The provisions of Paragraph 6(c) will not apply.

(h) ***Distributions and Interest Amount.***

(i) ***Interest Rate.*** The ***"Interest Rate"*** will be at a rate per annum equal to the one month London Interbank Offered Rate for Dollar deposits as may from time to time be in effect as reported in the *Wall Street Journal.* Such interest shall be calculated on the basis of the actual number of days elapsed and on the basis of a year of 360 days.

(ii) ***Transfer of Interest Amount.*** The Transfer of the Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that Posted Collateral in the form of Cash is Transferred to the Pledgor pursuant to Paragraph 3(b).

(iii) ***Alternative to Interest Amount.*** The provisions of Paragraph 6(d)(ii) will apply.

(i) ***Additional Representation(s).***

Party A/Party B represents to the other party (which representation(s) will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that: Not Applicable.

(j) ***Other Eligible Support and Other Posted Support.***

(i) ***"Value"*** with respect to Other Eligible Support and Other Posted Support means: Not Applicable.

(ii) ***"Transfer"*** with respect to Other Eligible Support and Other Posted Support means: Not Applicable.

(k) ***Demands and Notices.*** All demands, specifications, and notices under this Annex will be made pursuant to the Notices Section of this Agreement.

(l) ***Addresses for Transfers.*** All transfers under this Annex will be made pursuant to the Account Section of this Agreement.

(m) ***Other Provisions.*** None.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

KOCH ENERGY TRADING, INC.,
a Kansas corporation

By: _____

Name: ~~**Bill M. Mohl**~~ DAVID A. SOBOTIK

Title: ~~**Vice**~~ **President**

Date: 6/1/98

MISSISSIPPI CHEMICAL CORPORATION

By: _____

Name: Charles O. Dunn

Title: President

Date: May 14, 1998

SCHEDULE I

LETTER OF CREDIT LANGUAGE

[BENEFICIARY'S NAME AND ADDRESS]

Gentlemen:

We hereby open our irrevocable standby letter of credit number _____ in favor of _____ ("Beneficiary"), by order and for account of _____ ("Applicant"), available at sight for an aggregate amount of U.S. Dollars against:

A written statement, by an authorized signatory of Beneficiary stating that Applicant failed to comply with its contractual and financial obligations and that the amount drawn is past due.

Documents must be presented at our counters not later than [expiration date].

We hereby engage with the Beneficiary that documents drawn under and in compliance with the terms of this credit will be duly honored upon presentation as specified. Partial drawings permitted.

This credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 revision) International Chamber of Commerce Publication Number 500.

AMENDMENT TO ISDA MASTER AGREEMENT
DATED DECEMBER 1, 1997
BY AND BETWEEN
KOCH ENERGY TRADING, INC. ("PARTY A")
AND
MISSISSIPPI CHEMICAL CORPORATION ("PARTY B")
(THE "AGREEMENT")

THIS AMENDMENT ("**Amendment**") to the Agreement is by and between Party A and Party B and shall become effective on the Contribution Date, as that term is defined below.

WHEREAS, Party A has informed Party B that Party A expects that it, along with Entergy Power Marketing Corporation ("**EPMC**"), will merge into a new entity to be named Axia Energy, LP ("**Axia**");

WHEREAS, Party A and Party B wish to have all Transactions entered into between Axia and Party B on and after the Contribution Date to be governed by the Agreement, as hereby amended;

WHEREAS, Party A and Party B agree that after the Contribution Date, the Credit Support Provider for Party A for all Transactions entered into between the parties hereto under the Agreement on and after the Contribution Date shall be Entergy-Koch, LP and not Koch Industries, Inc.

NOW, THEREFORE, in consideration of the foregoing premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I
DEFINITIONS

1.1 The following capitalized term shall have the meaning ascribed below:

"**Contribution Date**" shall mean the effective date of when Party A, or its successor, is contributed to Axia.

All other capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to them in the Agreement.

ARTICLE II
AMENDMENTS

2.1 The Agreement shall be amended as follows:

a. *Addresses for Notices.* The provisions of Part 3(a) regarding notices to Party A shall be deleted and replaced with the following:

Regarding Confirmation/Trading Transactions:
20 East Greenway Plaza
Houston, Texas 77046
Attention: Controller
Telephone No.: 713-544-4394
Facsimile No.: 713-544-9175

Legal Notices:
20 East Greenway Plaza
Houston, Texas 77046
Attention: Legal Department
Telephone No.: 713-544-4975
Facsimile No.: 713-544-5551

b. *Credit Event Upon Merger.* The provisions of Part 1(e) shall be deleted in their entirety and replaced with the following:

"The ***"Credit Event Upon Merger"*** provisions of Section 5(b)(ii) will apply to Party A and Party B, provided that with respect to Party A, Section 5(b)(ii) is amended by replacing the words "creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action," with:

'corporate credit rating or senior unsecured long term debt credit rating, as the case may be, of the Credit Support Provider is rated (i) BBB- or lower by Standard and Poor's Corporation (**"S&P"**) or (ii) Baa3 or lower by Moody's Investors Service, Inc. (**"Moody's"**)'"

c. *Credit Support Document:* The provisions of Part 3(c) shall be deleted in their entirety and replaced with the following:

"***Credit Support Document.*** Shall mean for Party A and Party B, the Credit Support Annex attached to the Master Agreement. In regard to Party A, the guaranty of its Credit Support Provider, *provided however*, with respect to Transactions entered into on or after the Contribution Date, and with respect to the provisions of paragraphs 5(a)(iii)(2), 5(a)(iii)(3), and 5(a)(viii)(2), upon delivery of notice by Party A to Party B pursuant to Part 3(d) as amended hereby, the guaranty of Entergy-Koch, LP shall be a Credit Support Document and the guaranty of Koch Industries, Inc. shall not be a Credit Support Document."

d. *Credit Support Provider.*

(1) The provisions of Part 3(d) shall be deleted in their entirety and replaced with the following:

"***Credit Support Provider.*** In regard to Party A, Koch Industries, Inc., *provided however,* with respect to Transactions entered into on or after the Contribution Date, upon notice by Party A to Party B, the Credit Support Provider for Party A shall be Entergy-Koch, LP, and Koch Industries, Inc. shall not be a Credit Support Provider.

(2) In addition to the foregoing, other than Parts 3(c) and 3(d) which shall be amended pursuant to the above, all references in the Agreement to '**Koch Industries, Inc.**', or any variation or definition thereof, shall be deleted and replaced with '**Credit Support Provider**'."

e. *Thresholds.* The provisions of Paragraph 13(b)(iv) of the Schedule to the Credit Support Annex, in respect to Thresholds only, shall be deleted in their entirety and replaced with the following:

(B) ***"Thresholds.*** (A) In regard to Party A, the Threshold shall be the respective threshold specified below set forth opposite the corporate credit rating or the senior unsecured long term debt rating, as the case may be, of Party A's Credit Support Provider as rated by S&P or Moody's:

S&P Credit Rating	Moody's Credit Rating	Threshold Amount
AAA	Aaa	$25,000,000
AA+, AA, AA-	Aa1, Aa2, Aa3	$20,000,000
A+, A, A-	A1, A2, A3	$15,000,000
BBB+	Baa1	$ 5,000,000
BBB	Baa2	$ 3,000,000
BBB-, lower, or unrated	Baa3, lower, or unrated	$0

In case of a split rating by S&P and Moody's, the higher rating shall control.

In regard to Party B, the Threshold shall be $10,000,000; ***provided, however,*** that Party A reserves the right, in its sole discretion, pursuant to Party A's normal and continuing credit evaluation procedures, to increase or decrease said threshold."

ARTICLE III
MISCELLANEOUS

3.1 *Agreement to Notify.* Party A shall promptly, after the Contribution Date, deliver (1) written notice to Party B identifying the Contribution Date and (2) the guaranty of Entergy-Koch, LP.

3.2 *No Other Amendments and Ratification.* This Amendment contains the entire understanding of the parties with respect to the amendments contained herein. Except pursuant to a written document, there shall be no amendments other than those specifically expressed herein, by implication or otherwise. All other terms of the Agreement shall remain in full force and effect.

3.3 *No Force or Effect.* In the event the Contribution Date is not on or before December 31, 2001, this Amendment shall be void and of no force or effect.

IN WITNESS WHEREOF, Party A and Party B have each caused this Amendment to be executed by their respective duly authorized officers or representatives on the day, month and year set forth below.

KOCH ENERGY TRADING, INC.

By: _____

Name: David A. Sobotka

Title: President

Date Jan. 19, 2001

MISSISSIPPI CHEMICAL CORPORATION

By: _____

Name: Timothy A. Dawson

Title: Senior Vice President & Chief Financial Officer

Date: January 22, 2001

Gas Hedging

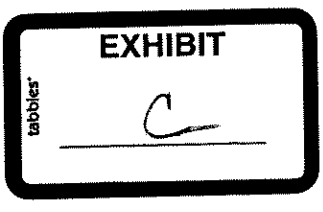
Plan

Ammonium Nitrate that we will produce in the months of October through December at the Yazoo Plant has been sold.

The opportunity currently exists to lock in the margins associated with this production by purchasing a long hedge under our master ISDA agreement with Koch.

Our plan as we move forward would be to continue to limit our gas hedging activities to the near two months using primarily long hedge positions except where circumstances would be better served by other forms of derivatives such as collars/caps/floors/etc.

Specifically, October gas purchases will not be hedged, as the contract closing date is September 26th. We will implement gas hedging for the November – December purchases and continue on a rolling two-month basis thereafter. (i.e., December-January, January – February, etc.)

Month	Gas Needs Contracts	Gas Price[1]
October	171	$4.770/MMBtu
November	165	$5.020/MMBtu
December	171	$5.275/MMBtu

[1] Budgeted Price. Futures market is currently trading somewhat below these values-plan is to lock in at or below budget values.