


B10 (Official Form 10) (04/13)

UNITED STATES BANKRUPTCY COURT Southern District of Mississippi  **PROOF OF CLAIM**

Name of Debtor:
Mississippi Phosphates Corporation
601 Industrial Road
Pascagoula, MS 39581

Case Number:
14-51667-KMS

NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property):
Mississippi Export Railroad Company

Name and address where notices should be sent:
Patrick R. Buchanan
Brown Buchanan P.A., Post Office Box 1377, Biloxi, MS 39533-1377

Telephone number: (228) 374-2999 email: mailb@brownbuchanan.com

COURT USE ONLY

Check this box if this claim amends a previously filed claim.
Court Claim Number: _____
(If known)

Filed on: _____

Name and address where payment should be sent (if different from above):
Same as above.

Telephone number: _____ email: _____

Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of such claim with the following particulars.

RECEIVED
DEC 02 2014
BMC GROUP

1. Amount of Claim as of Date Case Filed: \$ 62,000.00

If all or part of the claim is secured, complete item 4.

If all or part of the claim is entitled to priority, complete item 5.

Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.

2. Basis for Claim: Past due lease payment related to a Locomotive Lease Agreement
(See instruction #2)

3. Last four digits of any number by which creditor identifies debtor:
M I S P

3a. Debtor may have scheduled account as:
MSE
(See instruction #3a)

3b. Uniform Claim Identifier (optional):

(See instruction #3b)

4. Secured Claim (See instruction #4)
Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.

Nature of property or right of setoff: Real Estate Motor Vehicle Other
Describe: _____

Value of Property: \$ _____

Annual Interest Rate _____ % Fixed or Variable
(when case was filed)

Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any:
\$ _____

Basis for perfection: _____

Amount of Secured Claim: \$ _____

Amount Unsecured: \$ _____

5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.

Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B). Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier - 11 U.S.C. § 507 (a)(4). Contributions to an employee benefit plan - 11 U.S.C. § 507 (a)(5). Amount entitled to priority: \$ _____

Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507 (a)(7). Taxes or penalties owed to governmental units - 11 U.S.C. § 507 (a)(8). Other - Specify applicable paragraph of 11 U.S.C. § 507 (a)(____).

*Amounts are subject to adjustment on 4/01/16 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction 1)

MISS PHOSPHATES

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7. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. If the claim is secured by the debtor's principal residence, the Mortgage Proof of Claim Attachment is being filed with this claim. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

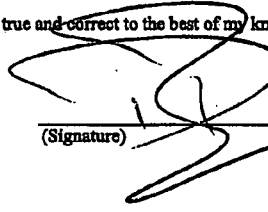
8. Signature: (See instruction #8)

Check the appropriate box.

- I am the creditor. I am the creditor's authorized agent. I am the trustee, or the debtor, or their authorized agent. I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)
(See Bankruptcy Rule 3004.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Patrick R. Buchanan
 Title: Attorney for Creditor
 Company: Brown Buchanan P.A.
 Address and telephone number (if different from notice address above):
Post Office Box 1377, Biloxi, MS 39533-1377


 (Signature) _____ 11-24-2014 _____
 (Date)

Telephone number: (228) 374-2899 email: mallb@brownbuchanan.com

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the

claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest and documents required by FRBP 3001(c) for claims based on an open-end or revolving consumer credit agreement or secured by a security interest in the debtor's principal residence. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

In account of: MISSISSIPPI RECOVERIES

PRCSGOUA MS

Customer Code: MISPRO FM

Aged as of Date: 11/05/14

As of: 11/05/14

Mail Check to: ROOOFERS RECOVERIES
4519 KILMICK AVENUE
MOSS POINT, MS 39563

Inquiry: JUNE KENNEDY, MGR. REV. ACCTS.
4519 KILMICK AVENUE
MOSS POINT, MS 39563

Equipment Intc Nbr	Type of Transaction	Invoice NBR	Date	Paybill Nbr	Date	Current	Over 30 Days	Over 60 Days	Over 90 Days	Over 120 Days
Miscellaneous		31339	4/30/14	0						7,750.00
Miscellaneous		6045	4/30/14	0						300.00
Miscellaneous		31771	4/30/14	0						7,500.00
Miscellaneous		31291	5/31/14	0						7,750.00
Miscellaneous		31315	6/30/14	0						7,500.00
Miscellaneous		31326	7/30/14	0						7,500.00
Miscellaneous		31349	8/31/14	0						7,750.00
Miscellaneous		6315	9/30/14	0						450.00
Miscellaneous		31378	9/30/14	0		7,750.00				7,500.00
Miscellaneous		31378	10/31/14	0		7,750.00				7,500.00
Account Totals						7,750.00	7,950.00	7,750.00	7,750.00	30,800.00

Balance Due: 62,000.00

LOCOMOTIVE LEASE AGREEMENT

This Locomotive Lease Agreement (hereinafter referred to as this "Lease"), is made and entered into this the 16th day of March, 2007 by and between **Mississippi Export Railroad Company**, a Mississippi corporation (hereinafter referred to as "Lessor"), and **Mississippi Phosphates Corporation**, a Mississippi corporation (hereinafter referred to as the "Lessee").

WITNESSETH:

WHEREAS, Lessee desires to lease from Lessor for use in its business operations, the locomotive hereinafter described upon the terms and conditions herein set forth; and

WHEREAS, Lessor agrees to furnish the locomotive hereinafter described and is willing to lease the same to Lessee upon the terms and conditions herein set forth;

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

1. **Use and Description of Locomotive.** Lessor leases and lets unto Lessee and Lessee accepts and takes from Lessor, for use at the Pascagoula, MS, facility that certain locomotive identified as a diesel locomotive (the "Locomotive"). Lessor acknowledges that Lessee intends to use the Locomotive to switch cars within its Pascagoula facility and warrants that the Locomotive is fit for such use.
2. **Rent.** Commencing on the date Lessee takes possession of the Locomotive, and thereafter during the term hereof until possession of the Locomotive is surrendered to Lessor, Lessee shall pay to Lessor for rental of the Locomotive the sum of Two Hundred Fifty and 00/100 Dollars (\$250.00) per day or Seven Thousand Five Hundred and 00/100 Dollars (\$7,500.00) per month (based on a 30 day month).

The first payment is due on or before the date Lessee takes possession of the Locomotive. If the Lessee takes possession of the Locomotive or returns the Locomotive to Lessor on any day other than the first day of the month, rent due on the Locomotive will be prorated accordingly. The daily rental is due the first day of each month thereafter. In the event the locomotive is out of service for repairs for more than one (1) day during any month during the term of this lease, the monthly rental charge for any such month will be reduced by Two Hundred Fifty and 00/100 Dollars (\$250.00), each full day the Locomotive is out of service. This credit will not apply if the repairs are necessitated by damage caused by the Lessee's negligence or abuse of the Locomotive. The Lessor shall reserve the option to provide Lessee with a

comparable Locomotive in lieu of the Two Hundred Fifty and 00/100 Dollar (\$250.00) per day reduction in monthly rental.

3. **Lease Term.** This Lease shall extend for thirty (30) days commencing with the date Lessee takes possession of the Locomotive.
4. **Lessee's Responsibility for damage to Locomotive.** The Lessee shall be responsible for all physical damage to the locomotive from any cause (except for damage caused by the negligence of Lessor, its employees, agents or contractors), other than normal wear, while the Locomotive is in the possession of the Lessee. This shall include, but not necessarily be limited to, damages resulting from Acts of God, collisions, accidents, derailments, vandalism, hurricanes and/or floods, and from the negligence on the part of the Lessee or Lessee's employees, agents or subcontractors or from the acts of omissions of the Lessee or its employees, agents or subcontractors. All maintenance and repairs to locomotive will be conducted by Mississippi Export Railroad and/or its agents at a rate of Seventy-five Dollars and 00/100 (\$75.00) an hour plus parts. This includes cleaning all chemical residues inside the locomotive cab. Lessee's liability for damages to the Locomotive shall not exceed the sum of Three Hundred Thousand and 00/100 Dollars (\$300,000.00) per incident or occurrence. Lessee will supply the locomotive with fuel, water, sand and other current operating supplies in accordance with lessor's specifications as may be needed. Lessee will perform daily inspections, routine maintenance as addition of lubricating oils and adjustment of brake piston travel, when needed, and will protect the Locomotive cooling water from freezing.
5. **Notice of Defects.** Lessee shall notify Lessor promptly of any defects requiring repairs as observed by the Lessee. Lessee will permit Lessor's employees or agents on Lessee's property for the purpose of making inspections of or repairs to the Locomotive, if necessary.
6. **Operation by Qualified Personnel.** Lessee is solely responsible for the safe operation of the Locomotive while it is in Lessee's possession and for ensuring that all personnel involved in any way with the Locomotive, including but not limited to those involved in the operation and maintenance of the Locomotive are fully qualified and properly supervised.
7. **Default.** Time is of the essence under this Lease and any of the following events shall constitute defaults on the part of the respective parties hereunder:
 - (a) the failure of the Lessee to pay any installment of rental within fifteen (15) days after the date on which the same shall become due;
 - (b) any breach or failure of either party to observe or perform any of its obligations hereunder and the continuance of such default for fifteen

(15) days after notice in writing to the nonconforming party of the existence of such default;

- (c) the insolvency or bankruptcy of either party or the making by either party of an assignment for the benefit of creditors, or the consent of the either party to the appointment of a trustee or receiver, or the appointment without the consent of either party, of a trustee or receiver for either party or for a substantial part of its property; or
- (d) the institution by or against either party of bankruptcy, reorganization, arrangement, or insolvency proceedings.

Upon the occurrence of any such default, the conforming party may, at its option and without notice to or demand on the nonconforming party,

- (a) Declare this Lease in default and, thereupon, the Locomotive shall be returned to the Lessor.
- (b) By its agents, take possession of the Locomotive wherever found, with or without process of law, and for this purpose may enter upon any premises of the Lessee or any other person on whose property the Locomotive is located without liability for suit, action, or other proceeding by the Lessee and remove the same.

8. Risk of Loss and Insurance.

- (a) Lessee shall maintain insurance coverage for product liability and public liability risks with a minimum insurance limit of Five Million and 00/100 Dollars (\$5,000,00.00) with an insurance carrier qualified to do business in the state in which the Locomotive is located. The Lessor to be named as an additional insured on this coverage. Lessee shall deliver to the Lessor the policy or evidence of satisfactory insurance.
- (b) The Lessee shall, at its own expense, keep the Locomotive insured, at its actual full value of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) against fire, damage, destruction, or theft, with losses, if any, payable to Lessor.
- (c) Lessor shall maintain insurance coverage for product liability and public liability risks with a minimum insurance limit of Five Million and 00/100 Dollars (\$5,000,000.00) with an insurance carrier qualified to do business in the state in which the Locomotive is located. Lessor shall deliver to the Lessee the policy or evidence of satisfactory insurance.

9. **Taxes; Licenses.** Lessee shall pay all licenses fees, sales taxes, use taxes, excise taxes, personal property taxes, assessments, ad valorem taxes, stamp and documentary taxes, and all other governmental charges, fees, fines, or penalties whatsoever, whether payable by the Lessor or the Lessee or others, on or relating to the Locomotive or the use, registration or operation thereof by Lessee, other than federal or state income and franchise taxes of the Lessor, and shall file all returns required therefore and furnish copies thereof to the Lessor. Upon demand, the Lessee shall reimburse the lessor for any such taxes, assessments, charges, fines or penalties, which the Lessor may be compelled to pay in connection with the Locomotive. The Lessor will cooperate with the Lessee and furnish the Lessee with any information available to the Lessor in connection with the Lessee's obligations under this paragraph.

10. **Indemnity.**

(a) Each party (the "Indemnitor") shall indemnify, protect and hold harmless the other party ("the Indemnitee"), its agents, servants, successors and assigns from and against all losses, damages, injuries, claims, demands and expenses, including legal expenses of whatever nature arising out of, incident to, connected with, or in any way related to this Lease that are caused by the alleged negligence of the Indemnitor, its employees, agents, servants or subcontractors.

(b) The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect, notwithstanding the termination of the Lease, whether by expiration of time, by operation of law or otherwise.

(c) Lessee is an independent contractor and nothing contained in this Lease shall authorize Lessee or any other person to operate the Locomotive so as to incur or impose any liability of obligation for or on behalf of the Lessor.

11. **Freight.** Lessee shall pay all inbound and outbound freight charges incurred in delivery of the Locomotive to Lessee's siding.

12. **Possession.** Possession of the Locomotive shall pass to lessee as of the moment the Locomotive arrives on Lessee's railroad siding track. Possession of the Locomotive shall be reacquired by Lessor when the Locomotive leaves Lessee's siding under the control of Lessor or its agents or employees after the termination of this Lease for whatever reason.

13. **No Implied Representation or Warranties.** The parties hereto acknowledge and agree that the lessor is not a manufacturer or engaged in the sale or distribution of the Locomotive. It is further acknowledged that the Lessor

makes no representations, promises, statements, or warranties, expressed or implied, with respect to the merchantability, suitability, or fitness for a specific purpose of the Locomotive.

14. **Invalid Provision.** Any provision of this Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the rest of this Lease.
15. **Construction.** The validity, construction and enforcement of this Lease shall be governed by the laws of the state of Mississippi.
16. **Complete Agreement.** This Lease contains the entire understanding of the parties, and such understanding may not be modified or terminated except in writing signed by both parties. Lease may not be assigned without the express written consent of the Lessor.
17. **Notices.** All notices and other communications hereunder shall be validly given or made if in writing when delivered personally (by courier service or otherwise), when delivered by facsimile, or when actually received when mailed by first-class, certified U.S. mail, postage prepaid and return receipt requested, to the address of the party to receive such notice or other communication set forth below, or at such other address as either party hereto may from time to time advise the other party in writing pursuant to this paragraph.

If to Lessor: Mississippi Export Railroad Company
Attn: Mark Miller
P.O. Box 8743
Moss Point, MS 39562-8743
Fax: (228) 475-3337

If to Lessee: Mississippi Phosphates Corporation
Attn: Robert Jones
100 Webster Cir., Ste. 4
Madison, MS 39110
Fax: (601) 898-9915

18. **Binding Effect.** This Lease shall be binding upon an inure to the benefit of the parties hereto, their successors, legal representatives, and assigns.

IN WITNESS WHEREOF, the Lessor and Lessee have caused these presents to be duly executed the day and year first above written.

LESSOR:
MISSISSIPPI EXPORT RAILROAD COMPANY

BY: *Dederia L. Demouey*
DEDERIA L. DEMOUEY
VICE PRESIDENT

James Selmore
WITNESS

LESSEE:
MISSISSIPPI PHOSPHATES CORP.

BY: *Robert E. Jones*
Robert E. Jones (Name)
Chief Executive Officer (Title)

James F. ...
WITNESS

Southern District of Mississippi Claims Register

14-51667-KMS Mississippi Phosphates Corporation

Judge: Katharine M. Samson

Chapter: 11

Office: Gulfport-6 Divisional Office

Last Date to file claims: 02/24/2015

Trustee:

Last Date to file (Govt): 04/25/2015

<i>Creditor:</i>	(3867806)	<i>Claim No:</i> 27	<i>Status:</i>
Mississippi Export Railroad Company		<i>Original Filed</i> Date: 11/24/2014	<i>Filed by:</i> AT
c/o Patrick R. Buchanan		<i>Original Entered</i> Date: 11/24/2014	<i>Entered by:</i> Patrick R. Buchanan
Brown Buchanan P.A.			<i>Modified:</i>
Post Office Box 1377			
Biloxi, MS 39533-1377			

Amount claimed: \$62000.00

History:

<i>Details</i>	27-1	11/24/2014	Claim #27 filed by Mississippi Export Railroad Company, Amount claimed: \$62000.00 (Buchanan, Patrick.)
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Description: (27-1) Past due lease payment of Locomotive Lease Agreement

Remarks:

Claims Register Summary

Case Name: Mississippi Phosphates Corporation

Case Number: 14-51667-KMS

Chapter: 11

Date Filed: 10/27/2014

Total Number Of Claims: 1

Total Amount Claimed*	\$62000.00
Total Amount Allowed*	

*Includes general unsecured claims

The values are reflective of the data entered. Always refer to claim documents for actual amounts.

	Claimed	Allowed
Secured		
Priority		
Administrative		